



ZEDRA

Trustee Services for Risk Transfer Projects



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ZEDRA is an experienced, diverse and dynamic Professional Trustee team with over 160 pension trustee appointments. Risk transfer projects are central to what we do.

Our team has completed over 60 deals in the last three years, covering a total of £16bn of liabilities and working with all of the main insurers in the market. We provide full market coverage for schemes of all sizes.

>160

pension trustee appointments

60

deals completed in the last three years

£16bn

total of liabilities covered

Introduction

We understand that this is one of the most complex projects for a scheme to undertake. You need an experienced, resourceful and delivery-focussed hand to guide you through.

Having completed over 60 transactions, we are here to help you meet your objectives.

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What drives us

We believe our values set us apart. They drive how we think and our approach when working with you; everything from forging long-lasting trusted relationships to going above and beyond.



Strong Values

Our values are centred around excellence and doing the right thing, which provide the foundation to everything we do.



Executive Style

Focused on delivering the schemes strategic objectives, our experience allows us to be pragmatic, manage multiple parties and control costs.



Trusted Governance

With 30 years of experience, we do not compromise on core governance. Our focus is always on security of benefits and providing the reassurance that members will need.



A Collaborative Approach

We understand business as well as pensions and see our success as your success.



A Strong Relationship

Our trustee teams are friendly, empathic, pragmatic, proactive and responsive. They will be approachable and work with you in a professional manner.



In-depth Expertise

An up-to-date and detailed understanding of the Buyout market. We know the current opportunities and pitfalls to avoid.

Partnering with you

Our core value is one of partnership; working collaboratively to form a strong cohesive team in order to deliver your objectives efficiently.

Governance is key for all pension schemes, particularly when undertaking risk transfer projects. Our focus is two-fold:

- | **on the delivery of the objectives** that we agree with you and will measure against
- | **on resilient governance** to protect the members from adverse risk and the sponsor from reputational risk during the planning phase

Efficiency is essential for a smooth and successful risk transfer project, that's why we've established four pillars to drive a successful de-risking project.



Formation of a **Joint Working Group**, with Sponsor representation, for the project together with the plan, timeline and milestones that will deliver the ultimate goal of securing your members' financial futures.



Appointment of an **experienced risk transfer adviser**, who is proactive, commercial and understands the market. This could be your current adviser or a new party for a fresh perspective.



Setting (and sticking to) **budgets** for both ZEDRA and the Scheme advisers.



Executive-style regular updates between yourself and ZEDRA to discuss core matters that require your attention, and to limit unnecessary distractions that take you away from running your business.

ZEDRA also have the flexibility to accommodate any specific needs for how we work together.

Experienced and cohesive team

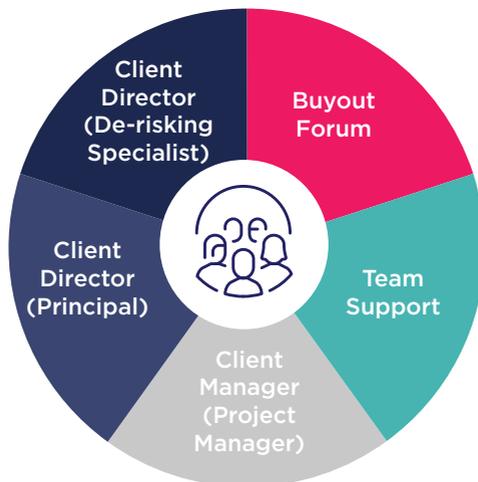
Your core ZEDRA team is there to support schemes through the risk-transfer journey as effectively as possible. You will benefit from a close working relationship with all three members of your client team. You also gain access to the collective experience of all our specialists.

Your personalised team will always consist of two Client Directors, both with transaction experience relevant to you. One will take the relationship lead, matching personalities and skills with your requirements and be the principal point of contact. Your de-risking specialist focuses on the transaction and strategic needs of the scheme. They will have experience of any challenges or barriers the scheme might be expected to face, be that size, investment issues such as illiquid assets, complex legal or other aspects.

The Client Manager ensures the smooth running of the governance of the scheme and has an important project management role, especially in managing the scheme from Buy-in to Buy-out.

ZEDRA operates a proprietary governance platform on market-leading software, Knowa, to ensure that core governance is fully nailed down and delivered as a matter of course. Our sister company, Zedra Inside Pensions, have specialised project management expertise that can be called on for large schemes or complex projects.

The ZEDRA buyout forum ensures the whole ZEDRA team is up to date with the latest developments and is available to provide additional support whenever it may be needed. This support is also available in full if you are appointing a ZEDRA specialist to chair, or join, your trustee board for a risk transfer project.



Our de-risking specialists



Alan Greenlees | Head of Risk Transfer

- | Market Knowledge
- | Journey Planning
- | Use of Escrow
- | Investment & Illiquids



Louisa Harrold | Client Director

- | Small scheme transactions
- | Complex Benefit Structures
- | Administration challenges



Stephen Yandle | Client Director

- | Complex transactions
- | Journey Planning
- | Longevity Swaps



Alastair Meeks | Client Director

- | Legal issues
- | M&A/linked transactions
- | Complex benefit structures



Matt Race-Pridding | Senior Client Manager

- | Project management
- | Data cleansing
- | Administration challenges

Navigating complexity

Navigating through a bulk annuity exercise can be complex. Our expertise and experience can cut through this; focusing our time and effort on the matters which add value.

Completing a buyout is like finishing a jigsaw. There are six key areas which are critical for a successful project. We bring experience to all of these areas, working with advisers to understand how these pieces slot together.

Assets

Have liquid assets in a low-risk strategy which aligns to our ultimate objective.

Benefits

Complete a legally signed off benefit spec – understand the benefits we must insure and identify any issues nice and early.

Governance

Clear decision making process with Joint Working Group to lead project along with broker.



Data

Ensure we have good, clean data needed for an insurer. Must include spouses data and agreement on a plan for GMP equalisation.

Engagement

Sponsors and Trustee must be on the same page and working towards same purpose. Member comms is also important, to bring them on the journey.

Shortfall (or Surplus)

Agree on how any deficit will be funded, split by asset return and contributions and articulate this to insurer. Agree the treatment of any surplus including use of escrow arrangements.

Innovation

ZEDRA are forward looking and innovative. Where we identify a client need that the market is not supporting, we look to fill the gap. Our **escrow solution** for pension schemes is a great example of this approach in action.

An escrow account is a financial arrangement where a third party holds and manages funds on behalf of two other parties. In the context of pension scheme funding, they are mainly used to resolve issues around trapped surpluses, which remain problematic, notwithstanding the recent change in tax rate on sponsor refunds. An escrow provides the security that funds will be available for the transaction but with the ability that any money not required can easily flow back to the company.

Traditionally, escrow solutions have priced out smaller schemes, making it an inaccessible option. ZEDRA's solution is a streamlined approach, breaking away from the complexities and high costs commonly associated with escrow arrangements. This means schemes of all sizes can access this solution, with benefits for the sponsor and the scheme, both in terms of certainty and in making the scheme a more attractive prospect to a potential insurer.



Why choose ZEDRA?

Zedra Governance Limited is part of ZEDRA, a global professional services firm providing Corporate & Global Expansion, Active Wealth, Pensions & Incentives and Fund services, all aligned under one common goal: to embrace the future with certainty.

ZEDRA has over 1,300 employees worldwide, across 17 countries. As a business we strive to simplify your journey and drive sustainable success. You can count on us to solve your challenges while ensuring all your bases are covered.



An experienced team with an excellent track record at managing schemes through risk transfer transactions.



A focus on delivering the scheme's strategic objectives. Our experience allows us to be pragmatic and control costs proactively.



A collaborative and tailored approach to working with you to attain the scheme's goals. We understand the commercial aspects of the transaction.



No compromises on scheme governance or recognising our responsibility to the security of members' benefits.

Appendix | Recent transactions

Sector	Insurer	Status	Size	Notable Features
Professional Services	PIC	Completed	£400m	<ul style="list-style-type: none"> Complex transaction Corporate guarantee in place to support buy-in
Manufacturing	Just	Completed	£45m	<ul style="list-style-type: none"> Benefit amendments Complex transaction
Manufacturing	L&G	Completed	£35m	<ul style="list-style-type: none"> Distribution of surplus WULS and GMPE complexities
Automotive	Aviva	Completed	£15m	<ul style="list-style-type: none"> Completed transaction within 3 months Liability management exercises
Manufacturing	Aviva	Completed	£75m	<ul style="list-style-type: none"> Illiquid assets & FM arrangement Completed within 6 months GMPE not completed
Professional Services	Just	Completed	£30m	<ul style="list-style-type: none"> Complex data and benefit issues Simultaneous corporate transaction
Manufacturing	Just	Completed	£25m	<ul style="list-style-type: none"> Sharing of surplus Completed quickly
Not for Profit	Rothsay	Completed	£125m	<ul style="list-style-type: none"> Quotations obtained from 5 insurers Completed within 2 months of insurer selection
Professional Services	Canada Life	In progress	£50m	<ul style="list-style-type: none"> DC section also being transferred Sharing of surplus
Consumer Services	Just	In progress	£1m	<ul style="list-style-type: none"> Micro-scheme transaction Sharing of surplus
Pharmaceutical	TBC	In progress	£250m	<ul style="list-style-type: none"> Multi-employer scheme, US parent Using escrow to avoid trapped surplus
Consumer Services	TBC	In progress	£40m	<ul style="list-style-type: none"> Using escrow to build up buffer for transaction Japanese parent company
Professional Services	Just	In progress	£12m	<ul style="list-style-type: none"> Using escrow to avoid trapped surplus Benefit spec issues



ZEDRA

Corporate &
Global Expansion

Active Wealth

Pensions & Incentives

Funds



Cayman Islands | Curaçao | France | Guernsey | Hong Kong | Isle of Man |
Jersey | Liechtenstein | Luxembourg | Malta | Netherlands | Poland |
Romania | Singapore | Switzerland | United Kingdom | United States

For our local teams of experts go to zedra.com
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ZEDRA Group

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Regulatory notice at www.zedra.com



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