

October 2023

Newsletter

HOT TOPICS

One year on from the gilt crisis

Our focus for much of this year has been on helping clients establish robust collateral frameworks to support their hedges whilst also facilitating reinvestment of capital where appropriate. We have helped our clients to setup multiple levers that can provide additional liquidity when required, including the use of corporate bond repo and access to short term credit facilities.

At the time of writing, the 20-year zero-coupon gilt yield was above 5% - higher than at the peak of the gilt crisis last year and volatility remains high. There has been significant deleveraging across pension schemes but the supply and demand dynamics for gilt markets remain challenged and we continue to recommend a cautious approach.

Climate emissions

We have been busy collating climate emissions data to support our clients TCFD reporting. This has included collating information on scope 3 emissions as well as reporting on portfolio alignment metrics.

Data coverage across alternative asset classes remains low but there has been some encouraging improvement with the use of specialist estimation tools. We advocate active engagement with investment managers to query and understand any "emissions outliers" and to further improve reporting.

Buy-in and buy-out

There is no doubt that the trend towards buy-in and ultimately buy-out has accelerated. Given our hands-on approach we provide significant support to our clients throughout these projects including:

- » Assessment of risk/return implications of buy-ins, buy-outs, longevity swaps;
- » Assessment of value for money versus alternative options;
- » Suitability advice;
- » Advise on / support secondary market trades for illiquids;
- » Assessment of price-lock portfolios;
- » Transition/ Project Management support from matching price-lock portfolios through to asset sales to meet the premium payment.

BUSINESS UPDATE



Assets under advice of £16bn.



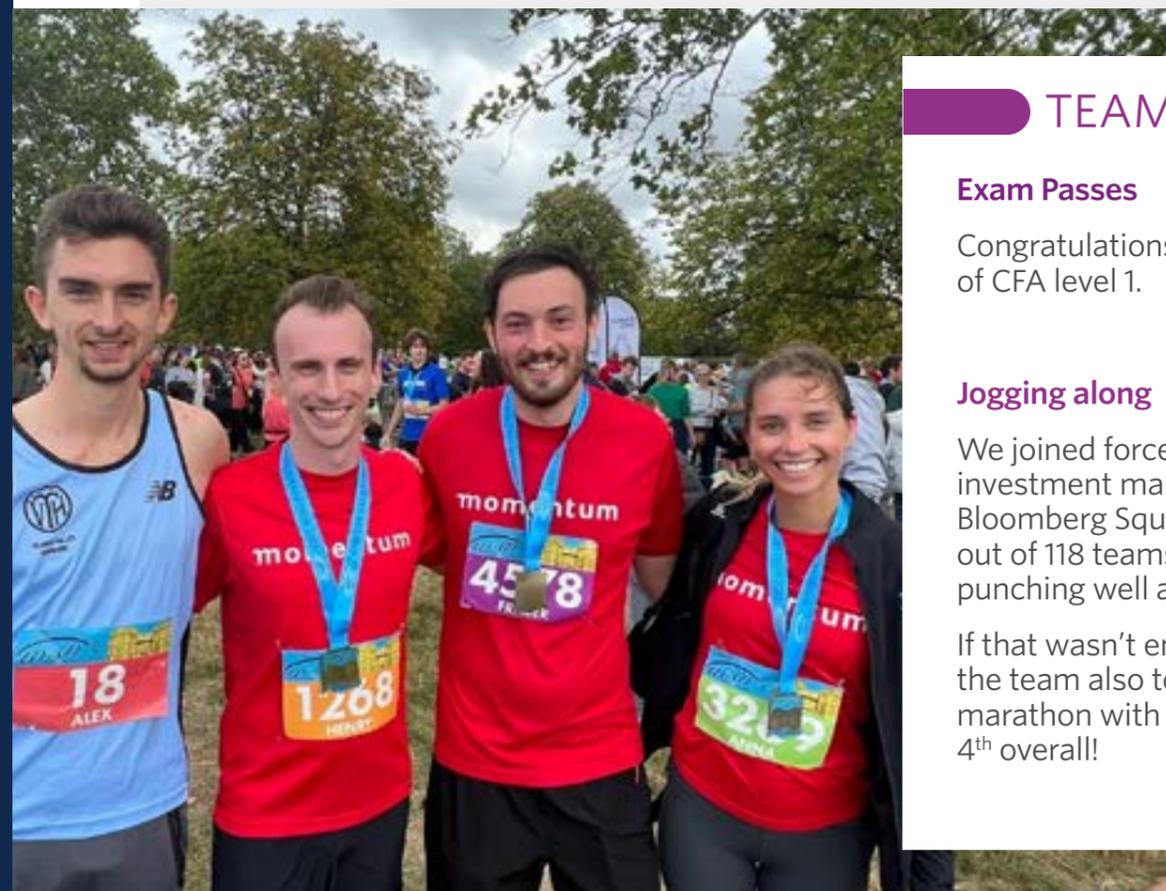
Six strategic advisory appointments across corporate pension schemes.



One Outsourced CIO appointment



One charity endowment.



TEAM UPDATE

Exam Passes

Congratulations to Alex for his recent pass of CFA level 1.

Jogging along

We joined forces with colleagues in the investment management team for the Bloomberg Square Mile and placed 14th out of 118 teams from across the industry punching well above our weight.

If that wasn't enough, some members of the team also took on the Windsor half marathon with Alex placing an astounding 4th overall!

Partnering with large institutional investors to help them achieve their goals

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