

HEALTH WEALTH CAREER

MERCER PENSION RISK EXCHANGE®



MAKE TOMORROW, TODAY



INTRODUCING MERCER PENSION RISK EXCHANGE®

- Access the information you really need to set strategy for your UK defined benefit pension scheme.
- Receive monthly scheme-specific pricing for a pension buy-in and/or buyout and monitor how it develops over time, even years before you transact.
- Obtain pricing that is produced for you directly by insurers, not estimated by your advisors.
- Be in a position to act fast to avoid missing opportunities.

Sponsoring employers and trustees need and value robust information on their defined benefit (DB) pension scheme's true financial position and how it is developing over time. They need this information to be up-to-date, produced regularly and provided at low cost.

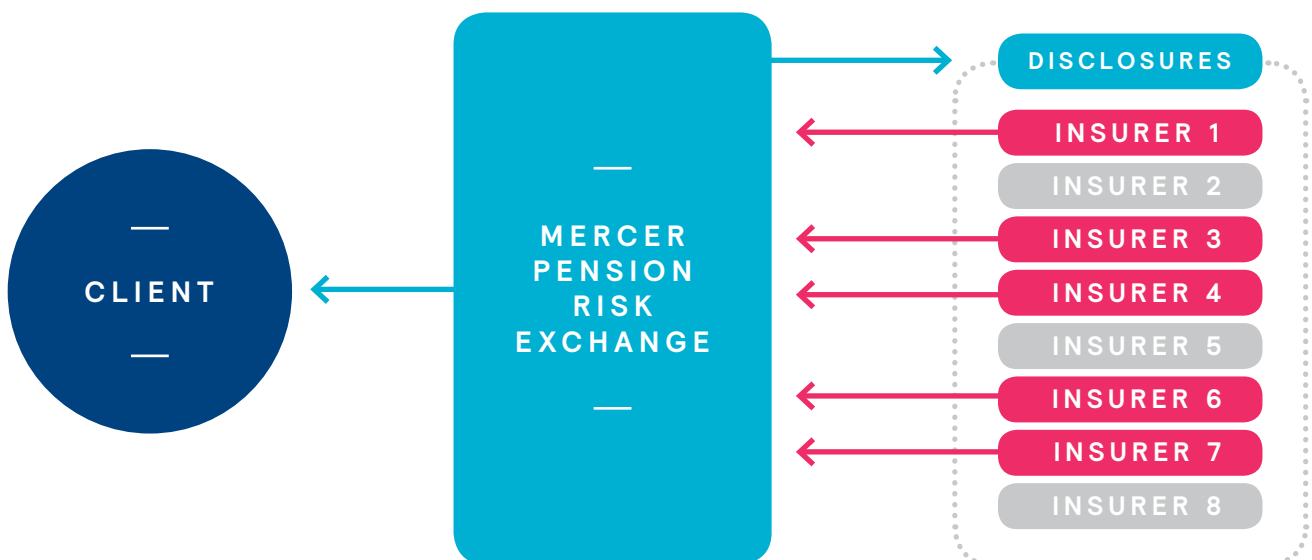
This becomes even more important when a buy-in or buyout is being considered. Sponsoring employers and trustees need to know that they are doing the right thing, at the right time, in managing their pension obligations. They require high-quality, regularly produced information on insurance pricing and terms.

The UK pension buy-in and buyout market has not always lived up to these ideals. On occasion, insurer pricing has been difficult to obtain quickly and cheaply. Regular monitoring of accurate insurer pricing has tended to require a bespoke

approach, which has sometimes not been easy to maintain for lengthy periods.

Mercer Pension Risk Exchange solves these problems. Better still, it brings real clarity to the UK pension buy-in and buyout market by supporting a two-way information flow between buyers and sellers. The Exchange provides the information that everyone needs, presented in a coherent way online, instilling the confidence needed for sponsoring employers and trustees to act decisively.

The Exchange helps sponsoring employers and trustees of UK DB schemes act with confidence by sourcing pricing and terms directly from insurers on a regular basis for a future buy-in or buyout.



PRICES OBTAINED VIA THE EXCHANGE ARE CLOSE TO ACTUAL TRANSACTION PRICES

The Exchange sources pricing produced directly by insurers, not estimated by Mercer. This is real-life insurer pricing, not indicative pricing. It's like receiving a range of formal bids from insurers – every month and, if you need it, starting years before you plan to transact.

Insurers' pricing and terms are based on transaction-quality detailed disclosures covering the scheme's commercial situation, the scheme's benefit structure, and individual member data – the same disclosures Mercer uses when sourcing formal bids for transaction projects.

Mercer Pension Risk Exchange should be considered for any pension scheme looking at a buy-in or buyout in the short term or up to three to four years away.

The Exchange is a transparent online platform bringing together buyers and sellers of pension buy-ins and buyouts. This facilitates the discovery of opportunities in a way never seen before.

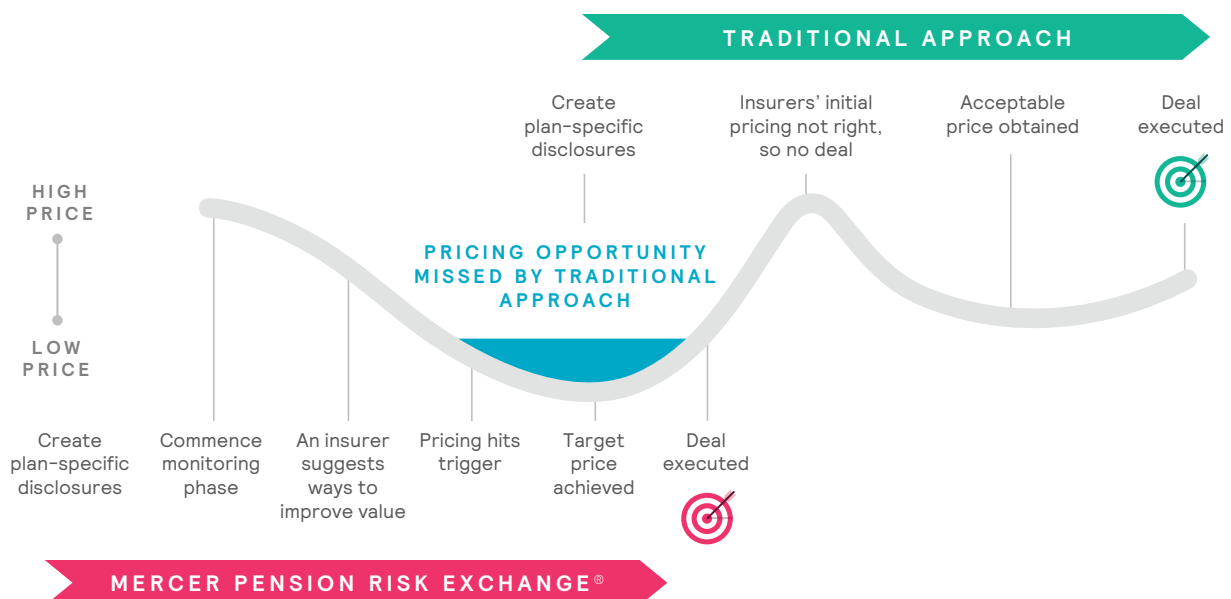
- Allowing insurers to see your scheme's details directly permits insurers to make exclusive proposals that you would not otherwise obtain.
- The Exchange assists in both decision-making and selecting the optimal timing for a future buy-in or buyout, improving outcomes.
- All insurers active in the UK bulk annuity market support the Exchange.
- Producing the scheme-specific disclosures upfront permits faster decision-making and deal execution, allowing sponsoring

employers and trustees to take advantage of often-fleeting windows of opportunity.

- The Exchange is the only solution that provides genuine scheme-specific pricing by insurers.

THE EXCHANGE SUPPORTS ALL TYPES OF BUY-INS AND BUYOUTS

- Deals of all sizes and all complexities.
- Buy-ins.
- Buyouts and eventual wind-ups.
- Medically underwritten bulk annuities.
- Provides direct insight into member options / PIE and other liability management exercises.



HOW THE EXCHANGE WORKS



Create scheme-specific disclosures about benefit details, individual member data, and the commercial situation.



Invite insurers to provide monthly proposals, uploaded directly onto the Exchange.



Log in online to see how insurers' pricing is developing over time, seeing all bidding insurers' prices in one place, whenever necessary.



See the impact on insurance pricing and terms of updating the disclosures – for example, for improved member data or to update for the impact of a member option exercise.

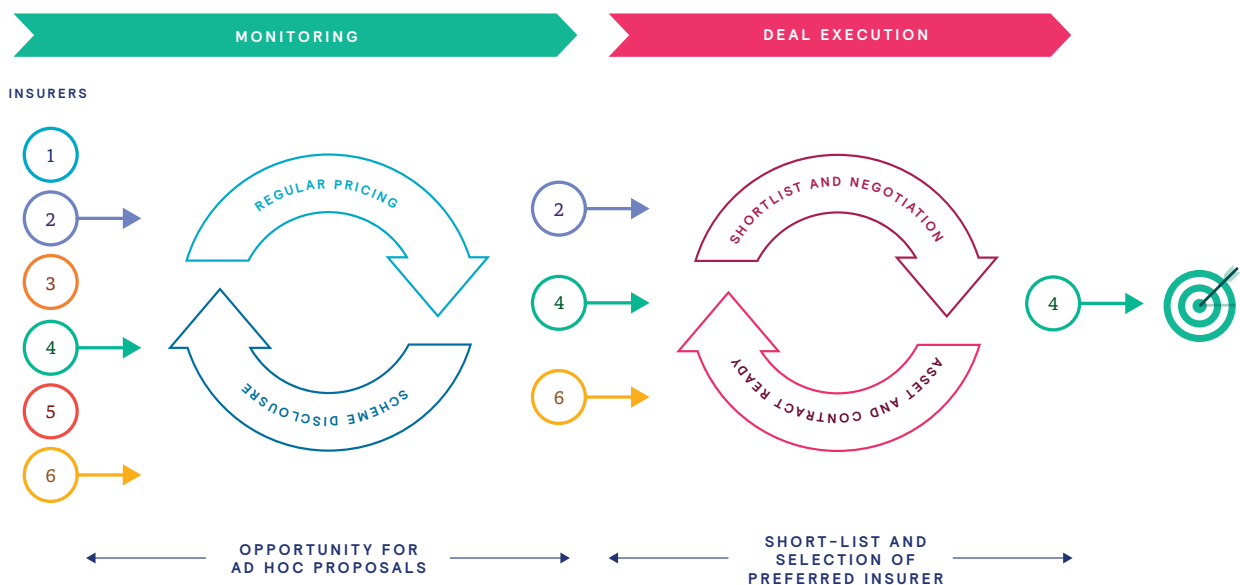


Receive advice and guidance from insurers and Mercer on how to make your scheme more attractive to insurers, with the goal of improving insurers' pricing and terms.



Pursue an actual transaction when it's right for you.

Make your vision for tomorrow a real part of the plans for your defined benefit arrangements today.



WHAT INSURERS THINK

“The pension de-risking market is entering an exciting period with a lot of innovation. I believe this new technology platform will lead the way in helping clients understand market pricing and, most importantly the point at which transacting works best for the scheme. Timing can often be the most important factor in realising best value.”

Phill Beach, Director, UK Pension Risk Transfer-Core Business – Legal & General

“For the first time the Exchange brings a market place approach to bulk annuity sales and purchases. It matches pension scheme demand and insurer capacity in a way not done before. This will support purchase decisions by trustees, capacity allocation by insurers, and, in the end, real transactions, all of which can only be beneficial.”

Costas Yiasoumi, Director, Defined Benefit Solutions – Partnership

Source: Mercer Press Release (21 Oct. 2015). “Mercer Launches Mercer Pension Risk Exchange, an Online Marketplace for UK Pension Buy-ins and Buyouts.”

FROM AN INDEPENDENT TRUSTEE

“I think that this is a brilliant initiative. I would encourage sponsoring employers and trustees with a buy-in or buyout in their short- to medium-term plans to give this a very close listen.”

Steve Southern, Professional Trustee – Steve Southern Trustees Limited

AWARD-WINNING INNOVATION



An impressive submission in a highly competitive category; this firm’s entry displayed true innovation with clear benefits for the pensions space.

– Pensions Age, 2016 Innovation Award of the Year



CONTACT US

To learn more about how the Exchange can help you execute a successful buy-in or buyout for your scheme please contact one of our experts.

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