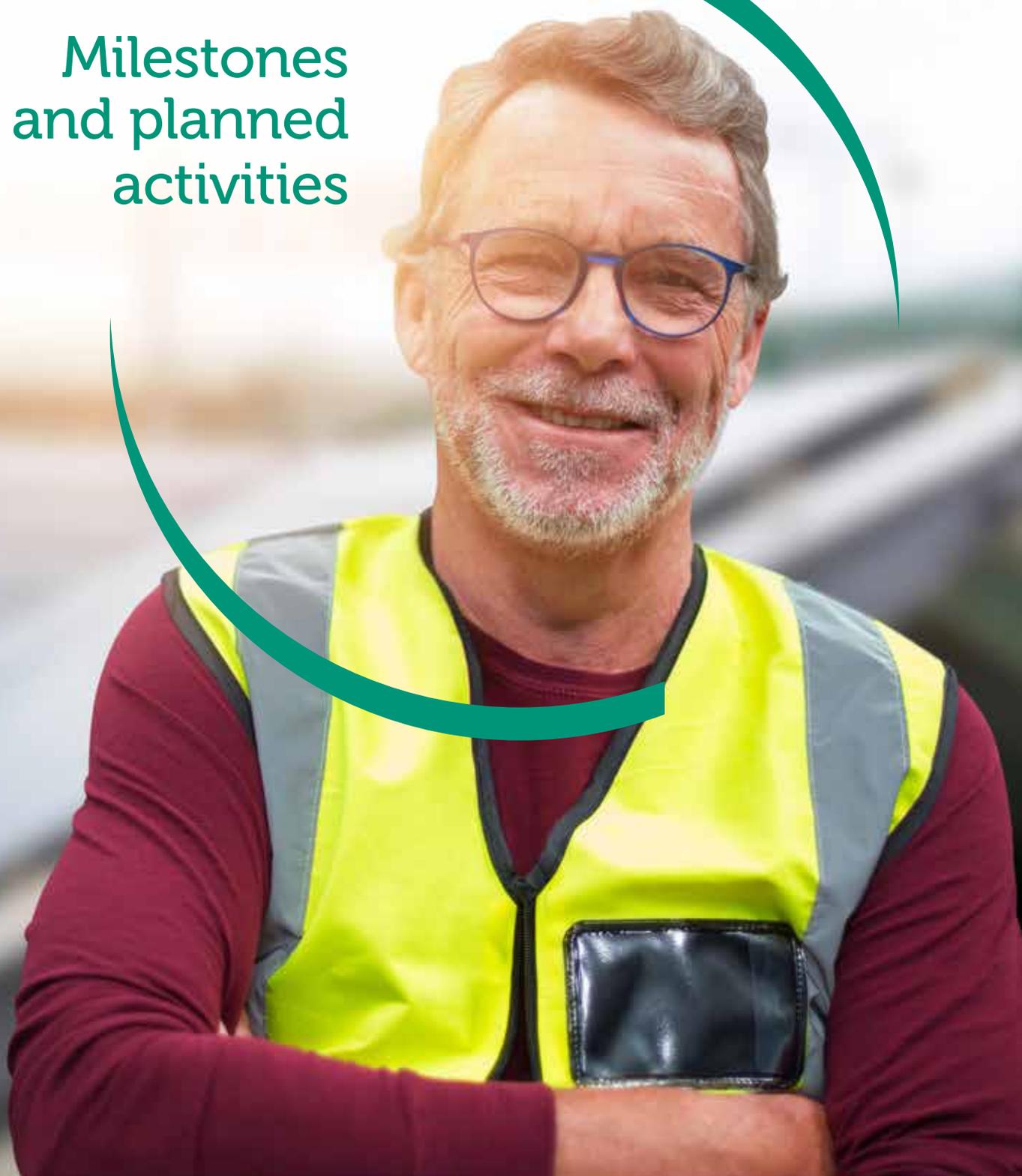


Milestones
and planned
activities



Milestones and planned activities

Sustainable funding in volatile times



Planned Activity / Milestone

1

We will complete the first stage of changes in order to prepare for reaching our funding horizon. This includes:

- Refreshing our Long Term Risk Model to provide significantly improved speed and sustainability
- Determining the financial modelling requirements to support the next evolution of our funding strategy; and
- Publishing our first consultation on our proposed levy methodology for the period beginning 2021/22.



2

We will demonstrate a robust and effective approach to responsible investment:

- Identifying and assessing our climate-related risk exposure through carbon footprinting, sustainability and scenario analysis, starting with our Global Equity and Bonds investments
- Participate in the Principles of Responsible Investment annual assessment; and
- Undertaking a feasibility study to combine our environmental, social and governance – related research with our real time investment/risk systems and reports.

3

We will maintain probability of success of at least 90 per cent, subject to macroeconomic conditions.

Milestones and planned activities (continued)

Built for innovation



Planned Activity / Milestone

4

We will complete the current plans for investment insourcing.

5

We will complete the first phase of a three year IT transformation programme. We will transition from the current single managed service provider to a disaggregated support model with internal capabilities, leading with cybersecurity.

6

We will improve the service and efficiency in our Member Services operation by:

- 60 per cent of member services transactions being completed online
- Implementing at least five initiatives to increase automation and efficiency; and
- Training all Senior Pensions Administrators and 50 per cent of Pensions Administrators on both the FAS and PPF payroll critical processes and all Contact Centre staff to be able to take calls from both FAS and PPF members.



Milestones and planned activities (continued)

Brilliant service for members and schemes



Planned Activity / Milestone

7

PPF and FAS members' satisfaction with the service they receive is at 90 per cent or above.

8

Levy payers' satisfaction with the service they receive is at 80 per cent or above.

9

Together with Dun and Bradstreet, we will launch a rebuilt web portal by 31 March 2020. This will be used to view insolvency risk scores and information for the levy year 2021/22.

10

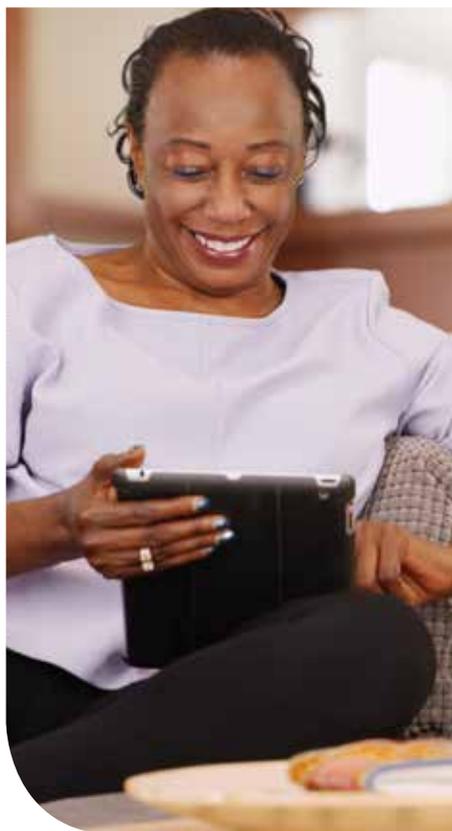
We will review and publish our policy for accepting payment plans on the levy and will evaluate the extent to which further changes are necessary to meet small and medium enterprise concerns.

11

We will collect 95 per cent of the outstanding uncontested 2019/20 levy by 31 December 2019.

12

Following the judgment from the European Court of Justice, we will adjust compensation for capped members identified as receiving less than 50 per cent of the value of their accrued benefits, notwithstanding additional complications from legal challenge.



Milestones and planned activities (continued)

The best of financial and public services culture



Planned Activity / Milestone

13

We will score at least 85 per cent on our employees agreeing with the statement 'In my experience, PPF actively encourages diversity in all its aspects' with a particular focus on how that question is answered by those in under-represented groups.

14

Following a successful refresh of our risk management framework in 2018/19, we will continue to make changes to the way we manage and report risk according to the plan we have developed.

15

Following the implementation of appropriate aspects of the Senior Managers and Certification Regime (the "Regime") to the PPF, we will continue to embed that into our framework and monitor our compliance with our version of the Regime.

Milestones and planned activities (continued)

Clear value for money



Planned Activity / Milestone

16

We will implement the new operating model and performance management system for our investment operations function.

17

We will undertake a value for money review, documenting benchmarks or agreed action plans covering 80 per cent of our non-staff operating cost base.

18

We will deliver investment performance consistent with targets set by the Board and consistent with our long term investment objectives within our strategic risk budget.

Our expected long-term investment return is modelled based on our Strategic Asset Allocation and Investment Assumptions, within the Risk Budget allocated by the Board. This return is currently projected to be 1.5 per cent over LIBOR over a 10 year horizon.



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