European Pensions AWARDS 2019

THE WINNERS

AWARDS CEREMONY
20 June 2019

London Marriott Hotel, Grosvenor Square

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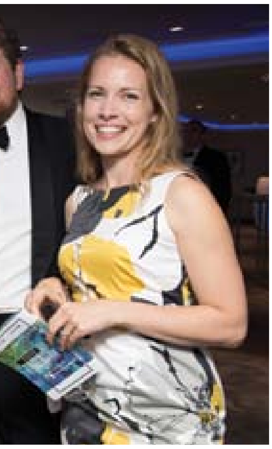



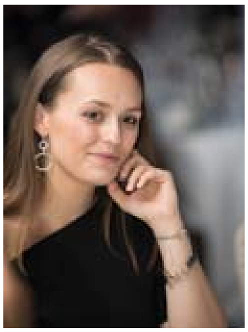




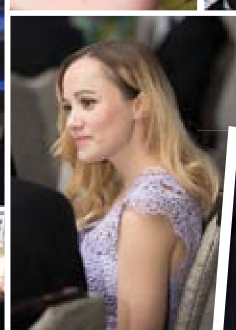




European Pensions
AWARDS 2019

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Secretary General
CBBA-Europe

Robert McElvanney FFA
Head of Strategic Investment Solutions
Santander Asset Management

Tim Reay
Treasurer, International Employee
Benefits Association (IEBA)

Alessandra M Franzosi
Head of Pension Funds & Asset Owners –
Capital Markets, London Stock Exchange Group

Jerry Moriarty
CEO
Irish Association of Pension Funds (IAPF)

Tobias Steinman
Director of Public Affairs
EPRA

Chetan Ghosh
Chief Investment Officer
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Richard Poole
Legal Director, Pensions & Employee
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Lee Sullivan
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Santander

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European Pensions AWARDS 2019


European Pensions Consultancy of the Year
PricewaterhouseCoopers


Investment Manager of the Year
Hermes Investment Management


Equities Manager of the Year
Vontobel Asset Management


Fixed Income Manager of the Year
TwentyFour Asset Management


ETF Provider of the Year
WisdomTree


Emerging Markets Manager of the Year
Ashmore Group


Risk Management Firm of the Year
Pension Insurance Corporation plc


Currency Manager of the Year
Russell Investments

EUROPEAN PENSIONS AWARDS 2019 – CELEBRATING A PASSION FOR PENSIONS

While the UK's strained relationship with the EU continues to dominate the headlines, the country's position as a key European pensions market remains secure.

As such, London was the perfect place to host the 12th annual European Pensions Awards which, year after year, continue to welcome hundreds of professionals from across the European pensions sphere.

The prestigious gala dinner and ceremony, which took place at London's Marriott Hotel on Grosvenor Square, was this year hosted by comedian Kerry Godliman who, alongside judges and sponsors, presented awards to over 30 deserving winners – pension funds and pension providers that have gone above and beyond to meet the needs of their members and pension fund clients.

First to the stage was the winner for **European Pensions Consultancy of the Year**, which this year went to PricewaterhouseCoopers. This consultancy firm, said the judges, never fails to think outside of the box across all areas of its pensions-related business, with a clear focus on the uncertainties facing pension schemes in a rapidly-changing world.

Investment Manager of the Year was the next award to be presented, with Hermes Investment Management taking home this accolade, as a firm that continues to lead the way on many aspects of its investment proposition and one that is in touch with the changing needs of the pensions investor.

Managers of specific asset classes were also given recognition at the event, with Vontobel Asset Management being crowned **Equities Manager of the Year**, for its strong performance coupled with an exceptional understanding of the role equities can play in a pension fund portfolio, whatever their journey.

TwentyFour Asset Management was then recognised as the **Fixed Income Manager of the Year** for its innovation, strong performance and passion for what it does; M&G Real Estate won the **Property Manager of the Year** title as a clear leader in the real estate space, and one that is continually developing new ideas to adapt to the changing needs of Europe's pension funds;

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European Pensions AWARDS 2019


Alternatives Investment Manager of the Year
BNP Paribas Asset Management


Property Manager of the Year
M&G Real Estate


Infrastructure Manager of the Year
GLIL Infrastructure LLP


Private Equity Manager of the Year
Unigestion


LDI Manager of the Year
Insight Investment


Passive Manager of the Year
Irish Life Investment Managers


Multi-asset Manager/Provider of the Year
Aon


Index Provider of the Year
FTSE Russell

GLIL Infrastructure was named as **Infrastructure Manager of the Year** for its innovative and exciting approach to infrastructure investment; and the **Private Equity Manager of the Year** was named as Unigestion, a firm that was proactive in 2018 with the launch of relevant and important new communication programmes, showing it is ahead of the game in this space.

Continuing on the investment theme, BNP Paribas Asset Management was next to the stage to collect the trophy for **Alternatives Investment Manager of the Year** – a firm that is passionate about the alternatives space and what it can offer pension funds today; followed closely by **ETF Provider of the Year**, WisdomTree, which continues to maintain its focus and impressed the judges with new product launches.

Ashmore Group was the winner of the **Emerging Markets Manager of the Year** accolade, a firm with a long track record of investing in this dynamic yet often challenging space; Russell Investments went home as **Currency Manager of the Year**, having put forward a submission that demonstrated an excellent commitment to improving outcomes for both its clients and the wider industry; Insight Investment was announced as **LDI Manager of the Year**, having put forward an impressive entry with a strong European focus; and the **Passive Manager of the Year** trophy went to Irish Life Investment Managers, a clear leader in the passive arena, which refuses to rest on its laurels and demonstrated a strong client focus in its impressive submission.

The **ESG/SRI Provider of the Year** was announced as Robeco for its excellent submission with clear data and good performance; Aon was presented the **Multi-Asset Manager/Provider of the Year** trophy for its innovation and effective engagement with trustees; **Index Provider of the Year** went to FTSE Russell – a player that refuses to stand still with its innovation, constantly evolving with the changing needs of the market; and Amundi Asset Management was given the **Factor Investing Offering of the Year** trophy – a firm that not only boasts expertise but has become a thought-leader in this competitive arena.

Next in the spotlight was Pension Insurance Corporation, taking home the trophy for **Risk Management Firm of the Year**, for its impressive submission that highlighted it clearly understands this complex but evermore importance space. SEI won the **Fiduciary Management Award**, for its firm understanding of the complex role that fiduciary management plays in the pension space; CMS was crowned **European Pensions Law Firm** of the Year, a firm at the cutting edge of pensions law; and

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ESG/SRI Provider of the Year
Robeco

Fiduciary Management Award
SEI

European Pensions Law Firm of the Year
CMS

Transition Management Firm of the Year
Northern Trust

European Pensions Innovation Award
BNY Mellon

Innovation Award (Investment)
Legal & General Investment Management

Master Trust Offering of the Year
Legal & General

Sponsor Covenant Provider of the Year
Lincoln Pensions

Northern Trust **Transition Management Firm of the Year**, for a submission that was hailed by the judges as 'outstanding', demonstrating new launches and strong performance.

The **Pensions Insurance Firm of the Year** was announced as Just, a firm that boasts an innovative and fresh approach; the **Pension Scheme Administrator of the Year** was announced as Previnet Outsourcing Solutions – a firm that is clearly passionate about pensions administration and works tirelessly to remain relevant and innovative across the European pensions sphere. The **Pensions Technology Provider of the Year** award this year went to Aviva, which, in an increasingly competitive space, stood out for its approach to pension technology, which boasted relevant and innovative developments of true value to the member. Then, the **Master Trust Offering of the Year** went to Legal & General, boasting innovation, a focus on ESG and a recognition of the importance of governance, while keeping the member at the heart of its offering.

Innovation was next in the spotlight, the **European Pensions Innovation Award** going to BNY Mellon – a firm that is clearly keen to keep moving with the ever-changing needs of the European pensions arena; while Legal & General Investment Management won the **European Pensions Innovation Award (Investment)**, for applying innovation to its investment proposition in a way that stands out from the rest. Afterwards, the **Sponsor Covenant Provider of the Year** was announced as Lincoln Pensions, the judges highlighting the diversified yet holistic approach this firm has taken.

Finally, it was the pension funds that took centre stage. The **Pensions Administration Award (Pension Fund)** went to West Yorkshire Pension Fund, for its keen eye on member satisfaction; the **European Pension Fund of the Year** award went to Smart Pension, a clear favourite with the judges for its innovation, its member focus and forward-thinking approach to meeting the needs of the pensions market. The **Best Investment Strategy Award** went to The Railways Pension Scheme for its continued focus on the needs of each employer within the scheme; while the **Pension Fund Communication Award** was given to British Airways Pensions, which has its finger on the pulse when it comes to recognising the importance of member communication. PensionDanmark won the **Pension Fund Innovation Award** – a fund that has worked hard to develop an innovative proposition to meet the needs of its members; and the **Diversity Award,** new this year, went to BPF Schilders for a submission that displayed a clear focus on the importance of diversity and not just as a tick-box exercise.

European Pensions AWARDS 2019

Pensions Insurance Firm of the Year
Just

Pension Scheme Administrator of the Year
Previnet Outsourcing Solutions

Pensions Administration Award (Pension Fund)
West Yorkshire Pension Fund

Pensions Technology Provider of the Year
Aviva

Factor Investing Offering of the Year
Amundi Asset Management

European Pension Fund of the Year
Smart Pension

Best Investment Strategy Award
The Railways Pension Scheme

Pension Fund Communication Award
British Airways Pensions

All in all, the night was a clear celebration of the hard work and dedication that the European pensions industry puts into its day-to-day work, despite the challenges that the political and regulatory landscapes continue to present. Huge congratulations go to all the winners and many thanks to the sponsors and judges that helped ensure the success of the event. We look forward to welcoming you all again in 2020.

Pension Fund Innovation Award
PensionDanmark

Diversity Award
BPF Schilders

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EUROPEAN PENSIONS CONSULTANCY OF THE YEAR

PwC

The European Pensions Consultancy of the Year is awarded to the consultancy firm that the judges believe has delivered outstanding service to its clients in the last year, has shown a dedication to the delivery of pension scheme consultancy in its respective market, demonstrated a superior understanding of the market's needs and shown a commitment to helping clients through the pensions maze.

This year's winner never fails to think outside the box, with a clear focus on the uncertainties facing pension schemes in a rapidly changing world. Congratulations to PricewaterhouseCoopers (PwC) on winning this hotly-contested award. The excellence, innovation and value shown by PwC impressed the judges and ensured the firm stood out from the crowd.

PwC demonstrated innovation in creating, with the UK's Universities Superannuation Scheme, a model to consider the impact on the scheme's direct asset holdings and liabilities of future world states.

It brought together its futurists, modelling and pensions teams to produce the model, including a new, bespoke socio-economic segmentation of the scheme to assess how quickly members would benefit from new technology. It also helped provide insight into the longevity risk they are exposed to, informing the scheme's risk management strategy.

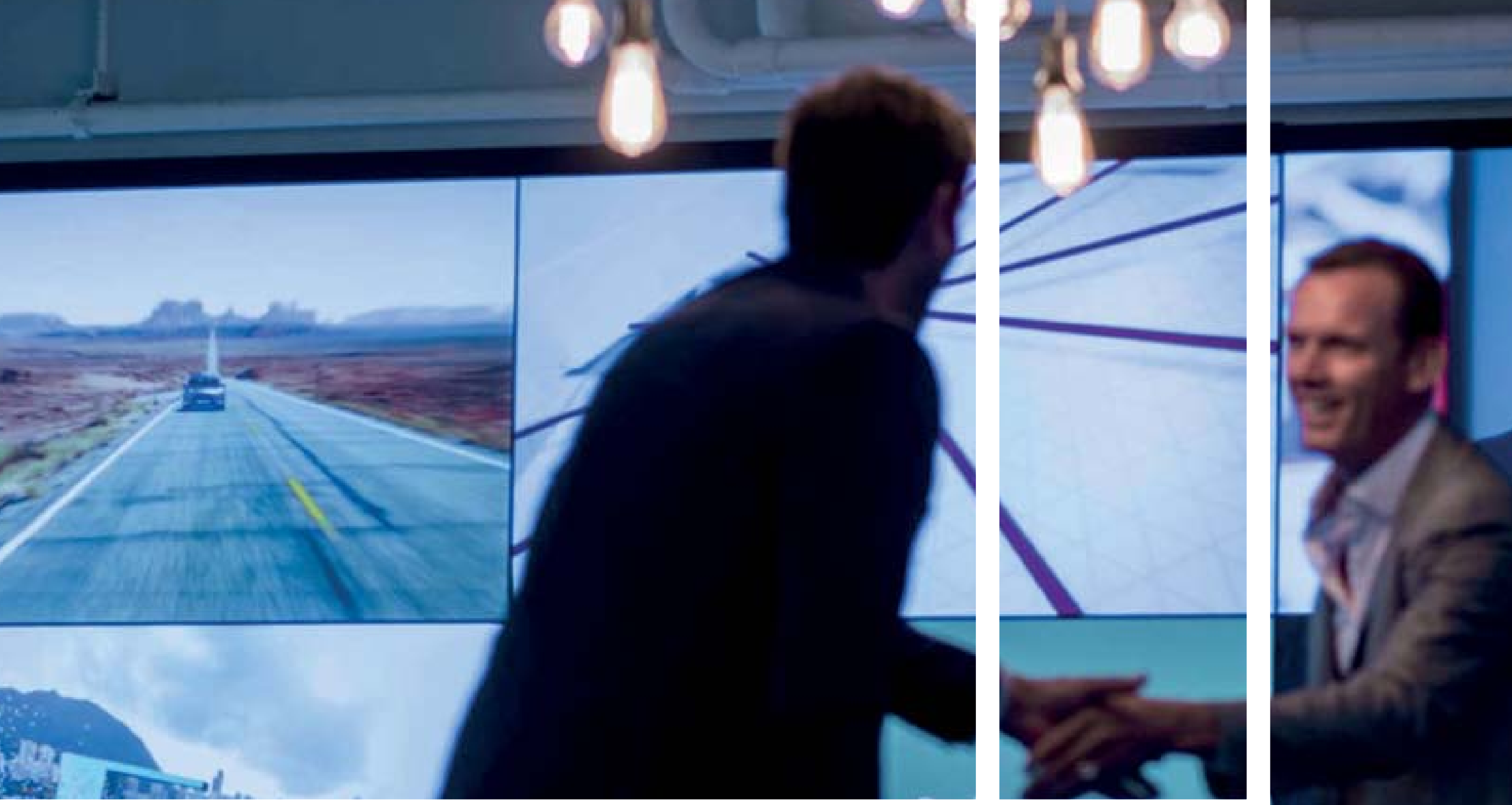
The firm again demonstrated its innovation in the sector by assisting the Dutch Ministry of Defence to design a new pension scheme that balances the need to streamline pension arrangement within the wider Dutch civil service pension fund with developing an attractive benefit structure, aiming to bring in new recruits. It combines features of current market practices with the unique and specific characteristics of military personnel to create a bespoke benefit structure that provides an attractive level of overall remuneration.

In 2018, PwC completed the single largest UK buy-in at that time. A £4.4 billion buy-in for the Airways Pension Scheme, sponsored by British Airways, was completed in September, resulting in the scheme being over 90 per cent hedged against longevity risk. PwC demonstrated its consultancy skill by negotiating with insurers to ensure a lock on the insurer premium into a subset of the scheme's assets on entering exclusivity and used its insight gained through relationships with insurers to foresee a favourable pricing opportunity.

The firm was able to add value to the client by ensuring a price lock that protected the scheme from over £50 million of adverse market movements during exclusivity. Furthermore, the transaction was completed within the tight exclusivity period to deliver on the original insurer pricing.

Many congratulations to a worthy winner, PwC.

The European Pensions Consultancy of the Year award went to PricewaterhouseCoopers. Receiving the award was Jeremy May, PwC (centre). Francesca Fabrizi, European Pensions (right) and host Kerry Godliman (left) presented the award.



Working together for a secure future

Everyone deserves a secure, confident financial future. And, our clients trust us to help achieve that goal.

In a complex world we look at a problem differently, using our breadth, versatility and cutting edge ideas to deliver simple actionable advice. We break down barriers. We give an honest, unbiased view. We will enable you to drive change so members' benefits are secure.

Delivering pensions solutions that minimise uncertainty and address the issue for the long term is at the heart of what we do. Your circumstances will be unique – so our solution will be too.

For more information on how we can help transform your pension scheme, please visit **pwc.co.uk/pensions**

pwc

FIXED INCOME MANAGER OF THE YEAR

TwentyFour Asset Management

Fixed income is a bedrock that European pension funds rely heavily on for a stable and reliable revenue stream, and as a result, the fixed income market is becoming as diverse and sophisticated as any other.

The best in the market now offer a real specialisation in this key area and can offer their European pension clients a variety of solutions to meet the ever-changing market conditions, which this award recognises.

The manager standing out this year is TwentyFour Asset Management.

As 2018 was an extremely challenging year for fixed income as a whole, the judges described the win as well-deserved, as innovation, strong performance and a passion for what it does put this firm ahead of the rest.

TwentyFour cover three distinct business areas that work closely together – multi-sector bonds, outcome driven and asset-backed securities.

The firm has had a truly transformative 12 months, adding a number of institutional clients to its base, from North America, South America, Europe and Asia, growing its assets under management by 24 per cent to £14 billion.

Q4 of 2018, which was a challenge across the investment industry, was the 26th consecutive quarter of asset growth for the award winner. The product offerings in TwentyFour's portfolio cater to both professional and institutional clients, covering open ended funds, close ended funds and segregated mandates, with many tailored specifically to the needs of pension schemes.

This year, pension clients have been increasingly interested in TwentyFour's pooled funds, but also on a more general basis – in fact, the manager is responsible for £1.5 billion pension assets, an impressive growth from 2017's £852 million.

As a boutique and fixed income specialist, TwentyFour is able to put client needs at the heart of its product development process, with a flexibility which can be a struggle for larger firms.

It is able to meet client expectations on areas such as the asset-backed securities market, an area the manager has witnessed increasing interest from pension scheme clients. With its Absolute Return Credit strategy , designed specifically with pension scheme objectives in mind, and its flagship Strategic Income and IG ABS strategies, the fixed income manager expects even further success.

On the non-investment side, TwentyFour has a strong record of being committed to transparency and investor education. It often hosts live demonstrations, teach-ins, educational sessions and conferences.

Its consistent returns, commitment to its clients and focus on quality makes TwentyFour Asset Management a well-deserved winner.

The Fixed Income Manager of the Year award went to TwentyFour Asset Management. Receiving the award was Alistair Wilson, TwentyFour Asset Management (centre). Francesco Briganti, CBBA-Europe (right) and host Kerry Godliman (left) presented the award.

Tactics for late-cycle fixed income investing

The current US economic expansion is now the longest in modern history, and investors globally will be seriously contemplating the end of the credit cycle. While every cycle is different, and there are no guarantees on when or how this one will end, at TwentyFour we believe there are certain tactics that can help protect a fixed income portfolio from typical late cycle gyrations, without missing out on the opportunities they can present.

1) Credit duration down, credit quality up
Once a cycle shows signs of ageing it becomes a lot more vulnerable to external shocks or surprises. Coupled with relatively lofty credit valuations, we believe this signals a time for dialling in risk and having more balanced portfolios. One tactic that can achieve this is to shorten the maturity of credit positions. Shorter dated bonds give extra comfort; they are typically better protected from market volatility, and the closer principal repayment dates offer a degree of support for prices with a 'pull to par' effect. Another tactic is to increase credit quality. The average rating of our Strategic Income strategy, for example, has been methodically increased from BB+ in January 2018 to BBB+ at the end of July 2019.

2) Increase rates exposure and duration
US economic data supports the continuation of the current cycle, but there are growing signs that the economy is slowing and trade disputes could potentially escalate out of control. Volatility is rising and markets are looking to central banks to engineer an extension of the cycle, hence our belief that aggressive risk taking is unlikely to be rewarded and portfolio positioning needs to be more balanced and prudent. In mid-2016 our Strategic Income strategy's allocation to core government bonds and cash was under 10%, but this had risen to around 20% by late 2017 and around 30% by late 2018.

3) Pick the right yield curve
Holdings in risk-off assets are there to try to protect returns rather than generate them, so selection must be made on the suitability for protection and not yield, so it is important to identify the government bonds that have the most to gain should conditions continue to deteriorate. At the moment we think that means US Treasuries. Brexit uncertainty makes the Gilt market an uncomfortable place for us to be, and while holders of, and there simply isn't enough yield in the euro sovereign bond market currently to offset a real downturn.

4) Don't ignore relative value
We believe avoiding riskier names and sectors is important in late-cycle investing, but tracking down the remaining pockets of value is equally so. One of these pockets, for example, is in selected European credit markets. After a decade of expansion, corporate leverage is far lower in Europe than in the US, which points to lower default risk in the event of a recession. Despite this, on a currency- and rating-adjusted basis, the euro high yield index currently carries a spread of around 350bp at the five-year maturity, versus just 322bp for its US equivalent.

5) Stay highly liquid
Given the current trends in economic data and the broadly accommodative stance of global central banks, it is quite possible that this cycle still has another 18 months, or even longer, to run. The path toward the next recession is never smooth, and periods of spread widening can still be buying opportunities. As such, as a fixed income investor it is a good idea to hold a higher portion of a portfolio in cash or cash equivalents, which can be quickly re-allocated.

TwentyFour
ASSET MANAGEMENT

ALTERNATIVES INVESTMENT MANAGER OF THE YEAR

BNP Paribas Asset Management

BNP PARIBAS
ASSET MANAGEMENT

The call for improved cashflow and pension fund investment returns has created innovation in alternative investments. This year's winner of the European Pensions Alternatives Investment Manager of the Year award has proved that it is passionate about the alternatives space and what it can offer pension funds today, refusing to stand still and re-thinking its approach to meet the changing needs of the market.

Congratulations to BNP Paribas Asset Management (BNPP AM) on being worthy winners of this highly-competitive category.

In partnership with the BNP Paribas Group, BNP Paribas Asset Management is able to offer bespoke lending solutions to institutional investors in order to meet their specific needs.

BNPP AM's CDI capability offers institutional investors access to a broad range of private credit and real assets capabilities, encompassing infrastructure debt, commercial real estate debt, loans, SME lending and structured securities. Leveraging over 50 investment professionals located in the UK, Europe and the US.

Its multi-asset, quantitive and solutions team has responsibility for the daily management of the CDI strategy. This dedicated mulit-asset investment team combines the best of both BNPP AM's fundamental and quantitative expertise. The team has developed a holistic approach with active asset allocation minimising timing risks across the entire CDI and non-CDI portfolio, reducing the potential for opportunity costs that can impact traditional static allocations.

In addition the firm offers defined contribution schemes, requiring a diversified portfolio of private credit, a pooled approach, which allows for the re-investment of cashflows. The firm stood out from the competition with its ability to offer a bespoke, tailored approach to each of its clients' specific requirements.

BNP Paribas Asset Management's CDI capability impressed the judges with its ability to not only offer standard monitoring and reporting of the CDI assets but also conduct active reconciliation of the long-term investment strategy versus flightpath objectives and risk budget.

Its CDI approach is able to offer services across the entire value chain, from portfolio management and origination of assets to loan administration, custody and depository services, with the firm proactively working with the wider BNP Paribas Group to provide quality investment solutions for its clients.

BNP Paribas Asset Management's deserved win was also down to its proactivity in sharing its expertise with its clients, to help provide them with specialist knowledge relating to markets, investment themes and asset classes, as well as topics such as risk control and regulatory issues.

Congratulations again to BNP Paribas Asset Management, a worthy winner in this dynamic sector.

The Alternatives Investment Manager of the Year award went to BNP Paribas Asset Management. Receiving the award were Julien Halfon (centre left) and Phil Dawes (centre right), BNP Paribas Asset Management. John Woods, European Pensions (right) and host Kerry Godliman (left) presented the award.

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The evolution of cash-flow driven investing

BNP Paribas Asset Management's Head of Pension Solutions, Julien Halfon, explains how cashflow-driven investing has evolved to meet the specific needs of pension funds

A rare success story to have emerged from the financial crisis was the widespread implementation of liability-driven investing (LDI). By mapping out what pension funds need to pay and investing more than 30% of their assets in LDI, many of them have closely matched their liabilities. However, while liabilities are matched, the LDI approach has created a new headache. Some 85% of UK pension schemes claim to be cash-flow negative, when they need to be generating more cash than ever.

Most pension funds in the UK are closed to new joiners and future accrual of existing members, meaning there is no new money coming into the pot. Meanwhile, membership is maturing and the level of benefit payments they require is increasing. Without new money coming in, trustees look to sponsors to increase contributions or to their investments to provide additional cash-flow. Due to the nature of the investments held in an LDI strategy (gilts and other interest rate dependent contracts), this cash is not easy to find.

Pension funds do have options: cashing in their LDI strategies in favour of more simple and liquid instruments that can be sold to free up the money needed to pay pensions, for example. The problem here is that many of these assets tripped up pension investors a decade ago – leaving only the brave to take this approach again. Equities, for instance, are easy to sell when cash is needed, but their volatility makes them an unattractive choice for prudent trustees running off their funds. Some fixed income instruments, aside from expensive gilts, could provide pension funds with options. But credit, which soared after the crisis, has been another tremendous success, meaning the upside investors once gained from holding these relatively risky assets has been squeezed and now offers limited potential for income over what they might expect from gilts. Demand for real estate and infrastructure equity has made these assets expensive. Also, their limited liquidity makes them impractical for pension funds coming to the tail end of their maturity.

The good news is that there is another option. Over the past few years, a strategy from the insurance industry has been transported to the pension sector: cash-flow driven investing (CDI). Initially, some of the tools that were offered to pension investors were direct copies of those in the insurance sector and overlooked the differences between the two. Today, CDI strategies have been tailored to focus on the needs of maturing pension funds with benefit payments to make. These strategies make use of illiquid fixed income instruments that can work alongside what is held in an LDI portfolio. Despite moving towards their endgame, pension funds are still long-term investors compared to other market participants and can benefit from an illiquidity premium that others cannot.

Many of the illiquid assets that make up the new generation of CDI are well-protected by covenants, with income linked to inflation and a relatively low default rate. Valued less frequently than bonds in the corporate credit market, debt from infrastructure, social housing and some asset-backed securities reduce volatility in pension fund portfolios, while providing a regular income that is higher than that paid by gilts. Unlike equity investments in these sectors, debt matures, returning cash to the lender rather than having to find a buyer for the asset.

CDI is not a full-portfolio solution, but, alongside other strategies, it can help achieve pension funds' payment needs without resorting to a costly buy-out. LDI certainly put pension funds on the right track, with the evolution of CDI they could be home and dry.

PRIVATE EQUITY

Unigestion

Private equity can be a difficult and challenging sector to operate, but done right, it can provide attractive opportunities for pension fund investors.

With all eyes on both risk and return, we acknowledge those private equity experts who have displayed a true understanding of the private equity space and are passionate about helping Europe's pension funds get the most from this complex area of the market.

With its superior skills and activity across the sector, Unigestion is winner of Private Equity Manager of the Year for the second year in a row.

The judges said this firm was proactive with the launch of relevant and important new communication programmes, showing it is ahead the game in this space.

Recognising the inefficiencies and difficulties pension fund investors face when navigating the private equity market, Unigestion focuses on the small and mid-market space globally. Since the space is hard to access and behind multiple barriers, the firm believes this part of the market offers the greatest potential for superior returns.

Unigestion, which is headquartered in Geneva, is responsible for over $22.9 billion assets of which private equity represents over $7 billion, and the team has had a very successful investment year. Amongst other transactions, Unigestion exited a German based leading manufacturer of pharmaceuticals for the nutraceutical and cosmetic industries. The transaction resulted in a gross TVPI of 4.3x and a gross IRR of 60%. Unigestion also sold its stake in the Swiss Education Group to Summer Capital Limited this year.

Since 1997, Unigestion has raised four global investment programmes and raised nine European investment programmes, and has since 2000 raised six secondary fund investment programmes, four global ones and two European ones. In January 2018, its Euro Choice Secondary II fund successfully completed its final close at its hard cap of €300 million, and primary investment programme Euro Choice VII has surpassed its target size of €300 million.

In the past year, Unigestion has also delivered a new web portal for its investors, which provides access to all available reporting data for a specific fund and allows data to be easily exported into the investor's own reporting framework, including data for each underlying fund investment and the individual portfolio company where available, as well as integrated analytics tools.

Unigestion makes commitments by comparing the best performing countries and regions, ensuring that its private equity portfolios are diversified from a geographic and sector perspective and therefore well positioned to exploit the macro imbalances in each region, generating a consistent and robust performance for over 20 years.

A worthy winner for the second consecutive year.

The Private Equity Manager of the Year award went to Unigestion. Receiving the award were Andrew Blackman, Private Equity Relationship Manager, Unigestion and Christophe De Dardel, Unigestion (centre). Tobias Steinman, EPRA (right) and host Kerry Godliman (left) presented the award.

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EXPERTS PREPARE FOR IT
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Unigestion is an independent, specialist asset manager providing innovative, tailored solutions for investors worldwide.
We believe that intelligent risk-taking is key to delivering smoother, more consistent returns over time.
Find out more at
www.unigestion.com
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RISK MANAGEMENT FIRM OF THE YEAR

PIC

PENSION INSURANCE CORPORATION

Rising risk, more stringent regulations and increased focus on governance has placed greater emphasis on the need for effective risk management within the European pensions market. This year's winner of the European Pensions Risk Management Firm of the Year award proved that it leads the way in the area of risk management with an impressive submission, which highlighted it clearly understands this complex but evermore important space. Many congratulations to Pension Insurance Corporation (PIC) on winning this highly-coveted award.

In 2018, PIC insured a record £7.1 billion worth of liabilities, providing thousands of pensioners with peace of mind that the risk on their savings had been minimised. This included a pension insurance buy-in with the trustees of a Siemens-sponsored scheme, covering £1.3 billion of liabilities and around 6,000 members. It was the third bulk annuity deal between PIC and a Siemens-sponsors scheme, highlighting PIC's commitment to building beneficial relationships with trustees.

The firm's careful capital management was demonstrated with a strong solvency ratio of 167 per cent at the end of 2018, which was a period of significant new business flows for the company. Its award-winning focus on risk management includes a programme of longevity reinsurance to third-party, investment-grade, reinsurance counter parties. It reinsured 74 per cent of its longevity exposure and reinsured £5.6 billion of longevity in the period.

Judges were impressed by PIC's pension payments, which are closely matched by cashflows from long-dated, secure assets, with the firm investing £2.5 billion in social infrastructure. This included £100 million invested in the Accord Housing Association and £100 million debt investment with The National Trust.

PIC's strong record in sourcing private debt investments was noted by the judges, as it increases affordability for buyouts and buy-ins by closely matching projected pension payments with investment cashflows.

The company increased the security of pension scheme members' benefits throughout 2018 by conducting repeat business with nine existing clients, highlighting PIC's excellence in customer service. It continued to support the mentoring scheme for actuaries, AMP, with the Institute and Faculty of Actuaries which, in its second year, has attracted 84 mentor and mentee pairs from 16 participating organisation, including the PRA, Aviva and Zurich.

The firm's commitment to improving standards in minimising risk was a key factor in the judge's decision to bestow them with this award.

PIC also published two papers in the 'Purpose of Finance' series, which aims to facilitate debate about how financial services can rebuild trust with society. Congratulations to PIC.

The Risk Management Firm of the Year award went to Pension Insurance Corporation. Receiving the award was Richard Quintian, Pension Insurance Corporation (centre). George Graham, South Yorkshire Pensions Authority (right) and host Kerry Godliman (left) presented the award.

CURRENCY MANAGER

Russell Investments

Given the unsettled geopolitical times, the ability to manage currency may have never been so important.

Added to that, currency is playing an increasingly-important and diverse role in the portfolio of pension funds across the globe. This category highlights, and pays tribute to, those currency managers who have displayed excellence in this sector.

This year, the judges noted the winner's excellent commitment to improving outcomes for both its clients and the wider industry, with its unrivalled ability to manage currency risk, as well as reducing execution cost. The winner is Russell Investments.

In the face of geopolitical uncertainties, such as Brexit, the group has worked closely with its clients to ensure that it can continue to manage their mandates whatever the outcome in uncertain times.

One of its most notable achievements over the past year is the execution cost savings it has made for European pension funds. According to independent transaction cost analysis, Russell Investments achieved a 96-percentile ranking in emerging market currency execution.

It has developed a robust strategy to ensure consistent results, including trade netting within the clients' accounts and trades to ensure savings on spread costs. It will then utilise its RFX Network, which it developed to help the buyside significantly reduce their execution costs.

Furthermore, it ensures a competitive execution market, constantly feeding back to the competitiveness of dealers' quotes.

"The group has continuously showed its commitment to the European market"

The group has continuously showed its commitment to the European market, with over three quarters of its currency assets under management (AUM) dedicated to European clients. Russell Investments had a total currency AUM of €49.5 billion at 31 December 2018. It traded a staggering €875 billion of currency in 2018.

Launched to external clients in 2003, it provides services such as passive currency hedging, dynamic currency hedging, hedged share classes, factor-based absolute return currency strategies and transaction cost analysis.

Russell Investments has been no slouch when it comes to innovation either. The group has continued to enhance its currency management offerings, including active tenor management and has updated its currency universe and trend signal in its Absolute Return Currency Strategy and its Dynamic Currency Strategy.

It also published 60 currency papers in 2018 for European pension funds to utilise.

Well done again to this years winner, Russell Investments.

The Currency Manager of the Year award went to Russell Investments. Receiving the award was Elise Cardon, Russell Investments (centre). Robert McElvanney, Santander Asset Management (right) and host Kerry Godliman (left) presented the award.

Time to think currency

Managing currency risk is increasingly important in these volatile times

As the clock ticks down towards another Brexit deadline on 31 October 2019, the British pound is trading near its lowest levels against the US dollar for the past 40 years. While the euro is relatively stronger than sterling, it too has lost about 30% of its value vis-à-vis the US dollar since EUR/USD reached a peak of 1.60 in April 2008. Higher interest rates in the United States have supported the greenback and political uncertainty in Europe has weighed on the pound and the euro. It's difficult to know what the future will bring. Many investors won't try to make money forecasting exchange rates buffeted by numerous political and economic variables.

However, pension funds that invest internationally don't have any choice but to think about currency. Allocating to foreign assets allows investors to reap the benefits of international diversification, but also exposes them to currency risk. For example, a euro-based pension fund that invests in global developed-market equities implicitly holds a long position in a currency basket consisting of roughly 70% US dollar, 10% Japanese yen, 6% pound, 4% Canadian dollar and some other currencies[1] . That currency exposure is often a by-product of the equity position, not a clearly articulated investment that investors expect to earn returns from.

With sterling and euro trading at low levels versus the US dollar, now is a good time for European pension funds to assess the impact that currency exposures have on their portfolio risks. Leaving currency risk unmanaged is not the best long-term choice, in our view.

Static or dynamic?

Setting a strategic hedge ratio - and sticking to it - is a sensible approach to currency management. When compared to an unhedged position, static hedging often reduces unrewarded risk without giving up expected return (when looking at an appropriately long time period).

Finding the 'optimal' hedge ratio is difficult and can vary by asset class and base currency. Based on our analysis, we often recommend fully currency-hedging global fixed income portfolios to sterling and euro-based investors. In international equity portfolios, it can strategically make sense to hedge currency exposures partially.

A different approach is to allow the currency hedge ratio to be flexible over time, with the aim of generating excess returns over a passive hedge. Hedge ratios can be adjusted to valuations, interest rates and other factors that drive currency returns. This dynamic currency hedging can turn the incidental currency risk from international assets into a rewarded source of risk.

Don't forget costs

Unmanaged FX transaction costs can easily erode returns generated by a hedging programme. Over the past decade, allegations of collusion and manipulation have been levelled at banks and other middlemen in the foreign exchange (FX) markets. In 2014, the Financial Conduct Authority (FCA) in the UK imposed fines totalling £1.1 billion on five banks for failing to control business practices in FX trading. The alleged market abuse resulted in higher transaction costs for investors.

Consequently, investors must carefully manage costs and maintain appropriate governance by taking the following steps:

1. Ensure their currency manager has a deep counterparty panel that allows them to access competitive quotes and liquidity. Competition allows the manager to complete trades and diversify exposure.

2. Insist on time-stamps for all transactions. Time-stamps allow an independent transaction cost analysis provider to assess the execution quality.

3. Employ an independent FX transaction cost analysis (TCA) provider. An FX TCA is an excellent tool that allows investors to understand execution costs and slippage. At the end of the day, what gets measured gets managed.

[1] *Based on market capitalisation weights. Source: MSCI, Russell Investments Calculations, as of 31 July 2019.*

Russell Investments

PASSIVE MANAGER OF THE YEAR

ILIM

Irish Life

The role of the passive manager cannot be underestimated in the European pensions space. This award aims to celebrate the passive manager that demonstrates strong returns, provides excellent customer service and shows a true understanding of the needs of their clients.

Winning for the second consecutive year, this firm stood out to the judges as a clear leader in the passive arena, as it refuses to rest on its laurels and demonstrated a strong client focus. A fantastic effort from Irish Life Investment Managers (ILIM).

In this modern age, ILIM looks to form strong partnerships with its clients, rather than just provide a service. It sets out to address their specific needs and investment objectives, providing them with a standard of passive management that they can use as a benchmark in the European pensions space.

In this current low interest rate and return environment, with a greater focus on cost management, pension investors require their investment providers to enable decision making by informing them of the developments in the passive industry across a breadth of index providers.

In order to live up to these expectations, ILIM has set itself the goal to be a solution provider, which requires it to deliver on a number of key criteria. These include: flexibility to provide clients with a solution that meets their specific needs; client-focused service approach that changes to client developments; market knowledge and expertise across the breadth of passive options and index providers; incorporation of ESG into its passive fund service offering as standard; and, the ability to tailor those mandates to accommodate clients' own unique preferences.

"ILIM refuses to rest on its laurels and has demonstrated a strong client focus"

In addition to building on its passive capabilities to facilitate tailored requirements, the resources of ILIM are available to clients with specific or ad-hoc needs. Its team of inhouse specialists are available to advise clients on their options and support the development of solutions tailored to clients' own objectives. This continuity means that clients' requirements are delivered by experts who understand their needs and how they are evolving.

This commitment to its clients' needs has resulted in ILIM's customer relationship scores being amongst the highest on the Deep Insights database. Its flexibility of service, relentless customer focus and development of client-specific passive solutions has delivered both client value and excellent customer service relative to other European passive fund managers. Congratulations to a worthy winner.

The Passive Manager of the Year award went to Irish Life Investment Managers. Receiving the award was Shane Cahill, Irish Life Investment Managers (centre). Francesca Fabrizi, European Pensions (right) and host Kerry Godliman (left) presented the award.

MULTI-ASSET MANAGER OF THE YEAR

Aon

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 looks to reward the best of the best in this increasingly-competitive space. The judges said this year's winner stood out from the rest with its strong performance and keenness to innovate, along with its effective engagement with trustees. Congratulations go to Aon.

It's no surprise as Aon is at the forefront of multi-asset investing, offering solutions that meet the diverse needs of DB schemes. Its core multi-asset offering includes its unconstrained solution, managed growth fund and small client solution.

Always looking to expand its offering, 2017/18 saw the launch of its absolute-return fund, low-risk bond solution and hedge-fund strategies.

Its unconstrained solution invests across global equities, fixed income, hedge funds, new opportunities (ie. insurance-linked securities), emerging market wealth and illiquids. It invests in over 25 sub strategies and has a wealth of clients who benefit from savings on underlying manager fees.

Its managed growth fund offers tailored portfolios to meet client constraints (eg, liquidity and/or cost). This fund used fully active asset allocation, investing across absolute return, multi-factor equities, return-seeking bonds.

Its diligence has paid off with its unconstrained multi-asset offering outperforming the benchmark by +2 per cent per annum over a three-year period. Remarkable results can also be seen in its managed growth solution, which outperformed by +1.6 per cent per annum since inception. Aon has also outperformed industry buy-rated diversified growth funds over three- and five-year periods.

"Aon is at the forefront of multi-asset investing, offering solutions that meet the diverse needs of DB schemes"

Hand-in-hand with performance and product innovation is client service; Aon has delivered a triple threat. It is committed to providing the very best in training and education, having published over 25 investment research papers in 2017/18. It also ran numerous seminars focused on investments throughout 2018.

Showing that it truly has clients' best interests at the heart of everything it does, it has used its multi-billion pound scale to secure significant fee discounts from external managers.

It has also directly reached over 1,000 investors across Europe through its numerous conferences and seminars, in regions including UK, Ireland, Netherlands, Germany and Switzerland.

A fantastic achievement; well done to Aon.

The Multi-Asset Manager/Provider of the Year award went to Aon. Receiving the award was Vicky Kydoniefs, investment partner at Aon (centre). Natalie Tuck, European Pensions (right) and host Kerry Godliman (left) presented the award.

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The past, present and future of multi-asset investing

Adrian Mitchell, EMEA CIO of Aon's Investment business looks at the evolving role of multi-asset investing and how this has shaped best practice today.

The challenges facing pension schemes have increased significantly over the past 40 years and the last few years have been no exception. Interest rates have fallen sharply, increasing funding costs and lowering expected future returns. Schemes are far more mature and are faced with a proliferation of new complex investment options. All of this puts pressure on the governance of schemes. We look at how multi-asset solutions have evolved over time to meet these challenges and what the future holds for multi-asset investing.

A 'one-size-fits-all' approach

Pension schemes have long used a multi-asset approach to investing. In the 1980s the prevailing model was the balanced fund; a single manager managed all the scheme's assets. This approach failed to acknowledge that each scheme is unique, so trustees moved towards strategies which better reflected their scheme's maturity.

The significant fall in equity markets in the early 2000s put funding ratios under pressure and led to the closure of many defined benefit (DB) schemes. This accelerated their maturity and led to an increased focus on liability-driven investing (LDI). Few schemes had the governance to deal with sophisticated LDI approaches together with a highly diversified growth portfolio managed by specialist managers. Smaller schemes also had difficulty in accessing the full range of growth assets.

The growth of DGFs

Diversified growth funds (DGFs) were developed in the mid-2000s to deal with these issues and to reduce schemes' exposure to equity risk. They held a wider range of underlying asset classes than balanced funds and adopted a more active approach to asset allocation. Schemes with greater LDI matching performed relatively well in the 2008/9 recession as growth assets fell sharply and interest rates were cut, which helped to popularise LDI and fuelled a boom in DGFs. However, DGFs suffer from the same issue as balanced funds, few - if any - managers are best in class in all of the underlying investments and few DGFs outsource significantly. In today's low return environment, we believe trustees should seek out strategies which offer a diverse range of best in class return drivers. On top of this, much of the performance from DGFs has been driven by their market beta exposures, with added value from active management somewhat limited, despite charging active management fees.

The present and future of multi-asset

Where does this leave multi-asset investment today? The most recent evolution is fiduciary management. This approach retains the low governance advantages of DGFs, but the fiduciary manager can build a fully-diversified growth portfolio of best in class managers while managing liquidity to keep the LDI portfolio in place to pay pensions, transfer values, etc. Fiduciary management is therefore a highly capital-efficient approach, tailored specifically to a scheme's unique circumstances and can be managed dynamically to reduce risk as the funding ratio improves. It is anticipated that by 2025, over 30% of UK DB schemes will be using some form of fiduciary management.

Assessing the options

Trustees should consider the size and maturity of their scheme, the specific issues they face and the amount of resource at their disposal. For example, larger schemes may have the expertise and governance to manage their assets themselves. For smaller schemes, a DGF approach may still be the best approach. However, trustees should ensure they understand the return drivers for the DGF, that they are not overpaying for market returns and that it offers an open architecture approach to allow the use of specialist managers.

AON

www.europeanpensions.net/awards

ESG/SRI PROVIDER OF THE YEAR

Robeco

ROBECO
The Investment Engineers

There is increasing appreciation amongst investors, including European pension funds, for the importance of socially responsible investing – investing with an environmental, social and governance (ESG) outlook. Ahead of the game in this significant and increasingly sophisticated market this year was Robeco.

Robeco was hailed by the judges as a clear winner in this very competitive category, as the firm put forward an excellent submission with clear data and good performance.

Since the launch of its first sustainable fund in 1999, Robeco, together with its affiliate RobecoSAM, has been at the forefront of sustainable investing by integrating ESG data gained from in-depth research into investment processes for all strategies and by actively engaging with companies in its portfolios.

A key example is its exemplary work in partnership with the Church of England Pensions Board, engaging with Royal Dutch Shell to set short-term targets for carbon emissions and to link executive pay to meeting these objectives.

The manager has integrated ESG criteria into all strategies. Its performance compares favourably with its peers, including those who do not integrate sustainability. Measured against a peer group of active emerging market strategies, Robeco's sustainable active EM equity strategy performed significantly better on a three-year annualized basis – even compared to its own alternative strategy with a lower level of sustainability integrated.

Robeco made a number of landmark investment decisions relating to ESG in 2018. It excluded from its mainstream funds all companies involved in the production of tobacco or significant components of cigarettes and, together with RobecoSAM, it launched a fundamental sustainable multi-asset strategy through its Global SDG Credits fund.

Viewing itself as a role model for the industry, Robeco believes in making broader contributions in thought leadership. Moreover, education is a key aspect of its innovation and client service around ESG. In 2018, it published its award-winning Big Book of Sustainability Investing, hosted events which were made available online and launched an CPD e-learning module.

Furthermore, the manager began three-year engagements on climate change relating to high carbon emitters, food security, cyber security, good governance and waste management in solar and tech industries. Robeco has since 2013 consistently achieved top scores from the PRI.

The provider has been able to live up to its mission – to enable its clients to achieve their ¬financial and sustainability goals by providing superior investment returns and solutions.

Our congratulations to this year's winner, Robeco.

The ESG/SRI Provider of the Year award went to Robeco. Receiving the award was Peter Walsh, Robeco (centre). Andy Cheseldine, Capital Cranfield (right) and host Kerry Godliman (left) presented the award.

European Pensions
AWARDS 2019

FIDUCIARY MANAGEMENT PROVIDER OF THE YEAR

SEI

Having taken both the Dutch and UK markets by storm, the concept of fiduciary management continues to expand across Europe.

This award commends those firms that have led the way in the fiduciary management space, tailoring their offerings to today's pension funds' needs.

The judges were impressed with how the winning firm understands the complex role that fiduciary management plays in the pension space, with a keen eye on truly meeting the diverse needs of today's pension funds. A fantastic achievement from this year's winner, SEI.

At the heart of SEI's investment philosophy is factor investing, having launched its first institutional factor fund in the early 2000s.

But in 2018, SEI went further, listening to client demands for lower investment fees, along with the desire to exploit market inefficiencies and avoid the pitfalls of passive investing.

As a result, it launched a lower cost version of its market-informed and intelligent factor-investing strategy. This saw SEI invest in a blend of successful return factors and adjust the portfolio factor exposures dynamically in accordance with prevailing market conditions.

This resulted in a significant investment fee reduction for clients, whilst replicating the benefits of active management. SEI's commitment to innovation has led to formidable investment results; its UK fiduciary management client base have consistently outperformed their liabilities on aggregate since inception in 2009.

"SEI's commitment to innovation has led to formidable investment results"

These results and the service SEI offers clients have led to 98 per cent of clients stating that they would be likely to choose SEI again.

The company also aims to add value in the pensions space, as, for example, it hosted an investment conference aimed at providing trustee training, leading investment views and provocative discussion last year.

It is clear to see why SEI has been awarded this accolade, with the company's operating principles of openness, integrity, innovation, transparency and collaboration shining through.

It is these principles that allow SEI to view trends clearly, question, think ahead, challenge convention, and produce comprehensive solutions for its clients. It's also the reason why this year SEI is the winner of the Fiduciary Management Provider of the Year Award. Congratulations to a worthy winner.

The Fiduciary Management award went to SEI. Receiving the award was Cyprian Njamma, Client Strategy Director (centre) and Pradeep Kachhala, Regional Director, SEI (right). Richard Poole, Royal Mail Group (second right) and host Kerry Godliman (left) presented the award.

Simple but not simplistic

How factor investing could help pension schemes achieve their objectives

The demand for transparency and lower fees has driven a rise in the popularity of passive investment strategies, appealing because of their simplistic rules-based approach. However, whilst passive has a place, we believe there are more effective ways to achieve transparency and lower fees.

Our experience tells us that markets are not always efficient. This means that a singular focus – on one rule, market capitalisation or price – to dictate your portfolio construction may not produce the optimal risk or return results pension schemes need for their members.

Factor investing provides an effective alternative to active management and passive investing. It can deliver the best of both worlds. It has the transparency and lower costs associated with passive investing, but can also offer lower risk and higher return potential. Rather than focusing on one rule/factor, a factor-based approach employs a combination of metrics to benefit from well-known and robustly researched market inefficiencies. Examples of metrics include real economic factors such as sales, earnings, dividends, cashflow and return on assets. Thanks to today's world of readily available data and technology, the opportunity to construct rules-based portfolios on economic data at lower cost is a reality.

Factor or passive?

Our research and market experience has shown that incorporating factor-based investment strategies into traditional equity portfolios can unlock favourable long-term, risk-adjusted returns from market inefficiencies, and at the same time can help to avoid the pitfalls of passive investing.

At the foundation of these market inefficiencies are behavioural biases that we, along with academic studies, have observed in the market for more than 25 years. Loss aversion, for example, can cause investors to ignore economic realities and instead focus too much on the latest short-term fears of the day. Likewise investors tend to underestimate the benefits of compounding or anchor their views to the past and can be slow to embrace new economic realities. Whereas passive investing, which has only one rule or factor to follow, may own too many expensive stocks when they are overvalued, and own too few when they are undervalued. This trait of passive investing can lower returns and increase risk.

Turn to experience

SEI is proud to be a pioneer in factor investing. For over 25 years, factors have been a core component of our active investment manager selection, providing us with a broad foundation for understanding how to effectively identify and use factor exposures in a portfolio.

We originally recognised factor investing's potential in the 2000's, a time when it only existed in academic literature and was unavailable to institutional investors. In 2004, we launched our managed volatility strategy, which is believed to be one of the first of its kind.

Factor investing strategies have gained in popularity across the industry over the past few years, and it is important that pension schemes are aware that not all factor-based strategies employ the same approach. We have seen evidence that some allocate largely to factors that have done well in the past, disregarding what may happen in future market cycles. Consequently they fail to proportion and blend factors optimally, and fail to adjust and dynamically tilt factors in accordance with the latest prevailing market conditions. Our heritage and investment philosophy mean SEI is able to use its depth of experience to better anticipate market changes, to maximise return opportunities and lower risk.

Factor investing provides a simple and attractive middle-ground approach between passive and active investment strategies, but it is by no means a simplistic approach. It is crucial that a pension scheme considers an experienced provider. Our expertise in factor investing runs deep, and forms a central part of our investment philosophy and process, playing a key role in our fiduciary management offering for pension schemes.

SEI's institutional investment director, client strategy team, Cai Rees

TRANSITION MANAGER OF THE YEAR

Northern Trust

NORTHERN TRUST

In these uncertain economic times, pension funds are seeking complex investment strategies to meet the needs of their scheme. This has made transition managers increasingly vital. Therefore, the Transition Manager of the Year Award recognises those firms that have proved themselves dedicated to assisting pension schemes with their journey.

With this year's winner being hailed by the judges as 'outstanding', congratulations go to Northern Trust.

Northern Trust is at the forefront of assisting pension schemes with their challenges – for example, as they shift from DB to DC schemes. This move can be costly, but Northern Trust, by combining its transition management skillset with that of its broader asset-servicing organisation, can mitigate the potential risks.

The company considers its role as a transition manager as to "minimise the projected costs and mitigate the potential risks that exist when our clients restructure their portfolios".

This it has consistently achieved. Looking at over 1,000 transitions from the past five years, Northern Trust's actual costs have been within 0.5 basis points of its pre-trade estimates – highlighting the company's ability to estimate and manage transition risk.

So Northern Trust clearly knows what it is doing, and does the job well, but that doesn't mean the firm is content to rest on its laurels.

In 2018, Northern Trust played an integral role in assisting many European schemes to consolidate their assets. Northern Trust created a dedicated resource from its fund administration project management office, in partnership with the transition management team – for example, publishing a white paper called 'The Path to Pooling' for its LGPS clients – to assist their range of clients with the broad theme of asset consolidation.

Elsewhere, with the move towards ESG-like mandates in the Dutch market, Northern Trust recently experienced an increased demand to sell securities that do not screen for ESG factors and replace with those that do.

This can become a minefield in scenarios where the underlying investor does not have a global custodian. To help with this, Northern Trust now offers an integrated interim custody solution. Rather than liquidating within the fund – incurring additional cost – this solution allows investors to retain the common names between portfolios while also availing of all the additional benefits that a transition manager can offer – risk management, maintaining market exposure and project management.

It is no wonder that the judges were immensely impressed with Northern Trust, both for the product enhancements it has undertaken over the past year, and its consistently strong performance.

Congratulations to a deserving winner.

The Transition Management Firm of the Year award went to Northern Trust. Receiving the award was David McPhillips, Northern Trust (centre). Tim Reay, International Employee Benefits Association (right) and host Kerry Godliman (left) presented the award.

INSURANCE FIRM OF THE YEAR

Just

JUST.
RETHINK RETIREMENT

As DB schemes continue to plan for their endgame, many will be looking towards some form of insurance product to safeguard their members' savings for the long term.

So, with the ongoing de-risking needs of European pension schemes growing, this award seeks to recognise performance in providing bulk annuities, longevity insurance and other pension insurance structures.

The firm awarded the top accolade this year set itself apart in many key aspects, including its innovative approach to small and medium sized transactions and its support for DB policyholders. A big congratulations to this year's winners, Just.

A leader in the defined benefit derisking space, the group has made huge strides since launching its DB Solutions business in 2012; completing over 170 bulk annuity transactions, including over 40 buyouts, with total premiums written in excess of £5 billion.

The launch and roll-out of the innovative DB Choice proposition in November 2017 helped address market challenges around using medical underwriting. Just has been able to help trustees hoping to complete smaller transactions, who are concerned that the lack of market competition will deprive them of optimal pricing, with a guaranteed pre-transaction quote that benefits from medical underwriting. This enables them to compare medical pricing from Just with standard quotes from competitors. The pricing advantage delivered by DB Choice delivers the primary benefit for trustees.

According to Just, the roll-out has been a huge success, raising awareness across the industry through a series of webinars and generating premiums in excess of £380m.

One of these transactions was NG Bailey, a family owned construction and facilities management business in Yorkshire. Western Pension Solutions director Jon Sharp, the independent trustee for the scheme, said that by simply providing their best price, Just made it very straightforward and easy to compare with other providers. "They were materially below the next best quote we had." None of the other quotes featured medical underwriting.

Just has invested resources to improve the experience of the buyout journey for DB policyholders. They've launched a new telephony based service to help deferred members understand the options available to them when taking benefits. Customer facing literature has been re-drafted to plain English standards and the primary items have been awarded Plain English Campaign Crystal Mark status and they've launched a policyholder area on their website.

As a result, their DB policyholder customers are now better informed on how to take their benefits.

Well done again to Just, a well deserving winner.

The Pensions Insurance Firm of the Year award went to Just. Receiving the award was the Just team (centre). Camilla Capece, European Pensions (right) and host Kerry Godliman (left) presented the award.

PENSION SCHEME ADMINISTRATOR

Previnet Outsourcing Solutions

The vital role of the administrator is often overlooked, but without an excellent administration service the pension fund member could not receive the level of service they deserve.

That is why this award recognises those administrators that have gone beyond the minimum standards required to offer a truly value-added service to members.

For the fourth time in its history, Previnet is crowned as Pension Scheme Administrator of the Year 2019.

For over 20 years, Previnet Outsourcing Solutions has provided administration services for local and cross-border pension schemes across Europe, while always focusing on quality, innovation and client needs.

Previnet demonstrates these qualities through its tailor-made web tools for members and excellent service for pension institutions and employers.

Members have their pension information at their fingertips, be it accessing through PC, tablet or smartphone. Member participation and awareness is enhanced by sending emails and text notifications, especially when actions are performed.

A multi-lingual, multi-country, multi-currency, multi-account website is offered to members, giving them a full vision of their savings within a single web portal while moving across borders and contributing to multiple accounts.

Through a custom-built advanced investment platform, members are able to select the investment strategy that better fits with their saving goals, reallocating contributions and assets.

Also offered to members is a risk profiler tool, enabling them to discover their investment attitude, goals and risk appetite, along with a pension modeller tool that allows them to estimate the impact of changing contribution amounts, investment strategy and other parameters on their savings at retirement.

For those running the pension scheme, Previnet's cross-border administration is powered by a rule-based engine, made of layers customisable in accordance to clients' needs, scheme rules and local regulations.

The company provides innovative business intelligence tools, such as charts and dashboards, to monitor trends and access detailed statistics. All information managed on a country-by-country level is kept separate according to the ring-fencing requirements of the cross-border model.

To guarantee top-level service at a multi-jurisdiction level and with full compliance to local regulations and best practices, Previnet takes advantage of the expertise of qualifed local consultants.

It is Previnet's clear dedication to a seamless cross-border administration service, while still valuing the importance of local partnerships, and never forgetting the member experience, that makes the company such a worthy winner.

Congratulations Previnet.

The Pension Scheme Administrator of the Year award went to Previnet Outsourcing Solutions. Receiving the award was Martino Braico, Previnet (centre). Camilla Capece, European Pensions (right) and host Kerry Godliman (left) presented the award.

TECHNOLOGY PROVIDER OF THE YEAR

Aviva

AVIVA

Effective and reliable pensions technology is essential for the successful running of any pension fund. In recent years the pension industry has taken great strides to adopt and innovate with the latest pensions technology.

This award recognises those firms that are leading the way with these developments, shaking up the pensions industry with its latest technological developments, and providing inspiration for the rest of the sector to follow.

In an increasingly-competitive space, this year's winner stood out to the judges for its relevant and innovative technology developments, which provide true value to the member "and not just innovation for innovation's sake". Standing ahead of its competitors, this year's winner is Aviva.

As the largest provider of bundled DC administration and investment services in the UK, Aviva administers over £58 billion of assets for 3.7 million members of workplace pension schemes and over £15 billion on behalf of 520,000 individual personal pension policyholders.

According to Aviva, technology is at the heart of all its product offerings. It proves this point through its My Aviva portal, allowing people to manage all their Aviva policies in one place.

Within this is the My Pension segment. This provides customers with an immediate valuation of their pension pot, along with the employer and employee contribution details. Here customers are able to easily update contact details and their chosen retirement age, change their investment approach and nominate beneficiaries without the need to fill in forms or contact the call centre. Over 4,000 customers a month use My Pension and since widening the pool of users, its daily visits have risen from 4,500 to over 7,000.

While impressive, Aviva has continued to use technology to improve the service it provides. In August 2018, it transformed and increased the ease in which members can interact with their pension by launching an Amazon Alexa skill. Members can now simply ask Alexa pension queries such as the value of their pension pot.

The past year also saw Aviva provide a new online feature for members to submit a transfer request for pension pots under £30,000, allowing members to conduct the entire process easily online. Since launch, over £15 million has been transferred in via the feature.

In 2018, Aviva also added a stochastic modelling feature to My Pension, enabling people to scenario plan and receive projections as to the impact changes made will have on their final pension.

Aviva describes the focus of its technology as "making life easier for our customers". Its latest developments have certainly achieved that. Well done Aviva.

The Pensions Technology Provider of the Year award went to Aviva. Receiving the award was Matt McGill, Aviva (centre). Sunniva Kolostyak, European Pensions (right) and host Kerry Godliman (left) presented the award.

How the use of technology is making pensions more accessible

More ways to help your employees engage with their finances

If you have employees who don't have a clue about their pensions – or find it hard to engage with finance in general – they might just be going a bout it the wrong way.

The traditional way to 'keep in touch' with the progress of a pension largely consisted of waiting for an annual statement to drop through the letter box and then consigning it to a drawer. Some people still rely on this approach – so it's hardly surprising that many of them don't know what their pension is worth, what it does with theirmoney, or how they can change things around.

In fact, 21 per cent 1 of people say they check their pension value less than once a year. So how can we improve that?

By embracing digital communications, even the least tech-savvy employees can find easier ways to get familiar with their pension and understand the importance of retirement planning. Your pension provider should be able to help here.

5 ways to switch onto improved engagement

1. "Alexa, ask Aviva what's the value of my pension"

If you're not sure how to keep track of your pension, just ask your voice assistant to do it! For instance, Aviva have created a pension skill for Amazon Alexa, which allows customers to check how much they've saved towards their retirement.

2. "I can't always be bothered searching for websites, but apps make life easier"

Apps like MyAviva make it really easy for anyone with a smartphone to check their pension. Thumbprint login and FaceID mean forgetting a password need never be a problem.

"In fact 21 per cent of people say they check their pension value less than once a year. So how can we improve that? By embracing digital communications, even the least tech-savvy employees can find easier ways to get familiar with their pension and understand the importance of retirement planning. Your pension provider should be able to help here"

3. "I don't really think about using my phone to sort out my finances, but I'm on social media a lot"

The right link from the right post can help form good habits. Following a pension provider on social media is a simple step towards better engagement.

4. "I relate to pictures more than words"

Not everyone wants to read detailed articles or web pages on finance. But there's plenty of video content available online which explains pension issues and choices quickly and succinctly.

5. "I'm not sure what I should be searching for"

Following a relevant blog is a great way to keep up with topical issues without actively searching for material on different areas of a chosen subject.

So, if you feel your employees aren't fully engaged with their pensions, think carefully about the services and contact options your pension provider can offer them. Making pensions more easily accessible is the key to improving engagement.

AVIVA

INNOVATION AWARD

BNY Mellon

BNY MELLON

In ever-changing and challenging times it is essential to stay ahead of the field while offering viable solutions to modern day problems. This award recognises the firm that has brought the most innovation to the European pensions marketplace, be it through offering a particular product, service or overall business approach.

In volatile global markets, it is imperative firms can respond to these pressures in an original and creative way that benefits clients and members like. This year, the judges noted the particularly high standard of entry from the winner, highlighting true innovation from a firm that demonstrates the necessity to keep moving, setting the standards for the ever-changing needs within the European pensions arena. A huge congratulations to this year's winner, BNY Mellon.

The investment services and investment management provideris well-established in Europe, the Middle East and Africa. Given BNY Mellon's long history, innovation has been a vital tool to deliver for its clients, even in the most challenging of times.

BNY Mellon seeks to challenge the status quo, utilising its global network to think how it might solve its clients largest challenges, as well as collaborating with universities and government bodies to reimagine the way it serves investors. One area of focus is helping pension funds capitalise on environmental, social and governance (ESG) opportunities.

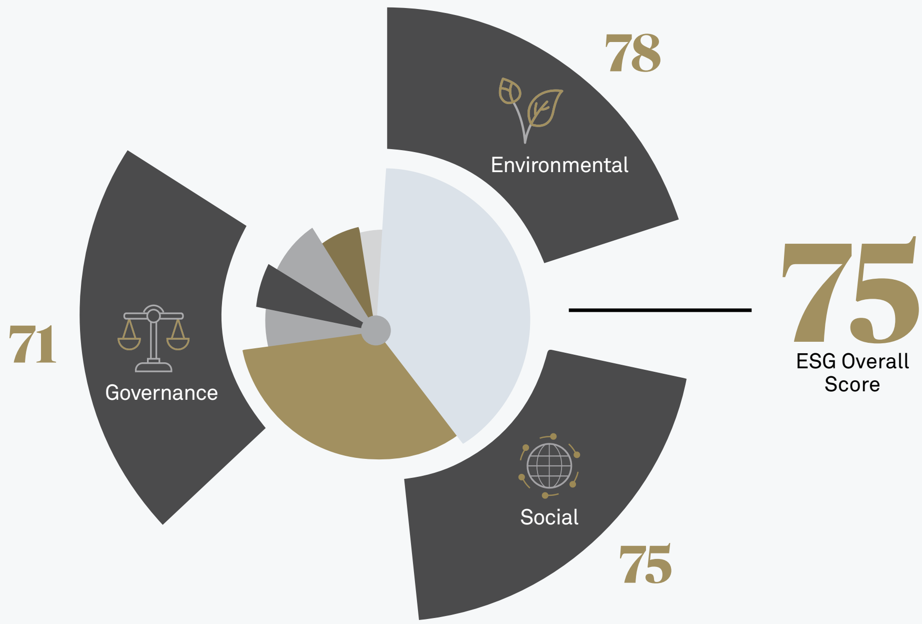
The group has been developing new solutions on the issue as pension funds look to fine-tune their risk management practices, meet new ESG reporting requirements – driven by IORP II and other developments – and meet the changing demands of their members. Solutions include the development of a service that enables pension funds to monitor and report the performance of their investments against a variety of ESG metrics. Funds can track and report their ESG scores over time to show that they are meeting ESG requirements. As for future innovation, BNY Mellon is working with a large European pension fund to develop an ESG reporting app that connects individual members to their defined contribution schemes, giving them detailed insight into the sustainability credentials of their investments.

The group has also published a wealth of ESG thought leadership, including a report that considers how the industry can work together with regulators and industry bodies, to develop robust ESG investment standards and principles.

Elsewhere, BNY Mellon has made sure that it is at the forefront of the shift away from defined benefit structures and towards collective and individual DC structures through the development of DC-hosted platform solution to service clients. An exciting and innovative future lies ahead, for the firm and its clients. Congratulations again to BNY Mellon.

The European Pensions Innovation Award award went to BNY Mellon. Receiving the award was Noon Ali, BNY Mellon (centre). Jerry Moriarty, CEO, Irish Association of Pension Funds (right) and host Kerry Godliman (left) presented the award.

ESG information at your fingertips



BNY Mellon is pleased to introduce **ESG Analytics**—a powerful solution that enables you to track how your portfolio is performing against key ESG and sustainability metrics, including UN Global Compact scores.

Easy to access and intuitive to use, it allows you to manage, monitor and analyse ESG factors across your investments and report back to third parties with confidence.

To learn more, contact your Relationship Manager or visit
bnymellon.com /esganalytics

European Pensions AWARDS 2019
WINNER
European Pensions Innovation Award

BNY MELLON

PENSIONS INNOVATION AWARD (INVESTMENT)

LGIM

The winner of the inaugural Pensions Innovation Award (Investment) award is a firm that applies innovation to its investment proposition in a way that stands out from the rest, doing pioneering work in the environmental, social and governance (ESG) space. Congratulations to Legal & General Investment Management (LGIM) on being the first winner of the innovation award for investment. The judges felt that LGIM had truly added value to the pensions space with its originality and innovation.

In 2018, LGIM launched its Future World Multi-Asset Fund, which is designed for pension investors who wish to go further in integrating ESG factors into a genuinely diversified approach. The judges were impressed by the fund's straightforwardness and transparency, and its long-term approach in helping investors understand the structural changes shaping the future.

LGIM demonstrated its innovation through integrating ESG considerations into investment processes that can help mitigate risks and improve long-term financial outcomes.

It also uses its corporate governance team to analyse companies on their ESG credentials and actively engage by discussing their findings. Improving performance was key to LGIM's award-winning year, and it engaged with investee companies on ESG matters by discussing climate change in a third of company meetings, with the aim to create a dialogue to improve long-term success.

The firm also demonstrated its commitment to gender diversity in 2018, and it votes against boards in the UK and US that consist solely of male directors. Furthermore, it stepped up its UK policy to vote against all FTSE 350 companies that have less than 25 per cent female representation at the board level.

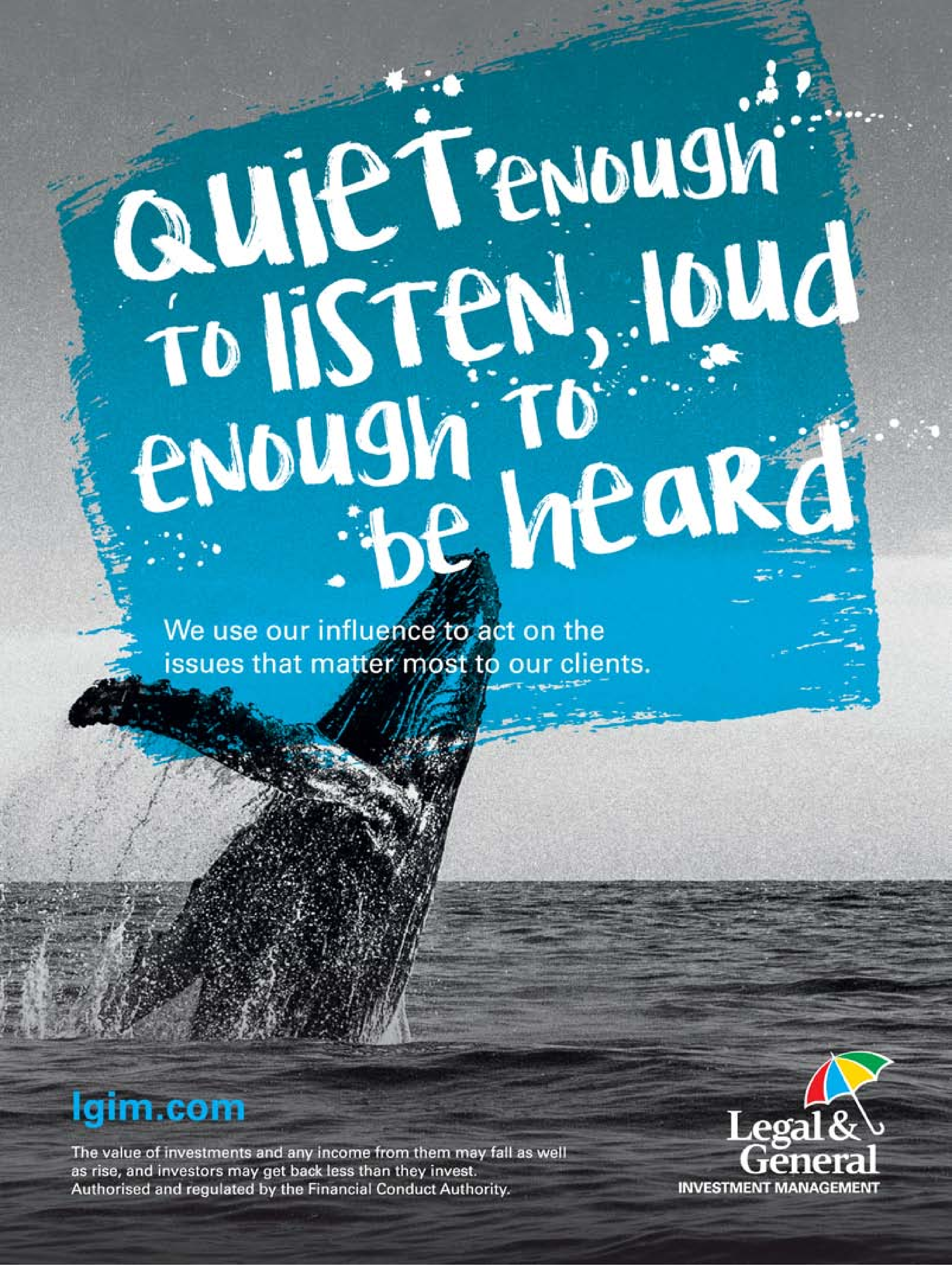
Stepping up engagement was a vital factor in LGIM winning this award. It integrates the firm's active engagement and investment teams to identify sector-specific risks and opportunities.

The company also hosted the launch of the pilot Workforce Disclosure Initiative with ShareAction, which sought data from global listed companies on their workforce management, to help improve labour standards. Following requests from LGIM, a number of large investee companies are now providing information.

LGIM has also been encouraging companies to take into consideration the pay offered to the workforce and the CEO to median employee pay ratio when setting executive pay. In June 2018, the Department for Business, Energy and Industrial Strategy confirmed that it had adopted the draft secondary regulation surrounding the calculation of the pay ratio methodology preferred by LGIM.

It was a busy year for LGIM, who demonstrated its capability to innovate for the benefit of the industry. Well done LGIM.

The European Pensions Innovation Award (Investment) award went to Legal & General Investment Management. Receiving the award was Andrew Burke Walsh, Legal & General Investment Management (centre). Francesco Briganti, CBBA-Europe (right) and host Kerry Godliman (left) presented the award.



Quiet enough to listen, loud enough to be heard
We use our influence to act on the issues that matter most to our clients.
lgim.com
The value of investments and any income from them may fall as well as rise, and investors may get back less than they invest.
Authorised and regulated by the Financial Conduct Authority.
Legal & General
INVESTMENT MANAGEMENT

MASTER TRUST OFFERING OF THE YEAR

Legal & General

Master trusts have taken the market by storm, as pension funds continue to look for ways to control their costs without compromising on quality and governance, and the European Pensions Master Trust Offering of the Year look at who is ahead of the game in this space.

This year we found Legal & General (L&G) to be truly deserving of this accolade.

Our judges commented that this master trust offers everything a master-trust should do, boasting innovation, a focus on ESG and a recognition of the importance of governance, while keeping the member at the heart of its offering.

The £5.5 billion L&G WorkSafe Mastertrust has over the past year reflected the needs of more than 800,000 members and almost 100 participating employers by listening to clients, advisers and the members themselves.

By adopting a 'digital first' proposition, L&G is continuously developing its communication, using technology and behavioural analysis to develop targeted videos, online tools, communications campaigns and a financial wellbeing hub, designed to support members in every area of their financial needs and aspirations.

The master trust was an early adopter of an alternative ESG default strategy, proving that stewardship is crucial for the management of the risks to an investment or a company's long-term sustainability.

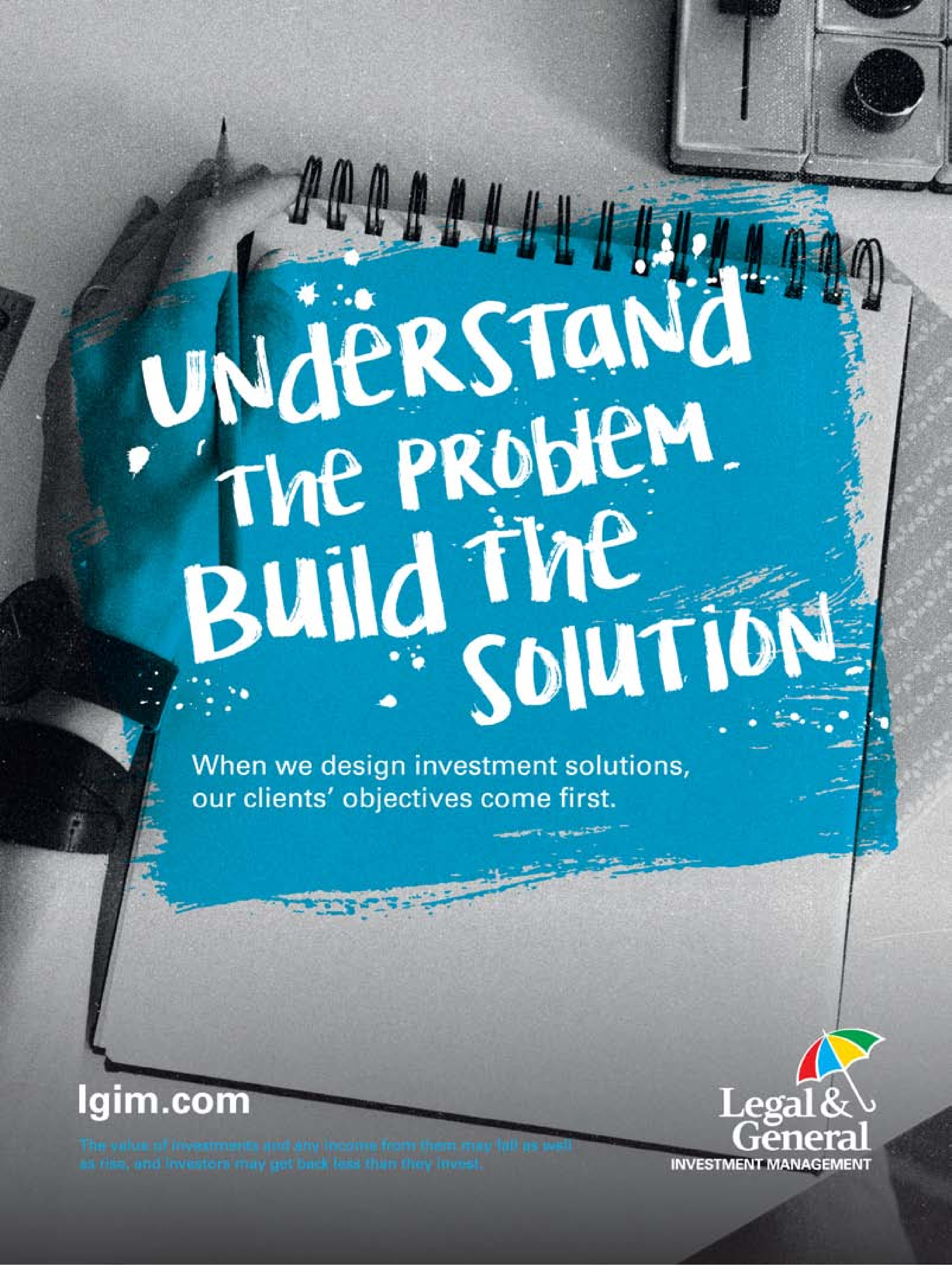
L&G's member communication and engagement strategy combines both online and offline activity, which in 2018 included personalised annual video statements to stimulate further engagement. Furthermore, the introduction of a rolling free prize draw for schemes to promote online registration, prompted over 22 per cent of members to register for online services, and its participating employers have access to a marketing toolkit to promote their scheme in the workplace, including e-communication, posters, z-cards, branded merchandise and incentive campaigns.

2018 also saw the introduction of a retirement advice service in partnership with LV= for members unable or unwilling to source their own IFA. The fund has performed consistently well with average growth of 9 per cent per annum since launch, compared with annualised volatility of only 6.6 per cent.

The master trust also enhanced its service standards over the year, introducing robotic automation to reduce the transfers-out process from five to two days, as well as a new process to verify death claims online. Its service standards achieved a success rate of 98.22 per cent.

By consistently improving its service standards and delivering frequent innovations in product and service design, L&G helps employers deliver high-value employee benefits. Congratulations to Legal & General for its continued efforts, proving itself to be a worthy winner.

The Master Trust Offering of the Year award went to Legal & General. Receiving the award was Jess Townley, Legal and General (centre). Natalie Tuck, European Pensions (right) and host Kerry Godliman (left) presented the award.



Understand the problem
Build the solution
When we design investment solutions,
our clients' objectives come first.
lgim.com
The value of investments and any income from them may fall as well
as rise, and investors may get back less than they invest.
Legal & General
INVESTMENT MANAGEMENT

FACTOR INVESTING

Amundi

In this new category for European Pensions, this award seeks to recognise the firm that has a true understanding of the role factor investing portfolios can play in pensions investment.

The winner of this award demonstrated true expertise through dynamic strategy investment, proving themselves as a real pioneer in the space. Well done to this year's winners, Amundi.

The judges noted the firm's true passion for factor investing, not only by boosting expertise but through the development of market-leading thought leadership in a competitive area.

The group has revealed itself as a pioneer in smart beta and factor investing strategies through developing a range of solutions, both passive and active.

It strived to deliver better-adjusted risk and return profiles than those found in traditional indices, under the expert supervision of group portfolio managers, managing more than €26 billion of assets as of end June.

With a track record that dates back to 2007, Amundi has developed complementary and innovative solutions that meet its clients' needs and has become one of the most experienced factor investing managers across the industry.

Amundi demonstrated its expertise by highlighting how it helps investors to find the approach that best fits their needs, using its Smart Beta and Factor Investing platform to provide a large spectrum of solutions.

The group has developed a range of sub-funds, seeking long-term capital growth through applying its Dynamic Multi Factor Allocation process in Europe and Global Equities, offering investors the opportunity to capture factor risk premia.

The investment process was built using the Amundi propriety research capabilities, which are then combined with an allocation methodology, before the management team implements a long-term combination in line with market regime shift periods.

Furthermore, the Amundi investment team will build customised solutions for its investors as required.

The group has also developed a more conservative strategy, an innovative solution which seeks to mitigate market movements in optimising diversification through investing in a selection of quality equities with low volatility with solid fundamentals.

In addition, the team identifies stocks that will react differently to other stocks in the portfolios during market events. The portfolios have demonstrated the ability to weather market downturns.

Amundi has also proved itself an industry thought leader. The group is a strong believer in education and regularly publishes research in order to aid investors with their understanding to meet the growing demand for these products.

Congratulations to the Factor Investing of the Year award's inaugural winners, Amundi.

The Factor Investing Offering of the Year award went to Amundi Asset Management. Receiving the award was Bruno Taillardat, global head of smart beta and factor investing at Amundi (centre). George Graham, South Yorkshire Pensions Authority (right) and host Kerry Godliman (left) presented the award.