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## Cartwright and K3 Advisory announce largest bulk annuity transaction to-date

Cartwright and K3 Advisory today announced the completion in August 2020 of a £74 million pensioner buy-in for the UK pension scheme of a US listed engineering business, their largest transaction to date and completed entirely since the start of the pandemic.

The transaction was led by Cartwright, who are increasingly seen as the go-to adviser for small/medium DB/hybrid schemes, and who partner with K3 to enable their clients to get better access to the bulk annuity market. K3 led on the interaction with insurers and is the pension market's only specialist independent bulk annuity and consolidator advisory business. The Trustees were also advised by Shoosmiths and Lincoln Pensions while Just Group was advised by Pinsent Masons.

The Chair of the Trustees commented: "The trustee board was provided with clear support, direction and guidance from the start and throughout this transaction. The drive and determination of the organisations involved was clearly evident as they helped us achieve our ambitions of de-risking the scheme with a beneficial effect on the scheme's funding position."

Sam Roberts, Director of Investment Consulting at Cartwright, commented: "Over the last year, with support from Adam and the K3 team, we worked hard to make sure that the scheme was 'transaction ready'; reviewing, clarifying and updating the scheme benefits, data and investments. This meant that we were quickly able to take advantage of the beneficial pricing opportunities arising from the effects of coronavirus on the markets and successfully help our client secure their pensioner liabilities at a 10% saving on the equivalent technical provisions, knowing that this was consistent with the Trustees' overall long term strategic plan. I look forward to achieving similarly positive outcomes for more of our clients in the future."

Adam Davis, Managing Director of K3 Advisory, commented: "Despite the challenges of coronavirus and lockdown, the bulk annuity market for small and medium schemes has continued to grow. K3 led the broking process, and through our streamlined process managed to secure six insurers to provide quotations, a record for K3. Because of Cartwright's preparation and being able to transact in this period, the scheme took advantage of favourable market conditions and traded well ahead of standard market pricing. Just Group provided the best solution, which had a positive impact on the funding position of the £170m scheme, whilst materially reducing the risks they face. A great result for the Trustees, company and members."

Peter Jennings, Business Development Manager at Just Group, commented: "Having worked with Cartwright and K3, we know that the schemes they bring to market are transaction ready and come with a well-developed execution plan. These two factors are attractive to insurers and we are delighted to have assisted the Trustees and provide more certainty for their members."

If you would like to discuss further, please get in touch with your usual contact at Cartwright.



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*No action should be taken based on this research note without the trustees of the relevant occupational pension scheme receiving written investment advice from Cartwright Benefit Solutions Limited confirming the suitability of the investment decision for that particular occupational pension scheme.*

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