pi

ENDGAME INVESTING

roundtable

Lucy Barron | Colin Cartwright | Charlotte Quarmby
Melanie Cusack | Elizabeth Hartree | Jo Myerson
Tiziana Perrella | Wayne Phelan | Alan Pickering

AON

JULY–AUGUST 2022 | PORTFOLIO INSTITUTIONAL

AON

Pension Endgame: Better Decisions

Choosing options for a pension scheme endgame can seem daunting. Pension risk settlement is continually evolving through innovation and increased efficiency, making it a challenge to identify an optimal settlement journey.

Aon has the largest team of risk settlement specialists in the UK and has been lead advisor on 40 percent of all risk settlement deals since 2018. Our success is driven by a methodology tailored to your needs; we know every transaction is unique.

With our uniquely collaborative approach, Aon helps ensure you are better informed, better advised and able to make better decisions.

Learn more:
+44 0 800 279 5588
talktous@aon.com
aon.com/risksettlement

Aon Solutions U.K. Limited.
Registered in England and Wales No. 4396810.
Registered office:
The Aon Centre, 122 Leadenhall Street,
London, EC3V 4AN.

ENDGAME INVESTING

In the early days of my career as an investment journalist, when I was slimmer and far less cynical, I arranged to meet an analyst for lunch. I was hoping that he would share his secrets of how to assess a company with me.

I knew what the components on a balance sheet were, but I wanted to know what insiders look for, how they read between the lines to find the true picture of a company's financial health.

While we were discussing how much debt a company actually has, he said something that I did not expect: "Don't forget the defined benefit pension scheme."

"If there is a £100m shortfall in the fund, the company is responsible for it," he added. "You should see it as a debt so it will, therefore, affect your valuation of the business."

It is unlikely that a company would have to pay all its pension liabilities at once, but these schemes are maturing. They are mostly closed to new members and rely on investment returns to fund their obligations.

Yet with more than half of DB schemes cashflow negative (the level of which is expected to rise) it is difficult to meet these obligations for a population that is living longer.

With that in mind, more and more corporates are working to transfer the responsibility for paying the pension benefits of their workers to someone else.

That someone else is typically an insurer through a buyout or buy-in. Indeed, almost £30bn of pension scheme liabilities were transferred to insurers last year and I have read various projections on the size of this year's market with one believing it could be worth as much as £60bn.

There are other options. They include turning to a consolidator or opting for self-sufficiency if trustees are confident that the scheme could continue to fund their members' pensions.

With DB schemes maturing and there being a growing number of options to consider, *portfolio institutional* decided to take a closer look at how schemes are preparing for their endgame.

We hope this supplement will be a welcome addition to your research.

Mark Dunne
Editor
m.dunne@portfolio-institutional.co.uk

CONTENTS

ENDGAME IN FIGURES

£28.6bn

The total recorded volumes in the UK bulk annuity market during 2021

Source: Aon

£20.9bn

Total bulk annuities written in the second half of 2021, the busiest half-year on record

Source: Aon

£43.8bn

The value of disclosed risk settlement transactions in 2021

Source: Aon

1

Clara Pensions is to date the only pension superfund to be approved by The Pensions Regulator

Source: The Pensions Regulator

47%

Of defined benefit schemes are planning for buyout

Source: Aon

34%

Of defined benefit schemes view self-sufficiency as their long-term objective

Source: Aon

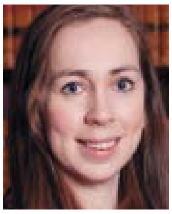
PARTICIPANTS

Lucy Barron
Partner, head of investment risk settlement
Aon

Lucy Barron brought a 20-year track record of providing strategic advice to pension schemes when she joined Aon in 2017. Barron leads Aon's specialist investment advice for schemes preparing for buyout, working closely with the risk settlement team. In the past three years, her team has helped 128 schemes align their assets for buyout.

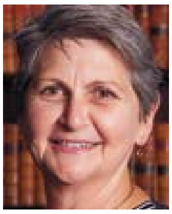
Colin Cartwright
Partner
Aon

Colin Cartwright is a partner in Aon's investment practice. He is the lead consultant to several defined benefit pension schemes worth between £100m and £1.5bn. Cartwright is also a member of the firm's investment risk settlement team where he helps schemes prepare for buy-in or buyout.



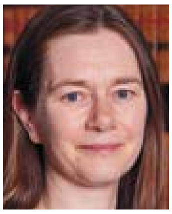
Charlotte Quarmby
Associate partner
Aon

Charlotte Quarmby is an associate partner in Aon's Risk Settlement Group and has advised schemes on around 60 buy-ins collectively worth more than £20bn. This has seen her complete transactions for retirement plans sponsored by ICI, British American Tobacco and 3i.Quarmby sits on the management committee of the Institute and Faculty of Actuaries' bulk annuity and longevity swap member interest group, which is responsible for driving changes to the industry.



Melanie Cusack
Client director
PTL Governance

Melanie Cusack became a professional trustee in 2009 after working for consultancies such as Willis Towers Watson.Today she works with defined benefit schemes on their liability management, risk reduction and endgame planning. Cusack's work is not limited to pension schemes, as she also helps charities and not-for-profits. She sits on The Pension Regulator's Diversity & Inclusion Working Group and is chair of the Winmark Pension Chair Network.

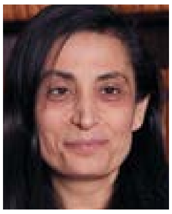


Elizabeth Hartree
Director
LawDeb

Elizabeth Hartree is a trustee with seven appointments across a range of defined benefit and defined contribution schemes. Before becoming a trustee, she was a lawyer working in private practice and for FTSE100 companies.
Hartree is experienced in journey planning and de-risking, including buy-ins and buyouts.

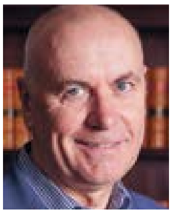
Jo Myerson
Trustee director
Ross Trustees

Jo Myerson spent 12 years as a pensions lawyer and then as a strategy and policy adviser at a £26bn scheme before becoming a trustee. She is Ross Trustees' restructuring lead working with schemes undergoing significant change, such as the sponsor being taken over. Myerson also works on liability-management, buy-ins, buyouts as well as complex funding arrangements.



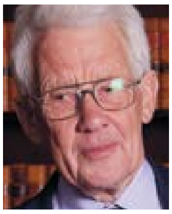
Tiziana Perrella
Professional trustee
Dalriada Trustees

Tiziana Perrella is a lead trustee based in Dalriada's Manchester office. A qualified actuary, she has worked with pension schemes for 20 years on risk settlement, leading more than 200 buy-ins and buyouts. Prior to joining Dalriada, Tiziana was a principal consultant within Aon's Risk Settlement Group, having joined from JLT where she was head of the bulk annuities team.



Wayne Phelan
Chief executive
Punter Southall Governance Services

Wayne Phelan specialises in investment, governance and endgame planning. The chief executive of independent trustee firm Punter Southall Governance Services started his trustee career working on direct pension scheme investment for wealthy individuals. He continued to work with pension schemes at consultancy Alexander Clay & Partners. Today he is chair of several schemes, the largest of which has £5bn of assets.



Alan Pickering
President
BESTrustees

Alan Pickering is a trustee of the retirement plan for plumbers and mechanical engineers as well as for workplace scheme The People's Pension. His experience is vast having served as a non-executive director of The Pensions Regulator and as a member of the Occupational Pensions Board. Pickering is also a former chair of the body that is now known as the Pensions and Lifetime Savings Association (PLSA). In 2002, he wrote A Simpler Way to Better Pensions, a government-sponsored report on the industry.

Endgame investing

A final salary pension scheme is a golden ticket to workers sleeping soundly during their retirement as they should not have to worry about running out of money. But while those lucky enough to be a member of such a scheme are enjoying their retirement, it is their former employer who is footing the bill.

And their former employer would also like to sleep soundly without worrying about paying pensions. There are options to hand the responsibility to someone else and it is something more and more companies are working towards. But which option is the most suitable? And how should schemes prepare for their specific endgame?
In the following pages professional trustees sit down with members of Aon's risk settlement team to find out.

What endgames are pension schemes favouring?

Alan Pickering: Most of the schemes I work with are thinking about the traditional route of an insurance buyout. It is a case of 'when' not 'if', but these days there is more choice.

Any consultant worth their name will sit down and explain the options to sponsors and trustees because we are on this journey together.

It is particularly challenging in the not-for-profit sector where the people making governance decisions are probably not pensions literate. It is difficult to engage those people because they see it as a legacy with no HR dividend so they want shot of it. You have to explain that they might damage their employees in doing that.

There is a marketplace out there so choose which bit suits you.

Melanie Cusack: On the legacy point, I'm a trustee of a large charity, which has been self-sufficient for years. When we told them they could remove all risk through buying it out, they said their covenant is vastly superior to any insurer so will leave it here and run it off.

There is more to it than getting it off a company's balance sheet. There are other considerations.

Colin Cartwright: Sponsors are looking at alternative ways to use the pension scheme efficiently on their balance sheet.

That could involve captive insurers or funding a defined contribution trust. However, running it themselves is ultimately a steppingstone to buyout. That is more of a 'when' rather than a 'not'.

Charlotte Quarmby: We are seeing clients considering cashflow matching to manage some risks either prior to transitioning to an insurer or consolidator, or when in a state of self-sufficiency. Cashflow matching can be used to create additional returns to either get them to buyout or to generate a buffer, but it needs the right partner to manage it properly.

Pickering: A disadvantage of having a long run-in to the endgame is that wisdom changes. Trustees have decided to invest in what insurers invest in, which was the mantra at one time. But it is important that as we take people along the journey that their hard-earned knowledge does not get stuck in a time warp.

Lucy Barron: Investing like an insurer is a diversified strategy with lots of cashflow matching-type assets, but for most schemes, self-sufficiency ends up being a staging post because people, corporate activity and funding positions change. Some of the assets bought when you were investing like an insurer become a barrier to passing assets to an insurer. So it is worth testing and re-testing what your true endgame is.

When we recently surveyed pension schemes, buyout had overtaken self-sufficiency as the preferred endgame for the first time. But they are just two options. That is the old world and there is now a range of other options to consider.

It is worth testing and re-testing what your true endgame is.

Lucy Barron, Aon

Are your schemes considering the other options, Elizabeth?

Elizabeth Hartree: The traditional insurer-led options still feature heavily, although we are also having conversations about capital-backed journey plans, where the interest is mainly coming from the sponsors.

Some clients also want to explore how a single trust for DB and DC could be used to address issues sponsors are concerned about, such as inter-generational unfairness.

Wayne Phelan: There are other influences driving this. Currency is one. Costs can fall dramatically for overseas sponsors. Depending where sterling sits, overnight it can become much cheaper for US-sponsored schemes to go down a traditional route.

Going back to the comment about peoples' views changing, there is more talk these days about surpluses and what schemes should do with them. Remember, these things will go against you again, so if you have a surplus, spend it as quickly as you can to secure benefits.

Then there are schemes that are not quite there but with a little bit of luck, some ageing of the membership and good terms, they will make it in the next three to five years without the sponsor having to write a cheque.

Then there are those who choose to invest in something that could deliver excess returns but the need for liquidity means there has to be a plan to exit less liquid holdings at the right time.

You could split schemes broadly in those categories, but yield increases mean most of my schemes are well funded. There are discussions around surpluses which are not captured because the scheme is missing pricing opportunities due to lack of preparation in other areas. As much as a transaction looks affordable, if you take a scheme to an insurer and the data is poor they will not be interested.

Hartree: That can be a challenge for project planning. I love a project plan, but there is a risk that people get too wedded to the timings in them.

We have talked about market opportunities due to attractive pricing or assets performing better than expected and there has to be an element of flexibility to be nimble when opportunities arise.

Pickering: I learnt late in life the importance of an expected return on assets to American sponsors. It can often influence the timing of a risk transfer as they may not want to take a hit to their profit and loss account.

A project plan needs to be sensitive to the non-pension aspects so an employer does not find out late in the day that they will have a lot of explaining to do on Wall Street if their de-risking has an effect on the expected returns.

Cusack: That has been a blocker for some of my clients. We wrote a project plan and had the data ready, but when we confirmed that they understood this will impact the profit and loss, they pulled the pin.

Perrella: That is why a conversation with the sponsor helps. Sometimes they want to buyout when they expect a poor year due to other activities or they have a balancing impact from other items so they do not mind losing out. The dynamics are interesting.

Cartwright: It is an important conversation. There was a scheme I worked with that was fully funded on a buyout basis. In 2018

I had a client who was fully funded on a buyout basis in 2008, but by the time I was appointed it had fallen to 50%. They had done nothing wrong; it was just where the world was at that time meaning buyout was much cheaper.

Pickering: It is important to have a project plan. The employer and trustee need to ensure that not only do they have the right ducks, but that they have their ducks in the right order. It's about maximising the efficiency of the DB transfer and then deciding what to do with DC. You need a project plan to ensure that you are not caught unaware further down the track.

Tiziana Perrella: My schemes have a clear vision as to what they need and what they are missing. Scheme data is usually below par as far as the insurers are concerned, which is a big issue. Sometimes your project plans concentrate on those aspects.

There are sponsors where the perceived painfulness of the pension scheme – due to its size or a corporate activity that they want to pursue – means they want to get rid of it. If they have to pay to do that, they will pay as much as they can afford.

It saddens me that so much brain power has been allocated to DB with DC almost standing for 'Don't Care'.

Alan Pickering, BESTrustees

we engaged with the sponsor but they did not want to get it off the books for a number of reasons.

So we took steps to de-risk and match buyout pricing. A lot happened in the two years that followed so we were able to buy the scheme out in February, returning a healthy surplus to the sponsor.

The early engagement helped us to manage the uncertainty. We found out how it met their corporate objectives and aligned the trustees with their investment strategy and planning, giving us time to get out of hedge funds, for instance.

It took us three years to buyout, but it met everyone's objectives and was driven by the early engagement.

Cusack: A three-year period also gives you an opportunity to deal with the data. Doing benefit specification today lets you know if there are any pieces of paper you need to find so you can take it forward at a pace that suits.

There is a misunderstanding that if your funding position is good you can buyout. You can't if you do not have the right data. The project plan is a way of teasing out the issues, although you may not go with that plan.

Hartree: Sometimes there is an element of an 'essay crisis' and people need an impetus to get their ducks in a row.

Jo Myerson: I am a fan of an essay crisis because it is quite effective, it is cost effective – the advisers look at something once and focus on it properly because of the tight timeframe rather than picking it up and putting it down again over a longer period.

Cusack: I agree that it is inefficient if there isn't some form of pressure. I have a scheme where the benefit spec revealed a lot of errors and we are trying to make sure members are getting the right benefits. Going to buyout within 12 months would be impossible because no insurer would back it.

Pickering: An American company I have been working with wants to transact in December 2022, which is the most benign check date for their profit and loss. I do not mind the sponsor having a deadline of December, but I am not going to allow the administrator to have a deadline in December because they want to go on holiday in the summer. It is no excuse. They have to have their feet held to the fire.

Cusack: The dashboard will help with that. You have to get your data right for the dashboard, so in theory there will be more work on the data.

How are raging inflation and rising interest rates affecting endgames?

Cartwright: Perversely, the market turmoil has been beneficial for some funding levels. Whether that is because schemes hedged the retail price index or that insurer pricing has become more competitive with spreads widening.

If you had a proper plan coming into this with an eye on dealing with legacy issues such as liquidity, you have been able to make transactions from the funding gains we have seen this year.

Perrella: I would add that there are old-style fiduciary arrangements for some smaller schemes, particularly where when you try to disinvest you find all sorts of issues with timing and costs.

Trustees and sponsors need to be aware of the disinvestment timeline and process. Sometimes people do not fully understand it, which can stop you from moving quickly when you see that it is the right thing to do.

Cartwright: Going back to project planning, there are sensible steps you can take such as letting your custodian know you are planning a transaction or keeping the signatories up to date. That preparation does not sound exciting but it is important.

Barron: For years the focus has been on preparing benefit specs in advance, thinking about the data, but increasingly trustees are thinking about the assets before getting anywhere near a transition, looking for roadblocks. It often comes down to managing illiquidity, while complex LDI arrangements can be another roadblock for some schemes.

From an assets perspective, we help schemes make sure they have a flexible toolkit to match insurer pricing as they get closer to entering the market, especially if affordability is tight. That reduces costs and risks, but also gets an insurer on board. They do not want to spend time looking at your scheme only to find that buyout becomes unaffordable because you are holding assets you cannot sell or which poorly match insurer pricing.

Hartree: One of the first questions we will be asked when taking a scheme to market is about the assets and what steps have been taken to de-risk. When insurers are busy they do not want to invest time in a transaction that could fall away at the last minute. You must demonstrate that you are prepared, not just on the data and the benefits, but on the assets, too.

Perrella: There is a different dimension to that. Insurers' appetites vary depending on scheme size, duration and profile, so you have to understand what segment of the market a scheme belongs to. You need experienced advisers across the whole piece.

Pickering: A trustee-specific issue is post transaction protection. If the trustees do not realise until the eleventh hour that once the scheme has no money they will be depending on insurance or internal indemnities to guarantee that they will sleep at night for the rest of their lives because ambulance chasing lawyers will not come after them claiming the benefit payments are wrong.

You do not want to double bank external insurance and internal indemnities, but it is important to send trustees into retirement with peace of mind.

Myerson: A conversation I have with my schemes is should we go for residual risk cover or just do the investigative work and take comfort from having done the due diligence and solved the issues that came up. So it's unlikely that anything else will

There is a misunderstanding that if your funding position is good you can buyout. You can't if you do not have the right data.

Melanie Cusack, PTL Governance

be found to make the cover worth paying for. Clients are saying they have done the work and do not then want to pay the extra 1% to 2% because they have done enough.

Cusack: We always think we do the work, but experience shows that something comes out of leftfield or someone does not have the right information.

Pickering: I have a client who invented the paperless office before the computer came along. There is a lot of "you will be okay; you have this entitlement". No matter how much due diligence we do, we will not avoid a disenchanted executive saying they had a promise that we have not kept."

Hartree: It is part of seeing the end from the beginning and going on a journey with the sponsor. Do they understand that after the deal has been done that it is not the end of the matter?

Alongside that, who is advising the sponsor? We expect that their corporate advisers need to do their job.

What will make this run smoothly is tag teaming. Your advisers are talking to their advisers, your lawyers are talking to the sponsor's lawyers. It is like a three-legged race which we are all trying to get to the end of.

Cusack: It does not always work in practice. Our lawyers may not like the sponsor's lawyers, for example.

Hartree: The trustees can then have a role in making people play nicely.

Cusack: But what if the trustees believe they are in a position to buyout and the sponsor is not engaging? Do the trustees sit on their hands and manage the scheme indefinitely incurring costs or do they go to buyout if it will not cost the sponsor?

Hartree: I wouldn't recommend it because you will come unstuck at some point. It comes down to does the sponsor understand where the balance of power lies.

Pickering: It goes back to making sure the employer is properly tooled up. It might be that their existing adviser relationship is not appropriate, particularly if it is a small company.

That is one of the good things about the regulator guidance for consolidators. They have to make sure employers are not receiving advice from someone in Guildford high street who spends most of their time giving divorce guidance. They will be out of their depth on this and you have to warn the employer that they are not working with the right team.

Does the size of the scheme make a difference when trying to attract an insurer?

Quarmby: Insurers often prefer larger schemes. There can be various reasons why but one reason is that part of their work is fixed, and therefore does not vary too much depending on the size of the scheme.

For smaller schemes – those below £100m – the challenge is getting enough insurers to quote and to negotiate an attractive price and favourable commercial terms. That comes down to getting the attention of insurers, which is the real challenge.

Some of the smaller schemes are not necessarily that simple. For example, they may have complicated benefits. These schemes have to work even harder to get insurer engagement.

Barron: What is the answer? What can they do?

Quarmby: It is about streamlining the transaction as much as

The capital-backed journey plans do not want to transact with weak sponsors because they do not want to become a consolidator.

Colin Cartwright, Aon

possible so it is appealing to the insurers. As a result of the challenges smaller schemes face, we have developed a service called Pathway. Using pre-negotiated contracts and a carefully designed process, insurer engagement is maximised and smaller schemes get access to much better pricing and commercial terms.

Perrella: It goes back to it being not just what you do before the transaction. The insurer will be involved during the data cleanse process and if the data is messy and the timeline is extended to complete the process there will be a lot of work for the insurer. That before and after is not just relevant for the trustees but for insurers, too.

But some insurers do like smaller schemes, they like the diversification. They also like to provide a service to the whole market. I have never struggled with placing a well prepared small scheme. There will continue to be a market, it is just that the benchmark for what well prepared means has become more challenging.

Wayne, do you approach large and small schemes differently?

Phelan: We have a strange relationship with the insurance market. When insuring your car, you put into the system that it is a car. But with these transactions we have to make a storyboard of how prepared and wonderful we are to be insured. We have to paint everything we have done to not only to express our seriousness but that we are not a big risk. It is unusual in that sense.

Schemes which have appointed a professional trustee are probably engaged enough to think about these issues. Schemes which have not are going to struggle that little bit more.

I have a client who has five defined benefit pension schemes on the path to full buyout. There is a timeline we share with insurers when we do a transaction which explains that another transaction or scheme will be coming down the line so come and talk to us about a price. That has been helpful.

Is pricing good at the moment?

Hartree: It has been an interesting dynamic. At the backend of last year, a lot of business was written, but the market was quiet at the start of this year. Many insurers have half-year targets and want a good news story to share. They have not written that much. So there is good pricing as a result of insurer demand.

Perrella: The market is getting progressively busier. A number of larger schemes hit the market this month. Depending on the geopolitical situation, it could be a repeat of last year which is good news for brokers.

Barron: The market conditions aspect is interesting. Schemes have had a boost from rising interest rates if they have not fully hedged their liabilities and also from inflation rising if there are specific maximum limits on pension payments when inflation is higher.

Credit is a little cheaper, which is also driving pricing. So do you have the right allocation to credit and can you lock-in that good insurer pricing even if buy-in/buyout is some way off?

Pickering: Lucy, what is affecting the insurers' ability to line up assets now that they may deploy later in the year against the background of geopolitical mayhem?

Barron: They are looking for illiquid credit. As insurers line up those assets, having your scheme at the front of the queue, ready to transact, means you are getting better pricing because you are getting the benefit in pricing of those higher-yielding assets which is key.

Pension schemes and insurers are looking at gilts, corporate bonds and illiquid credits, while assets with an ESG flavour are becoming increasingly important.

Is ESG compatible with what insurers look for in portfolios?

Barron: Pension schemes are doing more in this area by setting policies on their expectations for ESG. There are certain things

schemes are increasingly doing as they approach insurers or following a buy-in.
For example, we are seeing more due diligence on insurers' ESG capabilities and, in some cases, decisions are now being taken based on ESG considerations. Insurers are looking to do more in this area, too.
Phelan: An insurer will have more bandwidth to do something on ESG. A lot of defined benefit pension schemes will be with an insurer by 2050, so talking about what their investment strategy will look like by then is not quite truthful, because they will be gone by then.

Why do some schemes opt for a buy-in instead of a buyout?

Pickering: You would normally go for a buy-in before a buyout. One of the challenges on the journey is to determine if you should wait for one big buy-in or do smaller buy-ins along the road.
That is where you need the advice of someone who is experienced and can tell you if you are going to decrease your firepower by doing lots of little buy-ins. Whereas others will tell you that is the way to transition. For technical reasons, most go to buy-in before buyout, which gives you a window to sort out your data and your sleep-at-night policy for the trustees.
Phelan: Typically, it is the age of the membership that is going to be a barrier to buyout. It is cheaper if most members are of pensionable age or beyond.
Waiting is an alternative to buy-in or buyout. Having your capital sitting waiting for the scheme to mature makes it cheaper. This also allows you to close off longevity risk, which schemes are not exploring too heavily.
Perrella: One of my deferred only transactions was pushed by the sponsor. They were happy to run the risk of a pensioner payroll that in real terms would decline. They would have to pay contributions from the payroll annually but wanted to do a partial buyout of the deferred members, which they saw as the bigger risk.
We had a good price from an insurer for that one. It was unusual but it makes sense if you have the appetite and funds to pay that deferred premium.
Barron: A few things are coming together for schemes. As they de-risk their investments longevity becomes an increased component of overall risk. At the same time the LDI portfolio is becoming less leveraged. We are seeing buy-in pricing well above the return you could achieve from continuing to hold gilts on some pensioner transactions, which is attractive.
In some cases, the sponsor of a larger scheme is happy to take a profit and loss hit, but they want it to be phased to avoid a single large hit. This can be achieved with partial buy-ins along the journey. Planning ahead and thinking through the timeline has a role to play.
Cartwright: When you are doing buy-ins, along the way it becomes an investment decision around are these the right assets. We spend a lot of time with our clients looking at what

If you take a capital-backed journey plan you need to have a stronger covenant so you can sweat the assets.

Jo Myerson, Ross Trustees

> **Insurers' appetites vary depending on scheme size, duration and profile, so you have to understand what segment of the market a scheme belongs to.**
>
> Tiziana Perrella, Dalriada Trustees

it means for the residual strategy. What are you going to leave behind and can it cope in different market conditions? We stress test the residual strategy for different leverage levels in the LDI portfolio and higher return requirements, if needed.

Do you retain the flexibility in your residual strategy to manage in different market conditions to achieve your goals? If that works, you can do a number of transactions along the way.

Myerson: That comes down to having the right advisers. Not every adviser will be as assiduous in making sure a journey of several buy-ins works for everyone because there is, of course, a premium for them doing the buy-in work themselves. I have seen buy-ins where the residual assets are not sufficient to provide growth at a steady rate of return, so the sponsor has been badly advised.

Cusack: I have a sponsor whose adviser is telling the trustees that that they must do a buy-in. The sponsor is offering a lot of money to do it. But the amount they are offering, the residual assets and the time horizon do not stack up.

They said they are not looking to buyout at the moment; they are looking to manage their longevity risk. The trustees are concerned that they are cutting their nose off to spite their face.

Barron: We can help with those stress tests to make sure the illiquidity risks of doing a buy-in are understood as well as the benefits. If the interest rate falls that have happened over the past 10 years reverse, how will your liquidity look when yields rise and equities fall?

Pickering: This underlines the importance of having a project plan and being nimble. Often the project plan can envisage an intermediate asset class and the cost of roundtripping in and out of that asset class may be sensible over eight years, but at five years the cost dwarfs the investment benefits. One needs a project plan but one also needs an adviser to say we do not need to apologise for changing the project plan.

Hartree: You need a can-do adviser. When talking about long-term planning, are you holding anything too illiquid? There is usually a way around things, there is usually a price. If that is understood on both sides, the sponsor could be happy to take a haircut. There will be a market for it, but you do not want your adviser to say there is nothing we can do as it does not mature until 2023. You need them to say, we can do x, y and z.

Perrella: There is a difference. Some assets are illiquid and some are very illiquid. The timeline for this disinvestment could be anywhere between six months and five years, although it is generally only a small proportion of a scheme's assets that are sitting there.

Part of the preparation is having proactive advisers looking at when is the right time to come out. It might be later on if the assets are delivering good returns and we then accept the risk of a significant haircut. Or we start the disinvestment process earlier.

That is sometimes because there is no pressure, addressing the issue just gets delayed until you reach a certain funding level and then you are stuck with it because the timeline becomes problematic.

Phelan: There is also a degree of challenging people along the way. You would not build up a massive allocation to illiquid assets, but even if you took a haircut, and you probably will, you could get a good return. We did it with one scheme where we recovered most of the money.

But you have to make sure those who say it is difficult to get out of these things are not holding onto them because they are paid to. There might be some push to do it and there might be some push to not do it. There are so many competing tensions in this.

Barron: You have to think about your endpoint when you are going in. A large scheme that bought out recently went into an illiquid asset, which had a complex tax structure because it gave them a slightly higher yield. They later found out that this was a significant barrier to any insurer taking the asset and impacted the sale price they could achieve. Thinking that through in advance is important.

Perrella: You can manage illiquids if you have a strong sponsor who can loan you the money, you can disinvest over a period and repay the loan. That has happened in a number of transactions.

Pickering: Having a 12-month period before your money is drawn down is helpful. I had a trustee board where there was such a waiting period. The asset manager had not called down any of the money during that period so we cancelled without penalty. Buy-in/buyout became nearer during those 12 months and the trustees were bright enough to know that it does not make sense anymore because the period is much shorter. So you may not have to pay an exit fee.

This market is not just about insurers. There are other options. What do schemes have to do to attract a consolidator?

Cartwright: The consolidator market is an interesting, and hopefully welcome, addition to the endgame options for pension schemes. We are yet to see the first deal, but hopefully that will not be far off.

Many of the considerations are similar in that you need to prepare your asset strategy and benefit spec. There are additional conversations around whether you will pass the gateway test, or if you could ultimately get to insurance. It will be an easier conversation for schemes whose sponsor is weak.

Alan, you are the chair of trustees at Clara. What will it take to get you to go with a deal?

> **It is about streamlining the transaction as much as possible so it is appealing to the insurers.**
>
> Charlotte Quarmby, Aon

Pickering: Clara is trying to make sure that resources are not needlessly wasted. Not only does the regulator set a high bar for potential deals to clear, but Clara has a triage due diligence process up front so we do not waste money and neither do potential clients if the deal cannot be consummated.

Clara is trying to be frugal with its assets because we would rather use our money to pay benefits than consultancy fees. There will be a high bar.

The other point is the due diligence an insurer would go through in terms of liability precision and the quality of the incumbent administrator. Although Clara has an administrator, during the transition it will be dependent on the efficiency of the incumbent administrator who knows that their time is limited. It is a case of running a tight ship.

It is not my job to sell Clara, but I will tell the seeding trustees that if they decide to come with us their members will be treated like foster children. There are the softer and human aspects to these transfer arrangements. If you are transferring

your members to an insurer the seeding trustees want to know that the foster parents will do a good job.

Cusack: Mark, you posed the question, what should schemes do to be attractive to consolidators? Surely, you should have asked, what should consolidators do to be attractive to schemes?

You are right about that, Melanie.

Pickering: It is not in anyone's interest for the pensions industry to waste money on deals that are never going to be consummated. Clara and the other consolidators should decide early in the process if a deal has a fair chance of being consummated. You are wasting the sponsor and trustees' money if a consolidator spends 12 months talking to you and the deal fails. Some intensive triage at the beginning could avoid all that heartache and expense. It takes two to tango.

Cusack: Who drives the conversation? Is it the sponsor who wants the trustees to pursue going into Clara, for example?

Cartwright: On the occasions we have looked at this over the past two years, it has been a bit of both. Sometimes it has been a distressed situation where the sponsor has gone bankrupt and a consolidator is an alternative option.

I have also seen sponsors lead interest in the project because they see it as a cheaper way to get liabilities off their balance sheet.

Sponsors also like to hear new ideas. Given that Clara is the only consolidator to receive regulatory approval and is yet to do a deal, people are watching and could be more interested once the first deal is done.

Planning and engagement are needed to understand what you are trying to achieve. We had a client last year in the capital-backed journey plan space. When we went through the detail to get it right, we realised that they were not far from full insurance, so we went down that route instead.

Perrella: Capital-backed journey plans are not difficult for trustees to assess. Essentially, what you are looking at is securing a yield for an acceptable level of risk. If you could secure the same yield for less risk elsewhere then go down that route. If you go to Clara you need to look at outcome by member. And the advisory process is more complex.

Myerson: I am surprised to hear that. There is a difference in covenant strength. If you take a capital-backed journey plan you need to have a stronger covenant so you can sweat the assets.

Perrella: I understand that, but I was talking from an investment perspective, subject to due diligence on the backers.

Cartwright: The capital-backed journey plans do not want to transact with weak sponsors because they do not want to become a consolidator. There is a little regulatory arbitrage which the regulator will look at but the capital-backed journey plans have spent time proving they are not a fiduciary manager or consolidator.

Conceptually, the consolidators are easier to understand. When you look under the bonnet of a lot of capital-backed journey plans there is more to understand than you are guaranteeing yourself extra yield. What are you giving up in return for that? But they are a welcomed addition to the pensions space and I would like to see the consolidators and capital-backed journey

You might think you are heading for self-sufficiency, but you could be at buyout or buy-in or another option much faster than you think.

Wayne Phelan,
Punter Southall Governance Services

plans gain traction so we have more options to secure members benefits.

Cusack: I will be interested in the first transactions. From a trustee's point of view, the covenant aspect becomes crucial. Our guidance is all about the covenant.

I get the distressed aspect. There are many overseas sponsors walking away from the UK. For a run-of-the-mill scheme, the compulsive argument from a covenant perspective is not there, so where does the interest come from?

Cartwright: I have seen interest from sponsors when their relationship with the trustees has broken down and they want to exit.

Sponsors have a greater focus on efficient management of capital on their balance sheet. Is there a way to remove that liability or are the accounting profits coming through? Sponsors are looking at that, they see it as a new idea.

A number have moved on, which is part of the triage we do before it gets to a consolidator because no one wants to waste their time.

There is a demand to secure members benefits in the most capital efficient way. New ideas will gain interest and traction.

Cusack: I agree that having alternatives is helpful. If insurance is not the only route, then you do not have to pay a premium to buyout.

It is good to have competitive tension provided the options are suitable. Some options will appeal in some situations more than others.

How are schemes opting for self-sufficiency preparing their portfolios?

Phelan: It depends where you are on being hedged. Most schemes are well hedged, so their journey is largely done. But there are some who are a way off completing that journey, so self-sufficiency is still a landing post.

It is back to speed and nimbleness. You might think you are heading for self-sufficiency, but you could be at buyout or buy-in or another option much faster than you think. There is a lot to play for in terms of what your investment strategy does for you.

Cartwright: Self-sufficiency is interesting from an investment perspective. Once you get down to low required returns – gilts plus 1% or below – there are many ways you can achieve that. It comes down to philosophy: do you like credit or equity risk? Do you believe in diversification or simplicity and lower fees?

When we need high returns, equities or private equity can get us there. When we need low returns, there are more options, which make decisions harder but also more fun in working out what is important for the investor.

Pickering: I have been a trustee for 41 years. What makes me feel young is people talking about captives. When I first started, captives were used in a range of financial planning. Now they are being discussed as a possibility to give employers the best of all worlds, providing that they keep their books open.

Some argue that a captive is the nearest an employer is going to get to a free lunch.

Cartwright: We are talking to clients about if this a sensible way to manage the risk and is an efficient use of capital.

The insurers are making money. Whilst they are securing our members benefits, is that a way for the company to access those profit streams over the long term? It is an interesting discussion.

There are lots of hurdles to get over and it will not be the answer for everyone but is another option to get our members paid.

Hartree: What is driving that self-sufficiency? Is it coming from the sponsor? Some companies see looking after employees to the grave as part of their mandate. So they might have some interesting illiquid portfolios. This is supportable, but will it flip if they get a new sponsor or a change on the trustee board? Then you have problems if you hold something you cannot transact.

Cusack: Self-sufficiency means different things. To some it is a fully funded level with a buffer so the trustees can pay the expenses for the employer the scheme would be truly self-sufficient. They will need an income generator to provide that buffer as compliance costs go up and up. Then you have an age profile, which is mainly deferred, and a liquidity point that makes it an interesting dynamic.

You are not just seeking to close a gap; you are seeking to preserve a position and meet the liquidity requirements for paying pensions. It is interesting when you take buyout off the table as some employers do not want to pay an insurance premium.

Where will the endgame market be in 10 years' time?

Cartwright: We will see greater capacity coming into the insurance world and could see £40bn, £50bn or £60bn worth of deals each year. Trustees will become more comfortable with the different options and more of them will be looking at the endgame. Most of their population will be pensioners and we need to have solved most of our problems because there is not a lot of time left when all your members have retired.

Barron: There has been a lot of innovation, which we need to continue seeing. There is about £1trn of pension scheme liabilities looking to buyout or considering an alternative option. That means we might see a £50bn a year market which will have lumpy demand due to lots of schemes arriving during a good year for equities or when yields go up.

If we go back 10 years, LDI was not used by everyone, now it is widely used. Schemes heading towards buyout will see matching credit sensitivity in insurer pricing using tools like synthetic credit in the same way as LDI has been used to better match interest rate and inflation risk in the liabilities.

Pickering: The biggest dividend of getting DB to a good place in 10 years' time is that we can harness the brain power of Colin and Lucy to look after DC members. They need a lot of help given that the shareholder is not financially on the hook. It saddens me that so much brain power has been allocated to DB with DC almost standing for 'Don't Care'. In DC, the brain power is used for the benefit of the member rather than the shareholder. That is a big step forward.

Some companies see looking after employees to the grave as part of their mandate. So they might have some interesting illiquid portfolios.

Elizabeth Hartree, LawDeb

Lucy Barron is head of investment risk settlement and an investment partner at Aon

PLANNING FOR BUYOUT – OPTIMISING YOUR POSITION WITH INSURERS

Many schemes choose full buy-in and subsequently buyout as their ultimate endgame, driven by the certainty that payments will be made to members as they fall due. However, any number of risks can emerge through the process.

One such risk is that posed by assets not matching movements in the scheme's liabilities. Schemes have generally tried to mitigate this risk using liability driven investment (LDI) and gradual asset de-risking. However, early strategy-setting and a flexible asset toolkit can also play an important role in risk reduction.

Strategic buy-ins

For schemes with a longer time to buyout, generating high returns to outperform the liabilities may seem like the only option to improve funding levels albeit with the potential for significant volatility along the journey. However, the insurance market may offer options to help stabilise the funding position through a phased or partial buy-in approach – a strategy favoured by a growing number of schemes. Buy-ins also have a role to play when schemes reduce their investment risk and find that longevity risk becomes increasingly significant. A partial buy-in involves investing in an asset which exactly matches the risk profile and cashflows of a pre-determined section of your liabilities (usually pensioners). Using a strategic buy-in can pay dividends in dampening funding volatility. Additionally, recent market experience show that schemes that have already completed a buy-in transaction are often favoured by insurance companies. Why? Because it demonstrates good preparation and a commitment to transact, and this can ultimately lead to better pricing offers.

While securing buy-in or buyout may require a financial contribution from the sponsor, this can be reduced, or even removed, through diligent preparation of data and benefits and by well positioned assets for any upcoming transaction.

Asset preparation

As a scheme gets closer to buyout, structuring the investment portfolio so that it more closely matches the risk profile of the liabilities can be done in various ways. For example, gradually reducing allocations to growth assets and replacing them with less risky and better matching assets can help to stabilise funding levels. Also, investing in assets which hedge interest rate or inflation risks and better match the credit sensitivity in insurer pricing can allow assets to move in line with the corresponding hedged liabilities.

For some schemes, the investment strategy may be anchored by an illiquid asset, such as a holding in physical property, closed-ended direct lending or property debt funds. Forced selling of this asset, to make room for a transaction, could mean having to accept a lower price than expected, ultimately creating a shortfall from the premium payable. Thinking in advance about the exit strategy from assets such as these (as well as considering possible timeframes and targets before investing in new illiquid assets) can help to maximise the return achievable and avoid delays when transacting with an insurer.

Price-lock portfolios

In the years and months ahead of a potential transaction, it is also helpful to consider which assets may be attractive to insurers as part of a transaction. Many insurers will provide a 'price-lock portfolio', which means that during the negotiation phase of a transaction the price payable will move in line with an agreed basket of assets until the deal is done. Investment in the types of assets typically included in these price-locks will mean that good preparation will not be undone in the final few weeks before completing a transaction.

Synthetic credit

Investment strategies at insurance companies are designed to be 'safe havens'. As such, they hold many of their assets in government bonds and investment grade credit. Holding an element of credit can help assets move in line with the price-lock offered by an insurer – the most efficient, and cheapest, way to build this exposure is through synthetic credit. This provides exposure to credit that is more flexible and quicker to adjust to match a specific insurer's pricing basis than physical credit. Synthetic credit also has held its value better than investment grade corporate bonds in periods of significant market turmoil such as the global financial crisis and the onset of the Covid-19 pandemic in March 2020. Synthetic credit also incurs lower transaction costs in the process.

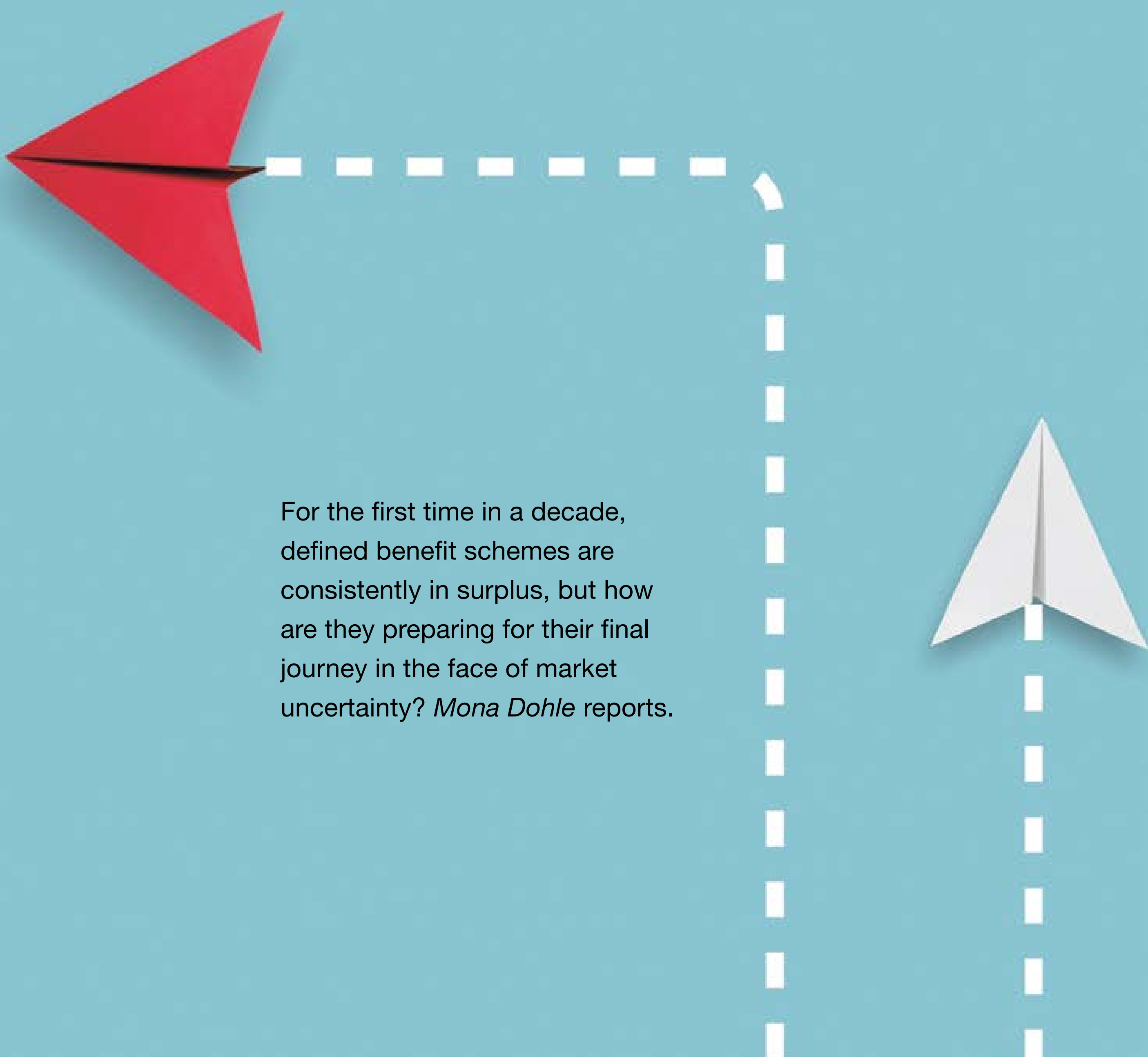
It is never too early to start planning for buyout – a key part of which will be making strategic investment decisions to align portfolios to this objective. Aon's risk settlement and endgame investment experts can bring clarity and confidence to investors as they navigate these decisions to better position themselves with insurers in the future.

CASE STUDY: PREPARING TO REDUCE TRANSACTION COSTS

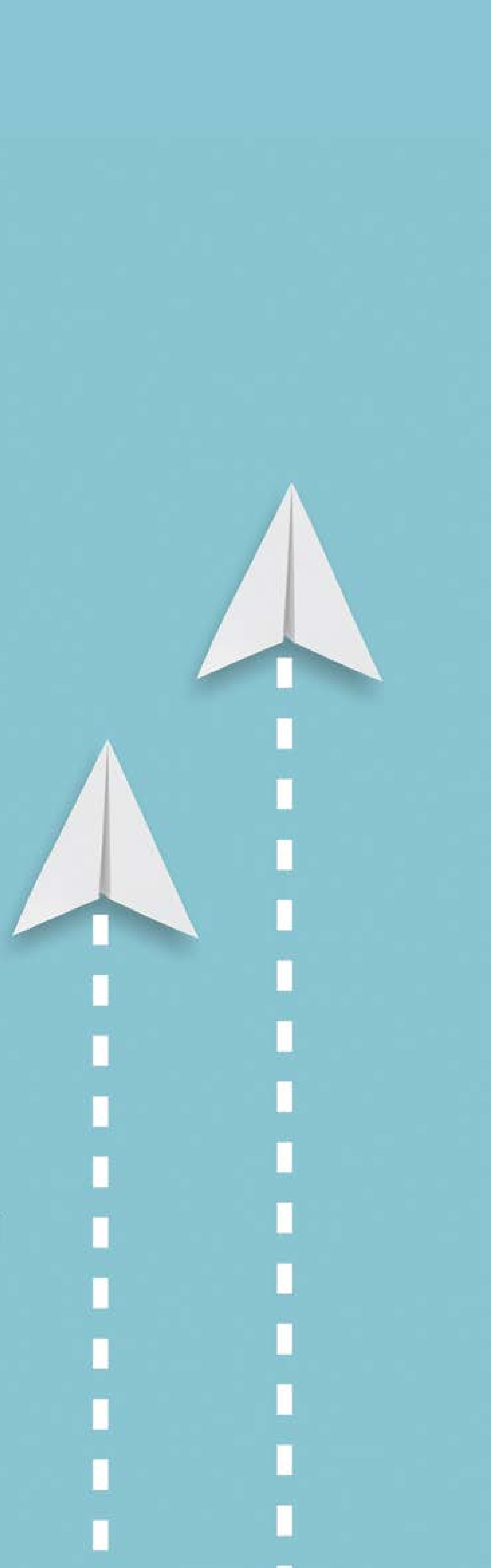
Aon has vast experience of successfully preparing scheme assets for buyout. One recent example of our success was leading a long-standing client to achieve its target much sooner than anticipated. Originally anticipating an insurance transaction in about 2025, our investment team structured the portfolio accordingly, with outperformance accelerating the scheme to full funding on a solvency basis by 2020.

Mindful of the impending transaction, and because of excellent asset preparation, **within one day of the trustee selecting the insurer**, the assets were able to be moved to precisely match the specific insurers' price-lock. This translated into significant savings for the client, with market movements at the time meaning that if it had taken one week rather than one day to match the selected insurer's pricing, **the mismatch would have added £1.2m to the cost of the transaction (c.£400m transaction)**. In addition, if this had happened in the most volatile week of 2021, it would have added more than £4m to the cost.

TARGETING THE ENDGAME



For the first time in a decade, defined benefit schemes are consistently in surplus, but how are they preparing for their final journey in the face of market uncertainty? *Mona Dohle* reports.



With the majority of defined benefit (DB) pension schemes closed to further accrual, one chapter of the UK's pensions history is gradually closing. Indeed, the number of people enjoying a guaranteed retirement income backed by a corporate sponsor is shrinking.

Pension scheme liabilities have been weighing heavily upon corporate balance sheets and most sponsors would like to see the back of them sooner rather than later. But the process will take time. In the meantime, trustees are being charged with ensuring that scheme members receive what they are entitled to. A difficult balancing act.

More than 70% of schemes are looking to de-risk through passing the responsibility of paying their former employees' pensions to an insurer within the next 10 years. Some are more ambitious, with 39% aiming to achieve this within the next five years, says Mercer.

Yet with the events of the past few years showing how quickly conditions can change, a key question for many DB scheme trustees is: how do they manage their final years? With central banks on the verge of introducing monetary tightening and bond markets being historically volatile, the de-risking process has become less predictable.

For instance, rising gilt yields have been good news for fixed income heavy investment portfolios. For the first time in more than a decade, final salary pension schemes have been consistently in surplus during the past year, according to the Pension Protection Fund (PPF). By the end of February, DB schemes in the PPF universe booked a solid aggregate surplus of £133bn, giving them a funding ratio of 109%. In contrast, just two years ago, the aggregate deficit stood at £124.6bn, meaning that final salary schemes were only 93% funded.

This stark improvement is, of course, driven by the marginal rise in gilt yields combined with relatively favourable asset price valuations. But experienced trustees know that the pendulum could easily swing to the other side.

Another threat is a potential rise in inflation, which could wreak havoc on fixed income heavy portfolios. Granted, the majority of mature DB schemes have hedged most of their inflation and interest rate risk, but 70% of plans are not fully covered, according to Mercer.

A good year

With DB balance sheets at generally favourable levels, now might be a good time to grasp some opportunities to de-risk more of their liabilities. It is no wonder then, that insurance companies are predicting a strong year for buyouts.

But are trustees following suit? Buyout providers are optimistic that they will. Rohit Mathur, head of international reinsurance business at Prudential Retirement Strategies, believes that the market will continue to grow. "All indications are pointing to a strong 2022," he says. "It's early in the year but consultants are predicting a similar market to last year, perhaps even a little bit higher at between £30bn to £40bn worth of PRT buy-in and buyout deals. Looking at the pipeline, that is a realistic assumption."

But the flow of transactions in the bulk annuity market has slowed somewhat. Following the record years of 2018 and 2019, where transactions worth in excess of £40bn were booked, growth slowed to £30bn in 2020 and £28bn last year, according to Barnett Waddingham.

Mathur believes that 2022 could be the year where a number of larger retirement funds pursue buyout transactions, chiefly because UK schemes are much further along their journey and bond market volatility offers a chance to lock in favourable rates.

"Volatility could also mean that there may be more opportune times in the market where pricing becomes more attractive. We saw that in 2020," he says. "Again, the key is, are you ready to transact, have you done your homework?"

Dinesh Visavadia, director at Independent Trustee Services, agrees. "Credit spreads have widened. That gives a real good opportunity for many schemes and pushes them towards the buyout or buy-in region.

"They are now within touching distance of that," he adds. "That is an unusual situation to have within the corporate setting."

Shortfall

But the flipside of volatility is a dent in investment returns and stark swings in asset valuations for schemes that may be further away from a buyout scenario and are not fully hedged. The onus is now on the trustee to form a plan to manage those liabilities, says Alan Pickering, president of BESTrustees. "There is tremendous pressure on sponsors with a legacy DB scheme to try and take advantage of either risk transfer or the various forms of consolidation that are coming onto the market."

For those schemes, bond market volatility can be stressful, says Kevin Wesbroom, a professional trustee at Capital Cranfield. "One month we are talking about £57m in liabilities and the next month it is £67m. That is pretty scary.

"Last month interest rates changed by 30-basis points in just one day," he adds. "Those are the sort of things that lead you to believe that if you want to get anywhere near a buyout, you want to fully hedge your interest rate and inflation exposures.

"Realistically, for schemes that are not fully hedged, buyout has moved a bit further away, unless you have a benign sponsor who is prepared to put more money in. I do not see many sponsors doing that in the current environment," Wesbroom says.

Another way to cover the shortfall might be by increasing the investment return targets in the liability-driven investing (LDI) portfolio, Pickering says. "Schemes that are a little further away from a buyout may be reviewing their asset allocation and looking at the leverage within that LDI portfolio to decide whether there are other near cash assets that might provide a little extra return and could get them even closer to their destination more quickly."

Pickering believes that there are now opportunities to move from the cash element within the LDI portfolio to credit or near cash with varying degrees of longevity. "Obviously, you have to avoid an expensive round trip. You would not want certain asset classes that you could not get in and out of within a few months because of costs. But these are opportunities to bring forward the time when you can affect a risk transfer," Pickering adds.

In Pickering's experience, schemes looking to position their portfolio for a buyout would not necessarily have to mirror the portfolio of the insurer. "It is rare for schemes these days to transfer in specie. You might want to mirror what the insurer will be doing, but there is no guarantee that the insurer will take your assets in specie," he says, adding that liquidity and avoiding high entry and exit costs should be the key priority. "The aim is to get the sweet spot between the premium from going slightly away from cash without increasing the round trip," Pickering says.

For Visavadia, a key problem with planning a buyout is the opaqueness of pricing. "My biggest concern is that I can understand what markets are doing and where my investments are going but I just do not understand the pricing mechanisms insurance companies have. It is a dark world and there is no

My biggest concern is that I can understand what markets are doing and where my investments are going but I just do not understand the pricing mechanisms insurance companies have. It is a dark world and there is no transparency around it.

Dinesh Visavadia, **Independent Trustee Services**

It is rare for schemes these days to transfer in specie. You might want to mirror what the insurer will be doing, but there is no guarantee that the insurer will take your assets in specie.

Alan Pickering, BESTrustees

transparency around it," he says. "It is not clear whether I need to hold 100% or 110% of my technical provisions because the price changes almost every week and we cannot track it in any meaningful way," Visavadia adds.

"Another problem is that as schemes are better funded, the supply-demand equation changes, and as demand for buyouts goes up, the price goes up and that might mean that none of us can afford it. The opaqueness of the pricing of buyout deals is really uncomfortable," he adds.

Packed lunch

But a buyout is by no means the only option on the cards, and it is the most expensive way to deal with outstanding liabilities, as most trustees are well aware. They have to target the most prudent funding level, factoring in the insurance premium they would have to pay for disposing of their liabilities.

And trustees, by nature, have to be frugal. Their priority has to be the financial interest of scheme members, rather than that of the sponsor or insurance company. However, on the journey towards the endgame, the home-made sandwich, also known as self-sufficiency, has for the first time been overtaken by the slightly more expensive prepacked meal deal, also known as buyouts. Almost half (47%) of pension schemes are planning for a buyout meal deal, compared to 34% for self-sufficiency, according to Aon.

Perhaps more importantly, the share of those planning to pick up their lunch along the way, also known as technical provisions, has dropped from 34% to 22% in three years, according to Mercer's latest de-risking survey. One explanation for slowing growth is the emergence of pension consolidators such as The Pension Superfund, Clara and, more recently, the master trust jointly launched by Abrdn and XPS Pensions. Visavadia, Wesbroom and Pickering admit that this pooled lunch, to stick with the sandwich metaphor, is now an option on their clients' agenda.

"We need to start thinking about the endgame differently," Visavadia says. "As trustees, there are choices available to us and consolidators are one possible option. Not everybody is going to aim for a buyout. We need to keep an open mind, especially when employers are seeing buyouts as quite an expensive proposition."

Fast forward

Regardless of which de-risking option trustees choose, the defining factor remains that the current market environment might bring the end of the DB scheme era forward, Pickering predicts. "DB schemes that are already closed to further accrual will want to transfer as quickly as possible, particularly those with overseas parents," he says. "At one time, US employers did not like the idea of journey planning, they just wanted their assets to sweat. Whereas now, they increasingly find that by hanging onto a closed DB scheme, they are carrying an unrewarded risk.

Realistically, for schemes that are not fully hedged, buyout has moved a bit further away, unless you have a benign sponsor who is prepared to put more money in. I do not see many sponsors doing that in the current environment.

Kevin Wesbroom, Capital Cranfield

Editor: Mark Dunne
Deputy editor: Mona Dohle
Senior writer: Andrew Holt

Publisher: John Waterson
Head of sales: Clarissa Huber
Business development manager:
Basit Mohammed
CRM manager and business development:
Silvia Silvestri
Head of roundtables: Mary Brocklebank

portfolio Verlag
Office 5.08 – 5th floor
Fleet House
8–12 New Bridge Street
London EC4V 6AL
(0)20 7822 8522
ISSN: 2052-0409

Printer: Stephens & George
Pictures: Richie Hopson
Layout: portfolio Verlag

THIS PUBLICATION IS A SUPPLEMENT OF *PORTFOLIO INSTITUTIONAL* AND SPONSORED BY:

ARE YOU INTERESTED IN PARTICIPATING IN FUTURE ROUNDTABLE DISCUSSIONS?

Pension schemes and independent trustees are invited to share their opinions and could be offered a complimentary place at a future roundtable event.
Asset managers and investment consultants interested in joining the panel can secure one of the limited sponsorship packages available.

To find out more contact:

Clarissa Huber
+44 (0) 20 7822 8522
c.huber@portfolio-institutional.co.uk

Topics for confirmed upcoming *portfolio institutional* roundtable discussions:

July – Responsible investing
September – Defined contribution
October – Infrastructure
November – 2023 outlook

pi