



Webinar:

# Investment governance matters more than ever

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# With you today



# Agenda

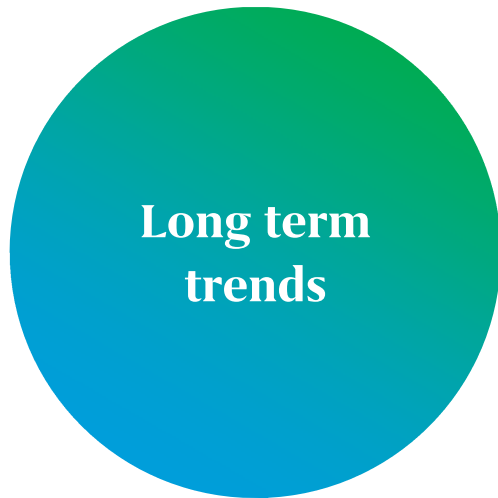
- What's the challenge and why now?
- How can these be addressed
  - Sole Trusteeship
  - Fiduciary Management
  - DB Master Trusts
- Q&A



**What's the challenge and  
why now?**

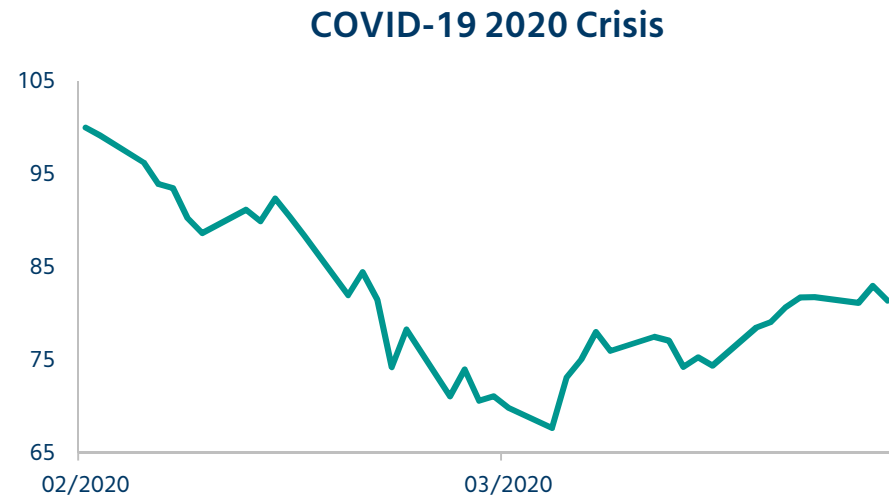


# What's the challenge and why now?



# Importance of investment governance

## Situation will arise



### Truths that are always there are highlighted in times of market stress:



Investment markets are complex, interconnected and, at times, extremely volatile.



Trustees have competing pressures on their time and resources.



A long term plan, needs to be coupled with an ability to be nimble over shorter periods of times.

Source: MSCI All Country World Index

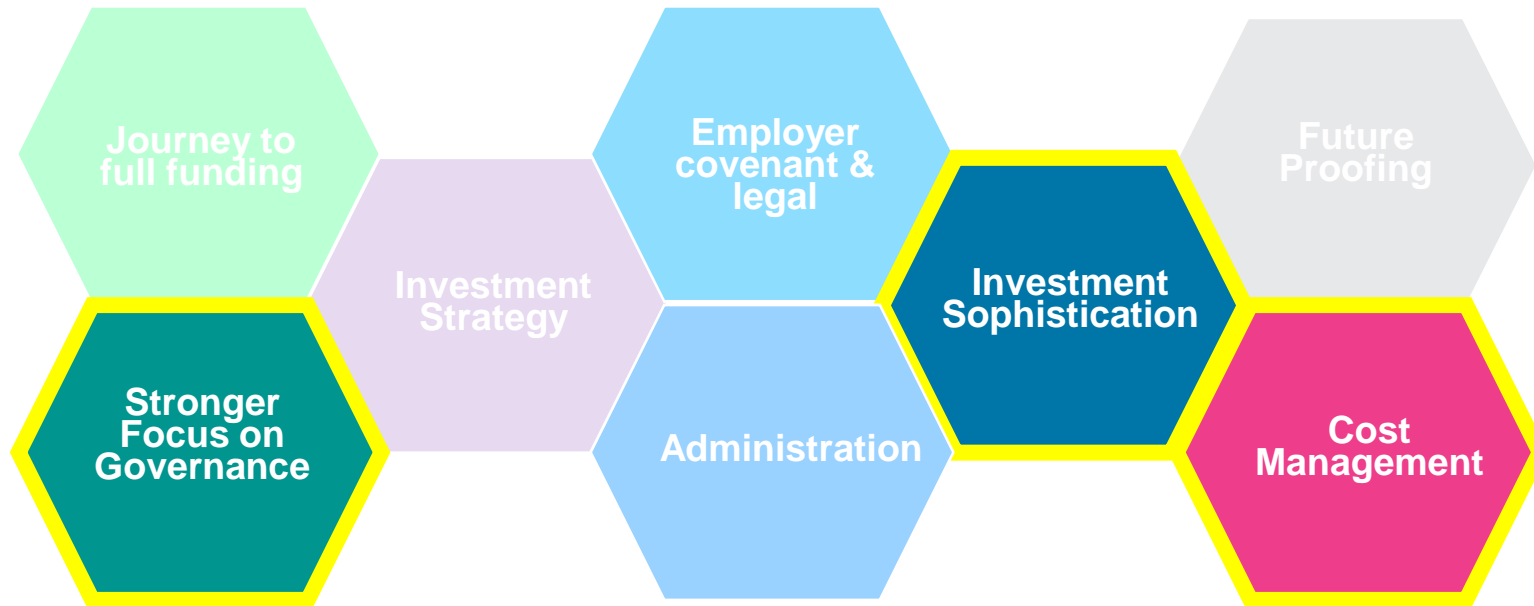
# What's the challenge and why now?

## Traditional DB model



# What's the challenge and why now?

## Traditional DB model





# How can these be addressed

Sole Trusteeship

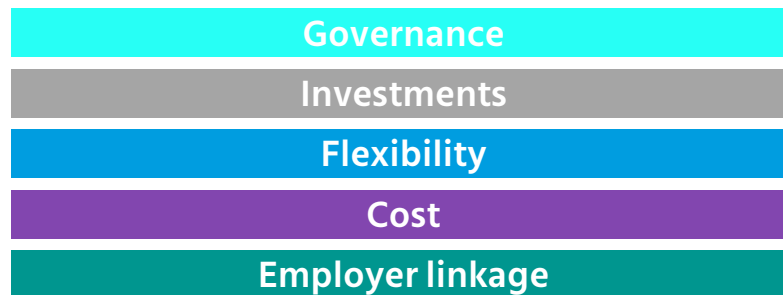
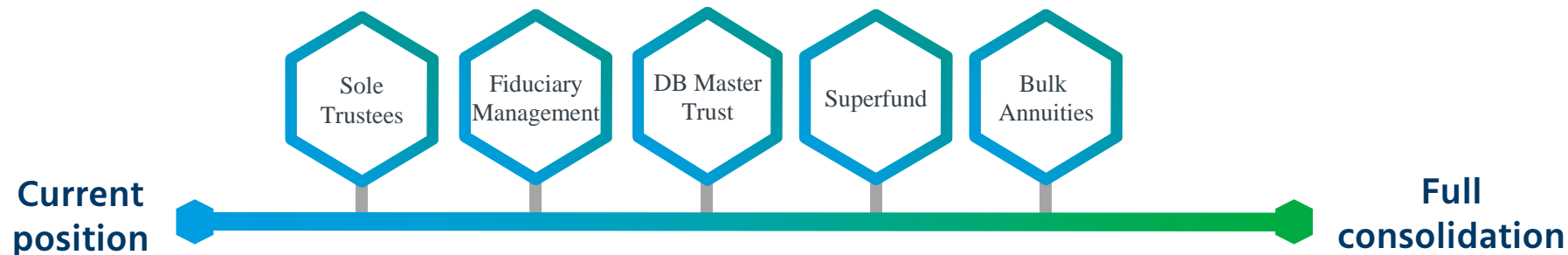
Fiduciary Management

DB Master Trust



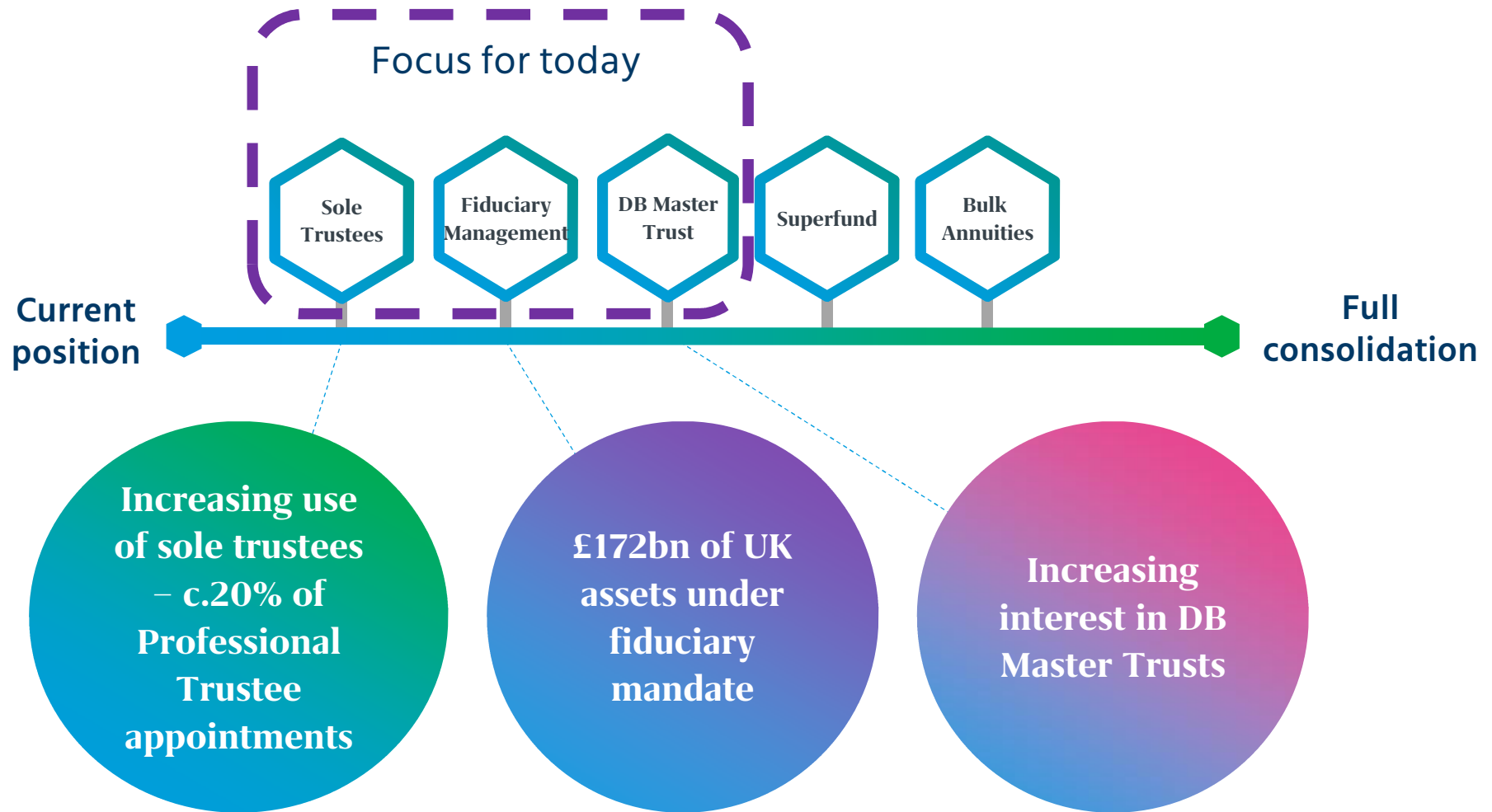
# The consolidation spectrum

## The options



# The consolidation spectrum

## The options



# Sole Trusteeship



Better Decisions, Better Outcomes

# Sole Trusteeship

## Advantages

- Efficient scheme management
- Closer and more efficient relationship management
- Potential for wider Governance services to be integrated
- Professional expertise for critical projects
- Keeps key people on their “day job”
- Succession planning
- Overcomes the challenge of finding MNTs/ENTs
- Regulatory compliance



# Sole Trusteeship Challenges

## Challenge

Distance from the “shop floor”

Loss of Knowledge

Member perception

Sponsoring employer’s expectation

Reduced diversity of opinion

## Solution

Joint Employer Working Group/Consultation committee

Detailed knowledge capture plan/ dual running transition”

Clear communication strategy

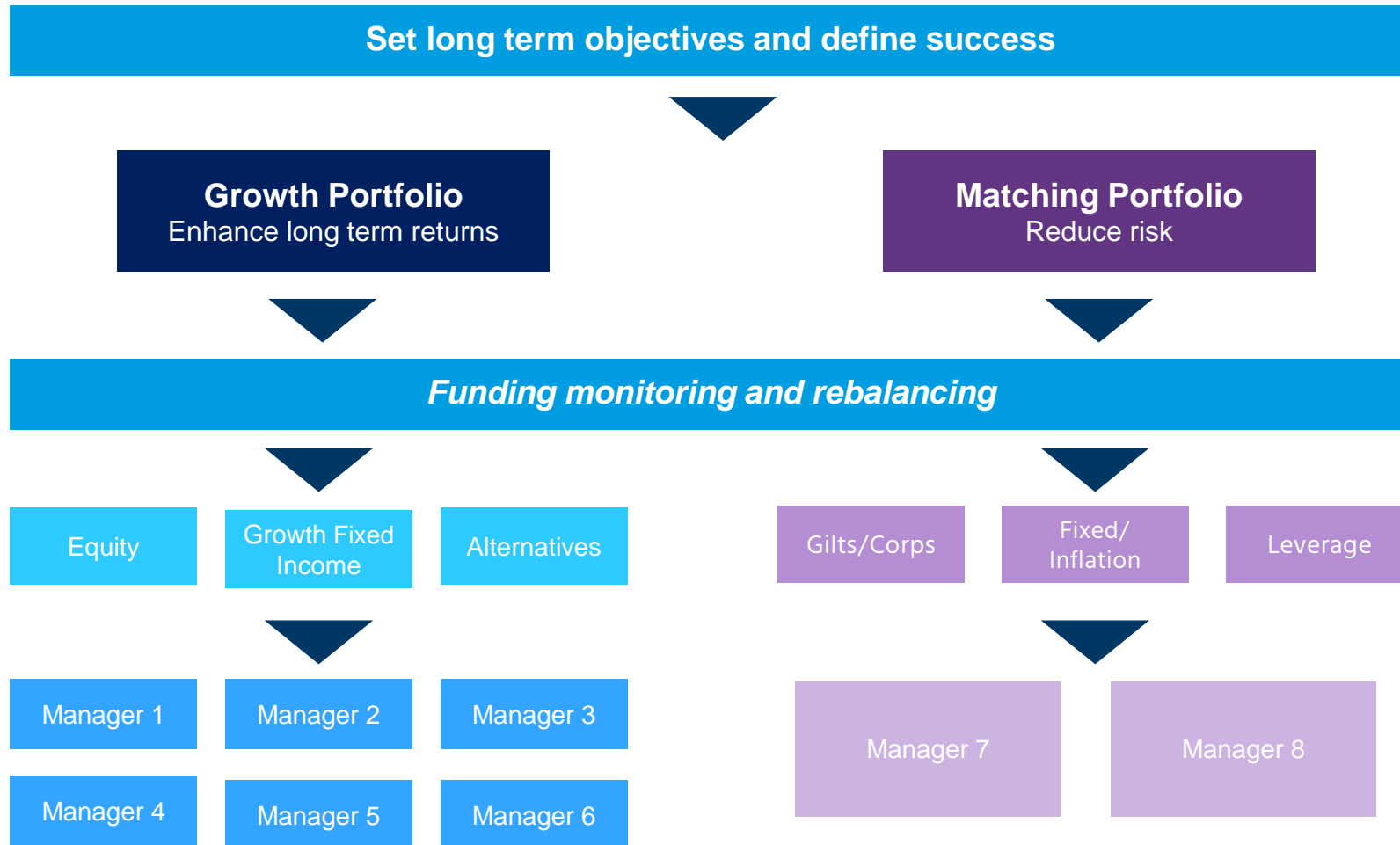
Diversity of Corporate Professional Trustee

Set expectations for level of engagement/negotiation



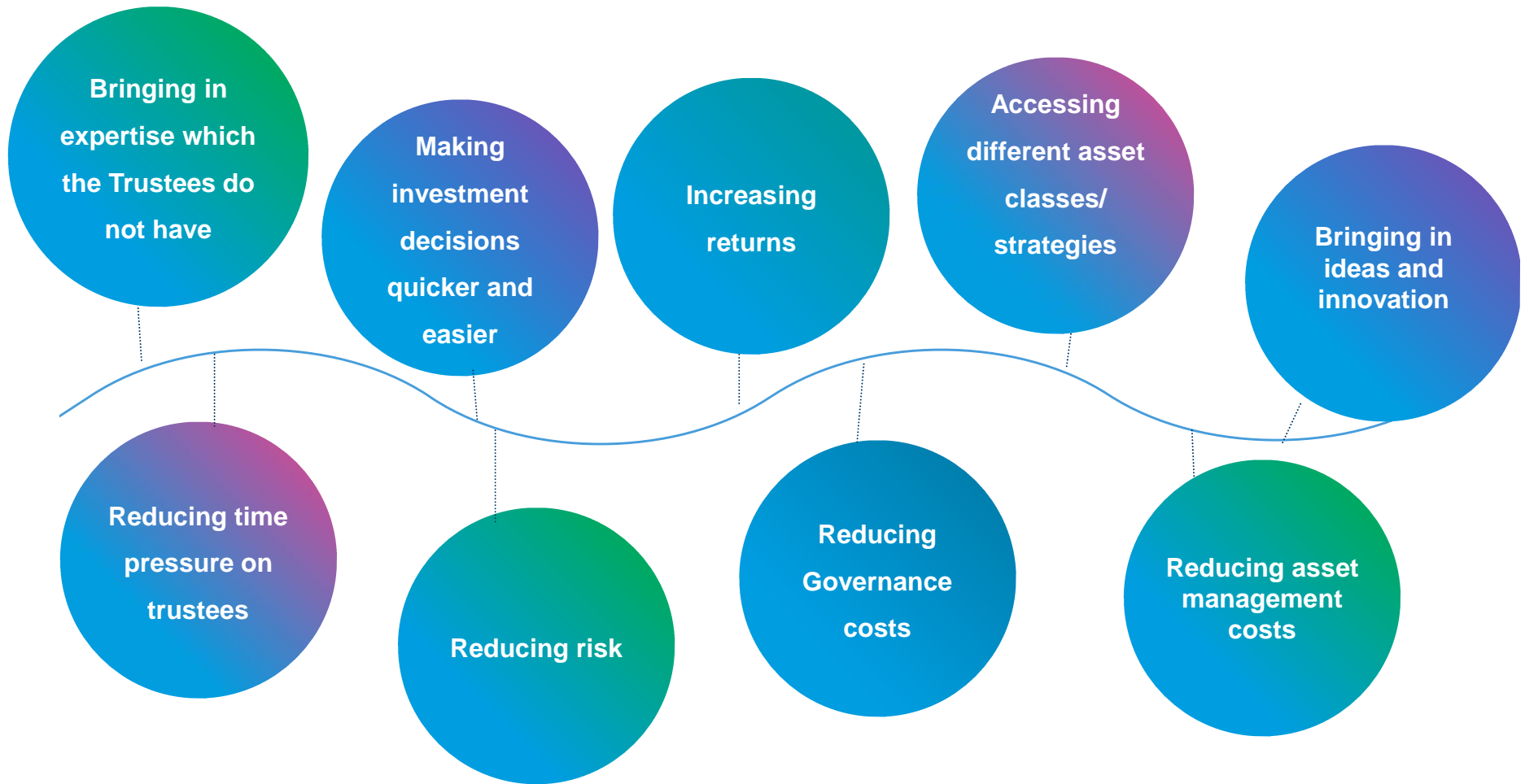
# Fiduciary Management

## Where to spend your Governance Budget



# Fiduciary Management

## Why do schemes choose it?





# Fiduciary Management

## Potential concerns?

Retain ownership of  
more decisions

Concerns about potential  
conflicts of interest

Don't believe in value of  
dynamic asset allocation

Governance budget to  
dedicate to investment  
matters

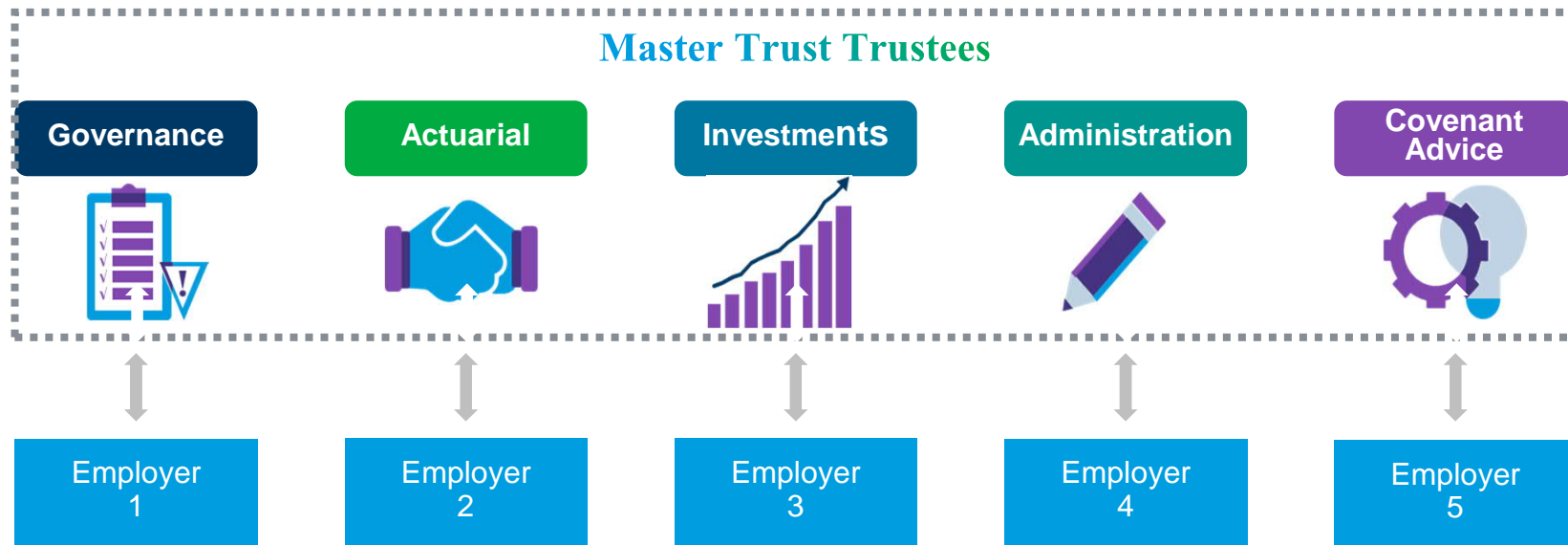
Concerned about placing  
faith with one manager

Costs

# DB Master Trust

## What is a DB Master Trust?

A Master Trust is an occupational pension scheme for multiple non-associated employers, with each employer included in their OWN section.



# DB Master Trust

## Why a DB Master Trust?



# DB Master Trust

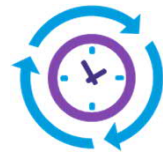
## Why a DB Master Trust might not be appropriate



How do fees and services compare to the current approach?



Is the Master Trust tied to a fund manager? What control do you have over the investments offered?



Can the Master Trust give confidence about the quality and sustainability of its offering?



Does the Master Trust give sufficient flexibility and control over funding and strategy?

Q&A

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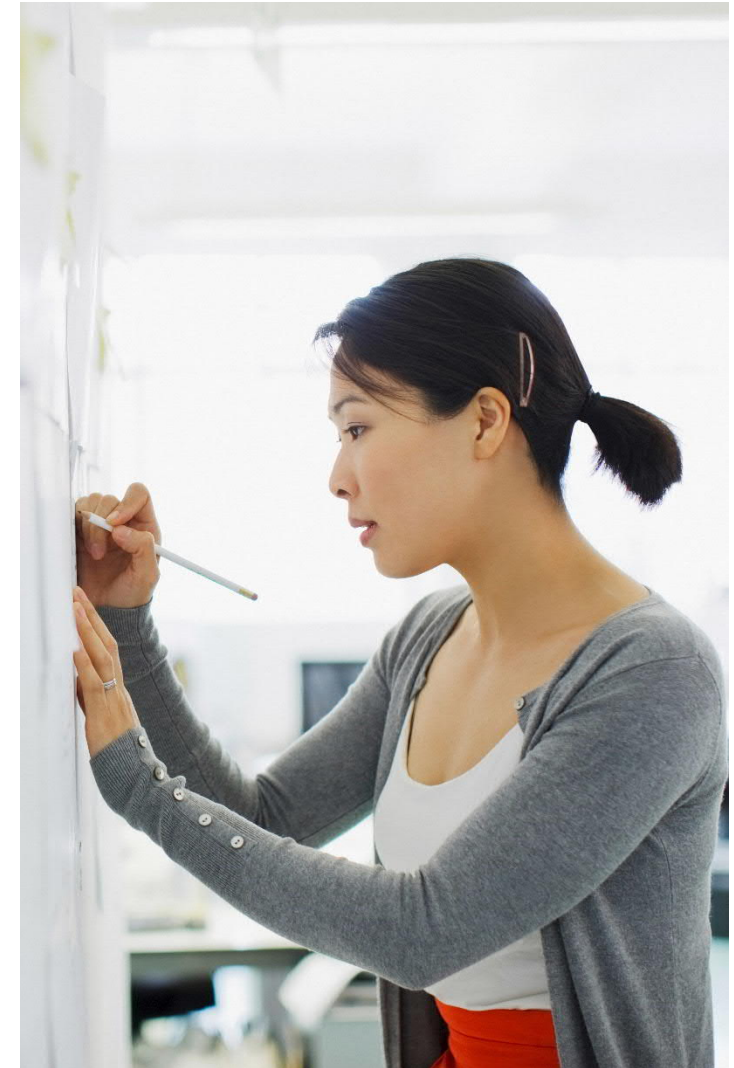
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