

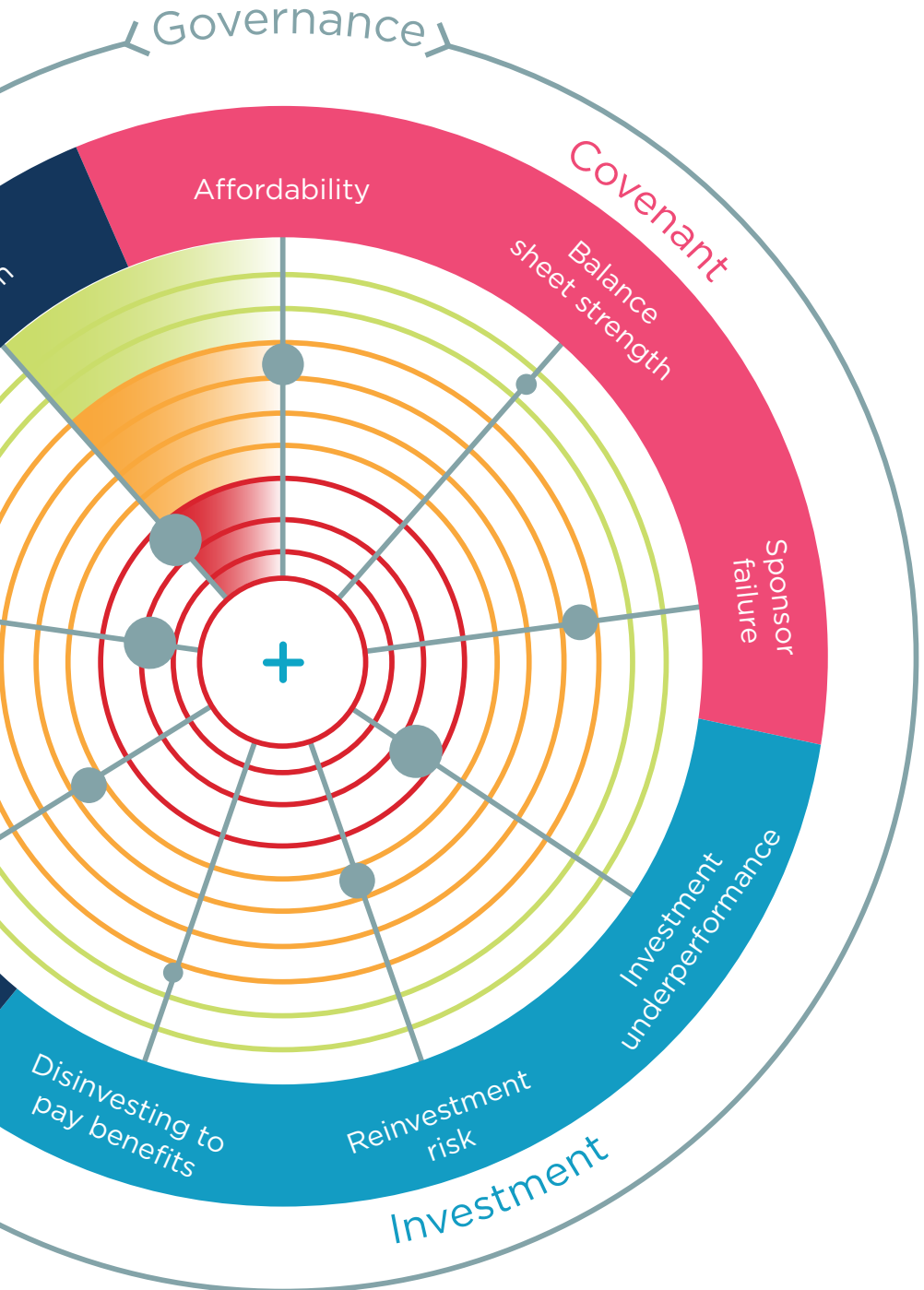
Spotlight on all risks

Running a pension scheme can involve hoping for the best but preparing for the worst.

Preparation is key. When you hit a bump in the road (and there have been plenty over the years) the amount of preparation you have done will determine how far you get thrown off course.

LCP Sonar benchmarks your scheme against a peer group of data, covering covenant, funding and investment risks. You can quickly see how your scheme's risk profile compares to others and think about the key risks for you – helping you prioritise and manage your risks more effectively.





Now is a good time to step back, take stock and consider what you can do to more effectively manage your pension risks.

Why is risk management important to pension schemes?

For a better understood and controlled journey

To allow trustees to focus on what is important helping them to make better decisions

IORP II's requirement for a risk manager



What are the risks I should think about?

Our key risk framework – covering all aspects of your pension scheme in an integrated way - makes thinking about risks accessible and intuitive.

Fewer surprises as schemes mature and get nearer their endgame

Did you know?



40% of LCP's clients have some form of legally binding contingency plan in place



65% of schemes are currently in a negative net cash flow position

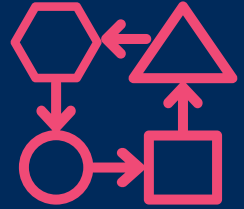


On average, LCP clients hedge **70%** of their funded liabilities

LCP Sonar has given us these insights into trends affecting our clients

What are the next steps?

Each pension scheme has a unique set of circumstances and your approach to risk management should be designed to work best for you. Your LCP adviser can use LCP Sonar to help you:

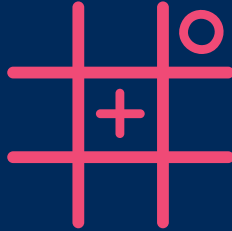


Consider what your contingency plans are in the key risk areas.





Develop your own bespoke metrics and/or dashboard to track your risks with actions taken if certain triggers are breached.



Put in place a de-risking framework or more detailed contingency plans eg in the event of your covenant weakening.



Consider how your scheme stacks up in future possible scenarios.

If you would like a demonstration of how LCP Sonar works, please go to www.lcp.uk.com/technology-innovation/lcp-sonar/

Contact us

To find out more about LCP Sonar visit www.lcp.uk.com/technology-innovation/lcp-sonar/ or contact:



Jill Ampleford

Jill.Ampleford@lcp.uk.com
+44 (0)20 7432 6757



Mary Spencer

Mary.Spencer@lcp.uk.com
+44 (0)20 7432 7749



Francesca Bailey

Francesca.Bailey@lcp.uk.com
+44 (0)20 7432 3084

At LCP, our experts provide clear, concise advice focused on your needs. We use innovative technology to give you real time insight & control. Our experts work in pensions, investment, insurance, energy and employee benefits.

Lane Clark & Peacock LLP
London, UK
Tel: +44 (0)20 7439 2266
enquiries@lcp.uk.com

Lane Clark & Peacock LLP
Winchester, UK
Tel: +44 (0)1962 870060
enquiries@lcp.uk.com

Lane Clark & Peacock Ireland Limited
Dublin, Ireland
Tel: +353 (0)1 614 43 93
enquiries@lcpireland.com

Lane Clark & Peacock Netherlands B.V.
(operating under licence)
Utrecht, Netherlands
Tel: +31 (0)30 256 76 30
info@lcpnl.com

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