



Institute
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of Actuaries

The trustee perspective

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Independent Trustee Services Ltd

09 July 2013



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Introduction

- Career in pensions
- Appointed as a Director of Independent Trustee Services Limited in July 2006
- Director for ITS on a number schemes ranging from £10m to over £1bn (DB, DC, CARE and hybrid)
- Chair the Trustee Board for a number of appointments including Investment sub-committees

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The role of a Professional Trustee

A professional trustee can help in a number of key areas:

- Resolve and avoid conflicts
- Facilitate decision making
- Reduce the costs of governance
- Achieve greater time efficiencies
- Provide extensive knowledge and experience

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Nature of relationship with Russell

An independent trustee on the board of scheme that has hired Russell for a fiduciary mandate.

The role that we expect of Russell:

- To prioritise and take accountability for managing the funding level
- To manage the assets in line with the Plan's liabilities
- Take overall responsibility for the risk the Plan is exposed to
- Ensure Russell's role is consistent with trustee goals.

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Working with Russell

- Trustee Board comprises broad range of ability
- Extensive training on concept of FM pre-tender
- Individual trustee interviews
- Scheme specific training over several sessions
- Decision making meetings

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Managing Russell's mandate

- Growth assets in MAGS fund (DGF)
- Interest rate/inflation mismatch is greatest risk
- Recognise detail in design of hedge including leverage opportunity
- Implementing and managing hedges requires continuous specialist expertise
- Trustee agrees flight path and derisking schedule
- Russell has discretion within clear limits over growth/matching and leverage

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Questions



Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenter.

