

LOCAL PENSIONS PARTNERSHIP INVESTMENTS LTD (LPPI)

Complaints Handling Policy

1. Introduction

LOCAL PENSIONS PARTNERSHIP INVESTMENTS LTD (hereafter 'LPPI' or The 'Firm') is required to implement procedures which provide for the prompt and effective handling of clients' or potential clients' complaints.

This document constitutes the Firm's complaints handling policy (the "Policy"). The Policy refers solely to complaints received in relation to the regulated investment business, LPPI. Separate arrangements exist in relation to 'general' complaints relating to its parent company, LPP Ltd, and/ or LPP's Pensions Administration business.

The Firm conducts its business in accordance with all applicable laws and regulations, including the requirements of DISP 1.1A (Dispute Resolution: Complaints) of the FCA Handbook.

This Policy applies to all clients and potential clients of the Firm, including professional clients and eligible counterparties (in relation to eligible counterparty business).

The Firm's senior management are responsible for the implementation, monitoring and review of this Policy to ensure that it remains fit for purpose and ensuring the Firm's compliance with it. All employees are responsible for ensuring that any complaint that they receive from an existing or potential client of LPPI is forwarded without delay to LPPI's Complaints Management Function.

2. Complaints Management Function

The Firm has established a complaints management function ("CMF") which is responsible for the investigation and resolution of complaints. The CMF is performed by the Firm's Compliance Team, and the Firm's Head of Compliance has overall responsibility for complaints handling relating to LPPI.

3. Definition of Complaint

The European Securities and Markets Authority ("ESMA") defines a complaint as "a statement of dissatisfaction addressed to a Firm by a client or a potential client relating to the provision of investment services".

The FCA rulebook has definitions for two types of complaints, one for complaints that applies to LPPI when operating as the Alternative Investment Fund Manager (AIFM) for the various pools, and the manager of any unauthorised funds which are not deemed to be alternative investment funds. The other applies to MiFID complaints and applies to LPPI when it is acting as the discretionary investment manager for the LGPS clients

under the terms of an advisory and management agreement, and relate only to LPPI's professional clients or eligible counterparties.

The FCA handbook defines a "complaint" as:

"any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service or a redress determination:

- (a) which alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience; and
- (b) relates to an activity of that respondent, or of any other respondent with whom that respondent has some connection in marketing or providing financial services or products which comes under the jurisdiction of the Financial Ombudsman Service.

Additionally, the FCA defines a "MiFID complaint" as:

"any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service or a redress determination:

- (a) which alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience; and
- (b) either:
 - (i) to which article 26 of the MiFID Org Regulation applies¹; or
 - (ii) which concerns the equivalent business of a third country investment firm".

It is important to differentiate between complaints classified as "MiFID complaints" and those relating to LPPI acting as an AIFM.

The FCA complaint handling rules apply to complaints from eligible complainants i.e. consumers who are individuals. Consequently, LPPI's clients are not classed as eligible complainants and are excluded under the rules from referring complaints to the Financial Ombudsman Service (FOS).

Certain rules do however apply to MiFID complaints from professional clients or eligible counterparties, such as OPS clients.

4. Complaint Handling Process

In order to ensure a consistent approach to complaint handling across LPPI, the AIFM complaints are dealt with to the same regulatory standard as the MiFID complaints. The only difference being that FCA reporting is only required for MiFID complaints.

¹ For MiFID investment firms, this includes the provision of MiFID investment services or ancillary services. For AIFMs, this includes – *inter alia* – managing segregated accounts and the provision of investment advice.

The process for handling complaints made relating to LPPI is as follows:

4.1 Receipt of Complaint and Logging

Complaints (from LPPI's professional clients or eligible counterparties) may be received by LPPI in different ways:

- Through regular meeting with clients involving the Managing Director/ Chief Investment Officer and /or the Client Relationship Director acting in a client liaison capacity
- Emails received into the dedicated LPP complaints mailbox - complaints@localpensionspartnership.org.uk
- Written complaints addressed to the LPPI Compliance Team received directly or via Bank of New York Mellon in its capacity as outsourced provider for the various investment pools.
- Through one of the contact channels for within the wider LPP group.

Upon receipt of a complaint from a client or potential client of the Firm, whether orally or in writing, the recipient must immediately notify a member of the Firm's CMF.

The CMF will log the receipt of the complaint in a register maintained for the purpose, and oversee the production of an appropriate response to the complainant. This may require the CMF to liaise with other teams within LPP Ltd Group in order to establish the particulars of the issue.

The Firm's CMF will assess whether the complaint is time barred in accordance with the FCA regulations.

The Firm's CMF will assess whether the complaint is a "MiFID complaint" and is subject to additional reporting under this Policy.

Complaints made to BNYM:

Where complaints are received by BNYM in relation to the Authorised Contractual Scheme (ACS), the following arrangements will be undertaken by BNYM:

- BNYM will send acknowledgement of complaint to complainant within 3 Business Days of receipt;
- BNYM will provide a response to the complaint in accordance with BNYM complaints procedures within 20 Business Days of receipt of complaint;
- LPPI will ensure all complaints received by LPPI relating to the ACS are passed to BNYM within 1 Business Day of receipt;
- BNYM will compile and maintain a complaints log of ACS related complaints;
- BNYM will send the updated complaints log to LPPI for review on the 10th Business day of each month;
- LPPI will validate complaints on BNYM's register against LPPI's records on a quarterly basis.

4.2 Acknowledgement of Complaint

The Firm will promptly and without undue delay (within two business days) provide a written acknowledgement confirming receipt of a complaint to the complainant, enclosing a copy of the Firm's Complaint Handling Procedures, set out in Appendix A. If the complaint is time barred the Firm will notify the complainant in writing. If the event that is the subject of the complaint occurred more than six years prior to the complaint or (if later) three years from the date on which the complainant became aware (or ought reasonably to have become aware) that he/she had cause to complain, the Firm may reject the complaint without considering the merits, but must explain this to the complainant.

4.3 Investigation of Complaint

All complaints will be investigated diligently and impartially by the CMF. The CMF will obtain additional information as necessary, internally, from external service providers and/or from the complainant, as applicable.

When investigating a complaint, the CMF will take into account all the evidence available and the particular circumstances of the complaint. The CMF will consider if other similar complaints have been received and if relevant will consider relevant guidance from the FCA.

4.4 Complaints Forwarding

If, following its investigation, the CMF is satisfied that another respondent may be solely or jointly responsible for the matter alleged, the Firm shall forward the complaint to the other respondent promptly and shall notify the complainant in writing.

4.5 Communication with Complainant

The Firm will provide on-going written communication to the complainant with no undue delays, informing the complainant of the Firm's position, any proposal for resolution and the complainant's options, including possible alternative dispute resolution.

4.6 Resolution of Complaint

Upon completion of its investigation into the complaint, the Firm will promptly notify the complainant of any proposed remedial action or redress. If the complainant accepts the proposal the Firm will conclude the matter promptly.

The Firm will take all reasonable steps to resolve the complaint within 8 weeks of receipt.

If the complainant is not satisfied with the proposal the Firm will notify the complainant of any alternative action it may be entitled to take.

As Occupational Pension Schemes are not within the eligible complainant definition, they do not have recourse to take their complaint to the Financial Ombudsman Service.

5. Recordkeeping

The Firm maintains records of each complaint received, including the steps that were taken to investigate the complaint, how the complaint was resolved and any recommendations for changes to the Firm's business as a result of the complaint.

The form of report is set out in Appendix B.

6. Analysis and Review of Complaints Handling Data

The Firm's CMF periodically analyses and reviews complaints handling data to ensure that risks or issues are identified and addressed.

The CMF may make recommendations related to changes to the business and procedures to address circumstances that led to complaints and to avoid recurrence of such complaints.

7. Publication and Reporting

The Firm publishes its complaint handling procedures on the LPP website in order to be available to its clients and potential clients in the form set out in Appendix A.

The Firm will provide the FCA with a report concerning all MiFID complaints twice a year, in accordance with its regulatory obligations. This report will include details of MiFID complaints from all categories of client and potential client and shall not be limited to eligible complainants.

Any complaints received about LPPI when acting as AIFM are not to be included in the FCA reporting.

8. Responsibility of Employees

All relevant employees of the firm are required to be familiar with this Policy, and be aware of the procedures required to be complied with upon receiving a complaint or (expression of dissatisfaction) from a client or potential client of the firm and report this immediately to the Firm's CMF.

9. Management Oversight, Monitoring and Review

The Firm monitors the effectiveness of this Policy to identify and, where appropriate, correct any deficiencies and to demonstrate compliance with this Policy. The governing body receives periodic management information relating to complaints handling in respect of LPPI from the CMF.

Any deficiencies, risks or issues identified by the Firm's monitoring procedures are promptly escalated to the governing body for their review with sufficient detail and a proposal for corrective action to be taken, including any proposed changes to this Policy.

The Firm's Head of Compliance is responsible for reviewing this Policy annually or more frequently if it is considered appropriate to do so, to ensure that it continues to meet legal and regulatory requirements and that it reflects best business practice.

APPENDIX A

Complaints Handling Procedure

To be provided to clients or potential clients upon request or upon receipt of a complaint.

How to make a Complaint Relating to LPPI

This applies to LPPI when it is acting as the discretionary investment manager for the LGPS clients under the terms of an advisory and management agreement, and relates only to LPPI's professional clients or eligible counterparties since retail and eligible complainants do not apply to LPPI.

If you have a complaint, please contact the Firm's Compliance Team with details. You may make a complaint in person, or in writing:

Email: complaints@localpensionspartnership.org.uk

Address: Head of Compliance, Local Pensions Partnership Investments Ltd,
Norwest Court
Guildhall Street
Preston
Lancashire
PR1 3NU
UNITED KINGDOM

All complaints are submitted free of charge.

Our Complaints Procedure

1. Once a complaint is made, we will send you a letter acknowledging receipt of your complaint promptly and without undue delay (within two business days), enclosing a copy of this procedure.
2. We will then investigate your complaint diligently and impartially. We may request that you provide additional information to assist us with our investigation.
3. We will keep you informed of the progress of our investigation and, if appropriate, our proposed action to resolve your complaint.
4. If you accept our proposed action to resolve your complaint we will conclude the matter promptly.
5. We will take all reasonable steps to resolve your complaint within 8 weeks of receipt.

Your Right to Take Further Action

If your complaint is not resolved to your satisfaction you may be entitled to take civil action against the Firm.

APPENDIX B

Complaint Report

This Report should be completed in respect of all complaints made against the Firm and also all complaints made to the Firm in respect of the service providers, outsourcers or delegates used by the firm.,.

To be completed by the CMF:

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| Date of this Report: | |
| Name of Complainant: | |
| Relationship of Complainant to Firm: | |
| Is the Complaint Against the Firm or a Third Party? <i>(If a third party, provide the name and relationship of the third party with the Firm or a fund the Firm manages)</i> | |
| Date Complaint Received: | |
| Date Complaint Notified to CMF: | |
| Is the Complaint Material?: | |
| Who Reported the Complaint: | |
| Date of Written Acknowledgement of Complaint to Complainant: <i>(A written acknowledgement must be sent to the Complainant promptly and without undue delay of receipt of the complaint; attach a copy to this Report)</i> | |
| Date of Written Response to Complainant: <i>(A written response must be sent to the Complainant within 8 weeks; attach a copy of response to this Report) i.e. Date complaint closed</i> | |

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| Investment product or Service complaint concerns. | |
| Is complaint a MiFID complaint and reportable to FCA? | |

Provide details of the Complaint (including details of how the complaint was raised and a copy of any Complaint notified to the Firm in writing):

Has the Complaint been resolved?

If Yes, provide details of how it was resolved (including steps taken, copies of any material correspondence, persons involved in its resolution and the current relationship status of Complainant and the Firm (e.g. if an existing investor have they redeemed their investment?):

If No, provide a status update on the handling of the Complaint (including steps taken to date, copies of any material correspondence, person(s) responsible for resolving the Complaint and next steps to be taken):

YES / NO

Provide details of any action taken (or to be taken) to avoid a recurrence of the matter that was the subject of the Complaint (including details of any additional controls implemented, any amendments to policies and procedures, governing body approval etc.):

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Provide details of any notifications or disclosures that were necessary as a result of the Complaint (e.g. notification to the FCA or other competent authority):

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Provide details of any supporting documentation, copies of which should be attached to this Report:

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| Signed: | [Head of Compliance |
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Change of History Record

| Document title: Complaints Handling Policy | | | | | |
|--|---------------------------|--------------------|-------------------------|------------------|---------------|
| Version No | Description of change | Owner | Approval | Date of Approval | Date of Issue |
| 1.0 | First version | Head of Compliance | LPP Executive Committee | | |
| 2.0 | New Version post MiFID 11 | Head of Compliance | LPP Investments Board | 12/03/2018 | 13/03/2018 |
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| Distribution List (To be completed if Document is classified as confidential) | | | | | |
| All LPPI staff | | | | | |
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