PENSIONS Age AWARDS 2016

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25 February 2016 - London Marriott Hotel, Grosvenor Square

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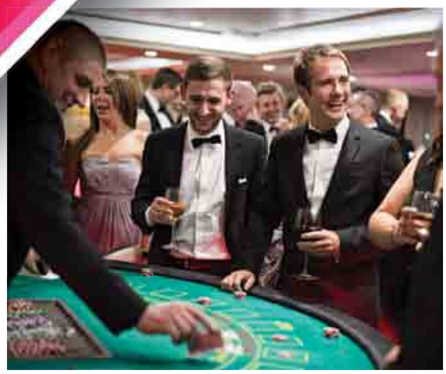
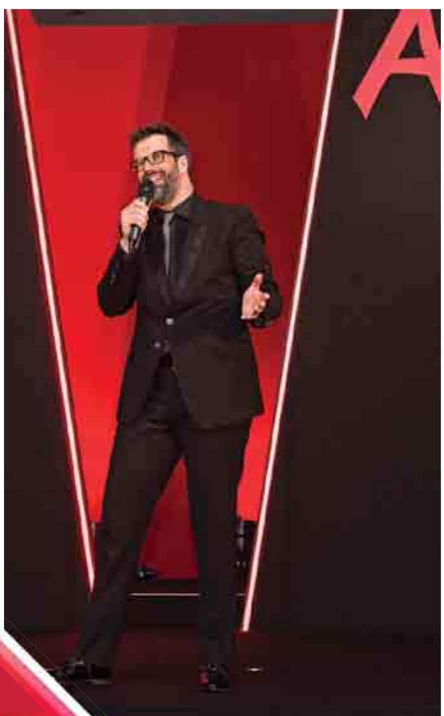
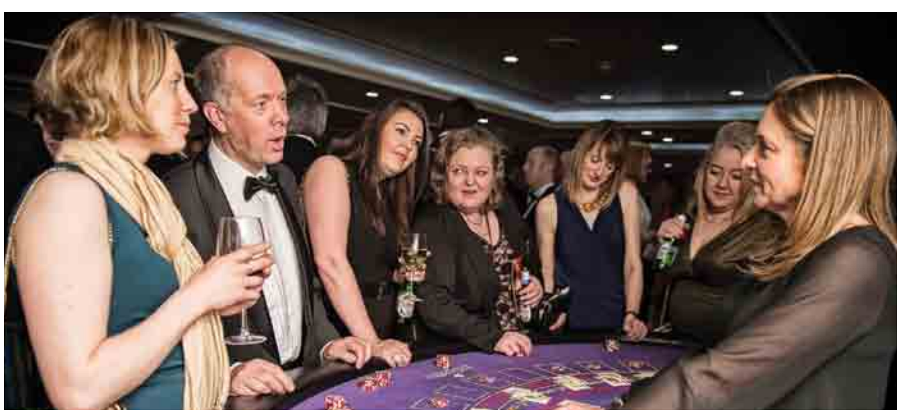
PENSIONS Age AWARDS 2016







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Highlighted winners

PENSIONS Age AWARDS 2016

Pensions Age Awards 2016 – a celebration of success

With the January blues well and gone, and a cold February drawing to a close, there was a feeling of excitement and anticipation in the ballroom of Grosvenor Square's stunning Marriott Hotel as the UK's pensions elite gathered to celebrate the third annual Pensions Age Awards.

More than 500 pension trustees, advisers and providers were on the guest list at what has quickly become one of the most prestigious events in the UK pensions calendar – an occasion to network with peers, catch up with friends and most importantly celebrate the hard work and dedication that the UK pensions industry continues to display in an ever-changing and ever-challenging regulatory and economic environment.

The Pensions Age Awards were launched three years ago to reward both the pension schemes and the pension providers across the UK that have proved themselves by demonstrating excellence, sophistication and innovation in all aspects of what they do. More than 300 entries were received this year, which made the job of assessing the submissions all the more challenging for our panel of independent judges who, yet again, worked extremely hard to apply their knowledge and understanding of the pensions and investment sectors to the task in hand.

Laura Blows, editor of *Pensions Age*, opened proceedings with a thoughtprovoking and inspiring address, while comedian Marcus Brigstocke later took to the stage to entertain the excited (and sometimes rather vocal) crowd with his flair for comedy and pure professionalism. It wasn't long before champagne corks were popping as accolades were presented for a whole host of different pension disciplines and trophies were being shown off at the tables.

First off, the spotlight shone on the hugely deserving pension schemes who fought off tough competition in order to be crowned winners. Kingfisher Pension Trustee and Santander UK Group Pension Scheme were announced as DC and DB pension schemes of the year respectively; NCR Pension Plan went home with the trophy for best risk management exercise; Nationwide was rewarded for its dedication to pension communication; Royal Mail - The Pensions Service Centre for its excellence in administration; Weetabix Group Pension Scheme for boasting the best investment strategy; and last but not least, Merchant Navy Officers Pension Fund for its pension scheme innovation.

Next up were the hugely competitive investment provider awards, some categories receiving close to 20 entries alone. Artisan Partners were proud to collect the award for equities manager of the year, while the fixed income award went to Insight Investment. The active manager of the year was Majedie Asset Management; while Legal & General Investment Management took the prize for the best in passive management. In the alternatives categories, LGT Capital Partners was crowned alternatives manager of the year; BlackRock was rewarded for its work in the emerging markets space; M&G Investments for property; Aurum Funds for hedge funds; and Hermes for infrastructure. MSCI went home as the index provider of the year; Schroders won for its work in the LDI space; and River and Mercantile Asset Management took the trophy for its performance in the multi-asset arena.

Some of the most coveted awards of the night included the award for pensions consultancy of the year, which went to Barnett Waddingham; the award for fiduciary management, which went to Cardano; the award for independent trustee firm of the year, which went to PTL; and the innovation award, which went to Mercer.

There were also a number of highly-anticipated awards, given their relevance and importance in the pensions space today. These included the at-retirement solutions provider of the year, which went to Aon; the award for pensions provider, which went to Hargreaves Lansdown; the risk management provider of the year, which went to Rothesay Life; and the pensions communications award, which went to Capita Employee Benefits.

Additionally, there was a selection of specialist awards which were handed out to the well deserving experts in these fields. The pensions technology award went to Equiniti Pension Solutions; Grant Thornton UK was crowned pensions accountancy firm of the Year; Premier was awarded the accolade for administration provider; and the pensions law firm of the year award was presented to Eversheds.

The final and arguably most sought-after award of the night had to be for the personality of the year. The only award to be voted for by our readers, this year there could only be one winner - Vince Linnane, CEO of the Pensions Management Institute (PMI) was the proud receiver of the trophy in recognition of his many years of hard work and dedication in raising the standards of pension provision through his work at the PMI.

A huge congratulations to Vince and indeed all the deserving winners of the night - we hope you enjoyed celebrating at the bar, disco and photo booth, and many thanks to all the pension schemes and providers who took the time and effort to enter; the judges who worked hard to evaluate the submissions; the sponsors who supported the event; and everyone who attended on the night to join in the celebrations. We look forward to celebrating with you all again next year.

PENSIONS Age AWARDS 2016

Pensions Age Awards Winners 2016

DC Pension Scheme of the Year
Winner: Kingfisher Pension Trustee

Best Risk Management Exercise
Winner: NCR Pension Plan

Equities Manager of the Year
Winner: Artisan Partners

Pension Scheme Communication Award
Winner: Nationwide
Highly Commended: Greater Manchester Pension Fund

Pensions Law Firm of the Year
Winner: Eversheds

Pensions Administration Award
Winner: Royal Mail - The Pensions Service Centre

Best Investment Strategy Award
Winner: Weetabix Group Pension Scheme

Pension Scheme Innovation Award
Winner: Merchant Navy Officers Pension Fund

Pensions Consultancy of the Year
Winner: Barnett Waddingham

Fiduciary Management Firm of the Year
Winner: Cardano

Pensions Technology Firm of the Year
Winner: Equiniti

At-retirement Solutions Provider of the Year
Winner: Aon
Highly Commended: AB

Pensions Provider of the Year
Winner: Hargreaves Lansdown

Pensions Accountancy Firm of the Year
Winner: Grant Thornton UK

Passive Manager of the Year
Winner: Legal & General Investment Management

Alternatives Manager of the Year
Winner: LGT Capital Partners

Fixed Income Manager of the Year
Winner: Insight Investment

Active Manager of the Year
Winner: Majedie Asset Management

Index Provider of the Year
Winner: MSCI

Emerging Markets Manager of the Year
Winner: BlackRock
Highly Commended: HSBC

Property Manager of the Year
Winner: M&G Investments

LDI Manager of the Year
Winner: Schroders

Hedge Fund Manager of the Year
Winner: Aurum Funds

Infrastructure Manager of the Year
Winner: Hermes Infrastructure

Independent Trustee Firm of the Year
Winner: PTL

Multi-asset manager/provider of the year
Winner: River and Mercantile Asset Management

Risk Management Provider of the Year
Winner: Rothesay Life

Pensions Communications Award
Winner: Capita Employee Benefits
Highly Commended: Aviva (formerly Friends Life)

DB Pension Scheme of the Year
Winner: Santander UK Group Pension Scheme
Highly Commended: London Pensions Fund Authority

Innovation Award
Winner: Mercer
Highly Commended: Spence & Partners

Administration Provider of the Year
Winner: Premier

Personality of the year
Winner: Vince Linnane, CEO, Pensions Management Institute

The judging panel

Robert Branagh,
Chairman,
Armed Forces
Pension Scheme

John Broker,
Director,
ITM

Lesley Carline,
Director,
KGC associates

Paul Couchman,
Managing Director,
Premier

Ben Gaukrodger,
Manager of Savings
Policy,
ABI

Paul Kemmer,
Managing Director,
Asset Solutions,
PSolve

Simon Kew,
Assistant Director,
Pensions Advisory,
Deloitte

Celene Lee,
Principal, Head of
Investment Consulting,
Buck Consultants at
Xerox

Jeremy Lee,
Retirement and Technical
Manager,
TISA

Vince Linnane,
Chief Executive,
PMI

Neil McPherson,
Managing Director,
CCTL

Ian McQuade,
Client Director,
Muse

Raj Mody,
Partner, Head of the UK
Pensions Group,
PwC

Nigel Moore,
Partner,
CMS

Alan Stone,
Pension Manager,
Bechtel

Peter Timberlake,
Head of Communications,
Financial Reporting
Council

Elaine Turtle,
Treasurer and
Committee Member,
Association of
Member-Directed
Pension Schemes
(AMPS)

James Walsh,
Policy Lead: EU and
International,
Pensions and
Lifestime Savings
Association (PLSA)

Lynda Whitney,
Partner,
Aon Hewitt

Barnett Waddingham
a true partnership approach

Pensions Consultancy of the Year:
Barnett Waddingham

The Pensions Consultancy of the Year award went to Barnett Waddingham. Receiving the award was Mark Futcher, partner and head of DC, Barnett Waddingham (centre). Presenters of the award were awards judge James Walsh, policy lead: EU and international, Pensions and Lifetime Savings Association (left) and awards host Marcus Brigstocke (right).

Pensions consultancy has evolved dramatically in recent years, with the bigger players expanding their services to meet the changing needs of clients, coupled with well-respected niche players entering the space.

The Pensions Age Pensions Consultancy of the Year award recognises those pensions/investment/actuarial consultancy firms that have shown a true dedication to serving UK pension scheme clients, displaying a thorough understanding of their needs and continues to move with the times.

This year, the firm embodying and exemplifying these criteria is Barnett Waddingham, a consultancy firm that provides a personal, quality and tailored approach to all its clients. Described by the judges "as a firm demonstrating some truly useful areas where their innovative solutions have helped clients both in the private and public sectors", it comes as no surprise as to why Barnett Waddingham is ranked as the number one pensions consultancy firm.

As part of the Thomson Reuters UK Retirement Plan implementation of an in-trust drawdown option this year, Barnett Waddingham provided unique investment expertise and communications support in this process. The default investment option was changed to target a more drawdown-based strategy, and the growth and lifestyle options were redesigned to provide members with a number of options, reflecting different attitudes to risk. A default consolidation fund was also introduced.

Furthermore, members have also been given access to Me2, the firm's innovative, online, pension education and engagement portal for employees.

On 7 April 2015, Remploy Employment Services left government ownership in a joint venture between its employees and MAXIMUS. Barnett Waddingham project managed the entire exercise for the 20,000 member, £650 million pension scheme, ensuring successful liaison between trustees, the old company, new company, the DWP, lawyers and the GAD.

The skills of the firm are also evident through its online pension scheme valuation tool, launched last year. 'Illuminate', allows trustees to understand and explore the complex relationships needed for effective and robust decision making. Added to this the firm has also been appointed to assist several clients in appealing their 2014/2015 PPF levy invoices.

It is all these factors that make Barnett Waddingham the clear winner of the Pensions Consultancy Firm of the Year awards in the eyes of the judges.

Congratulations to a worthy winner.

Cardano

Fiduciary Manager of the Year Award: **Cardano**

The Fiduciary Management Firm of the Year award went to Cardano. Receiving the award was Phil Redding, head of business development Cardano (centre). Presenters of the award were awards judge Robert Branagh, chairman, Armed Forces Pension Scheme (left) and awards host Marcus Brigstocke (right).

Fiduciary management services are now embedded in the UK pension space, with offerings coming from various types of providers in the market. As pressures gather pace, trustees are now more than ever looking to outsource certain scheme management duties to the fiduciary market.

This year, the Fiduciary Manager of the Year award went to Cardano. According to the judges, the firm "showed excellence and thought leadership in abundance".

Since its fiduciary management business began, Cardano has delivered consistent outperformance over one, three and five years as well as since inception. Its composite of clients who followed Cardano's 'liabilities plus' approach achieved an outperformance against their liabilities of 4.5 per cent per annum (net of fees). This represents well in excess of £5 billion of assets with different performance targets.

Indeed, the risk of the assets relative to the liabilities has continued to be low, at around 2.5 per cent per annum. Designing portfolios that aim to perform well in a wide range of market conditions, Cardano has achieved a consistency of results in a wide range of market conditions, both favourable and adverse.

Concerning its service offering, Cardano focuses on every single client with a ratio of 1:1 of clients to client team members. A strong funding ratio focus in its reporting, aligned with the objectives set, is critical in increasing transparency for trustees to evaluate Cardano's performance.

Cardano consistently goes beyond the core role of a fiduciary manager, working with a number of clients to put in place deficit hedging programmes through zero premium swaption collar strategies, as well as working with clients on an integrated risk management framework, providing a holistic assessment of interest rate, inflation and longevity risks.

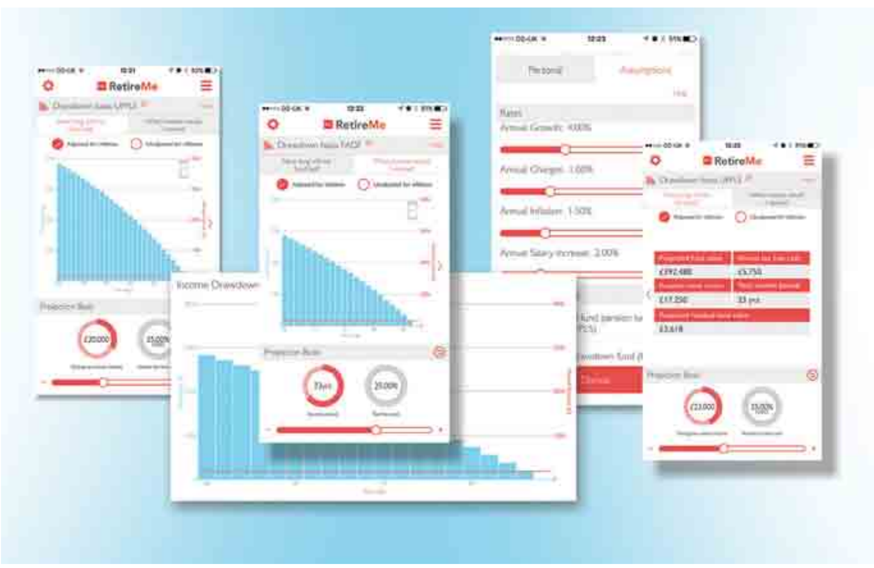
Recognising that it can also play a major part in providing a service to the wider industry, Cardano has taken part in a number of external events that educate trustees on how to best monitor their fiduciary manager. It has also held a premier of *Boom Bust Boom*, a film produced to build a more stable, resilient financial system with over 400 clients, industry colleagues, competitors and members of the media attending.

Congratulations to an impressive winner.

Download RetireMe from the Apple App Store:

EQUINITI

Pensions Technology Firm of the Year: **Equiniti**



The Pensions Technology Firm of the Year award went to Equiniti.

Effective and reliable pensions technology and data management is essential for the successful running of any pension scheme. As the industry continues to develop, so too does technology.

The Pensions Age Technology Firm of the Year award recognises those firms that are leaders in the pensions technology field, and ultimately rewards who is the best in this increasingly important category.

Described by the judges as "using innovation to make life better for the individual saver and boasting a high satisfaction rating", Equiniti has been rewarded for being a cut above the rest. Inventor of RetireMe - the UK's first device to help pensioners and those nearing pensionable age better understand and manage their drawdown options - Equiniti is at the cutting-edge of technology.

The firm's revolutionary decumulation modeller, which is built in to its leading pension administration platform, Compendia, helps users gauge their pension fund's longevity, based on specific drawdown choices. Compendia user numbers have jumped 21 per cent since September 2014, while the confidence of app users has flourished.

This same decumulation modeller is also available as a standalone app, RetireMe (for iOS devices). When surveyed, a total of 90 per cent of users agree that it helps them 'make informed choices with regards to drawdown'. RetireMe enables the firm to harness invaluable insight into pensioner trends and behaviour, such as typical user demographics. User statistics have revealed that 86 per cent of users are male. The firm is using this insight to develop focus areas for its future strategy.

To complement its solutions, Equiniti offers clients multi-channel support, including a set of online training tools for software clients, broken into small modules, allowing users to familiarise themselves with both software and the service. Interactive webinars are also conducted to share insights for client benefit. Equiniti runs ongoing workshops that cover subjects including the new defined contribution pension flexibilities, the new defined benefit to DC transfer rules, the end of contracting out and changes to the annual allowance rules.

By continuing to position itself firmly at the forefront of the pensions sector and responding quickly to the changing landscape, Equiniti is leading the way in meeting the needs of the 21st century pension scheme and its members.

The judges have recognised Equiniti as excelling in the technology space and therefore the firm is a much-deserved winner of this award for the second year running. Congratulations!

Independent Trustee Firm of the Year: PTL

The Independent Trustee Firm of the Year award went to PTL. Receiving the award was Richard Butcher, MD, PTL (centre). Presenters of the award were awards sponsor Mark Cooper, head of longevity risk, Rothesay Life (left) and awards host Marcus Brigstocke (right).

The pensions space has become a minefield for pension scheme trustees struggling to cope with changing regulation, governance pressures and investment challenges, which is why the role of the independent trustee firm has become key.

The Independent Trustee Firm of the Year award looks to give recognition to those firms that truly assist the pension scheme trustee in managing their day-to-day challenges. Described by the judges as having a clear understanding of the needs of its clients and a true engagement with the pension sector, the winner of this award is PTL.

PTL is a specialist in professional trusteeship and governance and although its roots lie in DB schemes, in recent years it has become a leader in DC governance and members of its team now sit on 15 DC master trusts and seven independent governance committees. In 2015, PTL launched its own GAA, serving 14 providers of workplace pensions.

Working with a well-known charity, PTL were engaged to help with current conflicts as all existing pension trustees were either employees or charity trustees.

The appointment arrived at the time of the charity's triennial valuation, which produced far worse results than the sponsor expected or wanted and therefore PTL, through the implementation of a contingent asset, was able to aid valuation negotiations.

PTL also gained agreement to prioritise trustee meeting agendas to ensure trustees focus on the appropriate areas, to improve efficiency and better decision making. As a new idea of the client, PTL implemented a pre-meeting previewing of advisers' meeting papers to ensure that they were fit for purpose and pitched at the right level for the trustee board. This led to a quicker and better understanding with swifter decision making. Furthermore, as part of a monitoring system of trustees' knowledge and understanding, PTL identified LDI as an immediate need and for the sponsor covenant to be a constant item on all meeting agendas.

The firm remains at the centre of the industry and is positioned to influence developments in the pensions market. It sits on the DC Council of the PLSA, the PMI Council, the Department for Work and Pensions Trustee Panel and The Pensions Regulator's DC Practitioners Panel.

After celebrating 21 years in business, PTL continues to grow and be a diverse and highly professional trustee and governance provider.

It is this commitment to the industry that has led PTL to be awarded the Independent Trustee Firm of the Year award. Congratulations to a thoroughly-deserved winner.

Preparing for the unexpected

In these times of uncertainty, a foundation of robust and proactive governance is more important than ever

We are very proud to have won this award. This is a challenging time for trustees and governors of pension schemes across the spectrum, and to be recognised for our contribution to improving outcomes for members is very gratifying.

We have always held that bridging the savings gap will require collaboration and commitment from across the pensions industry. This is why we at PTL take our pivotal and influential role as professional, independent trustees very seriously.

To say the past two years has seen significant change and increasing complexity is an understatement, and there may well be more to come. As professional trustees who view this role as a full-time vocation, our ethos is built on a knowledgeable, experienced and diverse team, employing an approach that demands technical skill in combination with collaboration, dialogue and pragmatism.

Towards twenty-first-century trusteeship

In the defined benefit space, employers are increasingly focusing on efficiency and prioritising communication and effective decision making in their schemes. Given the difficult economic climate in which employers must operate, it is important for trustees to adapt their approach accordingly.

Being able to demonstrate to each of our clients that we understand their business, culture and the issues specific to their workforce is vital. Just as important is the ability to work with employers on innovative, often complex, investment strategies as they pursue sustainable funding solutions. And where UK schemes are sponsored by foreign parents, we have found that engaging with the ultimate employer and being willing to walk them through the largely unfamiliar territory of the UK pensions landscape has paid real dividends.

In DC, this is just the beginning

Defined contribution is the future, of course, and the majority of recent legislation has targeted this area. Our team has worked tirelessly with partners across the industry to add to the debate on governance and value for money, and establish a workable framework to take forward. This is just the start of an evolving process, and there is much more yet to do.

Trustees will need to adapt to this brave new world, where communication and member engagement are key, and in which technology will play an increasingly important role. The old paradigm governing DB pensions no longer applies, and the industry as a whole must adapt and invest in the knowledge and skills that DC requires.

At PTL, we have already begun to take a more holistic approach to governance. Pensions are now one component of a much broader savings and benefits environment, encompassing wealth, health and lifestyle, and we will continue to expand our offering in the year ahead.

Finding the signal in the noise

Forecasting is notoriously hard to pull off with any grace. “Prediction is very difficult, especially if it’s about the future,” as Niels Bohr put it. But we are reasonably confident – subject to the usual prudent qualifications – that the unprecedented change of the last two years is unlikely to be the final chapter in this story.

Whatever lies in store, we at PTL will continue to engage with our partners across the pensions industry, and will endeavour to influence policy and legislation for the benefit of our clients and the members of their schemes.

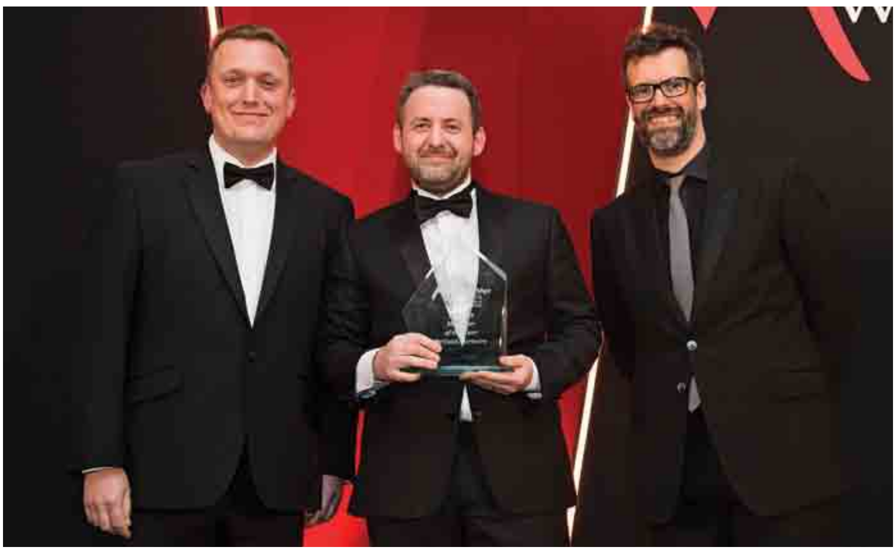
We’ll also continue the search for creative solutions to the substantial problems we must all address, given changing demographics, economic uncertainty and political upheaval. At the centre of our commitment to innovation and intelligent change is a belief that good governance is paramount to engaging employees, encouraging positive savings habits and providing for the future.

Written by Matt Binnington, business development manager, PTL

ptl

ARTISAN PARTNERS

Equities Manager of the Year:
Artisan Partners



The Equities Manager of the Year award went to Artisan Partners. Receiving the award was Andrew Marks, managing director, head of EMEA distribution, Artisan Partners (centre). Presenters of the award were awards judge Simon Kew, assistant director, pensions advisory, Deloitte (left) and awards host Marcus Brigstocke (right).

Equities remain vital for pension funds as they look to seek the highest possible returns in a challenging economic environment. Even with the levels of diversification and de-risking within the industry at this moment in time, equities are essential for the balance needed within an investment portfolio.

The Equities Manager of the Year award category aims to celebrate those firms that have proved themselves as leaders in the equities space, both in terms of performance numbers and recognising the needs of their pension clients.

This year, the firm exemplifying outstanding equities management is Artisan Partners. With $99.8 billion AUM, Artisan Partners has seven autonomous investment teams, six of which are dedicated to managing 14 distinct US, non-US and global equity strategies, which are offered through various investment vehicles to accommodate a broad range of client mandates.

Artisan Partners is a high value-added investment firm, where investment professionals are encouraged to differentiate themselves from their peers and benchmarks through active risk-taking. Through the firm's innovative business model, each of the investment teams pursues alpha according to its own individual investment process/philosophy; there is no central research function and no chief investment officer.

As of 31 December 2015, 12 of Artisan Partners' 14 equity strategies had outperformed their benchmarks since inception. Furthermore, the Artisan Global Opportunities, Global Value and Global Equity strategies were ranked in the top 5th percentile for their since-inception, gross-of-fees performance in the eVestment All Global Equity universe. As of 31 December 2015, the Artisan Global Opportunities Strategy ranked 4th among 459 strategies, the Artisan Global Value Strategy ranked 6th among 487 strategies, and the Artisan Global Equity Strategy ranked 9th among 687 strategies in the eVestment All Global Equity universe.

Artisan Partners entered the UK market in 2010, with UK assets of roughly $148 million and today the firm manages approximately $8 billion in assets on behalf of UK clients as of 31 December 2015. The AUM of Artisan Partners' UCITS complex now stands at $1.8 billion. In the eyes of the judges, the firm displayed a strong peer performance rating, clear data and a high commitment to the market.

Congratulations to a worthy winner.

A distinctive investment culture

Artisan Partners is a global investment management firm that provides a broad range of high value-added investment strategies in growing asset classes to sophisticated clients around the world

Artisan Partners is an investment management firm. While obvious, we emphasise the point because investment management is our only business. We do one thing and it is our mission to do that one thing extremely well. As an investment manager, we focus exclusively on active, high value-added investment strategies where experienced investment professionals pursue superior results through a combination of original thinking and a disciplined approach. Since our founding in 1994, we have emphasised autonomy among our investment teams to encourage the creative thinking that drives value-added decision making. We provide each investment team with ample resources and support, without imposing a centralised research function. Each investment strategy is focused on an area that we believe provides opportunities to generate returns in excess of the relevant benchmarks.

Our business model has always been structured around our investment talent. We have an experienced business management team in place that is distinct from our investment teams. The business leadership team manages a centralised infrastructure that supports our investment capabilities and allows our investment professionals to operate in an environment that is conducive to producing their best work on a consistent, long-term basis. We consciously designed our business model in this manner to attract, develop and retain talented investment professionals. It allows our investment teams to focus on portfolio management while ensuring a stable business environment and encourages our teams to emphasise long-term results, which aligns with the investing goals of our clients.

Our entrepreneurial mindset ensures that we stay committed to the thoughtful growth of our business. Our goal is to provide investment solutions that are aligned with long-term global trends and that are relevant to our clients. This mindset keeps us actively looking for ways to maximise long-term opportunities for our existing investment professionals and make our business attractive to prospective investment talent. We also prioritise the investment process over asset growth so that we don't lose the trust of our investment talent and clients. This may leave some growth opportunities, in the traditional sense of asset growth, untapped but we are confident that our long-term growth outcome will be better if we remain consistent with who we are — a high value-added investment management firm designed for talent to thrive in a growth-oriented culture.

Written by Andrew Marks, managing director, head of EMEA distribution, Artisan Partners UK

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Email: LondonDistributionTeam@artisanpartners.com

LGT Capital Partners
your partner for alternative investments

Alternatives Manager of the Year:

LGT Capital Partners

The Alternatives Manager of the Year award went to LGT Capital Partners. Receiving the award was Barry Lee, Associate Director, LGT Capital Partners (centre). Presenters of the award were Lauren Weymouth, News Editor, Pensions Age (left) and awards host Marcus Brigstocke (right).

Alternatives have become an essential part of a pension fund portfolio and are now more varied than ever. Vital for diversification within any investment strategy, more and more pensions schemes are turning to this asset class for the flexibility it generates.

The Pensions Age Awards 2016 Alternatives Manager of the Year award recognises those firms that have shown a true flair for extracting value from the alternatives space to the benefit of their clients. The firm which, according to the judges, "stood out" from the rest and submitted an "inspiring entry", was LGT Capital Partners.

With $50 billion in assets under management and more than 400 institutional clients in 33 countries, the firm manages investment programmes focusing on private markets, liquid alternatives and multi-asset class solutions. The firm has shown outstanding levels of innovation in the expansion of its impact venture fund, IVUK, which invests in UK social enterprises to improve the lives of socially disadvantaged people while generating a financial return for UK pension funds.

The fund's investor base includes a £15 million cornerstone investment from the social investment bank Big Society Capital UK, as well as other major institutions, such as Waltham Forest Pension Fund, The University of Northampton, the European Investment Fund and the Deutsche Bank Impact Investment Fund.

Secondly, the firm has demonstrated great levels of commitment to its client service by using its proprietary risk analysis framework to significantly reduce the risk of UK pension plans, while retaining attractive returns. Many UK pension funds find themselves heavily exposed to traditional investments, and in most cases, specifically as part of their "growth" or "return-seeking" assets. However, when it comes to diversifying, many struggle to find precisely the right solution, especially one that will reduce risk without sacrificing returns. Many providers can offer exposure to other asset classes, but few can offer a finely crafted solution that offers exactly the diversification required based on a sophisticated analysis of their portfolio.

LGT CP addresses this problem by modelling clients' existing portfolios using its proprietary scenario-analysis framework. It enables LGT CP to decompose the risk drivers of client portfolios and propose a far more diversified asset mix by incorporating a wide range of alternative investments that offer exposure to a broad and much less correlated set of risks. This is normally achieved with virtually no sacrifice in return. This puts their pension fund clients in a much better position to deal with market turbulence.

Congratulations to a more than worthy winner for this category.

AURUM

Hedge Fund Manager of the Year:

Aurum Funds

The Hedge Fund Manager of the Year award went to Aurum Funds. Receiving the award was Jason Sweidan, director, Aurum Funds (centre). Presenters of the award were awards judge Lesley Carline, director, KGC associates (left) and awards host Marcus Brigstocke (right).

Hedge funds have proved themselves a worthy asset class for UK pension funds as they try to find new sources of income for savers. Offering diversification benefits as part of the alternatives space, hedge fund usage is on the up.

The Hedge Fund Manager of the Year award rewards those hedge fund managers who have proved themselves in the management of this sophisticated investment class. This year's winner is Aurum Fund Management Ltd (Aurum). With assets under management of $2 billion including crossholdings, it is a clear leader in this area.

Aurum's performance demonstrates the ability of its portfolios to weather challenging market conditions. It also has a consistent business philosophy focusing on preserving the culture, cohesion and stability of the firm.

Delivering alpha since 1994, Aurum's portfolios are designed to enhance traditional portfolios by producing stable return streams with low beta and low correlation to equity and bond markets. The firm's Aurum Isis Standard Dollar Restricted Class (Flagship Fund), which has an 18 year track record, has continued its outstanding performance against periods of market turbulence. During the global growth scare between August 2015 and September 2015, the fund returned -0.37 per cent as opposed to -10.4 per cent for the MSCI World Index and -3.85 per cent for the HFR FOF Composite. During the 2002 recession, the fund returned 1.16 per cent against -23.76 per cent for the MSCI World Index.

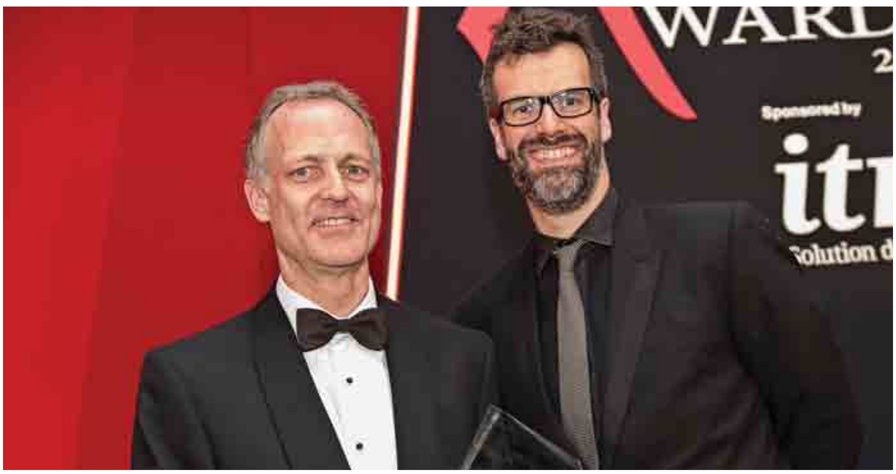
In 2014 Aurum announced that it had launched the Aurum Alpha Fund, one of the first Alternative Investment Fund Managers Directive (AIFMD)-compliant fund of funds. The fund has delivered consistent returns over its first 25 months delivering CAR values of 4.86 per cent and a volatility of 2.11 per cent.

Aurum is also a business committed to ESG issues. In conjunction with Synchronicity Earth, it created Project Regeneration, a reliable, high-impact alternative to traditional carbon-offsetting schemes, thus helping Aurum to meet its own environmental objectives.

"Excellence and sophistication" has set this firm above the rest according to the judges, and therefore huge congratulations must go to Aurum for its work in this area.

RIVER AND MERCANTILE
ASSET MANAGEMENT

Multi-Asset Manager of the Year: **River and Mercantile Asset Management**



The Multi-Asset Manager of the Year award went to River and Mercantile Asset Management. Receiving the award was Paul Kemmer, a managing director, River and Mercantile Group (left). Presenting the award was awards host Marcus Brigstocke (right).

The role of multi-asset products has grown in importance in recent years, as providers strive to meet the diverse needs of pension funds. This award assesses the best of the best in this increasingly competitive investment space and this year recognition went to River and Mercantile Asset Management.

River and Mercantile Asset Management was founded in 2006 as a long-only investment manager focusing on UK and global equities. In March 2014, it merged with investment advisory, fiduciary management and risk management provider P-Solve Investments to form River and Mercantile Group. As of 30 June 2015, the group had assets under management of £21 billion.

The group has taken the decade-long asset allocation expertise of P-Solve, combined it with the stock-picking skills of River and Mercantile Asset Management, and channelled the combination into a form of investment that can be suitable for DB and DC pension schemes – the River and Mercantile Dynamic Asset Allocation Fund, launched in September 2014. Over the 12 months to 22 October 2015 (the latest date before its awards submission), the DAA fund has made 6.3 per cent, beating its peer group by 3.4 percentage points.

The firm's investment views are provided by two committees, with each committee involving five senior members of the group, with three members common to each. The Global Investment Committee meets formally once a month to consider a multiplicity of factors, including asset class valuations, macroeconomic variables, investor sentiment and market cycle position.

Although the committees meet according to a monthly cycle, they are able to convene within moments if the portfolio requires immediate attention. This allows the firm to act quickly to avert a loss, or take advantage of substantial but fleeting investment opportunities, in light of changing market circumstances.

Furthermore, the multi-asset committee uses a range of proprietary, quantitative tools to assess combinations of risks from different sources within the portfolio, and to test the portfolio against a range of market shocks and other scenarios. The fund is invested directly in government bonds, direct investments in particular stocks and investments in funds managed by third-party managers.

According to the judges, this firm has demonstrated its understanding of the multi-asset space by combining experience with skill in order to produce an investment offering well suited to the needs of today's DB and DC markets – plus it has the performance to show its approach works. A clear winner in this category, congratulations to River and Mercantile Asset Management.

River and Mercantile DAA fund: Simple approach yields returns

An investment strategy does not need to be complicated to do well. There is much merit in using an approach that is easy to understand, says Tamsin Evans, head of multi-asset, River and Mercantile Group

The equity market gyrations of late summer/early autumn 2015 tested the nerves of most investors. For the clients of River and Mercantile's Dynamic Asset Allocation Fund, however, the passage provided an unusually compact example of what the fund can do for them.

'Unusually compact', because ordinarily a long-term perspective is needed to see the full advantage of diversification and a dynamic approach to asset allocation. On this occasion the benefit became clear within three months.

Here's how it unfolded. The committee running the fund had gone into summer slightly underweight risk assets, such as equities, with the intention of taking more risk when a good moment arose. Such a nuanced, cautious view has been typical over recent years, with markets reacting strongly to modest changes in macroeconomic metrics and any hint of a monetary policy adjustment. At the end of July, the equity allocation was an underweight 41 per cent of the fund.

Trouble came from an unexpected devaluation of the Chinese renminbi against the dollar, in early August. Fear sent equity markets tumbling, and momentum kept them going – but the justification was unclear. There was a fair amount of positive economic data from the US and other developed market economies.

The River and Mercantile committee regarded economic conditions as stable, the danger of a Chinese hard landing overstated and, consequently, the equity market falls as overdone. From this perspective, the sell-off in equities represented an opportunity to buy at lower prices.

And this is what we did, increasing equity allocations across the UK, US, Japan and Europe, and recommencing an allocation to Chinese equities, having sold all direct exposure earlier in the summer. By the end of September, the equity allocation was 60 per cent.

The markets took a little longer to bounce back, but by the end of October were well on the way to a full recovery of their earlier losses.

The benefit to clients became evident quickly. Over the three months to the end of October, the fund outperformed its Morningstar peer group and equities, as shown in the table below.

The passage illustrates the principle of "avoiding the worst of equity markets' losses but making most of their gains" – except we normally say you have to wait a full market cycle to see it. It rarely works out as neatly as this over the short term (which is why we say the fund will not suit investors with a short-term view).

But any investor can see what we did, and why it worked. It was not a question of sophisticated, complicated, relative value trades. It had nothing to do with intra-day market timing. We do not claim to have known what the market was going to do.

It was simply that, coming into August, we regarded prices as fairly high for the risk and likely return, while coming out we felt they'd fallen far enough to make investing in them much more interesting. The ease of understanding our approach is one of the characteristics our clients like.

www.riverandmercantile.com

River and Mercantile's DAA Fund in summer/autumn 2015

		Aug-15	Sep-15	Oct-15	Three months to Oct-15
River and Mercantile DAA Fund, net	*GBP*	-2.2%	-2.9%	4.6%	-0.7%
Morningstar Peer Group	*GBP*	-2.9%	-1.7%	3.5%	-1.2%
FTSE All-World Equity Index	*GBP*	-5.4%	-2.1%	5.8%	-2.0%

Source: Morningstar, Bloomberg
The Morningstar Peer Group is "EAA OE GBP Flexible Allocation"
Past performance is not necessarily a guide to future performance.

Risk Management Provider of the Year:
Rothesay Life

The Risk Management Provider of the Year award went to Rothesay Life. Receiving the award was Mark Cooper, head of longevity risk, Rothesay Life (centre). Presenters of the award were awards judge Ian McQuade, client director, Muse (left) and awards host Marcus Brigstocke (right).

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

The Risk Management Provider of the Year award recognises the provider that has provided innovative solutions to truly help pension schemes to manage, or remove their risks. The winner of this year's award is Rothesay Life.

The firm has £20 billion of insurance contracts and in 2015 Rothesay Life made £903 million of benefits payments in respect of around 225,000 pension fund members. It has a significant track record of understanding clients' needs, the flexibility to structure transactions to specifically meet those needs and the expertise, experience and attention to detail to execute efficiently.

The firm's buyout transaction with Lehman of £675 million in April 2015 was the largest buyout in 2015 at the time of submission, and its transaction with the Civil Aviation Authority (CAA) in July 2015 was the largest buy-in.

Lehman Brothers became insolvent in 2008, and the scheme went into an assessment period under the Pensions Act 2004. Most of the scheme's liabilities are for members who have not yet retired, and this contributes to the scheme having liabilities with an ultra-long duration of 28 years.

Ordinarily this would lead to less competitive pricing, due to an historical shortage of long duration assets to match liabilities. To address this Rothesay Life sourced investments in secure, ultra-long dated debt investments linked to ground rent portfolios in order to improve pricing of these long-dated liabilities.

Impressively Rothesay Life has also pioneered the creation of a CPI market and sourced the UK's first-ever CPI-linked bond. This helps with pricing on any buyout that includes deferred pensioners due to the need to manage the risks of revaluing pensions in deferment with increases in the CPI index.

Transactions of £4 billion were completed over the 12 month period considered. It was a period of significant uncertainty for the insurance industry as the Solvency II reserving requirements were still being finalised. In the £1.6 billion buy-in deal with the CAA pension scheme, Rothesay Life designed a Solvency II compliant surrender trigger structure for this transaction.

It is not just risk management and structuring where the firm excels. The results of the firm's policyholder survey have been extremely positive with 97 per cent of all respondents over the period from January to August 2015 rating the quality of Rothesay Life's overall service as 'good' or 'excellent'.

The judges emphasised that the firm has had an outstanding year and "demonstrated how innovation in risk management can be best applied to the pensions market".

Congratulations to a worthy winner.

CAPITA

Pensions Communications Award: **Capita Employee Benefits**

The Pensions Communications Award went to Capita Employee Benefits. Receiving the award was Susan Ring, chief executive, Capita Employee Benefits (centre). Presenters of the award were John Woods, managing director, Pensions Age (left) and awards host Marcus Brigstocke (right).

Effective communication is key to the success of any pension scheme and with auto-enrolment and investment strategies gathering pace all the time, it has never been so vital for members to be communicated to effectively.

The Pensions Communications Award rewards those providers who have used innovation and excellence to help their clients improve engagement among their members. Therefore, it is of no surprise that Capita Employee Benefits is the winner of this prestigious accolade for 2016.

Capita Employee Benefits' specialist knowledge and expertise ensures it creates innovative solutions that can make a real difference to companies and their employees.

As Capita Employee Benefits has over 1,600 clients, with more than four million company employees, the firm invests heavily in the development of its people, enabling them to deliver transformational consultancy and administrative excellence, underpinned by market-leading technology.

Creative Sparks, the firm's in-house creative agency, provides communication expertise and has supported many clients, including the likes of BP, Sky, M&S, Morrisons, Volkswagen and Veolia, in producing engaging employee benefits campaigns to increase employee participation. The cornerstone of the approach is to help employers to deliver an 'audience of one' experience: developing targeted and highly personalised messages that are relevant to the recipient's circumstances, as opposed to generic broadcasts of information to the workforce as a whole.

The company's online portal Orbit allows clients to manage and communicate pensions and benefits online, facilitating the shift in member interaction. In response to the new pension legislation and regulations, Capita Employee Benefits developed Atlas Master Trust, founded on three key pillars, one of which is engagement. The firm helps provide a structured five-step journey to help each member create a personalised financial journey through life, breaking it down into a relevant appreciation of their current life circumstances.

Creative Sparks also delivered a communication to the Teachers Pensions scheme, encouraging retired members to engage online. The audience had very limited communications in the past so the firm had to ensure this campaign had strong visual and copy elements in order to provoke action.

The judges said the firm's member communications are second to none and has achieved great results in this field. Congratulations to an impressive winner.

Know Your Member – what is it?

Anish Rav of Capita Employee Benefits outlines a new approach to assessing and improving member outcomes

Improving member outcomes has become a key focus for all involved in pensions, but it needs a radical approach to achieve this.

Most of us are very familiar with the concept of 'Know Your Client'. This states that in order to give good advice, it is necessary to know the objectives, circumstances, risk appetite and knowledge of an individual. It is also true that when establishing a successful product or service, there are a number of steps to go through, such as understanding what the target market is and how they want to be communicated to, knowing what features are important, testing the concept, marketing, reviewing and refining.

When it comes to pension schemes these principles have been largely ignored and it has been a case of 'doctor knows best'. This approach does not improve member outcomes and too often the real 'voice of the member' is not heard.

Know Your Member – the new approach

If we start applying the fundamental principles highlighted above to schemes then arguably this must lead to better outcomes – something I have called Know Your Member (KYM).

With the rapid advances in technology we are now better equipped than ever to utilise KYM, driving better outcomes, building on the underlying principle that all fiduciaries need to '**deliver the right information to the right person (trustee, sponsor, member) at the right time to allow effective decision making and improving a stated outcome'**.

We are now a data-rich society and when this is combined with publicly-available research, it allows powerful analysis upon which critical decisions can be made.

At Capita Employee Benefits, we have developed a suite of tools that are a powerful weapon to help achieve KYM, bringing together the knowledge of the pension team with the in-house data analytics team. The suite of tools include (but is not limited to) the following:

Membership segmentation

The Membership Analysis Tool helps to understand the type of membership a particular scheme has – this helps inform and drive engagement, governance and investment strategy, resulting in a more member-centric solution that leads to improvement in outcomes. Members are segmented into three categories: **Passive Savers** (those unwilling and/or unable to engage), **Limited Personalisers** (those willing and able to personalise saving, albeit only in a limited way) and **Independent Choicemakers** (those willing to engage fully).

Target outcome planning (TOP)?

TOP assesses member outcomes, and while the analysis is complex, the presentation is simple – putting a member's projected retirement income into a combination of one or more of three 'buckets'; **Basic Survival**, **Home Comforts** and **Life's Little Luxuries**. Fiduciaries can use this information to monitor trends, focus on key areas and take corrective action where necessary. This is done from an informed position, using the analysis to make critical decisions, driving a clear improvement in outcomes by knowing the member and challenging what outcome they are responsible for.

The buckets concept drives through to communication and aids the member in understanding what the pension scheme will provide and the impact of saving more, allowing them to plan for the future with confidence.

The future

If we really want to improve member outcomes, then Know Your Member has to become the mantra for 2016 and beyond. This can only be achieved by fundamentally rethinking the whole approach to pension schemes, from design to communication. We must consider the voice of the member and apply some fundamental product design principles, combining this with the powerful data and modelling tools that are available.

Written by Anish Rav, Capita

CAPITA

MERCER

Innovation Award of the Year: Mercer

The Innovation Award went to Mercer. Receiving the award was Adam Taylor, principal, Mercer (centre). Presenters of the award were John Woods, managing director, Pensions Age (left) and awards host Marcus Brigstocke (right).

Innovation has been rife in the UK pensions space lately, within investment, product design, de-risking or many other pensions areas.

The Pensions Age Innovation of the Year award aims to reward those providers that have truly added value to the pensions space through originality and innovation. This year's standout firm is Mercer.

In a highly competitive category, the judges said Mercer displayed true innovation with clear benefits for the pensions space.

The firm has excelled in this field through its Mercer Pension Risk Exchange®, an online platform bringing together buyers and sellers of bulk annuities, facilitating the discovery of de-risking opportunities in a way never seen before. The Exchange empowers buyers to take a more strategic approach and to know that they are executing a buy-in or buyout at the best time for them, at a competitive price. It sources pricing produced directly by insurers and is based on transaction-quality disclosures, covering the scheme's commercial situation, benefit structure and individual member data. In addition, it gives decision-makers the information they need to act with confidence, as it sources actual, real-life insurer pricing, not indicative pricing estimated by an adviser.

"In a highly competitive category, the judges said Mercer displayed true innovation with clear benefits for the pensions space"

The Exchange is a leap forward in the management of defined benefit pension scheme risk, with all insurers active in the UK bulk annuity market supporting it. Indeed, Mercer's experience in risk transfer in the UK market is second to none. It has acted as lead adviser and broker in over 200 transactions with aggregate premiums of over £17.5 billion – more than any other adviser.

Furthermore, it has also acted as lead adviser on seven of the 10 largest buyouts ever in the UK, including lead adviser on all five buyouts above £1 billion. In the last eight years, Mercer has been lead adviser on almost a quarter of all public bulk annuity deals (by count) in excess of £50 million.

Congratulations to all at the firm for winning this category and for continuing to add value to this field.

Opportunities uncovered, transactions delivered


Pensions Age speaks to Alan Baker and David Ellis, both Partners at Mercer, about how Mercer Pension Risk Exchange® provides pension schemes and insurers with accurate de-risking pricing and data, making it the worthy recipient of the Pensions Age Innovation Award

Mercer has an impressive track record within the pensions de-risking space. What difficulties were you seeing in the marketplace limiting pension de-risking transactions?
David Ellis: We have been involved with bulk annuities since the late 1980s, when bulk annuities were first invented. In total we have been involved in over £17.5 billion of deals in aggregate, led by Mercer, for 200-plus transactions. A regular difficulty we have seen is that costs are prohibitive for many. Also, governance – have you got the right people at the right place and the right time? Have you got your scheme in a place where you can do the right transaction process? That links into the quality of the scheme's data, whether assets are aligned, have you understood the legal issues correctly, and your funding valuation – it all needs to tie in.

Mercer recently created Mercer Pension Risk Exchange (the Exchange) to help overcome these problems and as a result won the Pensions Age Innovation Award. What is the Exchange and what makes the product 'innovative'?
Alan Baker: The Exchange is an online marketplace for any size of scheme interested in a buy-in or a buyout, which supports interactions between the clients and insurers. With the Exchange, our intention was to move from something that was a 'cottage industry', an artisan approach to doing these transactions, to providing an infrastructure and process that could streamline and drive the process more effectively, both for the clients and the insurers. The platform provides an effective marketplace for our clients and the insurers to interact around de-risking opportunities. A key feature of the Exchange is that it enables insurers to provide pricing for many schemes even though they do not intend to transact for up to three to four years. It standardises the process and gives them visibility into the future pipeline. The client gets that accurate pricing some way ahead that enables them to make decisions and the insurers get more visibility as to the potential pipeline of opportunities coming up. The insurers can make ad hoc pricing to clients through the Exchange as well. It's a win-win for the client and the insurer, and the first ever marketplace for these transactions.

What are the benefits of using the Exchange compared to traditional de-risking processes?
Ellis: The two-way flow of information uncovers opportunities that the insurer, the client, or Mercer did not previously know existed. Because it didn't actually exist, until people started sharing information and the dialogue that goes with it. It also enables insurers to give tailored feedback to the schemes to improve the pricing, e.g. by having the scheme implement targeted data cleansing.

Baker: The Exchange sources real-life pricing direct from insurers based on transaction-quality disclosures produced up front. Once an opportunity is identified, this means it's a matter of weeks to potentially transact instead of months.

How do you see the de-risking market developing?
Ellis: There is around £12 billion in buy-in and buyout deals a year, which is a tiny number compared to the approx. £2,000 billion of liabilities in private sector DB schemes alone. That number is getting bigger each year rather than smaller at the moment. It will tip in time, as pension payments start to outweigh contributions and investment returns, but not yet, there is still a way to go. So the market is set to grow. And that is why we built the Exchange, to be ready for that.

Baker: The other thing we are seeing is that products are getting more sophisticated, so the options for clients are getting broader, which is good, as it is meeting demand and need. We are comfortable that the Mercer Pension Risk Exchange will continue to evolve to support that developing market. Our clients get to have the best access to the market and in an easy way for them and the insurance industry.

MERCER

Administration Provider of the Year: **Premier**

The Administration Provider of the Year award went to Premier. Receiving the award was Dan Taylor, head of administration services, Premier (centre). Presenters of the award were Francesca Fabrizi, editor-in-chief, Pensions Age (left) and awards host Marcus Brigstocke (right).

Effective pensions administration help to ensure the pensions industry runs as a well-oiled machine. As the industry faces up to seemingly constant changes, such as the end of contracting out, pension liberation and freedom and choice, the role of an administrator continues to grow in importance.

The Pensions Age Awards 2016 Administration Provider of the Year award celebrates those providers who bring excellence and accuracy to this vital role.

Excelling in this category is Premier. The judges said this is a firm that is clearly dedicated to the pensions market, with a strong focus on client service.

By assessing client and future client needs, using independent monitors to measure performance, the firm has introduced new services to improve the lives of its pension clients and members. Since the firm started in 2003, Premier's administration business has never lost a client and over the 12 months to 31 August 2015, its administration business grew by over 20 per cent. Annual client reviews are undertaken so the firm knows what additional services need developing, including technological innovation.

Premier's outstanding performance is exemplified by its exceptional service standards. Ninety-nine per cent of its work items have been delivered inside the agreed client target times and an average two-day turnaround across all work types has been delivered. Member satisfaction is currently recorded at 9.1 out of 10.

The pension freedoms led to Premier's Gateway2Retirement (G2R) service being completely overhauled and rolled out to clients. It is a web-based, educational service that uses jargon-free language, ensuring members understand all retirement options available to them and explains how members should invest their pension fund in the lead-up to their retirement. Furthermore, it provides enhanced annuity quotes, drawdown and full encashment.

Complementing G2R is a decumulation solution called Countdown2Retirement, providing face-to-face member guidance and advice, ensuring members choose the correct investment strategy to meet their retirement objectives.

Premier also offers its DB solution as an option for those employers looking to remove fees from the running of their DB pension scheme. Typical fund management charges of 0.4 per cent provide the same award-winning administration service as the firm's unbundled schemes, legal advice, secretarial/consultancy services, trusteeship, investment consulting and actuarial services.

All in all, Premier has been recognised for its top performance over the year. Congratulations to all within the firm.


premier see change
Our Vision
At Premier we believe in actions not just warm words. It's what makes us different and the reason why our clients don't just hear about change but actually see it happen.
Our services
Actuarial Services
Administration Services
Benefit Consulting
Healthcare
Investment Consulting
Pension Consulting
Wealth Planning
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Transforming the quality of our industry.
With Premier experience a new and better way of working...
premiercompanies.co.uk
European Pensions AWARDS 2014
WINNER
Pension Scheme Administrator of the Year
UK Pensions AWARDS 2013
WINNER
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