

# MERCER PENSION RISK EXCHANGE™

## A GROUNDBREAKING APPROACH TO PENSION RISK MANAGEMENT

Many defined benefit plans are now closed to new employees, but these plans still represent significant obligations for the company to manage alongside its on-going business. In addition to the company specific situation, economic factors are also driving up the demand for annuity transactions; however, the annuity marketplace can be hampered by long execution timelines and lack of price transparency. A plan sponsor requires robust information on the financial position of the company's pension plan, needs an understanding of how key financial metrics are developing over time, and values customized pricing information. This information must be accurate, up-to-date, and easily accessible.

### CURRENT BULK ANNUITY MARKET CHALLENGES



#### UNPREDICTABLE MARKET

Each deal is unique and attracts different insurers. Deal pricing can vary dramatically



#### PRICE VOLATILITY

Pricing fluctuates over time but is not visible to plan sponsors.



#### LACK OF PRICING TRANSPARENCY

Obtaining a price can be difficult and time consuming. Plan sponsors often don't know the price at which they should execute an annuity transaction.

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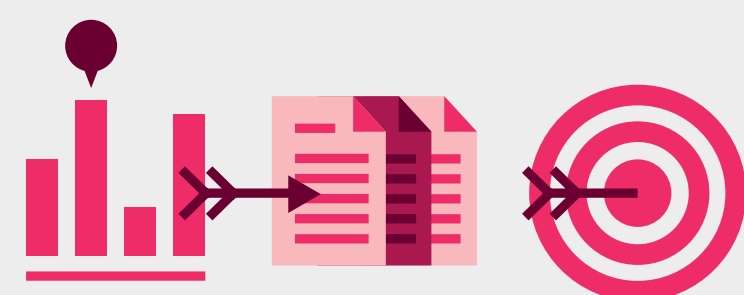
### WHAT IS IT?

- Access to regular pricing from insurers in order to assess the true market price of a deal
- Helps sponsors execute a deal in a more competitive price environment and in a shorter time frame than is currently possible.
- Allows plan sponsors to prepare data and documents in advance, enabling them to proceed quickly when the time is right.
- Online and mobile-optimized solution that gives sponsors and trustees access to valuable information anytime and anywhere

### WHAT IS IT FOR?

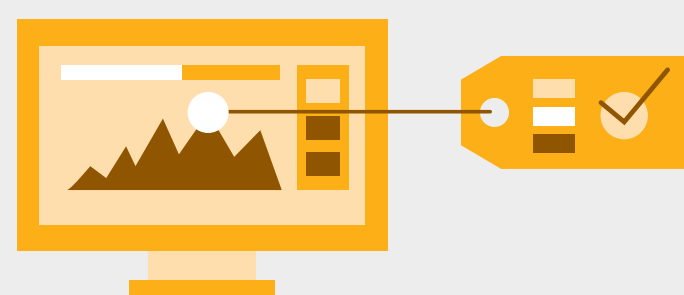
- PLAN TERMINATIONS
- BUYOUTS
- BUY-INS

### HOW DOES IT WORK?



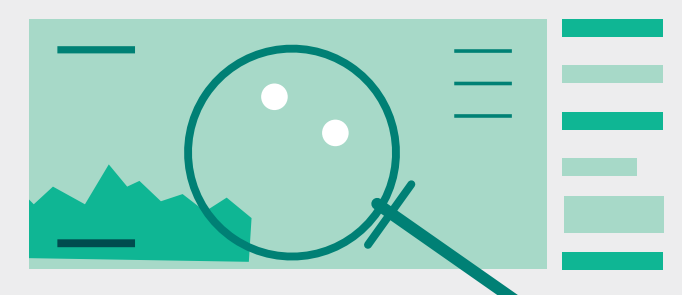
#### READINESS

Mercer's systematic and disciplined approach finalizes all data and documents well in advance of the transaction, enabling swift execution. We advise on target price levels and plan metrics that should be monitored, and we establish triggers upon which to act.



#### DYNAMIC MONITORING

Our pricing platform allows insurers to submit regular bids for specific plans. This enables sponsors to continuously monitor their unique price and specific plan metrics and to execute when market conditions are optimal.



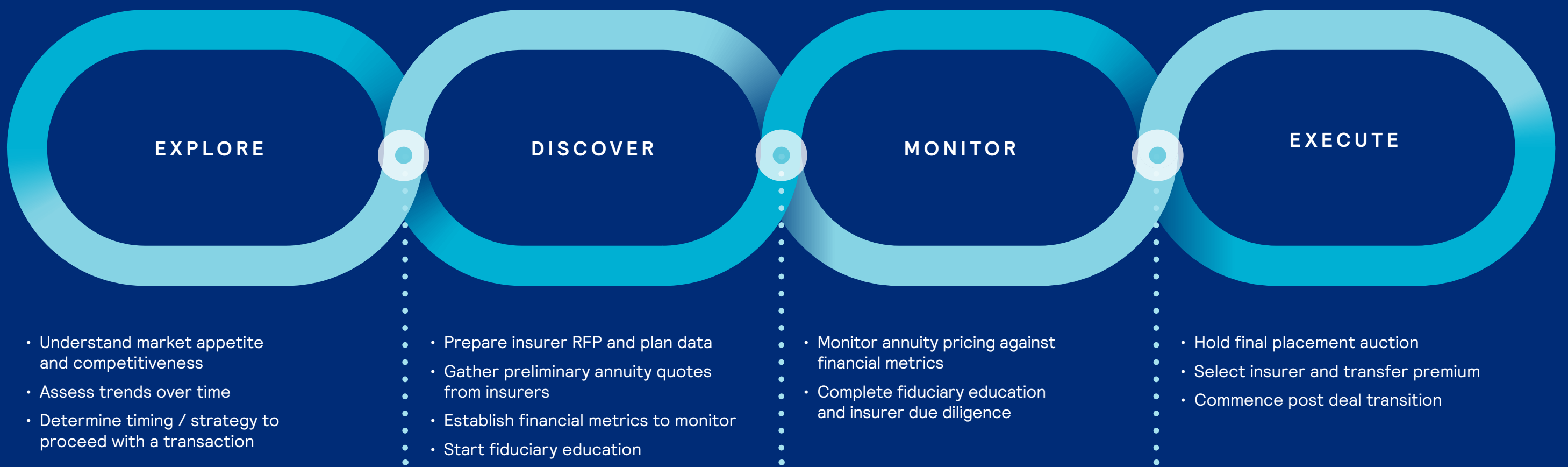
#### EXECUTION SUPPORT

Provides fiduciary training and insurer due diligence to support the final auction, insurer selection, and transition of responsibilities to the insurer, all while enhancing participant security.

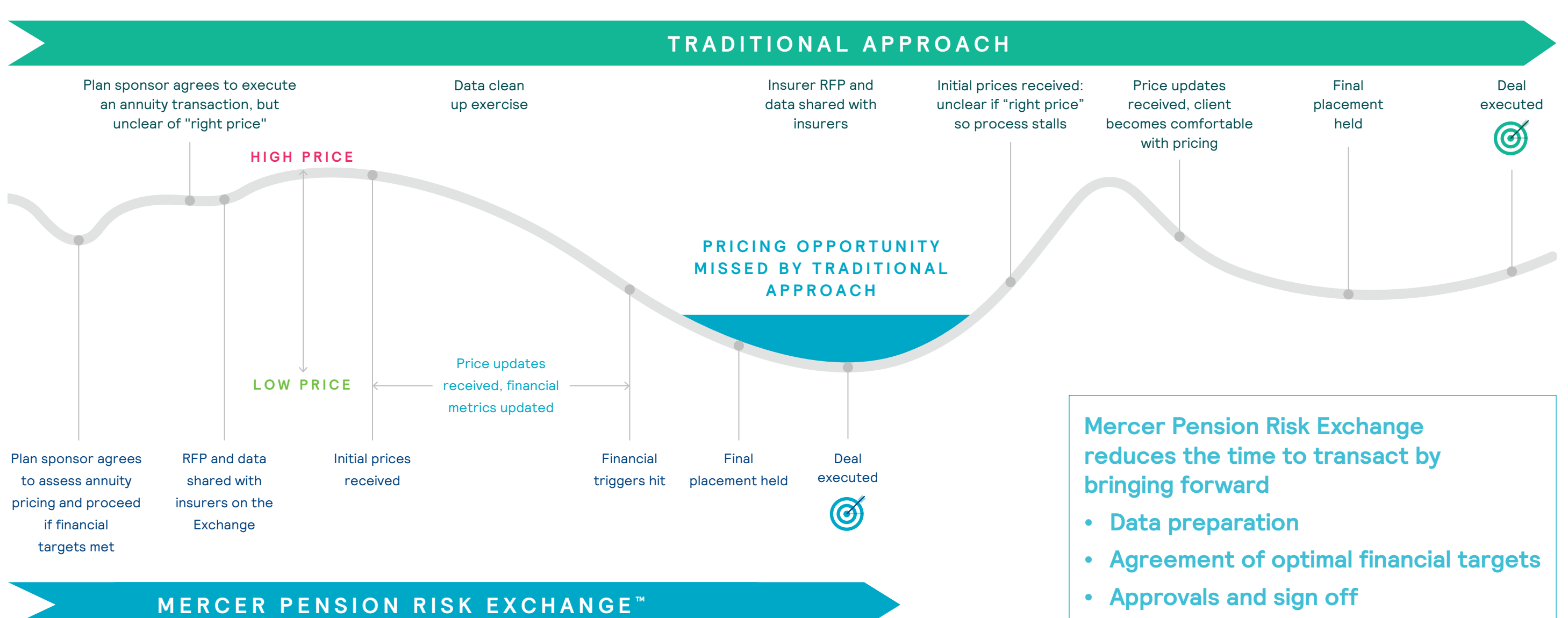
## MERCER PENSION RISK EXCHANGE™ SUPPORTS YOU THROUGH EACH STEP OF THE ANNUITY PLACEMENT PROCESS

### MERCER PENSION RISK EXCHANGE PROCESS

There are four components of the process. We work with clients to understand the services that are most applicable to their current situation, and timeline to execute a transaction. Our approach provides increasing financial certainty as a client moves through the purchase process.



### TIMELINE



### IMPORTANT NOTICES

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