

Fiduciary management provider selection

A growing number of UK defined benefit pension schemes have outsourced investment management to a fiduciary manager and this trend is set to continue.

Fiduciary manager (FM) selection reviews are in high demand from:

- Schemes that didn't conduct a tender exercise for their existing fiduciary management arrangements and now need to.
- Schemes appointing a fiduciary manager for the first time.



**Unconflicted,
specialist
procurement for
pension trustees**

The PSGS FM selection solution

We have a **clear, straightforward and effective** solution for helping trustee boards review or select their fiduciary manager. It is the same **proven process** we use for our own trusteeship and scheme secretarial clients.

We help you map out a tender process best suited to your objectives.

We use a methodical approach built upon your reasons for choosing a fiduciary management route and the skills you particularly value from your provider.

If formal investment advice is needed, we can help you choose an independent adviser.

We fine tune both the universe of providers to be approached and the tender document to best uncover the managers' relevant skills.

We run the tender process to secure a shortlist of 3, with site visits recommended to each.

We support your trustees through their final decision making using a mix of objective and subjective measures.

Why choose PSGS for your selection process?

- ✓ **Enviably, first-hand insight** into the strategic requirements of pension schemes - PSGS is a leading provider of governance services to UK schemes.
- ✓ **Unconflicted** - we do not provide fiduciary or investment advisory services.
- ✓ **We understand pension trustees**, the decisions you need to take and what's important to a scheme and its members - we are pension trustees ourselves after all!
- ✓ **Procurement specialists** - provider selection is part of our day job and we call on a significant range of experience and expertise within PSGS.
- ✓ **Fine-tuned approach** to meet your needs.

First time move to fiduciary management

Our core service will be tailored to your needs. For example, a more comprehensive approach may be used to tease out the nuances of the less familiar points of differentiation between providers.

Reviewing because you have to

Some schemes remain content with their existing fiduciary manager provider and are coming to market because they're required to as part of the CMA remedies. This presents two challenges:

1. The trustees may see this exercise as an unnecessary expense.
2. Potential providers are unlikely to submit a serious bid if they perceive it as a benchmarking exercise.

The PSGS solution?

- ✓ **Streamlined procurement** - we work with providers to lower the costs of the exercise to the trustees and encourage legitimate bids.
- ✓ **Fixed price service** - we provide an end-to-end solution without unanticipated cost.
- ✓ **Proven efficiency** - we use the same process with our own client schemes.

Background - the CMA review

Concerns about uncompetitive practices used to secure and retain appointments prompted a Competition and Markets Authority study.

The resulting remedies are effective from 11 June 2019 and new related Pensions Regulator guidance will increase demand for reviews of existing arrangements and accelerate new review projects.

CMA remedies require:

- ▶ Pension trustees who wish to delegate investment decisions for more than 20% of scheme assets to a fiduciary manager to run a competitive tender with at least three firms.
- ▶ Trustees who have appointed a fiduciary manager without a tender, to tender for the service within five years of that appointment.



Speak with us
to find out how
how PSGS can help
with your fiduciary
manager selection
exercise

Where can I find out more?

To learn more, contact:

Sasha Jain
Client Director
0203 327 5367

sasha.jain@psgovernance.com

For more information about our other services please call us on 0845 313 0024 or email info@psgovernance.com