

# The Pensions Blackhole

There is an escape  
Spring Conference 2012

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Strategies to Solutions



JLT PENSION CAPITAL STRATEGIES

APRIL/MAY 2012



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[www.jltconferences.com/derisking](http://www.jltconferences.com/derisking)

# Welcome

## *I am delighted to invite you to the JLT Pension Capital Strategies Spring Conference - The Pensions Blackhole - There is an escape*

Over the five years to June 2011, FTSE 350 companies contributed around £51bn into their pension schemes, yet the aggregate balance sheet position has worsened by £7bn!

JLT Pension Capital Strategies is issuing a call to arms to shareholders and finance directors with Defined Benefit pension schemes: *make sure you get something back for the money you spend on your scheme.*

Instead of **aiming** for the assets of your scheme to one day meet its liabilities, why not fund and finance your pension schemes more effectively so that one day the liabilities **will** meet the assets?

With the new tax year nearly upon us, many companies and trustees will be embarking on funding valuations of their pension schemes. For those with December year ends, the valuation process should already be in full swing. Given ever increasing life expectancies, depressed gilt yields and equity markets, it is very likely that the contribution requirements on UK businesses will increase again.

Against this unprecedented backdrop, JLT Pension Capital Strategies is offering the opportunity for all attendees of their 2012 Conference programme to receive a personalised De-risking Dashboard for their scheme. This bespoke document considers your scheme's position indicating what actions should be considered now and what the beneficial consequences could be for you.

At each event, senior members from our team will provide practical guidance on topics including:

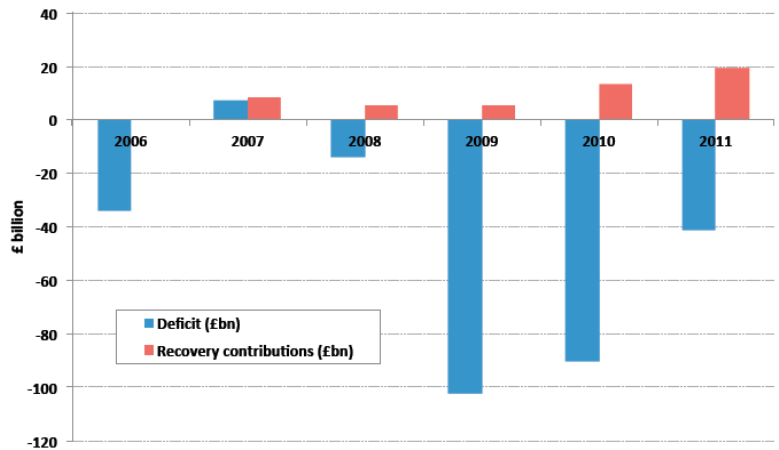
- How to cope with the combination of low interest rates and high asset volatility, coupled with potential high levels of expected inflation and a possible relapse into recession.
- How can risk and liability be reduced in such an environment?
- How should exercises be structured differently?
- How can companies achieve 'best value' for the money spent on contributions?
- What investment strategy should be followed?
- How can you reduce your PPF levy?

If ever there was a time for action it has to be now. In spite of the economic gloom, there are many things that can be done to take pensions risk away. Key to this is knowing how to take control, when to act and what to do first - three things that delegates will leave our Conference with a better understanding of.

I hope you will be able to join us to hear what I believe to be a critical message in 2012.



Charles Cowling, Managing Director, JLT Pension Capital Strategies.



We are delighted to have been voted 'Most Innovative Pensions Consultant' at last years Engaged Investor Trustee Awards

These figures best sum up the challenges you are facing and we believe that they will come as no surprise:

Group	Deficit at 31/12/2011	% 12 month increase
FTSE 100 Companies	£56 billion	>55%
FTSE 350 Companies	£67 billion	>59%
All UK Private sector Pension Schemes	£146 billion	>97%

Timing is key with many financial decisions. However with the financial markets as turbulent as ever, a new European Directive extending Solvency II to pension schemes threatens to complicate matters further, set against the back drop of a double dip recession.

***“We are all holding our breath to see what markets and regulators will throw at pension schemes next, with the possibility of more quantitative easing in February.***

***“However, the sting looks set to continue with large cash demands being placed on companies by their pension schemes - particularly for those companies looking to negotiate funding agreements or recovery plans on the back of current actuarial valuations. All of these issues are masked by accounting numbers, which in truth play down how bad the position really is.”***

***Charles Cowling, JLT - Professional Pensions 14/02/12***

***“Widely quoted estimates of a £600bn bill on UK companies could in fact be as much as £1,000bn - depending on how the rules are introduced.***

***“Forcing UK companies to make additional pension contributions of up to £1,000bn would clearly be disastrous for our economy and the employment prospects of pension scheme members... politicians from all countries must realise this.”***

***Charles Cowling, JLT - FT Adviser 03/01/12***

# Agenda

**8:30 - 9:00** - Registration & Breakfast

**9:00 - 9:10** - Introduction

**9:10 - 9:45** - The current economic climate

- Where we are, how we got here and where we might be headed
- Outlook for interest rates, inflation and equities
- Specific challenges for pension schemes in 2012 and beyond
- What should companies and trustees be aiming to do?

**9:45 - 10:30** - Breakout Sessions - Choose either:

**Breakout A** - ETVs

- Changes in member and TPR/FSA attitudes
- Pitfalls and areas to watch out for
- How to structure an exercise now
- Return on exercise

**Breakout B** - Investment options

- Short term wins
- Longer term strategy
- New asset classes
- Alternative Financing Initiatives
- Reducing the Risk Based Levy

**10:30 - 11:00** - Refreshments

**11:00 - 11:45** - Setting an exit strategy

- Timescales
- Assessing your options
- Trigger points
- Cash / asset return trade-off
- Using the JLT PCS Dashboard / flightpath model
- Monitoring and transacting

**11:45 - 12:30** - Breakout Sessions - Choose either:

**Breakout C** - Retirement options

- Immediately Vesting Personal Pensions (IVPPs)
- Pension Increase Exchange (PIE)
- Pitfalls and areas to watch out for
- Return on exercise

**Breakout D** - Buyout and other insured options

- Market over 2012 Q1
- Outlook for rest of 2012 and pipeline/capacity
- Longevity swaps
- Phased premiums
- Deferred annuities

**12:30 - 12:50** - Bringing it all together

- Developing an action plan

**12:50 - 13:00** - Q&As

**13:00** - Lunch

Book your complimentary place at [www.jltconferences.com/derisking](http://www.jltconferences.com/derisking)

Follow us on Twitter and LinkedIn for the most up to date information and updates:



# Locations

Manchester: Friday April 20th

## Marriott Worsley Park Hotel and Spa

From the South: Take the M6 then the M62 which becomes the M60 heading towards Leeds. Exit at J13 signposted Worsley. Go straight on at the first roundabout. Take the A575 and the hotel is 400 yards on the left.

From the North: Take the M60 and exit at J13. Take the fourth exit, the A572 towards Leigh. Take the third exit at the next roundabout. Follow the A575 and the hotel is 400 yards on the left.



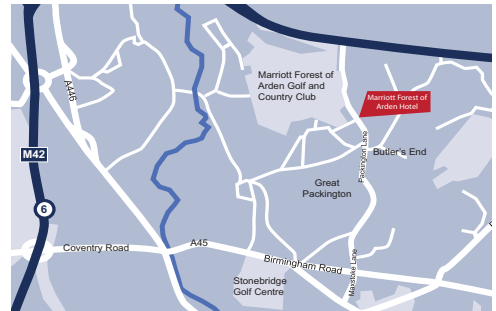
Birmingham : Monday April 23rd

## Marriott Forest of Arden Hotel and Spa

By Car: From M42, junction 6: Head East on the A45. After approximately 3 miles turn left onto Shepherds Lane and continue onto Packington Lane. Follow the signs for the Marriott Forest of Arden, on the left.

From Coventry: Take A4114 West and merge onto the A45 (Birmingham Road). After approximately 3½ miles branch left, then at the T junction turn right onto Maxstoke Lane. Continue onto Packington Lane. Follow the signs for the Marriott Forest of Arden, on the left.

By Rail: The Marriott Forest of Arden is a 10 minute taxi journey from Birmingham International Rail Station.



Edinburgh: Tuesday April 24th

## Macdonald Holyrood

By Car: The Holyrood Hotel is situated on Holyrood Road, which is minutes from the Royal Mile and approximately five minutes from Princes Street.

By Rail: Edinburgh Waverley Station is approximately 5 minutes by car.



London: Tuesday May 1st

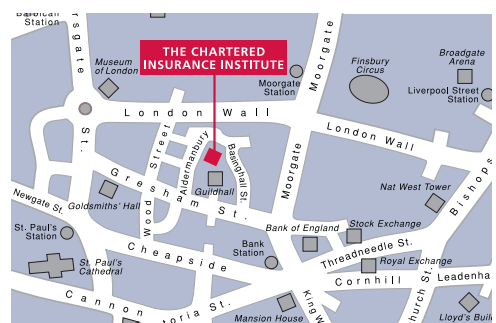
## Chartered Institute of Insurance (CII) Hall

The CII Insurance Hall is easily accessible via the following underground and Network Rail stations:

Moorgate – for the Northern, Metropolitan, Hammersmith and City and Circle Lines and First Capital Connect Great Northern Route.

Bank/Monument – for the Central, Northern, Waterloo and City Lines and Docklands Light Railway.

Mansion House – for the Circle and District Lines.



Leeds: Wednesday May 2nd

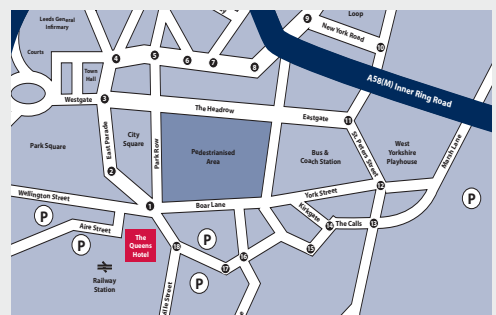
## Queens Hotel

By car: From the South: M621, (M1 & M62) Motorways: follow the signs to Leeds City Centre, along Neville Street, towards City Square. After the traffic lights, take a left into the slip road, in front of the Queens Hotel.

From the North: Take Main A road into Leeds, then follow City Centre Loop to Junction One. After the traffic lights, take a left into the slip road, in front of the Queens Hotel.

From the North West: Leave the inner Ring Road at Westgate. Turn left into Calverley Street and then right into Great George Street. Follow the City Centre Loop turning left at the traffic lights at the top of Neville Street, then left into the slip road at the front of the Queens Hotel.

By Rail: The Queens Hotel is conveniently adjacent to Leeds Railway Station



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