



A stronger future together

An aerial photograph of several sailboats on a deep blue sea. The boats are white with red and blue accents. They are scattered across the frame, with some in the foreground and others further away. The water is a vibrant blue with white foam from the boats' wakes.

Transform your scheme and become stronger together

By joining Stoneport you will:

Increase the chance of your members receiving
their benefits in full to more than 99%

Benefit from the highest standards of governance
and expertise at the lowest possible cost

Reduce your scheme's running costs by up to 80%

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“Smaller defined benefit schemes, those with up to 1,000 members, face the challenge of disproportionately high costs and governance burdens when compared to larger schemes.”

01

The need for change

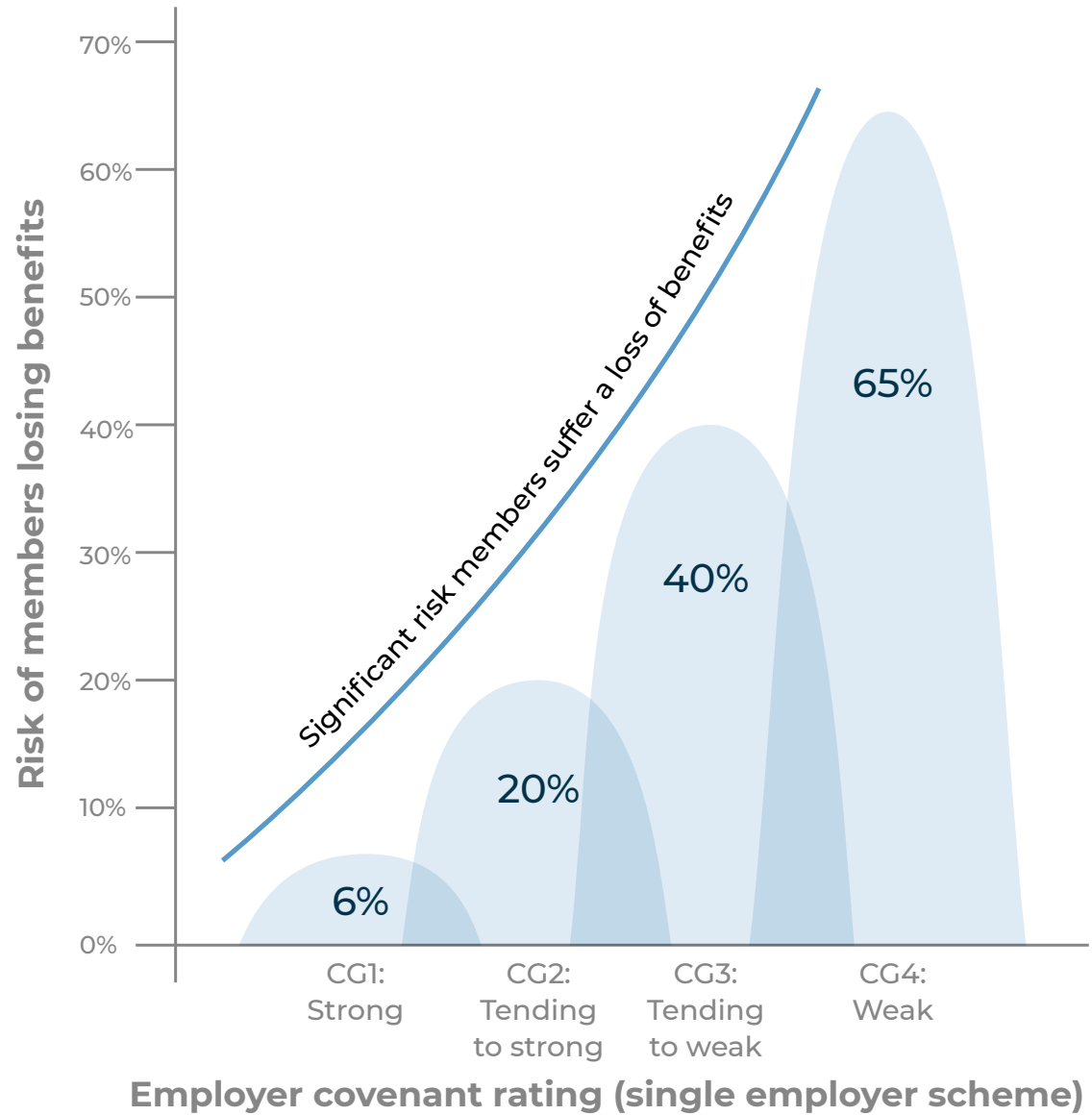


Small DB schemes, those with Fewer than 1,000 members each, are responsible for providing the retirement benefits of almost one million members, but these individuals are split across some 4,350 different schemes, nearly all separately administered. Along with increased legislative pressures and a lack of scale to run efficiently, schemes end up shouldering very significant running costs, the smallest more than £1,000 per member, per year.

Despite the best intentions of regulation to protect members’ retirements, this alone cannot address the fundamental issues with the defined benefit market. For many schemes, the cost of simply meeting red tape restricts them from being able to run as well as they should do or want to. Consultants have done their best to look after clients and trustees, but the panacea to the problems requires a wider solution to address the inherent structural issue of too many sub-scale schemes.

Lack of scale is not the only problem facing smaller schemes. Running a pension scheme is complex and challenging with good governance being the bedrock of a well-run scheme. When risk is managed effectively it can be minimised, and opportunities for the scheme and members can be maximised. Often though, smaller schemes struggle to access the range of investments available to larger schemes. They fail to achieve the same level of investment returns or provide a comparable level of support to their members, not for want of trying.

Even the strongest schemes face a risk that their members’ pensions will have to be reduced. Research by the PLSA indicated that schemes with the strongest employers still had a 6% chance of members’ benefits being cut back during their lifetimes. Effective and conclusive action is required to protect members’ benefits, improve governance and alongside that, save costs.



Source: PLSA’s Interim DB Taskforce Report, April 2016

02



A new
but trusted
name

“Our success has been achieved by innovatively solving clients’ problems. Stoneport is the next step in our journey, with a simple but bold aim: to transform the pensions landscape for smaller DB schemes. We are proud to be the first to join Stoneport, and to effect real change for trustees, employers and members alike.”

Jonathan Punter

Chief Executive, Punter Southall

The Punter Southall Group has been successfully established within the pensions market for more than 30 years.

Stoneport’s purpose is to enhance long term member benefit security and the experience of members, whilst dramatically reducing the costs and concerns of pension schemes for their employers. In short, Stoneport enables trustees to discharge their responsibilities, safe in the knowledge their members are being well looked after.

03

Enhancing member security & reducing risk

Stoneport brings different employers' schemes together to form one larger stronger scheme and with it, radically improves the security of members' benefits.

The considerable risks that arise where these schemes are run on a standalone basis are also much reduced.

The transformative improvement in members' long-term benefit security is best illustrated by considering the anticipated reduction in the risk-based levy payable to the Pension Protection Fund for a scheme joining Stoneport, which is expected to exceed 90%.

Furthermore, unlike a standalone scheme, where the ultimate cost of paying the benefits may hinge on whether an individual member with a large pension lives to 100, or dies aged 70, Stoneport pools these risks, removing what can be a very material risk for smaller schemes, making funding outcomes more certain.

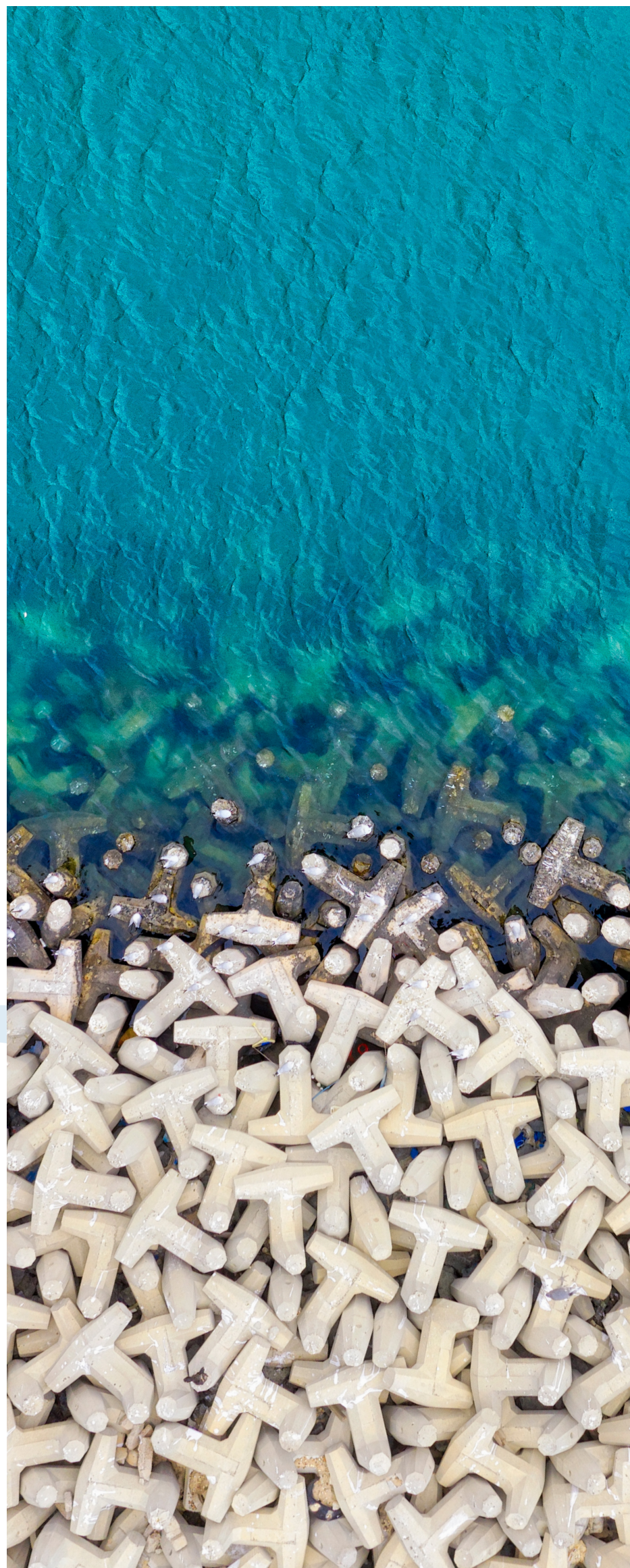


The reassurance of better outcomes

The trustees of schemes looking to join Stoneport should take significant comfort from the high standards of governance and positive member experience Stoneport is able to offer their members.

Moreover, once Stoneport reaches scale to be able to operate as one larger, stronger scheme (from the end of 2022) the transformative impact on members' benefit security is activated. From then on, the benefits of Stoneport's members are collectively supported, dramatically reducing the risk of members not receiving all their benefits in full.

Trustees also know that stronger employers mean stronger pension schemes. Schemes joining Stoneport have a shared goal of reaching its long-term funding target, with appropriate levels of engagement and support throughout the journey, allowing employers to refocus on their businesses.



04

What your members want, when they need it

We know that trustees want their members to make the right choices when it comes to the options for taking their pension benefits. Ensuring that members have access to the right information, fully understand the options available to them, and know where to turn should they need help can be a significant challenge. Trustees of smaller schemes often find this particularly difficult, to run as well as they should do or want to for their members.

It is also a sad truth that as transfers out of schemes have become increasingly popular following the introduction of freedom and choice, and the rise in the value of defined benefit pensions, fraudsters are increasingly targeting scheme members. Trustees need to ensure their members are alive to the risk of pension scams, but at the same time, can't hold up a genuine transfer or be seen to be giving advice. These conflicting duties are making transfers a thorny issue for trustees to try to navigate.

Stoneport's comprehensive communication strategy will disseminate information in the most effective and easily digestible ways. It will include online access, annual benefit statements, a regular newsletter, and a dedicated telephone helpline, providing members with a significantly better proposition than any smaller scheme could hope to provide cost effectively. With a high level of member understanding and engagement, members will be empowered to make the right choices.



Taking on the compliance burden

The regulatory and funding landscape is evolving, with the burden of evidence for what is prudent and appropriate falling on trustees and employers rather than the Pensions Regulator.

Stoneport's strength and scale achieved by bringing schemes together, coupled with the expertise from its professional management structure, will ensure full compliance with the new regime with the minimum of fuss.



05

The most cost effective solution in the market

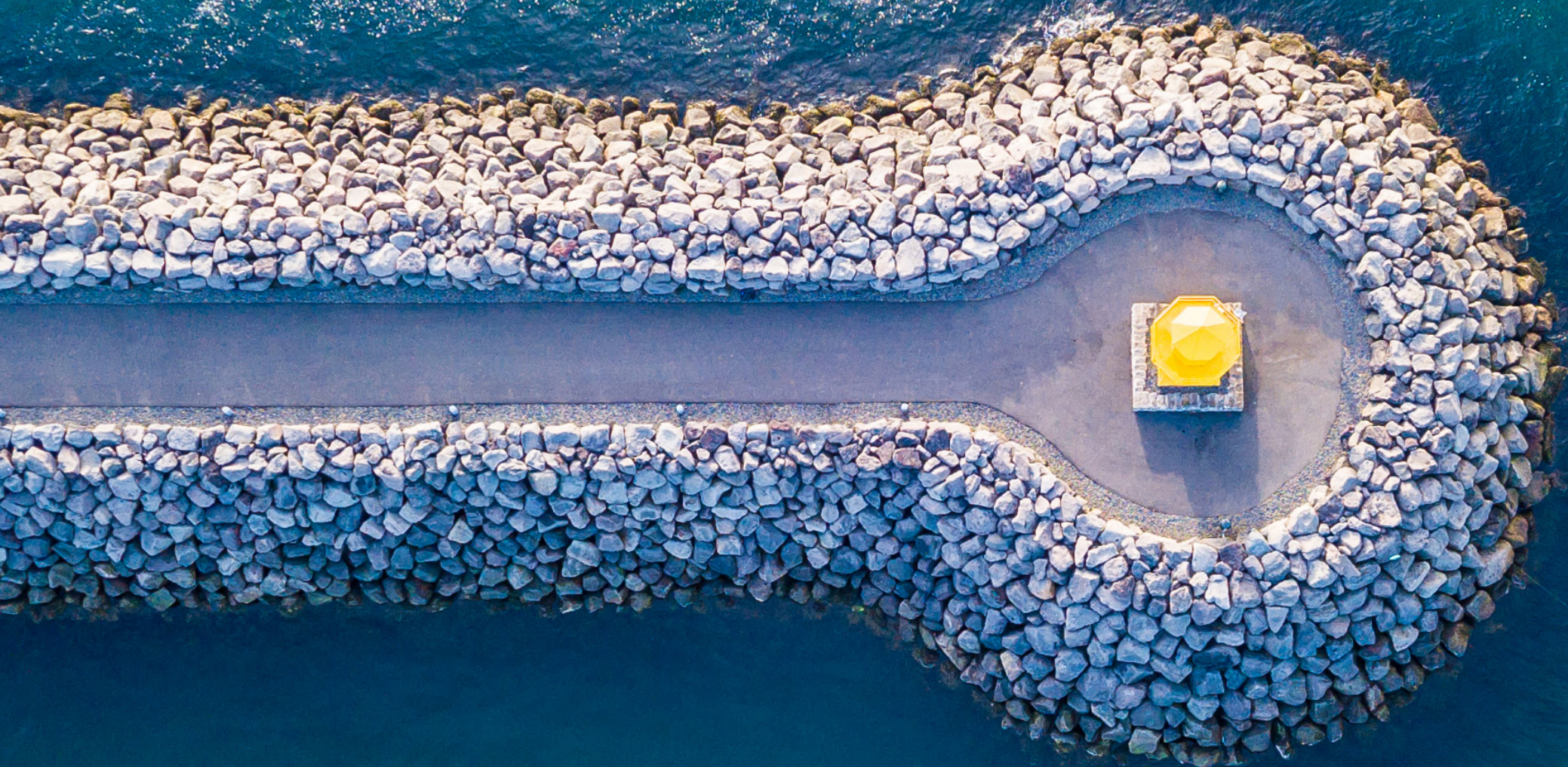
Stoneport is the first to provide the trustees of smaller schemes with the opportunity to take steps that will immediately and dramatically enhance the security of members' benefits, without having to pay an insurer's buy-out premium or a superfund's entry price today, something which will be out of reach for many.

Whilst a number of other consolidation options exist for smaller schemes, most notably DB Master Trusts, none provide the enhancement in benefit security or come close to delivering the cost savings that are possible under Stoneport.

Unlike other DB Master Trusts, Stoneport's unique, purpose-built structure enables it to deliver a transformational improvement in member benefit security and a significantly higher level of cost saving, by bringing schemes together to run as if they were one larger and stronger scheme.



The highest standards of governance



Stoneport has been designed to transform the governance arrangements of smaller schemes. It offers all the benefits of a DB Master Trust and more, providing a complete governance solution for the schemes that join, including:

High quality administration and advice - The day-to-day running of Stoneport will be undertaken by Barnett Waddingham, a long-standing and well-respected name in pensions administration, actuarial and investment advice.

Comprehensive advice - Stoneport has the scale and resources to ensure all issues are considered, in appropriate depth.

Enhanced member experience - Members will benefit from having immediate access to their benefit statements and information, with Stoneport using its scale and technology to deliver industry best-practice on member communication and engagement.

Access to the best investment opportunities - Stoneport will provide smaller schemes access to a much wider range of investments, as well as more sophisticated strategies, offering effective scheme management.

Professional trustee oversight - Stoneport is overseen by professional trustees, ensuring the highest standards of expertise underpin its operation.

06

The right decision for trustees

Stoneport has been designed to solve the problems facing smaller defined benefit pension schemes, fundamentally improving the outcomes. For members their security position is transformed and alongside it, their experience. For Trustees they can be certain they've made the right choice, with Stoneport improving security and the retirement outcomes of their members.



Nonetheless, Stoneport will not be appropriate for all of the 4,000-plus smaller schemes.

- **With fewer than 1,000 members**

Stoneport has been purpose-built to address the issues and needs faced by smaller schemes. If your scheme has fewer than 1,000 members, Stoneport can make a positive difference.

- **Whose employers are strong enough to provide appropriate support to their members**

To protect the interests of members and ensure fairness between the employers that join, Stoneport has strict entry criteria to confirm each employer is willing and able to provide appropriate support for their pension scheme commitments.

- **Who have a longer-term goal**

Stoneport is designed for those schemes with a longer-term goal in mind for meeting their pension commitments. Stoneport will run-off members benefits over the next 25 years, targeting an insured buy-out of the remaining commitments in 2046. If your scheme is close to achieving full funding of an insured buy-out or aiming to achieve this within the next few years, Stoneport is less likely to be suitable for your scheme.

- **Recognise the benefits Stoneport can bring**

Stoneport can bring dramatic security and governance enhancements for members, alongside very significant cost savings for employers. To realise these benefits, schemes must be willing to invest in the work necessary to join Stoneport.

At its heart, Stoneport is for all those trustees who are looking to take effective, conclusive action to dramatically improve the security of members' benefits and enhance governance outcomes, whilst in turn, significantly reducing costs.

The trustees of Punter Southall's own small DB scheme are proud to be the first to join Stoneport, recognising the transformative impact Stoneport has, changing the landscape for trustees, members, and their employers alike.



Find out more

Stoneport is an innovative new consolidation vehicle bringing economies of scale and benefit security to smaller defined benefit pension schemes in the UK.

To find out more and start your Stoneport journey, please contact one of the team at:

enquiries@stoneport.co.uk

stoneport.co.uk

Created and managed by



**Punter
Southall**