

Responses to our investment consultation

This month we published the key findings of our investment consultation, a key stepping stone on the road to developing investment recommendations for the trustee corporation of the personal accounts scheme. The document does not set out PADA's recommendations - there is more work to do, but this is a great starting point.

Constructing an investment strategy that is suitable for the diverse needs of millions of future personal accounts members is a significant and complex undertaking. This response document is the culmination of an unprecedented level of engagement and debate with more than 100 organisations to make sure we get this central issue right.

We have captured industry best practice, new innovations and some of the latest research and analysis to produce this summary of our stakeholders' views and our emerging thinking. Areas where we have sought your views reveal an emerging consensus on a number of issues, such as the importance of understanding our future membership and the relevance of responsible ownership in the way members' contributions are invested.

Other areas - for example, what the overarching investment objective should be - demonstrate the complexity and variety of approaches that could be taken. Where there are mixed views, we are undertaking further engagement and research to ensure that the recommendations we make to the trustee corporation are based on the best possible information and evidence.

I am extremely grateful for the time and goodwill that our stakeholders and other interested parties have committed towards shaping our thoughts. The quality of debate, the evidence provided and the best practice and experience shared have been impressive. This gives me confidence we are on course to deliver an investment strategy that best meets the needs of all future members. To view a copy of our investment consultation, visit our website:

http://www.padeliveryauthority.org.uk/documents/Investment_Consultation_Nov2009.pdf

I look forward to the debate continuing.

Tim Jones, Chief Executive

Keyfact PADA engaged with **more than 100** organisations throughout its investment consultation

Question of the month

Will employers have to use a special payroll system to use the personal accounts scheme?
No.

The personal accounts scheme will be an e-business to ensure that it stays low-cost and is simple for members and employers to use. However, it will not require the use of specific software packages. We will work with employers and payroll providers to ensure that the correct contribution information for investment on behalf of the members is passed to us, either via manual data entry on our Scheme Website, a file upload facility via the Scheme Website or through secure file transfer facilities such as SFTP.

We aim to maximise the use of electronic channels in order to minimise operational costs, reduce instances of error and rework, particularly for employers, and improve convenience, speed and quality of service delivery for both members and employers.

PADA will, however, ensure that non-e services are available where appropriate for both employers and members. This is because there will be some circumstances in which users will need to access more traditional services, for example to speak to someone on the telephone.

Keeping you up-to-date

Keeping stakeholders updated remains at the top of our agenda, so let us know what you think of the newsletter and what other information you might find useful.

Checking PADA out?

If you're out and about at conferences over the next few months you may spot the new PADA conference stand.

The stand is designed to raise awareness and understanding of the personal accounts scheme and has a supermarket checkout theme.

Conference delegates will be able to take part in an interactive quiz by scanning a number of 'products' at the checkout that all relate to the questions they are being asked.

Delegates who take part in the quiz will receive a PADA-branded memory stick containing our video, a presentation and scheme literature.

PADA on the web

PADA is introducing a new and improved stakeholder section on our website.

At the more user-friendly stakeholder section you'll be able to subscribe to *The Link*, learn about PADA's representative committees, see what our stakeholders have been saying about us in the media and download a PADA speaker request form. You will also find contact details of PADA's Stakeholder Team in this section.

The new look section will be launched later this month at <http://www.padeliveryauthority.org.uk/stakeholders.asp>.

Coming up

PADA people regularly attend events to update stakeholders about our work and progress. Here are some forthcoming events:

2 December

Director of Corporate Services, Graham Vidler will be attending the NAPF roundtable discussion

3 December

PADA will be holding its quarterly Employer Representative Committee meeting

4 December

Head of Product and Market Engagement, Paul Gilbody, will be appearing at an Institute of Economic Affairs and Marketforce event on the personal accounts scheme

If you would like to request a PADA speaker for your event, download a speaker request form at www.padeliveryauthority.org.uk

Introducing ... Mark Fawcett

A brief biography of PADA's Investment Director



Objective: To deliver recommendations to the trustee corporation for an investment approach and a decumulation strategy that will be appropriate for the personal accounts scheme; to oversee volumes and other modelling and deliver the launch of the scheme in 2011.

Previous roles: Mark has been an investment manager for the last 22 years. He has managed money at a variety of institutions, including Gartmore as its Head of Japanese Equities and American Express Asset Management International, where Mark was Chief Investment Officer. Prior to joining PADA in October 2008, Mark was a Partner at the hedge fund group Thames River Capital LLP.

Education: Sloan Masters (MSc), London Business School, BA Hons in Maths and Philosophy, St Peter's College, Oxford

Mark says: On designing the default investment fund for the personal accounts scheme: "It is my vision and aspiration that the default fund will be so good that if 90 per cent of members actually made a choice, they would rationally choose the default fund. I also want to make sure that people choose the best value, most appropriate annuity when they come to buy their pension."