



MARTIN VEASEY

I offer pension scheme, asset management and corporate clients services in the following areas:

- *Professional / Independent Trustee, Non-Executive and Fund Directorships*
- *Management of in-house investment and other teams*
- *Asset-liability management, funding, solvency and the employer covenant*
- *Building of reporting and governance platforms - DC and DB*
- *Managing the Investment Manager - due diligence, manager selection and monitoring*
- *Assistance in execution/implementation of decisions*
- *Working with fiduciary managers / delegated consulting*
- *Getting the most out of your current advisers*
- *Trustee and team training*

Please contact me on 07799 370585, enquiries@veaseyassociates.co.uk or visit my website www.veaseyassociates.co.uk for my full range of research and commentary on UK pensions.

Trustee Philosophy

15th January 2014

I'm often asked to summarise my top-level thinking on how I approach trusteeship. This question is most often posed with respect to the investment duties involved but – as there is no such thing as a solely investment-focused trustee – the principles involved serve me in the wider exercise of trustee duties.

I hope that you find them interesting ... remember you read them here first !

Martin

My key aim, as a trustee, is to ensure that my client schemes have the financial, operational and administrative capabilities to pay all benefits due whilst keeping within an appropriate cost, resource and risk framework as agreed with the sponsoring employers. My belief is that, particularly in the current challenging environment, snap decisions to plug apparent issues are likely to underperform a program of progressive improvements implemented as part of a planned and measured strategic framework. However, where it is decided that a future course of action will one day be required then I do believe we should start to prepare the way today to permit swift reactions when the time comes – this is particularly relevant for many investment opportunities which may have limited windows of opportunity.

I have strong skills, belief and experience in general governance and risk management. For me, the first key driver of the former is setting Trustee and Committee meetings with the correct membership, right agenda and appropriate frequency. The meeting then needs to be provided with the right level of information to permit attendees to focus attention on the important issues so as to provide guidance as to resolution. I have much experience in both providing this information and participation in the decision-making process. Large portions of my career have focused on the benefits of prudent operational and investment risk management and I would be delighted to place this experience at your disposal.

A significant part of the Trustee role is managing advisers – initial selection, seeking and using advice, periodic performance review, optimisation of delivery and resourcing provided and relationship management. I have much experience in working in this area with scheme lawyers, actuaries, auditors, custodians and, of course, investment advisors; along with custodians,



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banks and investment managers. I have strong contacts within most of the UK's top investment consultancy houses and within many of the key investment management houses.

The Trustee should also understand that as large parts of their operational responsibilities are delegated elsewhere, his role is to monitor performance, to challenge and to manage the relationship effectively, without getting too focused on the day-to-day operation of these services. In particular, in the relationship with the Human Resources / Group Pensions team, the Trustee should be an active partner, be willing to provide the benefit of their experience and to pass this on through sharing and mentoring but without seeking to intrude in the general management of the operational and administration process. I see my role as seeking to inform, assist and inspire the in-house team but without acting as a suffocating or intrusive presence.

I am particularly interested in focusing attention on value for money for costs incurred within the pension schemes which I would hope would be running in parallel with the views of the sponsoring employer. Fee structures should be periodically reassessed as part of the wider review process and we should never forget that fees are generally deducted from the scheme regardless of the success or underperformance of investment strategy and so have a disproportionate effect in times of low growth. I have extensive knowledge and contacts throughout the relevant advisory universes and would be delighted to contribute to these reviews.

Finally, I also bring a strong awareness of and interest in the various industry initiatives facing the pensions industry: for instance auto-enrolment, central clearing, Solvency / IORP II, platform construction and manager fees / turnover. Few pension schemes exist in isolation and I believe we should understand and take account of the dynamics of how your scheme fits together with the other forms of employee deferred compensation as part of the company's remuneration offering.

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