

# XPS Inside View

A business-to-business update on recent key developments at XPS Pensions Group

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- Our Administration business hits one million members
- Investment views on the gilts crisis
- Launch of XPS Xpedite for small scheme bulk annuities

## Season's greetings from all of us at XPS



Congratulations to **Felicity Sturgess, age 9**, Winner of our 2022 Christmas Card Competition. Felicity is the daughter of Emily Sturgess, XPS Pensions Group, Wokingham Office.

### Season's greetings

From everyone at XPS Pensions Group

We are working together with **Goale** to give people hope for a future out of homelessness.



## Going from strength to strength

From **Paul Cuff, Co-CEO**



Welcome to the first edition of **XPS Inside View**, a newsletter which aims to keep you up to date with the latest news and developments across our business.

Since we became the **only UK pensions specialist listed on the London Stock Exchange Main Market** five years ago, XPS has gone from strength to strength. In our recent results, we reported another half year of strong and sustainable growth across all divisions.

We continue to innovate and develop new services for our clients in a range of areas such as **Investment, Risk Settlement and Governance** as well as investing further in our technology to support agile decision making and improve member engagement. We want to ensure we have the full suite of solutions our clients need as they adapt to the backdrop of a new world of higher interest rates, volatile

gilt yields and protecting vulnerable members in a cost of living crisis.

All told, we address the needs of over **1,500 pension schemes and their sponsoring employers** on an ongoing and project basis. We undertake pensions administration for more than **one million members** and provide advisory services and administration services to schemes of all sizes. We're adding to our capacity all the time. For example, our recent acquisition of **Penfida**, one of the leading specialist covenant advisers in the market, ensures we are even better placed to meet the challenges our clients face as we await the new single code of practice and guide both trustees and sponsors through the impact of corporate events on their schemes.

The last few months have been particularly busy against the backdrop of more volatile financial markets. Recent market turmoil has underlined the need for everyone in the pensions industry to be at the top of their game and deliver great outcomes for schemes. Looking ahead, we'll continue to guide schemes through some incredibly difficult times and share our knowledge and expertise with you for the benefit of your client portfolios.

## Did you know?

- XPS Pensions Group has **£113bn in assets** under advice.
- We undertake pensions administration for over **one million members** and provide advisory services to schemes and corporate sponsors in respect of schemes of all sizes, including **51 with assets over £1bn**.
- Our **Scam Protection Team** has helped over **350 schemes** and over **8,000 cases**.

## Recent accolades

### Award-winning services

We are very proud to have been awarded a hat trick of wins at this year's UK Pensions Awards.



**WINNER**  
Actuarial/Pensions  
Consultancy of the Year



**WINNER**  
Investment Consultancy  
of the Year



**WINNER**  
Third-Party Administrator  
of the Year

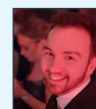


**HIGHLY COMMENDED**  
Technology Innovation of the Year

### Award-winning people



Actuary of the year:  
**Charlotte Jones**,  
Actuarial Post.



Team Leader of the Year:  
**Ryan Hampton**, Professional  
Pensions Rising Stars.



Mentor of the Year:  
**Mary McLeod**, Professional  
Pensions Women in Pensions.



## XPS Administration update

From **Dave Watkins**, Managing Director, XPS Administration

Our administration business is building on its award-winning service to members. We've been busy driving our ambitious growth targets, building on the solid foundation of one million members currently under administration, a milestone we've recently celebrated hitting. We are experts in first-time outsourcing having transitioned 14 schemes in the last five years including **Aviva**, **Compass**, and **Lloyds** pension schemes.

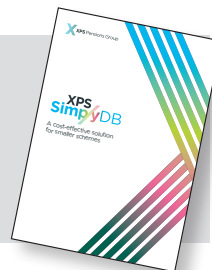
### Data and Dashboards



We have continued to help clients to cleanse and prepare their data for projects like **GMP rectification** and **equalisation**, as well as **de-risking** with more and more schemes approaching the bulk annuity market. With a big shift to online, accurate member data is more important than it's ever been, and we have been helping clients to review their data both for member web services and for the upcoming requirements for pensions dashboards. We have developed bespoke reporting to help trustees to really understand their data, alongside how any gaps may impact compliance with the new dashboards requirements and how we can fill these as efficiently as possible.

High levels of customer care are an intrinsic part of our delivery with an emphasis on member satisfaction. Our market-leading approach to technology allows us to be flexible and agile. We have made significant investments in technology developments in 2022, specifically in our administration system and our member web portal. As a consequence we have begun to rebuild the **MyPension** member portal and have created a client and member forum with the intent of using the feedback and input we receive to guide the direction of its development. Protecting members from scams continues to be a priority for XPS Administration, and to date our team has helped over **350 schemes** and over **8,000 cases**.

We help schemes of all sizes meet their goals and pay their members. Our **XPS Simply DB** service is streamlined to specifically support DB schemes with between 50 and 300 members. Providing actuarial, administration and investment support – or a mixture – **XPS Simply DB** is a cost-effective solution that gets the job done. [Read more](#)



## XPS Investment update

From **Ben Gold**, Head of XPS Investment

To say that the last few months have been incredibly difficult for pension schemes' investment strategies is a gross understatement. Established investment patterns have been thrown into doubt by see-sawing bond markets, creating a situation that left many schemes facing urgent collateral calls.

Although the industry weathered the storm without suffering significant harm, it underlines the importance of schemes ensuring that their investment strategy is fit for purpose and meets their goals. There are a whole host of questions that remain unanswered, from what level of LDI exposure is suitable on a long term basis, to how schemes deal with illiquid assets.

Our primary focus over the coming months will be to continue to reassess clients' investment strategies, ensuring a deep understanding of risk and reflecting the large improvement in funding positions typically seen this year, including ensuring resilience in the environment we've seen in recent months.

Helping schemes deal with these challenges will be the focus of **our 90-strong investment team** for the next 3-6 months.

To find out more about the trends that our Investment team are seeing, click [here](#)

### Spotlight



#### Darryl James

Head of Business Development, Private Sector

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XPS Administration appointed **Darryl James** as Head of Business Development for private sector clients in April 2022. Darryl has over 20 years' industry experience and has been with XPS Administration since 2007. He has been integral in the development of the business and has played a key role in competitive tenders. In his new role, Darryl is taking on the challenge of meeting XPS's ambitious growth targets for this financial year and beyond.

*It's an exciting time for XPS Administration. It's been a brilliant nine months so far, helping share our development plans with the market. Having been involved in many successful new business opportunities throughout my career, I'm extremely proud to now lead this process and help XPS Administration reach, and exceed, our growth targets.*

*Outside of pensions I'm married with two sons and Ziggy the Cavapoo, so I'm always on my toes! In any spare time you can find me at the Emirates as an Arsenal season ticket holder, watching my sons play football and Taekwondo, playing golf, DJing or fishing – I like to keep things varied!*



## XPS Pensions update

From **Patrick McCoy**, Head of Advisory

Funding positions have been strong this year, with improvements in long-term positions over 2022 now in excess of £390bn for the year, our [XPS DB:UK Tracker](#) for December 2022 shows. For many schemes that are now 100% funded, there have even been opportunities to lock in recent gains and to review their ultimate endgame strategies.

Despite this strong position, pension schemes are still facing a number of challenges that we have been supporting them through to deliver the best outcomes for their members, corporate sponsors, and employees. The external environment has been increasingly challenging for many members, with the cost-of-living crisis and rising inflation having a particularly severe impact on the most vulnerable in our society.

Through the launch of our new **XPS Xpedite** service, XPS has sought to streamline buy-in and buyout transactions and help schemes increase insurer engagement. The service offers smaller schemes better access to the bulk annuity market including more insurers quoting, reduced transaction risk and low-cost fixed fees.

### Increasing our capacity... supporting schemes moving towards maturity

We increased our capacity with the acquisition of **Penfida**, the leading independent corporate finance and covenant adviser to UK pension funds. Penfida's business is currently integrating with the existing **XPS covenant** team, significantly boosting capability and giving critical mass in this important area.

The advisory team has also expanded with two new senior appointments. **Stephen Purves** joined XPS as Head of Risk Settlement in April to help grow our market share in the space for de-risking solutions. This was soon followed by the appointment of **Jo Carter** as a Partner in the Risk Settlement team, to lead on buy-in and buyout transactions as well as help clients with strategic endgame journey planning. These new hires, in addition to our existing experienced team, form part of our plan to become the leading adviser in the risk settlement market.



**Stephen Purves**  
Head of Risk  
Settlement



**Jo Carter**  
Partner



Cost effective risk settlement for smaller pension schemes

**XPS Xpedite**, a streamlined solution aimed at smaller schemes, particularly those with an asset size less than £100m. We have seen many schemes of this size reach buyout affordability in recent months. However, as you will know, the market for schemes of this size is limited and may struggle to get insurer attention in the very busy market next year, as the insurers may naturally focus on larger deals.

**XPS Xpedite** helps remove this barrier, with a streamlined approach that eases the insurer workload and increases transaction certainty, leading to increased insurer engagement and a better result for trustees and all parties. [Read more](#)

### GMPE Team expansion

We have now **helped over 200 schemes** get a head start on their GMP equalisation projects and expanded our team and capacity to deal with the growing demand.

We were brought in as specialist adviser to **one in four schemes** to work with their existing third-party administrator.

**Learn more** about our unique approach in our short updated video [here](#)

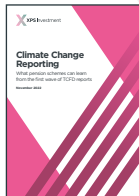


**Have you registered for XPSArena yet?**

**Register now** to stay updated on the latest news and keep on top of your CPD.

Are you on our mailing list for **regulatory updates** and **event invitations**? If not register [here](#)

## Updates you might have missed



### Lessons from first TCFD reports

TCFD reporting requirements aim to help schemes better understand their climate change risk exposure.

Find out how the first wave of larger schemes have reported so far, and what we can learn going forward.

View [here](#)



### PPF to slash levies

The PPF has published its consultation on how PPF levies will be calculated for the 2023/24 levy. This showed that the total levy across all schemes is expected to reduce from £390m (2022/23) to £200m.

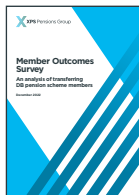
View [here](#)



### Investment review

Jeremy Hunt's attempt to get markets back onside with the autumn budget appears to have worked but the Bank of England has warned the UK will be in recession well into 2024. Assets perform strongly over November but pension scheme funding levels fall.

View [here](#)



### Member Outcome Survey

Our fifth annual survey reveals that access to enhanced support and quality independent financial advice at retirement could help those who transfer from defined benefit schemes receive up to 15% more income each year in retirement.

View [here](#)

To discuss any of the issues covered in this edition, please get in touch with **Nigel Wilmin, Head of Strategic Relationships**, or speak to your usual XPS Pensions contact.



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