

A PENSIONS *Age* AWARDS 2019

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28 February 2019 - London Marriott Hotel, Grosvenor Square

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A PENSIONS^{Age} AWARDS 2019

Pensions Age Awards 2019

The Pensions Age Awards have established themselves as some of the finest, most respected and best attended awards in the pensions space and, as over 500 of the industry's elite gathered at the London Marriott Hotel, Grosvenor Square, in late February, it was clear to see why. The atmosphere was charged with excitement as pension professionals, trustees, competitors and friends greeted each other in anticipation of who would be crowned the Pensions Age Awards winners for 2019.

Launched six years ago, the Pensions Age Awards were designed to bring pension schemes and providers together at an event that aimed to showcase those industry players who strive to use innovation,



DC Pension Scheme of the Year: *Lendlease UK Pension Scheme*



DB Pension Scheme of the Year: *Eli Lilly Group Pension Plan*



Best Risk Management Exercise: *PA Consulting*



Pension Scheme Communication Award: *Tesco*

excellence and pure hard work to meet the needs of their members, whatever the political, regulatory or economic climate throws at them. With over 350 entries across 34 categories, this year's finalists were of an even higher calibre than the last, and it never ceases to amaze the *Pensions Age* team how passionate, innovative and forward-thinking the UK pensions market has become.

To add a touch of humour to the evening, *Pensions Age* this year invited Paul McCaffrey, an award-winning comedian, to manage the proceedings. Paul who has, according to the *Evening Standard*, "charm, charisma and success written all over him", delivered a bright and sharp comedy performance to entertain the audience and

then went on to present the 34 trophies to the deserving winners, with help from members of the judging panel and this year's sponsors.

First up were the pension scheme categories, which began with the presentation of two highly sought-after trophies for DC Pension Scheme of the Year and DB Pension Scheme of the Year. Coveted prizes were also handed out to more pension schemes in recognition of the Best Risk Management Exercise carried out by a pension scheme; a Best Investment Strategy Award; as well as accolades in the areas of pension scheme communication; administration and innovation. All the winners in the pension scheme categories, said the judges, displayed a passion, drive



Pensions Administration Award: *West Yorkshire Pension Fund*



Best Investment Strategy Award: *The Railways Pension Scheme*



Pension Scheme Innovation Award: *NEST*



Pensions Consultancy of the Year: *Aon*



Pensions Provider of the Year: *Scottish Widows*



Fiduciary Management Firm of the Year: *SEI*



Pensions Technology Firm of the Year: *Smart Pension*



At-retirement Solutions Provider of the Year: *Capita*



Independent Trustee Firm of the Year: *PTL*



Pensions Law Firm of the Year: *Sacker & Partners*



Pensions Accountancy Firm of the Year: *BDO*



Passive Manager of the Year: *UBS Asset Management*



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Active Manager of the Year: Insight Investment



Equities Manager of the Year: Vontobel Asset Management



Fixed Income Manager of the Year: HSBC Global Asset Management



Alternatives Manager of the Year: BlackRock



Emerging Markets Manager of the Year: Hermes Investment Management



Property Manager of the Year: M&G Real Estate

and determination that set the bar higher than even when it comes to pension scheme management.

Next up were the presentations to the providers, which kicked off with some of the most competitive awards of the night – Pensions Consultancy of the Year; Pensions Provider of the Year; and Fiduciary Management Firm of the Year. Following on from these, excellence in various specialist areas were recognised, to include awards for technology; at-retirement provision; independent trusteeship; law and accountancy.

The highly-competitive investment categories followed suit, with trophies handed out to the Investment Manager of the Year; LDI Manager of the Year; and

Index Provider of the Year, as well as in areas of passive and active management specifically. Excellence in particular asset classes was also rewarded in equities; fixed income; alternatives; emerging markets; property; infrastructure and multi-asset investing. Again, the investment entries did not fail to impress the judges with their remarkable performance figures, their unparalleled understanding of their individual specialisms and most importantly the role their particular asset class or strategy can play in the UK pension space today.

Finally, further key areas of essential specialist pension provision were rewarded, to include risk management provision, communication, administration and master trust delivery; with three additional awards

recognising innovation in the pension space among providers across all areas of the UK pensions sphere.

The awards ceremony ended on a high, with the presentation of our highly-regarded accolade of Pensions Age Personality of the Year. Many thanks to everyone who took the time to enter the awards, as well as those who attended the event, and congratulations to all our winners. A huge thank you also to our independent panel of judges and to our overall sponsor – ITM, and our gold sponsors Rothesay Life and Target, as well as our institution partner, the PMI, without whom the event would not be possible. We look forward to welcoming you back next year.



LDI Manager of the Year: River and Mercantile



Infrastructure Manager of the Year: Pantheon Ventures



Multi-asset Manager or Provider of the Year: Gatemore Capital Management



Index Provider of the Year: Legal & General Investment Management



Risk Management Provider of the Year: Just Defined Benefit Solutions



Pensions Communications Award: Legal & General



Innovation Award (Investment): Natixis Investment Managers (Mirova)



Innovation Award (Technology): Aviva



Innovation Award: Deloitte



Administration Provider of the Year: Trafalgar House



Master Trust Offering of the Year: The People's Pension



Personality of the Year: Yvonne Braun, ABI

Pensions Age Awards Winners 2019

DC Pension Scheme of the Year

WINNER: Lendlease UK Pension Scheme

DB Pension Scheme of the Year

WINNER: Eli Lilly Group Pension Plan

Best Risk Management Exercise

WINNER: PA Consulting

Pension Scheme Communication Award

WINNER: Tesco

Highly commended: British Airways Pensions

Pensions Administration Award

WINNER: West Yorkshire Pension Fund

Best Investment Strategy Award

WINNER: The Railways Pension Scheme

Pension Scheme Innovation Award

WINNER: NEST

Pensions Consultancy of the Year

WINNER: Aon

Pensions Provider of the Year

WINNER: Scottish Widows

Fiduciary Management Firm of the Year

WINNER: SEI

Pensions Technology Firm of the Year

WINNER: Smart Pension

At-retirement Solutions Provider of the Year

WINNER: Capita

Independent Trustee Firm of the Year - sponsored by Rothesay Life

WINNER: PTL

Pensions Law Firm of the Year

WINNER: Sacker & Partners

Pensions Accountancy Firm of the Year

WINNER: BDO

Passive Manager of the Year

WINNER: UBS Asset Management

Active Manager of the Year

WINNER: Insight Investment

Equities Manager of the Year

WINNER: Vontobel Asset Management

Fixed Income Manager of the Year

WINNER: HSBC Global Asset Management

Alternatives Manager of the Year

WINNER: BlackRock

Emerging Markets Manager of the Year

WINNER: Hermes Investment Management

Property Manager of the Year

WINNER: M&G Real Estate

LDI Manager of the Year

WINNER: River and Mercantile

Infrastructure Manager of the Year

WINNER: Pantheon Ventures

Multi-asset Manager or Provider of the Year

WINNER: Gatemoor Capital Management

Index Provider of the Year

WINNER: Legal & General Investment Management

Risk Management Provider of the Year

WINNER: Just Defined Benefit Solutions

Pensions Communications Award

WINNER: Legal & General

Innovation Award (Investment)

WINNER: Natixis Investment Managers (Mirova)

Innovation Award (Technology)

WINNER: Aviva

Innovation Award

WINNER: Deloitte

Administration Provider of the Year

WINNER: Trafalgar House

Master Trust Offering of the Year

WINNER: The People's Pension

Personality of the Year

WINNER: Yvonne Braun, Director of Policy, Long-Term Savings and Protection, ABI

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The judging panel



Robert Branagh,
Managing Director,
London Pension Fund Authority



George Currie,
Policy Lead: Lifetime Savings,
Pensions and Lifetime Savings



Melanie Cusack,
Client Director,
PTL



Guy Freeman,
Business Development,
Rothesay Life



Jerry Gandhi,
Pensions Manager UK & Ireland
(Contract), Schneider Electric



Vince Linnane,
Chairman,
Moorlands Human Capital



Lisa Lyon,
Managing Director,
Target Professional Services



Matthew Swynnerton,
Partner,
DLA Piper



Maurice Tittley,
Director,
ITM



Stephen Wickham,
Member Nominated Trustee,
Molins UK Pension Fund



PERSONALITY OF THE YEAR: Yvonne Braun

The Pensions Age Personality of the Year Award is arguably the most prestigious award of the night. The only category to be decided by the readers of *Pensions Age*, this accolade is reserved for those individuals who have a proven track record of going that extra mile when it comes to improving pension provision in the UK.

This year's winner, ABI director of policy, long-term savings and protection Yvonne Braun, has certainly proved herself worthy of this title. She works tirelessly for the pensions and savings industry, sometimes in the spotlight, often behind the scenes and has most recently been active in some of the key initiatives relevant to pensions in the current climate.

Yvonne has over 20 years' experience in financial services and leads the ABI's work on pensions, social care and income protection. She is a member of the ABI's executive team and its executive sponsor for LGBT+ inclusion. She is particularly motivated by the importance of financial security in underpinning people's happiness in later life.

She has driven forward several innovative projects, most recently the pensions dashboard, which aim to give consumers greater power over their long-term financial health. Yvonne has a great commitment to diversity, in all its dimensions, and has built relationships across the sector with organisations similarly committed to change.

She previously worked at the Financial Services Authority in policy and public affairs. Her earlier career was spent as a capital markets lawyer at US law firm Cleary Gottlieb and at Goldman Sachs. Yvonne is also a governor of the Pensions Policy Institute.

Having received hundreds of votes, it is clear to see that Yvonne is well-liked in the industry and of course is highly respected. Speaking about her award, Yvonne told the *Pensions Age* team: "I was really delighted to receive the Pensions Age Personality of the Year award. It's a great recognition of the work that we do at the ABI, where I am very fortunate to work with a wonderful team."

Congratulations Yvonne.

Pensions Provider of the Year: **Scottish Widows**



The Pensions Provider of the Year award went to Scottish Widows. Receiving the award was Andy Mercer, Scottish Widows (centre). Organiser Sunniva Kolostyak, European Pensions (left) and host Paul McCaffrey (right) presented the award.

Pensions providers have been required to evolve with an ever-changing industry to keep up to date with pension freedoms, auto-enrolment and advancement in technology for a number of years, and 2019 has been no different.

The Pensions Provider of the Year is awarded to the firm that has shown it is capable of keeping pace with change and being a trailblazer for the pensions industry. For the third year in a row, Scottish Widows was announced as the winners in an extremely competitive field.

Scottish Widows stood out from the crowd by demonstrating innovation, knowledge and a commitment to achieve the best outcomes for its customers. It is a

proactive player in the pensions landscape and has displayed excellence in the area of pension provision, both in DC and individual pension spaces.

In the era of pension freedoms, the firm has done an exceptional job of providing free guidance to its customers on their retirement options. Moving with the times, it has strived to make the digital improvements that the industry needs.

It has simplified and streamlined its online services, combining its Lloyds Banking Group and Scottish Widows pension platforms to allow customers to view their pensions and bank accounts in the same place, as well as allowing members to combine their existing pensions

online and for free.

To help protect customers from stockmarket volatility, Scottish Widows has developed new multi-asset retirement portfolio funds. The group has also introduced an innovative Drip Feed Drawdown option to meet the needs of retirement freedom flexibility. It allows phased withdrawals, which combine small, regular amounts of tax-free cash and taxable withdrawals that could better meet income needs.

Scottish Widows continued to show its commitment to improving customer outcomes by working closely with advisers to produce a structured investment advice process, known as Centralised Retirement Propositions.

Further proving its reputation as a company that strives for fairness, value and the best possible customer outcomes, Scottish Widows has continued to engage with the government to improve policy for those who need support the most. This was evident when it highlighted the plight of people with multiple jobs that were missing out on millions of pounds a year in employer contributions due to auto-enrolment thresholds, calling for them to be scrapped.

This is just another reason why Scottish Widows has been crowned as the best pension provider for three years in a row.

A true pensions provider, this firm used innovation and technology to move forward and was willing to be a trend setter rather than a follower. It is a proactive player in the industry and well deserving of this award.



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Wherever you are on life's journey,
we're here to help you plan a
retirement to look forward to.

[SCOTTISHWIDOWS.CO.UK/RETIREMENT](https://scottishwidows.co.uk/retirement)

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Fiduciary Management Firm of the Year: **SEI**



The Fiduciary Management Firm of the Year award went to SEI. Receiving the award was Steve Charlton and Pradeep Kachhala, (left) and Charles Marandu (second right), SEI Judge Melanie Cusack, PTL (centre) and host Paul McCaffrey (right) presented the award.

Fiduciary management has become a mainstay in the UK pensions industry, and as various types of providers enter the market, this category rewards the fiduciary management, implemented and delegated consultancy firms that truly add value to the pensions space.

Meeting specific clients' needs while displaying strong performance is key, and the award for this year's fiduciary manager of the year recognises that developing a relationship with a provider built on trust is at the heart of its practice.

The 2019 winner has demonstrated that it is capable of all of the above. Congratulations to SEI.

The judges described SEI as a firm that

consistently delivers outperformance with strong levels of client satisfaction, across schemes big and small. Furthermore, SEI provides high quality industry-wide training, which received high accolade from the judges.

SEI's principles of openness, integrity, innovation, transparency and collaboration allows for opportunities to ultimately produce comprehensive solutions for big business challenges, which is reflected in its results.

In the past year, SEI has had a strong investment performance, increasing the chances of better outcomes for its members, while ensuring consistency in meeting the needs of its clients. In fact, a

client satisfactory survey revealed that 98 per cent would choose SEI again.

Moreover, SEI recently had a successful launch of a lower cost version of its market-informed and intelligent factor investing strategy. SEI has a long heritage in factor investing, and its experience forms a central part of its two-stage philosophy and process: Invest in a blend of successful return factors and adjust the portfolio factor exposures dynamically in accordance with prevailing market conditions.

By using this methodology, SEI has been able to create a cost effective solution that replicates most of the benefits of active management.

In 2018, SEI hosted an investment conference at the iconic Old Royal Naval College, with a view to providing trustee training, leading investment views and provocative discussion, which turned out as a great success.

In a time where schemes have been struggling, SEI's assets have, since its inception, on aggregate, consistently outperformed their liabilities. This outperformance has been SEI's key to improving funding levels, reducing deficits and most importantly of all, securing the pensions of the thousands of members within the SEI client family.

As a result of its continued efforts and commitment to its clients, SEI is a worthy winner and an excellent example of what any fiduciary management firm should look to.

Congratulations to an outstanding firm.

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Simple but not simplistic

How factor investing could help pension schemes achieve their objectives

Fee pressure and transparency dominate

The demand for transparency and lower fees has driven a rise in the popularity of passive investment strategies, appealing because of their simplistic rules-based approach. However, whilst passive has a place, we believe there are more effective ways to achieve transparency and lower fees.

Our experience tells us that markets are not always efficient. This means that a singular focus – on one rule, market capitalisation or price – to dictate your portfolio construction may not produce the optimal risk or return results pension schemes need for their members.

Factor investing provides an effective alternative to active management and passive investing. It can deliver the best of both worlds. It has the transparency and lower costs associated with passive investing, but can also offer lower risk and higher return potential. Rather than focusing on one rule/factor, a factor-based approach employs a combination of metrics to benefit from well-known and robustly researched market inefficiencies. Examples of metrics include real economic factors such as sales, earnings, dividends, cashflow and return on assets. Thanks to today's world of readily available data and technology, the opportunity to construct rules-based portfolios on economic data at lower cost is a reality.

Factor or passive?

Our research and market experience has

shown that incorporating factor-based investment strategies into traditional equity portfolios can unlock favourable long-term, risk-adjusted returns from market inefficiencies, and at the same time can help to avoid the pitfalls of passive investing.

At the foundation of these market inefficiencies are behavioural biases that we, along with academic studies, have observed in the market for more than 25 years. Loss aversion, for example, can cause investors to ignore economic realities and instead focus too much on the latest short-term fears of the day. Likewise investors tend to underestimate the benefits of compounding or anchor their views to the past and can be slow to embrace new economic realities. Whereas passive investing, which has only one rule or factor to follow, may own too many expensive stocks when they are overvalued, and own too few when they are undervalued. This trait of passive investing can lower returns and increase risk.

Turn to experience

SEI is proud to be a pioneer in factor investing. For over 25 years, factors have been a core component of our active investment manager selection, providing us with a broad foundation for understanding how to effectively identify and use factor exposures in a portfolio.

We originally recognised factor investing's potential in the 2000's, a time when it only existed in academic literature and was unavailable to institutional investors. In 2004, we launched our managed volatility

strategy, which is believed to be one of the first of its kind.

Factor investing strategies have gained in popularity across the industry over the past few years, and it is important that pension schemes are aware that not all factor-based strategies employ the same approach. We have seen evidence that some allocate largely to factors that have done well in the past, disregarding what may happen in future market cycles. Consequently they fail to proportion and blend factors optimally, and fail to adjust and dynamically tilt factors in accordance with the latest prevailing market conditions. Our heritage and investment philosophy mean SEI is able to use its depth of experience to better anticipate market changes, to maximise return opportunities and lower risk.

Factor investing provides a simple and attractive middle-ground approach between passive and active investment strategies, but it is by no means a simplistic approach. It is crucial that a pension scheme considers an experienced provider. Our expertise in factor investing runs deep, and forms a central part of our investment philosophy and process, playing a key role in our fiduciary management offering for pension schemes.

**SEI's institutional investment director,
client strategy team, Cai Rees**

SEI New ways.
New answers.®



Pensions Technology Firm of the Year: Smart Pension



The Pensions Technology Firm of the Year award went to Smart Pension. Receiving the award were Rebecca Peche, business development director and Michael Watkins, head of proposition development, Smart Pension (centre). Sponsor Matt Dodds, ITM (left) and host Paul McCaffrey (right) presented the award.

The use of technology for pension schemes has become increasingly important over the past few years, and now effective and reliable technology and data management has become essential for the successful running of any pension scheme.

Recognising the firms that are leaders in this field, this award honours the best of the best in the world of pensions technology.

The judges were blown away by this year's winner, hailing its efforts as outstanding, and noting its ability to embrace modern technology, along with its constant effort to improve member experience and achieve measurably higher member engagement.

Congratulations to this year's winner,

Smart Pension. This marks the second year in a row that the firm has received the Pensions Technology Firm of the Year award.

Smart Pension is a specialist in providing global savings technology platforms, as well as offering one of the UK's largest workplace pensions. Founded in 2014, it has come on leaps and bounds since its inception.

Following the successful introduction of auto-enrolment, Smart Pension turned its attention to the new challenge of engaging the new generation brought into the pensions industry for the first time. The company has been at the forefront of developing original member experiences and has developed a reputation as a disrupter in the UK and global pensions market.

Regarding the technology that puts

Smart Pension head and shoulders above the rest, over the past 12 months the group has developed an innovation road map, which is set to bring customers their annual reports through an avatar, financial wellbeing modelling and a smart button to remind members to save a little bit extra, if they can afford it.

Smart Pension prides itself on delivering the most up-to-date technology, and in 2018 the firm redeveloped its offices, creating a User Research Lab to test all of its outputs.

Further to this, the group won the mandate to deliver a new technology platform for new Ireland Assurance, an integral subsidiary of the Bank of Ireland. This will evolve the banks' digital solutions, transforming its pensions offering for brokers and financial advisers by making sure it is perfectly positioned for European directives IORP II and the Irish government's role with auto-enrolment.

If 2018 wasn't already enough of a bumper year for Smart Pension, in Q3 the provider developed an employer app, putting the member at the centre of their own pension, with up-to-date information allowing pension members to make real-time decisions.

Innovations allowing members to make instant changes to their contribution percentage, with the ability to select funds remotely, is helping to move the industry in the right direction.

Congratulations to Smart Pension, a well-deserved winner.

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Why technology and data has the power to drive saving

There's been dramatic progress in getting more people to save for their retirement. But there is still much to be done to encourage savers to put more into their pots, to make people's money work harder for them, to build on the solid foundation of defaults and give them the personalised support and guidance needed to help them make informed decisions.

Technology and data analysis has an enormous role to play in creating successful retirement outcomes for future generations. Darren Philp, head of policy at Smart Pension, explains why...



Technology and insight from transactional data has the potential to transform the way we save and interact with our savings forever.

Smart Pension's powerful, award-winning technology was built to create an intuitive and contemporary member experience that's more akin to mobile banking than to the dusty and for many, distant world of pensions.

As an industry we must find a way to offer engaging, transparent and innovative ways to keep those brought into pensions for the first time via auto-enrolment (AE) connected and motivated, helping them to build a savings pot that will take them closer to a comfortable retirement. But the reality is that helping people get to a decent level of saving is an enormous, ongoing challenge.

Technology has a huge role to play in this both in AE and in the wider defined contribution (DC) world, and that's why Smart has been the first provider to introduce a mainstream workplace pensions app for iPhone and Android and an Alexa Skill that operates on Amazon's voice-activated devices, as well as Google Home, to bring pension saving into people's everyday digital financial management plans

– and top of mind.

Our mission is to align the worlds of good and strong governance and the latest financial technology to drive the industry forward and offer better retirement saving options for both employers and their employees, making saving an intuitive and uncomplicated process for all.

While we've already got a seamless API and payroll heavy-lifting sorted and can sync quickly and efficiently with any system, there's still more work to be done. Last year we announced our ambitious innovation roadmap, which details the new technology developments we've got in the pipeline. These include the introduction of lip-readable avatars, delivering simplified reports that can be constantly updated using real-time data for example, and a financial well-being solution that combines e-learning with AI.

While many pay lip service to technology, here at Smart, technology plays a fundamental role in the way we handle age-old industry problems. Our in-house user experience (UX) team constantly tests that our tech is not only smooth and efficient, but that it also solves the problem it was designed to tackle. As a matter of routine, this UX evaluation provides important

customer context and is carefully collected and fed back into the system. In our opinion, without this interactive partnership with the customer, meaningful communication and engagement further down the line is in danger of being out of date or having impaired functionality.

Applying this approach to our at-retirement solution, which is set to be launched later this year, has helped us to develop a state-of-the-art product that offers a simple, personalised journey for savers, supporting them in understanding the trade-offs they face, enabling them to make informed decisions – and maximise the use of their savings so they don't run out.

The reality is that this is often the challenge people struggle with the most. Our unique four-pot solution logically separates flexible income investments from later years' requirements whilst making prudent provision for rainy-day scenarios and inheritance.

In the future, saving adequately for retirement will be second nature. Until we get to that point, we must do everything we can build on the power of defaults and make it easier and simpler for people to engage. Technology is one of the most important components in the industry's engagement tool kit and here at Smart we are trying to lead the way.



CAPITA

At-retirement Solutions Provider of the Year: Capita



The At-retirement Solutions Provider of the Year award went to Capita Employee Solutions. Receiving the award was Tracey Smith, Capita (centre). Judge Robert Branagh, London Pension Fund Authority (left) and host Paul McCaffrey (right) presented the award.

Focusing on the member experience once they reach retirement, the At-retirement Solutions Provider of the Year is awarded to the firm that has pushed to ensure that its members are equipped to make the most of their pension pots.

This year's award has been given to the firm that showed the innovation and dedication in providing the best value to its customers, while making the retirement process as clear and beneficial as possible.

The award winner was applauded by the judges for its clear understanding of the needs of the market in this space, demonstrating that it knew what its members

needed as they transitioned into retirement. A much deserved win for Capita, who have merited the congratulations from across the pensions industry.

Capita also impressed the judges with its innovation in this sector, including its Digital Countdown to Retirement programme. The service allows workers to engage with their pensions, helping them understand the decisions that they have to make and giving them the possibility of revisiting and refreshing training.

Since pension freedoms were introduced in 2015, there has been confusion amongst members faced with new choices and

decisions. Capita has helped quell the confusion by providing tools, including PensionMobile, which embodied its policy of assisting pension savers to make sense of the new rules and regulation that have such a huge impact on the quality of their retirement.

Capita identified that not everyone has the time or the means to attend face to face meetings or access its online service, and created PensionMobile for those who need retirement support over the phone.

It continued to run informative and engaging workshops that provided clarity to individuals at risk of blindly falling into retirement, using its expertise to create better retirement outcomes for clients nationwide.

Over the year, Capita continued to abide by its core values of being open, ingenious, collaborative and effective when helping solve the challenges presented by its clients, ensuring that they feel supported at times when it is needed most.

A key aspect of Capita's policy is presenting information that will inform retirement decisions in a way that is easy to understand.

It's Countdown to Retirement programme embodies this perfectly, breaking down the best value options in retirement and pension claiming in an easy to follow three-stage approach.

Instances of using member engagement to drive innovation is at the core of Capita's policy, and just one of the reasons that it is the much deserved winner of the At-retirement Solutions Provider of the Year. Congratulations Capita.

CAPITA

77% of employees are worried that they don't understand **enough** about pensions to make considered decisions.

77% of employees are worried that they're not contributing **enough** to their pension pot.

83% of employees are worried that they haven't saved up **enough** to retire comfortably.

Good **enough**?

Capita Employee Solutions
Delivering better outcomes for pension
schemes and their members

Source: Capita Pensions and Benefits survey of 2,017 pension scheme members, March 2019.



Speak to us about retirement planning services
capitaemployeesolutions.co.uk

+44 7845 049 489
Sean.Gilfeather@capita.co.uk

Independent Trustee Firm of the Year:

PTL



The Independent Trustee Firm of the Year award went to PTL. Receiving the award was Alison Bostock, PTL (centre). Judge Guy Freeman, Rothesay Life (left) and host Paul McCaffrey (right) presented the award.

In recent years, the pensions space has seen ever-increasing pressure placed on scheme trustees, with growing investment challenges and governance requirements, along with changing regulation.

It is therefore no surprise that this increase in responsibilities for trustees has also led to them searching for a guiding hand; for a professional to steer them through this difficult course.

Stepping up to this task is the rise of independent trustees on pension scheme boards.

However, not all independent trustees are created equal. Standing out to the judges for its high-quality team, and for its continual striving to improve the industry and the way things are run, this year's

winner is PTL.

Founded in 1994, PTL specialises in professional trusteeship and governance. The company prides itself on its commitment to ensuring that it has a diverse and representative team. Women now comprise 38 per cent of its client directors, and 48 per cent of its wider team.

PTL describes its guiding ethos as to be pragmatic, professional and personable, while being dedicated to improving governance and ensuring good outcomes for scheme members and employers.

The company serves a client base of more than 200 pension schemes across the UK, with 31 new appointments in the year to 31 October 2018.

Throughout 2018 PTL continued to work

closely with its clients to deliver pragmatic and customised solutions in very challenging times. The firm launched Clear Funds, an innovative solution to the conundrum of how to assess the value for money of transaction costs in an efficient way. Another notable example of this was its work with a sponsoring employer that had previously consolidated numerous legacy schemes into a single scheme with 13 different sections and was looking to achieve further efficiencies and cost savings, but was hampered by the complex nature of the scheme.

PTL took on this ambitious project, preparing a detailed cost/benefit analysis, setting out both the expected cost of the exercise and the potential long-term cost savings and improvements in governance.

It soon became clear that the original objective of merging the 13 schemes into one was unworkable. The trustees concluded that four sections provided comparable levels of security for members' benefits. Following this, the funding situation meant that two of these sections could then be merged, resulting in three sections from the original 13.

As a result, the scheme is now significantly simpler in structure, and therefore less costly and time consuming to run. The employer, the scheme and, most importantly, the members are all better off as a result. With work like this, it is no wonder the judges highlighted how PTL continues to gain the respect of the marketplace. Well done to a worthy winner.

PTL CLEAR FUNDS



Transaction cost value assessment

With **Clear Funds**, PTL will assume the heavy lifting of independently assessing the value for money of transaction costs in your portfolios.

For more information, visit
www.ptluk.com

ptl



Pensions Accountancy Firm of the Year: **BDO**



The Pensions Accountancy Firm of the Year award went to BDO. Receiving the award was Christian Bellairs, BDO (centre). Organiser Laura Blows, Pensions Age (left) and host Paul McCaffrey (right) presented the award.

Accountancy is an integral part of any financial service, and pensions is no different. Whether it is bookkeeping, budgeting, working with payroll or making heads or tails of tax returns, it's an essential component of the pensions and savings industry. This year's winner truly understands the needs of the pensions market and demonstrated an ability to serve the market, despite the ever-changing economic environment. Congratulations to BDO for standing out in such a competitive category.

BDO understands the complex and diverse nature of the pensions industry and offers a wide range of advisory services to

help its clients achieve the best outcomes. The company's business practice is driven by its core purpose – "helping you succeed" – which it achieves through its market leading auditing, advisory and outsourcing services.

Its audit team audit over 330 pension schemes of all shapes and sizes, tailoring their approach to the needs of trustees and offering the required service depending on the schemes size and needs.

Over the past year, the pension outsourcing team have implemented three changes to help improve the efficiency of the running of a pension fund, which includes

embracing technology; a document capture and web approval portal, automating the production of the deficit employer invoices and using a data verification tool to check the beneficiary details on payment files against source data.

High quality, specialist advice is provided by the firm through its valuations, transaction services and business recovery teams to deliver the best outcomes to its clients. BDO's team provides a human approach to pension scheme customers, using their vast pensions experience to provide an exceptional service. It goes above and beyond to work with management to overcome issues and provide robust, pragmatic, and commercial solutions, while sharing knowledge from across BDO.

Over the past year, BDO's work on risk culture and risk appetite has helped it stand out from the crowd. It challenged how risk-based decisions were made and how simple changes to the decision-making process can embed risk management into both operational and strategic decisions, while ensuring risk mitigation is evident with any decision. In February 2019, BDO completed its merger with Moore Stephens LLPS, making BDO the third-largest auditor of listed companies and is helping it deliver its quality-driven service to more clients than ever.

BDO prides itself of building long-term client relationships, ensuring it supports them with the right advice at the right time to fulfil their ambitions. Congratulations BDO!

28 FEBRUARY 2019

**London Marriott Hotel
Grosvenor Square**

Enhancing the use of technology with human understanding and communication

Used correctly, financial technology leads increased business insights to shape strategic direction. But cutting-edge technology can come at a cost. How can businesses benefit without large investment?

In recent years, changes in technology have greatly improved the flow of information, creating a new standard for book keeping.

Cloud-based tools can be used to give accountants real-time access to financial information they might previously only have seen at the end of a financial period. With increased investment in artificial intelligence automation and OCR technology significantly reducing the processing of inward information, finance teams are able to effectively focus on analysing the data output to provide timely and meaningful detailed financial reports for funds.

In addition, through the use of cloud-based portals, documents can be shared in a secure environment with access given to key stakeholders, with each interaction recorded as a permanent record.

In the future, with the increase in development of artificial intelligence and the free-flow of financial information between systems, the resources required to administer large elements of a pension scheme will be reduced. This will allow trustees and sponsors to put more resourcing into financial forecasting and strategy with a greater shift to forward planning, investing in the future and managing cashflows. With a greater emphasis on forward planning with real-time access to financial information, funds will have the opportunity to develop effective monthly budgeting and reforecasting models

based on a clearer understanding of the underlying records.

For many schemes, investment in technology can be a hurdle where there are other issues to be addressed. As with all new systems, it is not just the initial cost of a new or updated platform but the ongoing cost of development and training to ensure the team fully benefits from the full potential of the system.

At BDO we support trustees and sponsors by outsourcing the finance functions of a pension scheme through the use of our in-house ecosystem. This approach not only has the benefit of engaging a team already trained and experienced in pension fund accounting, but also gains access to a bespoke accounting system at a fraction of the 'off the shelf cost'.

Our ecosystem has been built using cloud-based technology hosted on an Azure platform incorporating Microsoft NAV 2018 accounting system, Continia document capture, web approval portal and Microsoft SharePoint for document sharing and task management. This ecosystem is available to access at any time on all mobile devices.

BDO's solution is scalable and offers a range of services to support funds with basic processing through to more complex requirements that can be used on any sized fund. Trustees and sponsors can benefit from a range of services including;

- Budgeting and cashflows
- Transactional processing
- Treasury
- Quarterly reporting
- Data analytics
- VAT returns
- ONS returns
- Statutory financial statements
- Scheme tax returns
- Delegated CFO – A scalable solution that can be operated on any sized fund

As a leading advisory firm, we understand the challenges that businesses face in supporting the diverse nature of pensions. The result is a multi-disciplinary approach including outsourced accounting, audit and a full range of advisory services. The result is a united team that understands pensions from many perspectives. Combined with BDO's commitment to Ideas, People and Trust, we are in a unique position to deliver an exceptional service in an ever-changing economic environment

At BDO you can be confident that we work as one to provide the best solution for our clients, supporting them as they navigate the pension journey.

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Fixed Income Manager of the Year: HSBC Global Asset Management



The Fixed Income Manager of the Year award went to HSBC Global Asset Management. Receiving the award was Ruwan Madura, HSBC Global Asset Management (centre). Organiser Natalie Tuck, Pensions Age (left) and host Paul McCaffrey (right) presented the award.

Fixed income has evolved from a safe, sleepy asset class into a dynamic and diverse option for UK pension funds today. It means that the universe of available investment options has grown and evolved to become equally varied.

The best in the market are the firms that have not only displayed innovation in this area to take advantage of the opportunities out there, but also have the performance numbers to prove their expertise.

Standing out for its achievements is this year's winner HSBC Global Asset Management, a genuine leader in global fixed income investing, which has proven its excellence, innovation and commitment to pension clients.

This firm put forward what the judges described as an exciting submission, highlighting its clear knowledge of this dynamic asset class to best enable its pension fund clients to meet their objectives.

Offering active solutions supported by its global research platform, its international team of fixed income specialists have throughout the year delivered strong-risk adjusted returns through a comprehensive range of strategies that meet its clients' investment objectives.

HSBC has been at the forefront of innovation and product development in credit and emerging markets for several years. In 2018, the manager launched funds such as the HSBC GIF Global Asset-Backed Crossover Fund as a response to the current

market environment, in which rates are expected to rise.

By working closely with institutional clients over its 40 active years, HSBC understands the host of competing challenges facing pension schemes. This has made the manager able to develop tailor-made solutions that take into account all types of constraints and limits.

This is proven by its extensive development work to deliver responsible investment options, such as the HSBC GIF Lower Carbon Bond. The bond focuses on companies that are reducing their carbon footprint through sustainable capital improvement reducing total exposure to securities and sectors with the highest greenhouse gas (GHG) emissions.

Furthermore, the manager has the widest and deepest presence in China among all foreign financial institutions. The inclusion of mainland Chinese securities into some of the world's most widely-tracked indices is a game-changer, and HSBC's offerings of wide range of funds and bespoke China fixed income investment solutions, as the HSBC GIF RMB Fixed Income Fund, provide unique opportunities for clients looking to capitalise on the market before global allocations pick up pace.

With \$185 billion of fixed income assets under management, HSBC Global Asset Management is a firm leading the way in the field of active fixed income investing around the world, and the firm's consistently strong performance means it is this year's well-deserved winner.

28 FEBRUARY 2019

London Marriott Hotel
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ESG and fixed income - a question of risk

Given the asymmetric nature of fixed income pricing structures that provide limited upside but potentially substantial downside, the analysis of ESG factors is a question of risk before being a question of opportunity

Companies and governments that do not strive today to converge toward ESG best practices face a number of looming dangers that may affect not only their reputation, but their profitability, risk profile, credit rating, refinancing costs and, ultimately for bond investors, the value of their bonds.

Integrating ESG into corporate credit

The negative impacts of ESG issues on a company's credit quality and rating can derive from various factors, such as increases in operating costs, loss of competitive advantage, and/or reputational damage, which can ultimately weigh on expected profitability and funding costs. Those in turn are likely to affect investors' risk-adjusted returns.

A sector focused approach

The materiality of individual ESG issues will vary dramatically from one industry to the next. For example, environmental risk management policies are of paramount importance for extractive industries and utilities, as well as autos and airlines. Other industries are more sensitive to resource use. For instance, the food and beverage sector accounts for more than 50 per cent of global water consumption.

In contrast, social considerations are most significant for sectors such as health, tech or retail. For example, healthcare companies have a major role to play in improving human health, whilst tech and retail

industries typically outsource part of their supply chains to emerging countries, which can expose them to participation in child or forced labour.

Governance issues, from accounting standards to transparency, risk management or director independence, tend to affect all industries, but with a disproportionate impact on the financial sector.

What about sovereign credit?

A country's ability and willingness to repay its debt on time depends on the stability and nature of its institutions as much as on its macroeconomic situation.

We believe that taking sovereign ESG scores into account adds value in most circumstances, and is most relevant when considering investments in emerging and frontier markets. We see governance as a key current factor in assessing a country's credit quality.

Whilst we think that environmental factors can also impact credit quality over the medium to long term, this has yet to be seen in direct impacts to sovereign ratings in our research, although some studies seem to suggest a widening of spreads in developing countries subject to climate vulnerability.

It may take time to translate into sovereign credit risk, but social dimensions can also have an impact on economic and institutional strength. Indicators such as poverty, income inequality, education,

housing, political freedom and representation can all demonstrate social conditions.

Integration of ESG within investment

As the financial community increasingly integrates ESG into its decision-making processes, market supply and demand dynamics should work in favour of companies with higher ESG standards.

With an increasing focus on ESG factors at rating agencies, this too is likely to impact country ratings and therefore government bonds over the long term.

As a global asset manager, we believe that integrating ESG analysis into our investment process, alongside traditional financial analysis, is essential to enable us to better assess companies' and countries' potential risk and returns over the long term, and to better position our clients' portfolios for the future.

Adrian Bailey, business development director, HSBC Global Asset Management

As part of a core fixed income allocation, HSBC Global Asset Management has developed a lower carbon bond strategy designed to insulate investors from carbon-related value erosion. The strategy aims to achieve long-term capital appreciation without giving up near-term performance through a highly-diversified global portfolio. The strategy seeks to have a lower carbon footprint than their reference benchmarks by reducing total exposure to securities and sectors with the highest greenhouse gas (GHG) emissions.

HSBC 
Global Asset Management

LDI Manager of the Year: River and Mercantile



The LDI Manager of the Year award went to River and Mercantile Derivatives. Receiving the award was James Barham, River and Mercantile (centre). Judge Matthew Swynnerton, DLA Piper (left) and host Paul McCaffrey (right) presented the award.

Liability-driven investment (LDI) has become a mainstay in the pensions industry and is now vital in a pension schemes' ability to cover all of its current and future liabilities.

This is particularly important as pension schemes decipher their long-term funding plan with guidance from The Pensions Regulator. Understanding clients' needs and applying it in a beneficial way requires skill and understanding of what that pension fund needs.

This year, excelling in this challenging space is River and Mercantile Derivatives.

The firm was able to demonstrate its commitment to the market through innovations and its ability to make the large

scale LDI approach available to smaller-scale transactions and schemes.

The group is able to offer the same approach to all schemes, whatever their size, applying a segregated approach to all of its clients, winning mandates as small as £2 million, all the way up to £1.5 billion.

Setting it apart from the rest is the passion and devotion they deliver to smaller schemes. The group hosts an annual event dedicated to the issues that smaller schemes face, and believe that they can achieve outcomes at least as good as larger schemes.

Through its segregated approach, River and Mercantile Derivatives is able to offer flexibility, allowing trustees to invest in

growth assets the way they wish to, in order to earn the return they need to pay pensions.

The firm highlighted how, through its flexible approach, trustees are able to protect themselves from market falls, by being able to manage the risks they face, which would not be possible in a pooled framework.

By implementing a segregated mandate, the company is able to use the tailored equity option to protect investments from equity market falls, which would be impossible to achieve in pooled funds.

The firm has the third largest number of segregated mandates in the market, with its average size a tenth of that of the average LDI provider, highlighting its commitment to bringing segregated LDI to the masses and success in delivering the right solutions to schemes.

Innovation is a key aspect of River and Mercantile Derivatives. By developing its own systems, which has allowed it to tailor mandates, it is able to model bespoke liability cashflows for its clients overnight.

Its approach to documentation is also ahead of the rest. Just like pooled funds, trustees are able to sign one piece of paper without having to worry about derivatives regulation or appoint a custodian.

It is no wonder, through its dedication to smaller schemes and innovative approach to LDI that the firm deserved to win this award. Congratulations again to River and Mercantile Derivatives. Keep up the good work!

28 FEBRUARY 2019

London Marriott Hotel
Grosvenor Square

In the deep end

Why pooled LDI could be 'as inefficient as buying a house with a personal loan'

At our 2018 Small Schemes' Summit, an annual event that brings together a host of small scheme trustees to discuss the challenges they face, we asked the following question: how many of you have pooled LDI or have considered pooled LDI?

About 50 per cent of the audience raised their hands.

We then asked how many people had bought a house with a mortgage. Near enough 100 per cent of the audience said they had.

Finally, we asked how many had bought a house with a personal loan. The answer, thankfully, was zero.

Why ask these questions? Because they help illustrate a key point. Small schemes face the same economic challenges as larger schemes yet the solutions offered to them are – not unlike the above example – often less efficient or more expensive.

Take LDI. In some ways, LDI is like buying a house with a mortgage. It gives exposure to something (i.e. bonds/liability-like behaviour) that schemes cannot currently afford. Over time, trustees can expect the scheme assets to grow sufficiently to enable them to own the bond or liability-like asset outright.

Buying a house is exactly the same. Borrowers get exposure to the price of the house from day one, but pay for it gradually over time. A bank is happy to lend this money as it has the security of the house if the customer fails to pay. If he or she tried to borrow money with less security – in

extremis, an unsecured personal loan – the bank would probably not be interested or it would be very expensive.

Pooled LDI involves getting more hedging than a scheme invests in the pooled fund. For a scheme looking for return, trustees want to invest as little as possible in the pooled fund for a given level of hedging (as that way they retain more in growth assets).

But the less that's invested in the pooled fund, the more it looks like a personal loan. After all, the only security the bank has is the assets in the pooled fund, so the bank rightly wants as many assets in the fund as possible. The pooled fund needs to balance these factors. But because its need to trade dominates (as it needs to allow investors in and out), it will err on the side of caution.

The result: pension schemes end up needing to allocate between £30 and £40 to get £100 of hedging. If they need more than 60 per cent of their assets earning a return to achieve their long-term funding goal, they have a problem.

So what is the solution?

Segregated mandates do not have any of the above challenges. In a segregated mandate, the bank is engaging directly with the pension scheme and has recourse to the assets if the scheme fails to pay. In this way, it is more like a mortgage, and the banks will readily trade with you. As a result, schemes with segregated mandates can comfortably have 10-20 per cent more assets on risk than a pooled equivalent.

Many schemes may believe a



segregated mandate is too complicated, but the reality is that part of the market has evolved substantially to the point where they can now be as easy to implement for many schemes as a pooled fund.

Think about a pooled fund document – it is thousands of pages of words that effectively delegates responsibility to the pooled fund. The result is that the scheme signs one bit of paper and everything happens in the background. Using the same approach for segregated documentation means that the on-boarding process can now feel as easy as that of a pooled fund, yet they have all the benefits described above, as well as more flexibility.

For those schemes reviewing their LDI or thinking of doing so, a pooled approach might not be as sensible – or as efficient – as it seems.

Mark Davies is a managing director at River and Mercantile Derivatives

RIVER AND MERCANTILE
DERIVATIVES

Index Provider of the Year: Legal & General Investment Management



The Index Provider of the Year award went to Legal & General Investment Management. Receiving the award was Arif Saad, Legal & General Investment Management (centre). Organiser Daniel Torelli, Pensions Age (left) and host Paul McCaffrey (right) presented the award.

Given the increasingly important role indices play in pension provision, this award recognises those index providers that have displayed innovation in their product design and an understanding of what the pensions market really needs.

Winning for the second consecutive year, congratulations go to Legal & General Investment Management (LGIM). The judges were particularly impressed with LGIM's high levels of innovation and performance combined with scale and simplicity.

Focusing its approach on four key attributes provides the solid foundation for LGIM to offer exceptional index investment options for its clients. These are scale, expertise, simplicity and active ownership. Combined with its emphasis on continued

innovation, strong performance and excellent client service, this makes LGIM's offering a winning formula.

An example of its innovation can be seen in the L&G Future World Gender in Leadership UK Index Fund. The fund has the objective to raise gender diversity standards in companies across the UK equity market; it is unique in that it is the first gender-orientated fund to focus exclusively on the UK equity market. Companies must achieve at least 30 per cent representation of women at each of LGIM's scoring levels to receive a high positive score, with the index tilted towards companies with higher gender diversity scores. However, rather than not invest in companies with lower scores, LGIM's corporate governance team instead

engages with the companies to work towards improving their gender diversity standards.

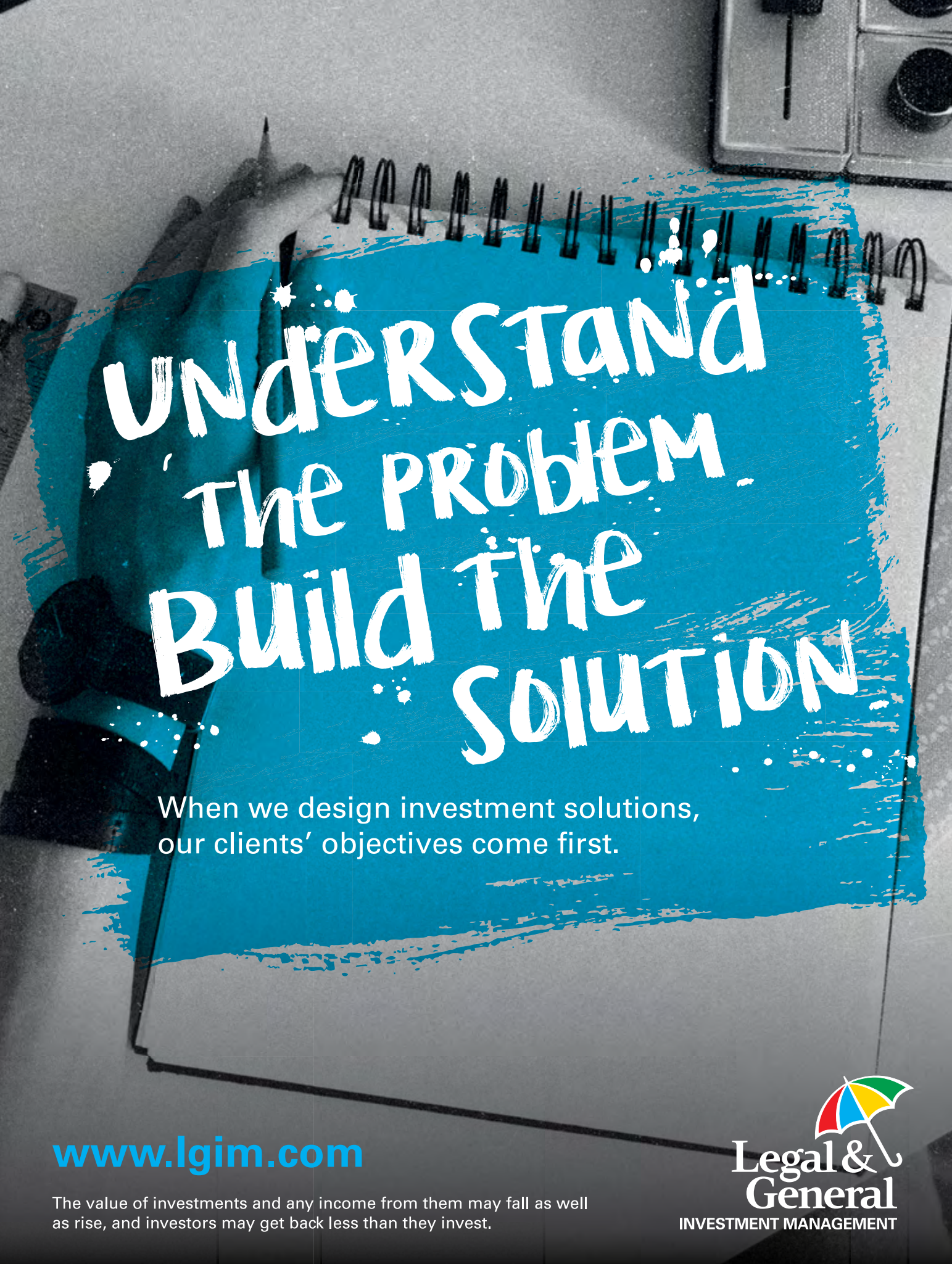
LGIM takes this approach to all its investments, and plays an active role in the companies it invests in and also engages regularly with governments and regulators. By doing this, LGIM aims to unlock value for investors, contribute to the sustainability of financial markets, and drive change on key issues such as diversity, sustainability and climate change.

Innovation and engagement, however, are not the only reasons why LGIM is this year's winner; it also focuses heavily on service, putting its clients at the heart of everything it does. It supports clients by keeping them informed about the evolving regulatory and financial landscape, providing regular tailored investment commentary and hosting client events and training days with investment specialists.

Not only that, but clients also have access to the thought leadership hub, Our Thinking, which is divided into three clear content streams: Long-term thinking, client solutions and market insights.

It is based on two key principles; what are the problems LGIM's clients are trying to solve; and, how can LGIM influence the world, and the challenges and opportunities this creates.

Congratulations to award winners LGIM. Richly deserved.



UNDERSTAND THE PROBLEM BUILD THE SOLUTION

When we design investment solutions,
our clients' objectives come first.

www.lgim.com

The value of investments and any income from them may fall as well as rise, and investors may get back less than they invest.



**Legal &
General**
INVESTMENT MANAGEMENT

Risk Management Provider of the Year: Just Defined Benefit Solutions



The Risk Management Provider of the Year award went to Just Defined Benefit Solutions. Receiving the award was Rob Mechem, Just Defined Benefit Solutions (centre). Organiser Camilla Capece, Pensions Age (left) and host Paul McCaffrey (right) presented the award.

With risk management at the top of pension schemes' agendas, de-risking propositions have flooded the market.

This award goes to firms that have provided innovative solutions to truly help pension schemes to manage, or remove, their risks.

This year's winner was commended by the judges for applying innovation in "leaps and bounds" to help schemes large and small manage their risk effectively. Congratulations, Just Defined Benefit Solutions (Just).

In the 12 months to 31 October 2018, Just completed over £180 million worth of transactions for DB Choice, its innovative new pricing approach. The process provides the benefits of standard and medically-underwritten pricing so schemes can see the

value that medical underwriting can deliver before they go through with the transaction.

Faced with the fact that schemes were reluctant to commit to pre-transaction medical underwriting, Just flipped the pricing process on its head.

Just now discounts the medical price by the average 'medical saving' it expects to achieve and provides this as a guaranteed quote pre-transaction, which enables trustees to compare Just's prices with standard quotes from other insurers. This approach also provides certainty on the price the scheme will pay.

The response has been phenomenal. A series of webinars hosted by Just to employee benefit consultants (EBCs) meant that schemes were made aware of DB Choice and the benefits it brings.

This quickly delivered a pipeline of

opportunities; in particular, transactions have generally been for smaller schemes. Its success is down to guaranteed pricing being offered pre-transaction. One of its clients noting that "simply providing its best price" made it easy to compare with other providers.

In addition to DB Choice, Just has also focused its efforts on improving the customer experience and support available at buyout. Realising that member engagement has become a hot topic for schemes, including the quality of the policyholder experience that providers can deliver after buyout, Just launched a new service for deferred members.

It believes that with the introduction of the pension freedoms, pensioners are particularly in need of support.

This new service provides a telephony-based guidance service (in conjunction with Just's administration partner), which can facilitate access to advice.

It has also reviewed and redrafted nearly all customer-facing literature to Plain English standards, with many also Crystal Marked, and is offered in Just's new wake-up packs sent 12 months ahead of a member's normal retirement date.

As a result of these changes, deferred members now have access to information, guidance and advice via this service and so are fully supported to make decisions about how to take their DB benefits.

The team delivering this support have also been trained on the specifications for each of the 36 schemes, so they can offer scheme specific support to policyholders.

A fantastic achievement, well done Just!

OVER 160 DB SCHEME BUY-INS ...AND COUNTING



But rest assured we'll never treat you like a number

At Just we know how to help trustees looking to de-risk, thanks to our specialist team and strong track record of delivering innovative solutions. In fact we've managed over £5bn worth.

Regardless of size or complexity, whether standard or medically underwritten, it's about ensuring trustees and schemes get real value from our expertise. So when you're ready to transact, you can count on us.

For further information:

**go to [wearejust.co.uk/definedbenefit](https://www.wearejust.co.uk/definedbenefit), speak to your EBC
or call Rob Mechem on 01737 233307**

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JUST.

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Pensions Communications Award: Legal & General



The Communications Award went to Legal & General. Receiving the award was Lee Walker, Investment Platform Product Specialist, and Rita Butler Jones, Head of DC Sales (centre). Organiser John Woods, Pensions Age (left) and host Paul McCaffrey (right) presented the award.

Effective, clear and transparent communication is key to the success of any pension scheme. Members need to be communicated in the best manner possible as regulatory changes, accounting amendments and investment changes could potentially affect returns.

The Pensions Communications Award celebrates those providers who have used innovation and excellence to help their clients improve engagement among their members. Presenting the award to Legal & General is therefore no surprise.

According to the judges, this firm displays true innovation when it comes to pension communication, which has resulted

in impressively high success rates in terms of the engagement that has followed.

In a campaign to engage with its members, Legal & General is trail-blazing the way towards setting a new industry standard that benefits an entire nation of retirement savers. As many people are unaware of how to navigate through often very confusing pension information, the firm has started using game-changing technology.

Through personalised video benefit statements, Legal & General has taken the extra step to create an engaging communication vehicle that made pensions educational, personal and thought-

provoking.

The firm is also the first non-fintech provider to make personal video statements available on a large scale to a range of pension scheme members.

Its campaign in early 2018 set out to fulfil three objectives, which it managed with a success that even surpassed its own expectations: to inform employees about their contributions and projected savings, educate employees in what a small change in contributions could mean and persuade employees to contribute more through a clear, clickable 'call to action'.

The video statements were sent to employees of two Legal & General clients in January last year, and compared with industry averages for customer engagement with statements in traditional formats, the email opening rate was up 90 per cent, from 20 per cent to 38 per cent of all recipients. The click-through rates were up a staggering 530 per cent, from 13 per cent to 82 per cent. Furthermore, nearly everyone who opened their video watched to the end, and around three-quarters then completed the call to action. Of those who reached the landing page to take further action, 24 per cent asked to learn more.

This innovative way to communicate is proof of the team's excellence in communications, not just in terms of engaging, but in the number of people who took action to protect their financial future.

All in all, Legal & General is a firm that is leading the way into the future of member engagement. Well done.



QUIET enough
TO LISTEN, loud
enough TO
be heard

We use our influence to act on the
issues that matter most to our clients.

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The value of investments and any income from them may fall as well
as rise, and investors may get back less than they invest.



Legal &
General
INVESTMENT MANAGEMENT

Innovation Award: Deloitte



The Innovation Award went to the Deloitte Pensions Master Plan. Receiving the award was Paul Yates, Deloitte (centre). Organiser Theo Andrew, Pensions Age (left) and host Paul McCaffrey (right) presented the award.

Defined benefit master trusts are not a new concept. However, giving schemes more flexibility and control in master trust structures is something that, until now, has generally been considered unworkable.

This award looks at innovation across the pensions landscape, be that investment, product design or de-risking, to name but a few. We commend the providers that have truly added value to the pensions space with originality and innovation.

The winner of this year's Pensions Age Innovation Award has developed an innovative proposition that fills a gap in the pensions space, impressing the judges with its strong testimonials and relevant case studies. Congratulations to the Deloitte

Pensions Master Plan.

The initiative was developed to address the specific market need for small and mid-sized defined benefit schemes to reduce running costs and improve governance. It genuinely offers the best of both worlds through delivering efficiency savings without companies and trustees losing control.

The firm recognised that the fragmented nature of the UK DB pensions space was leading to inefficiencies and increasing costs for scheme sponsors, with smaller schemes feeling the brunt of these charges.

Deloitte were able to demonstrate innovation, allowing different employers to transfer their schemes into the Master Plan while retaining their trustees, with each employer and group of trustees having their own fully segregated section – allowing them

to keep control of their assets and liabilities.

There is no sharing of risk between the ring-fenced sections, just sharing of cost efficiencies with oversight from an independent trustee.

What also set Deloitte's offering apart from the rest is the ability to unlock cost savings, as well as giving smaller schemes outstanding advice and services.

The market response to the Deloitte Pensions Master Plan has been particularly impressive. Over the past year it has been embraced by the market, with a number of schemes at various stages of transferring assets and liabilities.

Overall it is able to offer small and mid-sized schemes the same investment management charges as apply to billion pound pension arrangements.

One high-profile company has recently decided to start using the scheme for its legacy final salary arrangements, recognising in particular the cost savings that would be achieved, as well as the high-quality services that would be provided.

Another happy client needed to address cost issues with its legacy DB scheme. The client noted the improved governance that it was able to achieve, while also improving the administration experience for members.

The Master Plan demonstrates the firm's commitment to finding solutions for smaller and mid-sized clients, giving schemes something they really need. It is truly taking the market by storm and is a genuine innovation in the world of pensions.

Well done Deloitte Pensions Master Plan.



DeloittePensions **MasterPlan** | Your pension scheme Better funded

- ✓ Reduce running costs
- ✓ Employer covenant unchanged
- ✓ Keep your own trustees
- ✓ No changes to trustee powers or member benefits

For more information on our award-winning solution visit www.deloitte.co.uk/deloittepensionsmasterplan or email deloittepensionsmasterplan@deloitte.co.uk

Important note

It is the responsibility of employers and trustees to satisfy themselves that any transfer into the Deloitte Pensions Master Plan is appropriate for their needs and the needs of pension scheme members. Employers and trustees retain responsibility for the remainder of the ceding pension scheme post-transfer. Independent professional advice should be sought where appropriate. Trustees should always seek legal advice in advance of a transfer.

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Administration Provider of the Year: Trafalgar House



The Administration Provider of the Year award went to Trafalgar House. Receiving the award was Garry Wake, Trafalgar House (centre). Judge Maurice Titley, ITM (left) and host Paul McCaffrey (right) presented the award.

High quality administration is a key cog in the smooth running of any pension scheme, and those providers who offer strong administration services to the market are invaluable. This award celebrates those providers who bring excellence and accuracy to this vital role.

Congratulations to Trafalgar House, the winner of Administration Provider of the Year 2019. The judges highlighted the firm's strong year as a key reason for it being their top choice. They were also impressed with how Trafalgar House continues to develop its administration proposition with the member always at the heart of its offering.

Demand for Trafalgar House's services

is at an all-time high, evidenced by impressive business growth and a significant increase in members under administration. Many of these new schemes joined Trafalgar House after successfully outsourcing their administration for the first time.

The challenges of first-time outsourcing can be very different from a traditional third-party to third-party transition. For the Costain Pension Scheme, Trafalgar House faced the twin challenge of rapidly moving the administration before a hard deadline when systems would be turned off, and thoroughly transferring knowledge before the pensions manager left.

It delivered this by using an agile methodology, based on completing

workstreams in sprints, so that materials could be quickly reviewed and signed off. This allowed for a successful transition with no interruption to member service. The chairman of the trustee, Gary Mills, credits Trafalgar House for a "smooth and timely transition process", adding that it offers a "modern and innovation approach to the administration function".

Similarly, chairman of the trustee for the Imerys UK Pension Scheme, Edwin Bruce-Gardner, notes that when they set out on selecting a provider, they wanted one that could deliver exceptional service standards and member care. He says that Trafalgar House "shared our values", as well as possessing innovative systems that will help them to continue to enhance the service.

It is no surprise that its service appeals to clients, as the company has an exceptional customer service rate of 9.2 out of 10. But not only is Trafalgar House appealing to pension schemes, it is also an extremely attractive employer, having very low levels of staff turnover – a rarity in the pensions administration market. This benefits clients who experience exceptional performance and turnaround times.

Trafalgar House has also focused its efforts on raising the profile of administration, as it believes it is an often overlooked and underappreciated area of the pensions industry. In the past 12 months, it has published over 80 blogs, articles and media pieces, alongside its programme of educational sessions and webinars. Well done Trafalgar House!




SPECIALIST FOCUS

As a specialist, 100% of our focus is on supplying high-quality **pension administration** services. We don't work on anything else, so trustees and members benefit from our expert knowledge and commitment to delivering a market-leading service.

www.trafalgarhouse.co.uk

Trafalgar House Pensions Administration Limited is a limited company registered in England under 11101662, whose registered address is Cheapside House 2nd Floor, 134-147 Cheapside, London EC2V 6BJ.

 Trafalgar House

Master Trust Offering of the Year: The People's Pension



The Master Trust Offering of the Year award went to The People's Pension. Receiving the award was Roy Porter, The People's Pension (centre). Judge Matthew Swynnerton, DLA Piper (left) and host Paul McCaffrey (right) presented the award.

Ever since the launch of auto-enrolment, sponsors and trustees have been looking at ways to control their pension scheme costs without compromising on quality and governance, and most importantly, while providing an excellent pensions product for their members. Coming to the rescue are master trusts, taking the UK market by storm.

However, the master trust sector itself is now going through a period of change and reform. Therefore the Pensions Age Awards look to recognise and reward the master trusts that are ahead of the game during this dramatic time of flux, and are maintaining their focus on providing DC innovation for both the industry and member.

Achieving these aims for the second year in a row, the winner of the Pensions Age Master Trust of the Year Award for 2019 is

The People's Pension.

The People's Pension has 4.3 million members, over 85,000 employers and £6 billion funds under management. It is driven by three core values – creating simplicity, showing compassion and keeping promises. These values are evidenced throughout all its work. For instance, its website content is written in simple and jargon-free language to make the customer journey as easy as possible. It also leads the way with its communications toolkit especially designed for employers, so they have all the tools they need to explain the workplace pension, online accounts, top-ups and more to their employees. This includes downloadable documents, videos, posters and letter templates that can be used for staff.

But while providing an excellent service

“The awards judges described The People's Pension as displaying excellence, innovation and a true understanding of what master trusts can and should deliver now and into the future”

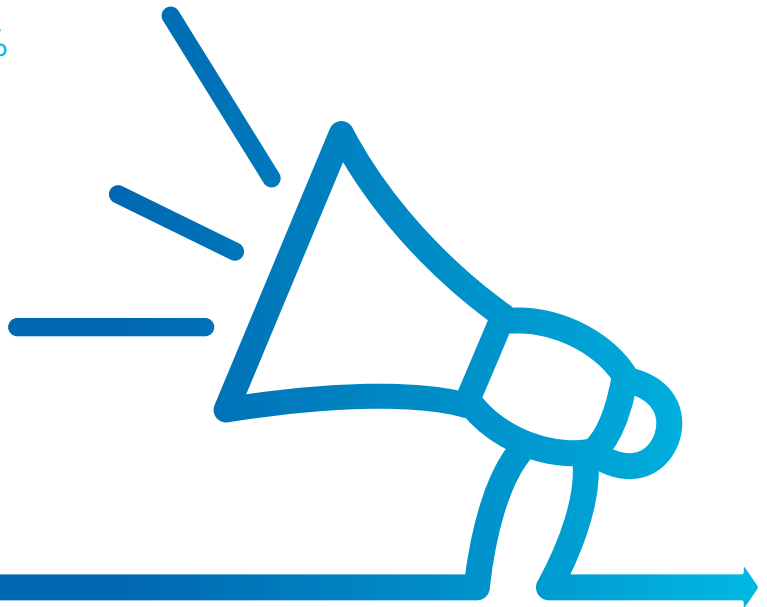
to members, it has to maintain this during times of change. However, The People's Pension does not just respond to industry reform, but proactively leads the improvements. It actively lobbied for the transformation currently taking place across the master trust sector.

Last year also saw the members of B&CE's EasyBuild Stakeholder transfer into The People's Pension. B&CE took the decision that although EasyBuild is an excellent product, The People's Pension was going to offer better long-term value to its members. Therefore The People's Pension invested time and money to track down members and encouraged them to move to The People's Pension, so ensuring that these members were treated fairly over the long term.

It is no wonder the awards judges described The People's Pension as displaying excellence, innovation and a true understanding of what master trusts can and should deliver now and into the future. Congratulations to an excellent winner.

Average earners' pension savings could increase by almost £30,000^[i]

This summer our management charge will reduce as our members' savings grow - down to as low as 0.2%



To find out more, visit our website www.thepeoplespension.co.uk/low-management-charge or speak to our expert Relationship Management Team on **01293 586666 option 1**.

For people, not profit

B & C E Financial Services Limited

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Registered in England and Wales No. 2207140. To help improve our service we may record your call.
B & C E Financial Services Limited is authorised and regulated by the Financial Conduct Authority Ref: 122787. It acts as a distributor of, and an administrator for, pensions (including The People's Pension Scheme), accident and death insurance and a range of financial welfare products.

[i] This modelling assumes earnings of £30,000 per annum (UK media full time annualised wage £29,588, ONS 2018), a timeframe of 45 years, contributions at 8% of qualifying earnings, investment returns of 5% per annum and inflation at 2.5% per annum. For the average earner the new charge structure could enable them to save an extra £54,535.60 compared to paying a flat rate AMC of 0.75%. For the average earner the new charge structure could enable them to save an extra £28,398.14 compared to The People's Pension's current flat-rate AMC of 0.5%.

A PENSIONS *Age* AWARDS 2019



28 FEBRUARY 2019

**London Marriott Hotel
Grosvenor Square**





SAVE THE DATE

27 February 2020

London Marriott Hotel, Grosvenor Square