



PRESS RELEASE

K3 Advisory and Cartwright announce £85 million buy-in across two schemes

4 June 2024

K3 Advisory, the pension market's only specialist independent bulk annuity and consolidator advisory business, and market leading end-game advisory business to the fiduciary management market, in partnership with actuary and consultant Cartwright, today announced the successful completion of an £85 million buy-in. The transactions, which completed with Canada Life, secured the benefits for members across two schemes, for a total of 189 pensioners and 87 deferred members.

Cartwright provided administration, actuarial and investment advice, whilst legal advice to the Trustees was provided by Reed Smith.

Thomas Crawshaw, Senior Actuarial Consultant at K3 Advisory, commented: "This was a particularly interesting case as the transaction was only affordable due to the employer recovery contributions that had been committed to. However, we wanted to avoid a traditional deferred premium structure, which can be off-putting to some insurers and is relatively expensive in the current climate. Therefore, we devised an innovative method that allowed the transaction to proceed without needing to defer the premium. In doing so we were able to ensure the transaction went through smoothly and member benefits were secured. A very satisfying outcome and, we believe, a market first."

Sam Roberts, Director of Investment Consulting at Cartwright said: "The approach we undertook allowed the trustees to secure members' benefits at current attractive insurance pricing, even though to afford this the trustees need the remaining Recovery Plan contributions. The sponsor and the trustees now have significant certainty, and a clear runway to ultimate wind up of the schemes, which is particularly helpful given the likely corporate timelines of the private equity owned sponsor. It also allowed us to work around some illiquid assets which could take two or three years

to run off. A vanilla approach quite simply would not have worked in this case. In fact, the solution is so good that future Recovery Plan contributions for the larger scheme are being put into an escrow account in anticipation of being returned to the sponsor once the schemes have wound up.”

The Chair of Trustees for the schemes said: “Thank you to Cartwright and K3 for completing this first of its kind transaction. I can always trust them to come up with an innovative approach perfect for our situation.”

Linda Gilhooly, Head of Business Development at Canada life, commented: “Working with K3 and Cartwright was an extremely positive experience. They were able to successfully address and resolve all issues that, as insurers, can sometimes make things more problematic for us. We were really pleased to have been able to successfully provide security for the members of these schemes.”

- ENDS -

Notes to editors:

About K3 Advisory

K3 Advisory is the pension market's only specialist independent bulk annuity and consolidator advisory business. Using first-hand experience from both the insurance and pensions sectors, K3 Advisory provides trustees and scheme sponsors with advice and brokering services to secure a smooth and effective transfer of liabilities to an insurer or consolidation vehicle.

The business was founded in 2018 with the aim of improving the efficiency of the bulk annuity and consolidation markets for the benefit of all involved. The business is backed by the Vestey Holdings Group, a fourth-generation family business whose origins date back to the 1890s.

See <https://k3advisory.com/> for more information.

About Cartwright

Originally formed to fill a gap in the market, Cartwright was established in 1986 to provide specialist pension scheme services to small, medium sized defined benefit and hybrid schemes. Today, that same pioneering spirit remains at the heart of the company as the company continues to provide actuarial, administration, investment, and scheme management services to over 200 clients. The company operates nationwide providing services to a customer base featuring trustees and sponsors seeking to manage their pension schemes more effectively and efficiently.

Dedicated to delivering solutions that are both pragmatic and innovative, Cartwright operates with the highest degree of professionalism and integrity and specialises in providing small and medium sized schemes with direct access to experts in their field.

More information can be found on the website:

<https://cartwrightbenefits.co.uk>

Media Contacts

For all media enquiries please contact KBPR using the details below:

KBPR.

keeping you connected

Kate Boyle

kate@kbpr.agency | 07930 442883