

SECTION 1 – QUESTIONS (1-10)

1. What is a corporate trustee?

- A. A trustee appointed by the court.
- B. An individual trustee appointed by the sponsoring company.
- C. A company which acts as a trustee.
- D. The sponsoring employer.

2. If the sponsoring employer of a defined benefit scheme becomes insolvent who is responsible for exercising all trust discretions in the company pension scheme?

- A. The Pensions Regulator.
- B. The Insolvency Practitioner.
- C. Pension Protection Fund.
- D. The person specified in the Trust Deed and Rules.

3. Meetings of trustees must be held...

- A. at least twice a year.
- B. following the actuarial valuation.
- C. in the way as stipulated in the trust deed and rules.
- D. as required under the Pension Schemes Act 1993.

4. Under statutory requirements, the decisions of the trustees may be taken by a majority unless...

- A. there are less than 12 members.
- B. the trustees agree otherwise.
- C. the scheme's trust deed and rules provides otherwise.
- D. there are less than one hundred members.

5. The trustees are ultimately responsible for the collection of contributions....

- A. only if Additional Voluntary Contributions are paid by members.
- B. at all times.
- C. if instructed to do so by the employer.
- D. if the trust deed permits.

6. It is a legal requirement that the trustees' Annual Report must be available...

- A. at the end of the scheme year.
- B. within 7 months of the end of the scheme year.
- C. within 12 months of the end of the scheme year.
- D. within 18 months of the end of the scheme year.

7. Which one of the following does NOT have to be included in the trustees' annual report?

- A. Details of changes to the trustees.
- B. Details of discretionary pension increases made in the scheme year.
- C. Details of any self investment.
- D. Home addresses of trustees.

8. Investments should generally be stated in the audited accounts of a pension scheme at...

- A. cost.
- B. fair value.
- C. book value.
- D. the value used by the insurance company.

9. In general in-house investment managers...

- A. specialise only in UK equity investment.
- B. are independent companies that frequently attend in-house meetings.
- C. are employed by the company sponsoring the pension scheme or another company within the same group.
- D. have few restrictions placed upon them by the Financial Services and Markets Act 2000.

10. If a fund manager has purchased a financial future to buy stock it will have...

- A. a future option to buy at a fixed price.
- B. a guaranteed profit.
- C. an obligation to buy at a fixed price in the future.
- D. an option to buy at a negotiable price in the future.

SECTION 2 – ANSWERS (1-10)

1. What is a corporate trustee?

- A. Wrong
- B. Wrong
- C. Right
- D. Wrong

2. If the sponsoring employer of a defined benefit scheme becomes insolvent who is responsible for exercising all trust discretions in the company pension scheme?

- A. Wrong
- B. Wrong
- C. Wrong
- D. Right

3. Meetings of trustees must be held...

- A. Wrong
- B. Wrong
- C. Right**
- D. Wrong

4. Under statutory requirements, the decisions of the trustees may be taken by a majority unless...

- A. Wrong
- B. Wrong
- C. Right**
- D. Wrong

5. The trustees are ultimately responsible for the collection of contributions....

- A. Wrong
- B. Right**
- C. Wrong
- D. Wrong

6. It is a legal requirement that the trustees' Annual Report must be available...

- A. Wrong
- B. Right**
- C. Wrong
- D. Wrong

7. Which one of the following does NOT have to be included in the trustees' annual report?

- A. Wrong
- B. Wrong
- C. Wrong
- D. Right**

8. Investments should generally be stated in the audited accounts of a pension scheme at...

- A. Wrong
- B. Right**
- C. Wrong
- D. Wrong

9. In general in-house investment managers...

- A. Wrong
- B. Wrong
- C. Right**
- D. Wrong

10. If a fund manager has purchased a financial future to buy stock it will have...

- A. Wrong
- B. Wrong
- C. Right**
- D. Wrong

