

# Fiduciary Management Services

Our expertise, your objectives.



## Have you thought about...

- Whether your monitoring is genuinely objective?
- How confidently you can compare the marketplace, to ensure your terms are competitive?
- What metrics you use to measure performance?
- When you last reviewed your fees?
- Whether you're making the most of tactical improvements in your scheme's funding level?
- How effective your existing journey plan is, and whether your progress is meeting your objectives?

**Fiduciary Management** can have significant benefits to trustees. Delegating implementation allows investment strategies to better incorporate the increasing range (both in number and complexity) of investment opportunities. This has been reflected in the increasing demand from DB pension scheme trustees to appoint fiduciary managers.

However, despite the appeal of removing a significant part of the governance burden, appointing a fiduciary manager is not simply a one-off action. Overpaying for services by not reviewing fees or unwinding an arrangement that has become unsuitable can result in tangible unnecessary costs.

Fiduciary managers share the burden – they don't absolve trustees from it entirely.

How we can help you

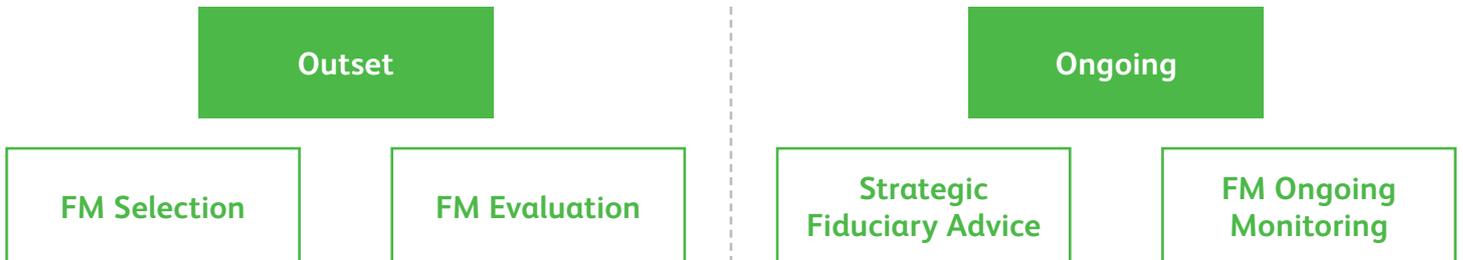


- Our expertise.
- Our independence.
- Tailored, clear advice.

# Fiduciary Manager Oversight

Research-driven approach, aligned with your goals.

Our services focus on ensuring you're in the most appropriate arrangement at the outset, before working alongside you and your fiduciary manager to certify ongoing suitability.



## 1 Fiduciary Manager Selection

**Who for:** Trustees who wish to conduct a selection exercise to appoint a new, or replace an existing, fiduciary manager.

**Why:** Independent expertise involved right at the start of the process is critical to ensuring the most suitable manager is selected. Our ongoing research and internal rating process ensures we always have an up to date universe of fiduciary managers from which to choose a longlist.

## 2 Strategic Fiduciary Advice

**Who for:** Trustees looking to use a fiduciary manager for implementation only, and who'd like separate strategic investment advice.

**Why:** We work with you alongside your fiduciary manager to ensure that investment preferences or constraints are fully recognised when designing the investment strategy. We will work collaboratively with your fiduciary manager to ensure efficient implementation of the investment strategy.

## 3 Fiduciary Manager Evaluation

**Who for:** Trustees already in a fiduciary arrangement looking for independent assessment or re-negotiation of contract terms.

**Why:** We provide independent verification on the quality of the solution proposed. An independent evaluation of items such as fees and performance can often highlight areas overlooked when only drawing information from one source. We make use of our market-wide reach to conduct fee-benchmarking exercises, performance analysis and other operational aspects.

## 4 Fiduciary Manager Monitoring

**Who for:** Trustees with an existing fiduciary manager who require ongoing performance monitoring and independent assessment of the fiduciary manager.

**Why:** Identifying areas of accountability is important. Our monitoring offers independent verification that the advice and execution remains focussed on the trustees' objectives. We provide quarterly bulletins or longer reports that provide updates on personnel, process, strategy developments and performance. We can attend meetings to help you constructively challenge your fiduciary manager's thinking and decision-making.

According to our most recent survey, nearly 70% of trustees have no independent annual review process in place.

# Client Case Study

## Client:

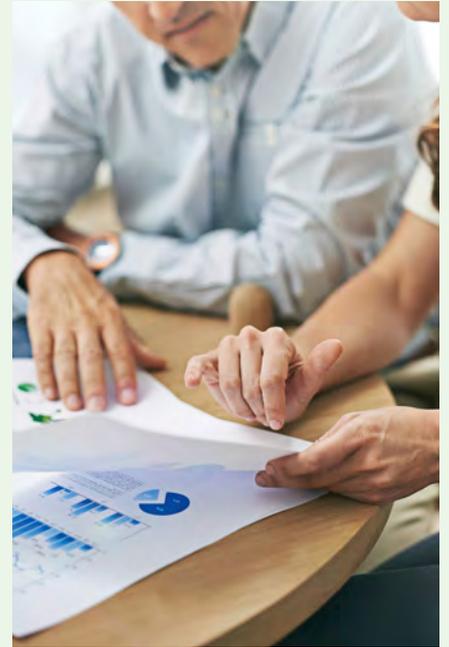
A large manufacturing firm with pension scheme assets of approximately £350m.

## Client Requirements:

Two years after appointing a fiduciary manager, the trustees realised that there were a number of areas that they didn't feel comfortable with. This was primarily due to a lack of understanding over some aspects and intricacies of the solution.

## Why Appoint Us:

The trustees wanted someone with extensive experience of these arrangements to assess their situation, as well as explaining clearly the characteristics and performance of the solution.



Client Challenge	What We Did
Confusion over structure and direction of strategy	<ul style="list-style-type: none"><li>• A thorough review of the process in place involving detailed discussions with the fiduciary manager “behind the scenes” to ensure the solution remained appropriate for the trustees’ needs</li><li>• We condensed our findings into a clear report</li></ul>
Lack of transparency surrounding fees	<ul style="list-style-type: none"><li>• Provided a summary of the fee structure, including scenario analysis of how the fees would work in practice</li><li>• Provided a market-wide comparison of fees being charged across a range of fiduciary solutions as a benchmarking exercise</li><li>• Re-negotiated a fee discount on behalf of the trustees.</li></ul>
Wanted to increase the relevance of the reporting	<ul style="list-style-type: none"><li>• Reviewed and highlighted the key aspects of the fiduciary manager’s report</li><li>• Provided our annual report as well as quarterly bulletins that highlighted the key issues, without drowning the trustees in detail</li></ul>

## Outcome for Client:

- Complete understanding of the solution as well as better comprehension of the ability of the fiduciary manager
- The trustees both understood the conditions that would impact the fees as well as taking comfort that they were being charged market-competitive rates
- By communicating the solution more clearly to the client, the trustees are now able to analyse and query different aspects of the strategy with much greater confidence and to a much greater effect.



“Our experience of working with Xerox HR Services has been very positive. They have invested a considerable amount of time in getting to know our solution.

– Client Director of a fiduciary manager

“In addition to their existing investment consulting capabilities, we were impressed by the efforts of our fiduciary management evaluation team to go the extra mile when researching our provider. We are looking forward to working closely with the team there, to ensure the overall requirements of our scheme are met.

– Chairman of the Trustees



50

research meetings conducted each year with fiduciary management providers.

Unrivalled

access to UK fiduciary managers due to our independence and impartial approach to fiduciary management research & evaluation.

1,500 hours

of manager research per year into fiduciary manager solutions and market trends – we do the leg work for you.

## About Us

Xerox HR Services is a leading provider of services to Trust-based DB and DC schemes. These include specialist fiduciary management evaluation and selection services to UK pension scheme trustees and sponsoring employers. We are committed to helping our clients get the most from their fiduciary management mandates.

## Find Out More

If you'd like to discuss how our team can assist you in selecting the right fiduciary manager, or monitoring your existing fiduciary manager, contact us on: **0800 066 5433** | [hrrservicesuk@xerox.com](mailto:hrrservicesuk@xerox.com)

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