

IAPF ANNUAL INVESTMENT CONFERENCE 2019 'Evolution'





Evolution of Fiduciary: Fiduciary Management in the UK after the CMA Review

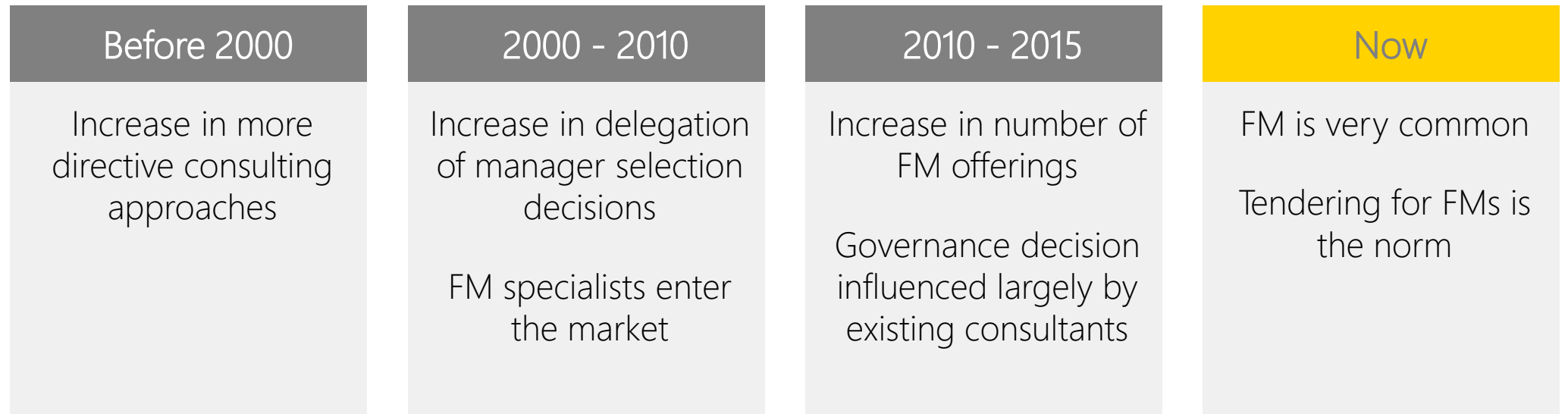
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Fiduciary Management in the UK after the CMA Review

Rikhav Shah, EY LLP

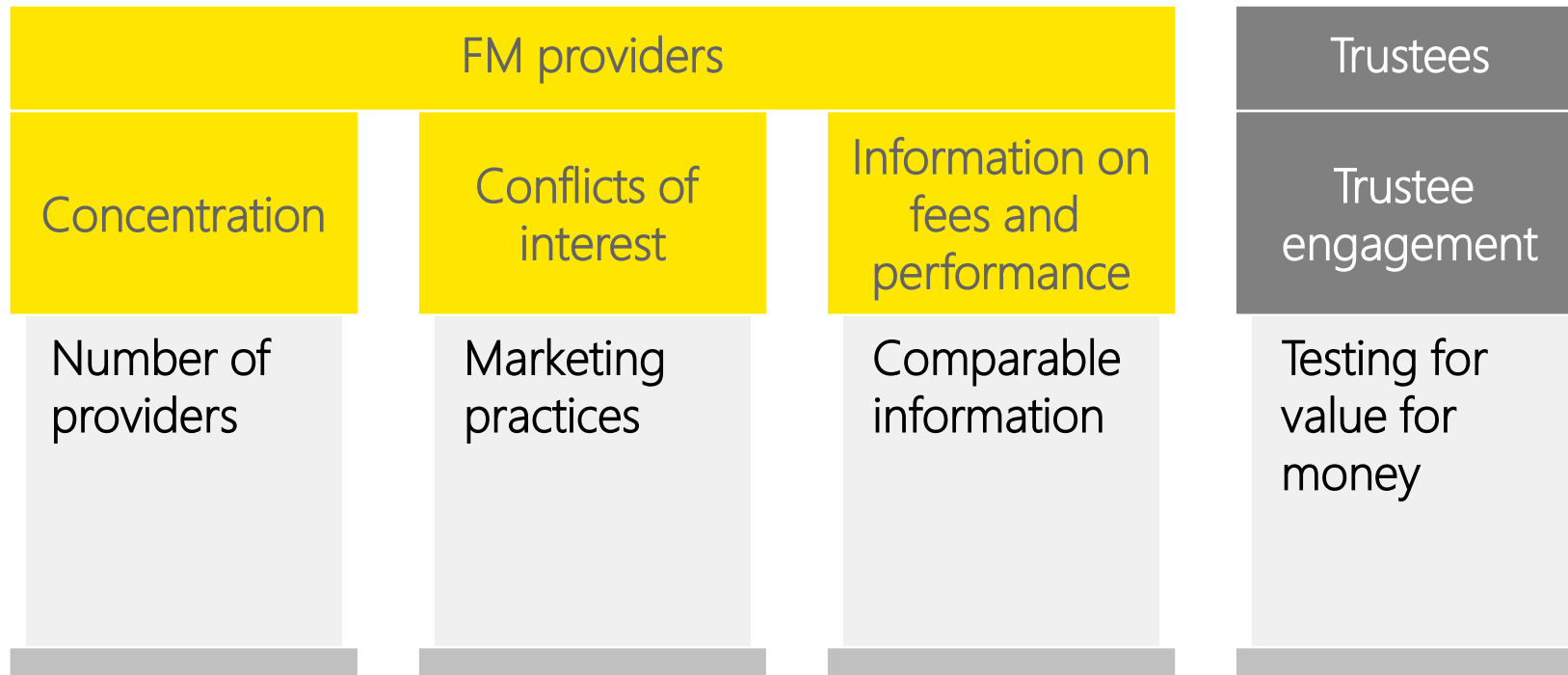


Evolution of fiduciary management



Building a better
working world

What did the CMA investigate?



Key recommendations

1

Mandatory tendering

2

Separation of marketing from advice

3

Increased transparency of fees and performance



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What does tendering achieve?



Better fees and terms



Understanding of proposition, total costs, portfolio



Bespoke portfolio or reporting requirements



Understanding of internal control environment



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How do FMs differ?

Investment structure	Controls and processes	Cost structure
<ul style="list-style-type: none">▶ Investment philosophy▶ Investment approach▶ Investment risk management	<ul style="list-style-type: none">▶ Tools and systems▶ Operational risk management▶ Reporting▶ Management of conflicts of interest	<ul style="list-style-type: none">▶ Ongoing fee levels▶ Fee structure▶ Transition costs▶ Other costs



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The real value of tendering

Trustees can define **their** requirements more clearly

Ask the **right** questions of fiduciary managers

Promotes development of solutions in the industry



What do we look forward to?

- More innovative and transparent fee structures
- Clearer reporting... of risk and return
- Integration of ESG
- Generally, more scrutiny on FMs





THANK YOU

Rikhav Shah

