
Pensions Age Spring Conference

Cashflow is king – the asset strategy behind a bulk annuity

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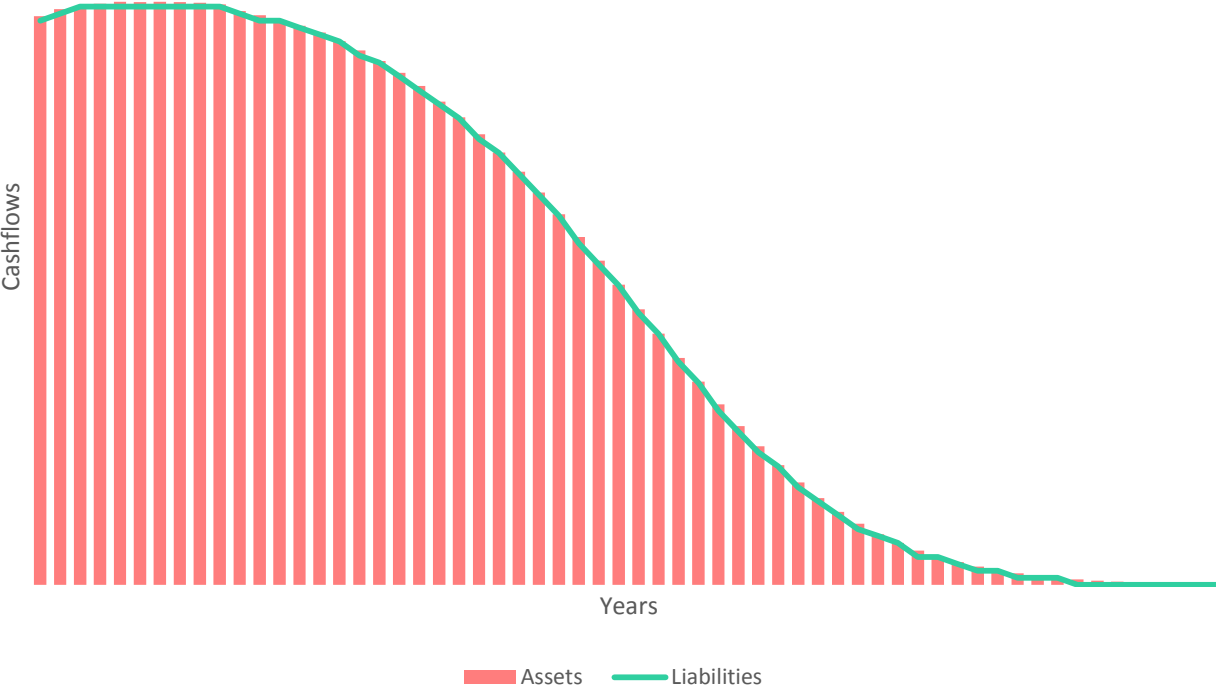
JUST.

ASSET LIABILITY MATCHING

MATCHING LIABILITY CASH-FLOWS CONSIDERATIONS

- CASH-FLOW MATCHING USING FIXED INTEREST
- INFLATION AND CURRENCY HEDGING
- “BUY AND MAINTAIN” STRATEGY
- DIVERSIFYING RISKS
- ESG

LIABILITY CASH-FLOW MATCHING



ASSETS BACKING LIABILITIES

AREAS OF DIFFERENCE

- **LARGER SCALE**
- **MANAGING A GROWING PORTFOLIO**
- **SOLVENCY II: CAPITAL BUFFERS AND MA**
- **LIQUIDITY**

ASSET INVESTMENTS

- **DIVERSIFICATION IN ASSET INVESTMENTS DRIVEN BY LIMITATIONS IN £ PUBLIC BOND MARKET**
- **US \$ MARKETS: MUNIS, PRIVATE PLACEMENTS**
- **EMERGING MARKET DEBT, INFRASTRUCTURE & RENEWABLES**
- **LTMS**

WHAT TYPE OF ASSETS DO WE INVEST IN?

INFRASTRUCTURE DEBT



Walney & Hornsea Offshore Wind Farms



Solar Plants



Airports

COMMERCIAL MORTGAGES



Motorway Service Stations

Property companies



US MUNICIPALS



University of Harvard



City of San Diego

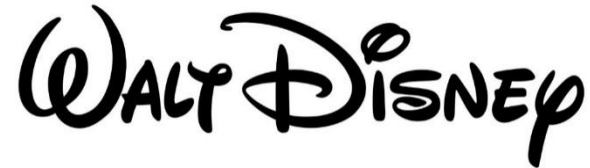


University of Texas



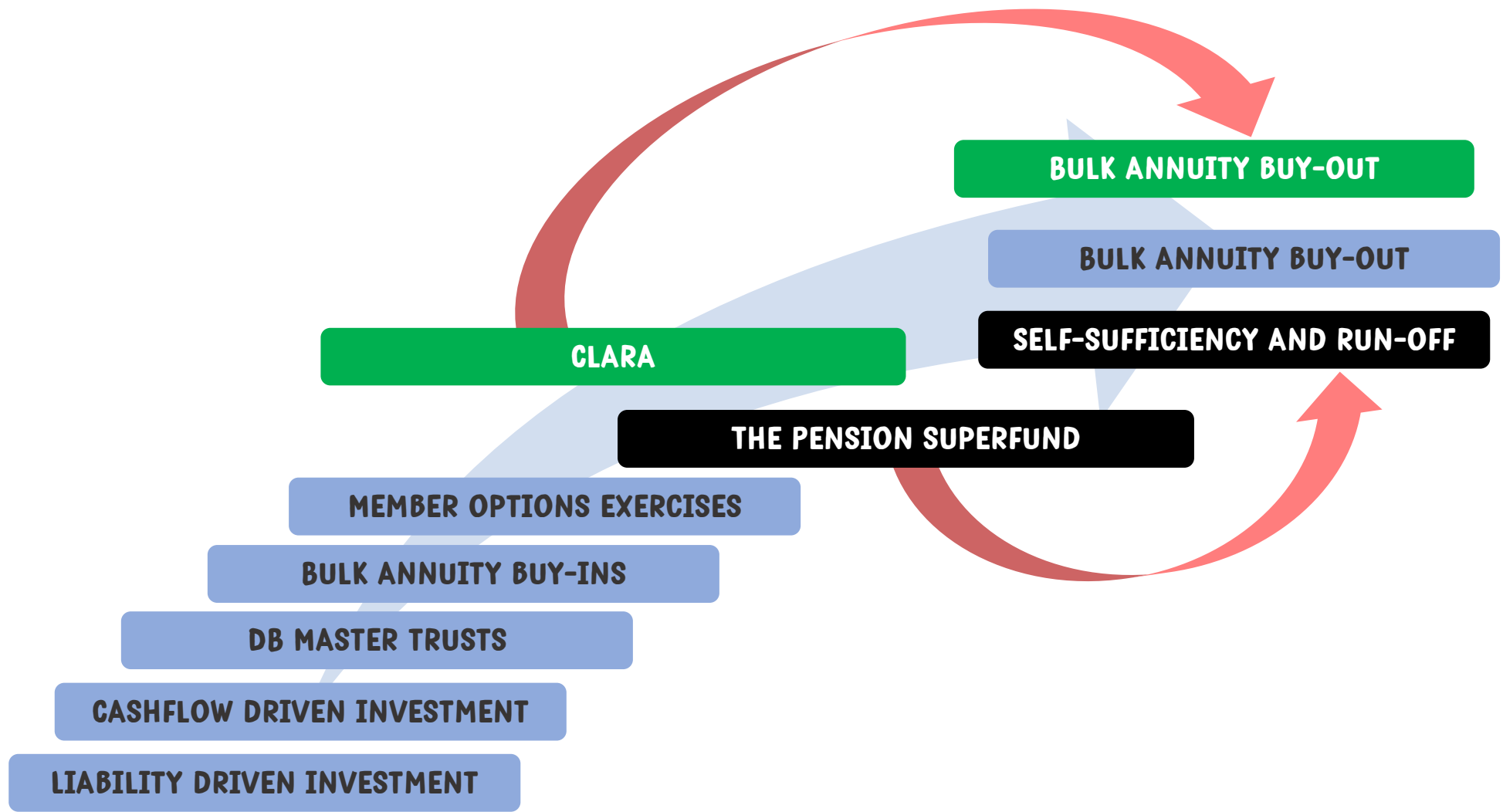
University of Stanford

WHAT TYPE OF COMPANIES DO WE INVEST IN?



.... And many more!

THE JOURNEY TO DB DE-RISKING



GUARANTEES



guarantee

[gar(ə)n'ti:]

NOUN

1. a formal assurance (typically in writing) that certain conditions will be fulfilled, especially that a product will be repaired or replaced if not of a specified quality.

"we offer a 10-year guarantee against rusting" · [\[More\]](#)

synonyms: warranty · warrant · contract · covenant · bond · assurance · promise

2. *law*

an undertaking to answer for the payment or performance of another person's debt or obligation in the event of a default by the person primarily responsible for it.

synonyms: contract · agreement · covenant · compact · bond · pledge · promise · [\[More\]](#)

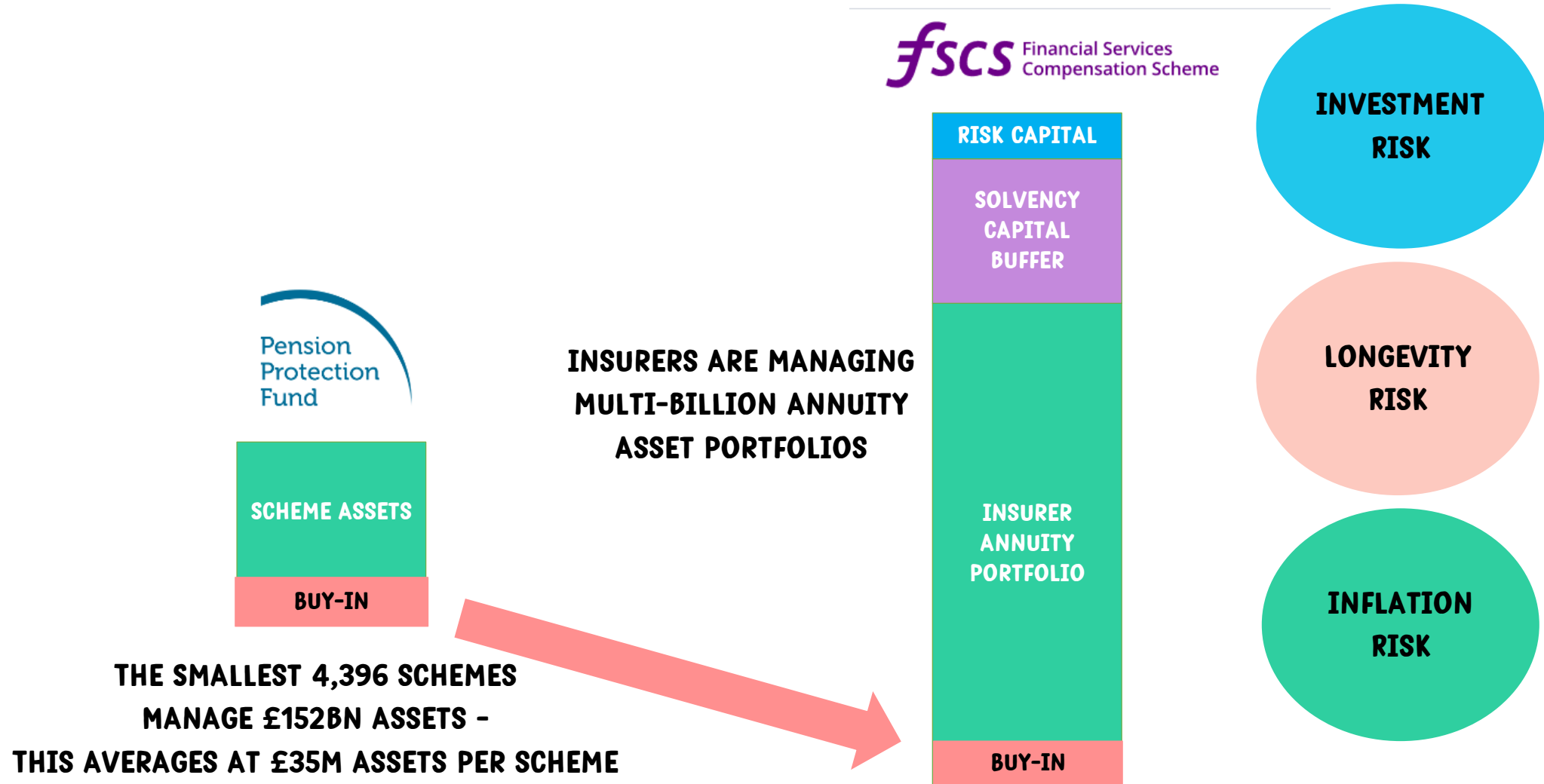
fscs Financial Services
Compensation Scheme

Long-term insurance (e.g. pensions and life assurance)

from 3 Jul 2015

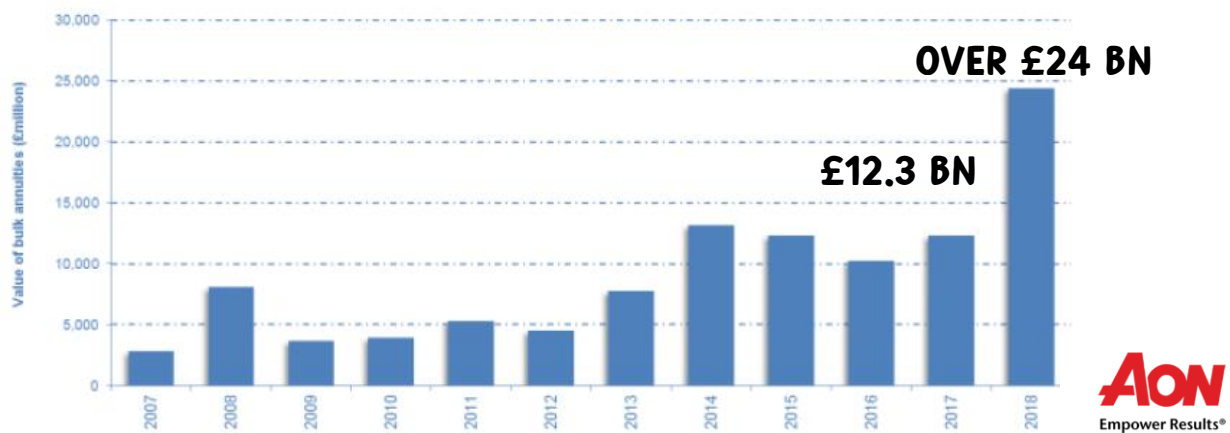
○ 100% of the claim with no upper limit.

REGULATORY REGIMES – TPR VS PRA



THE BULK ANNUITY MARKET

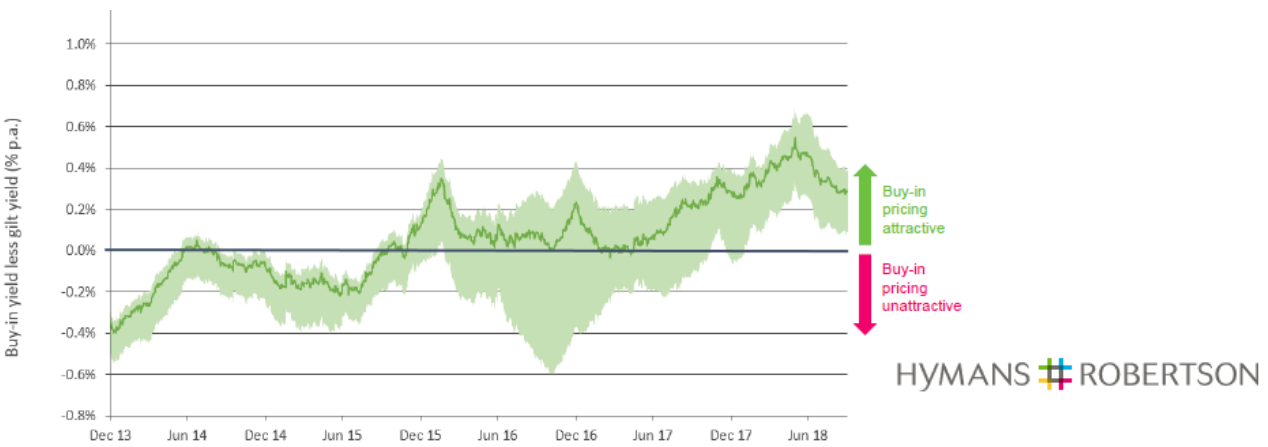
THE VALUE OF THE BULK ANNUITY MARKET 2007 – 2018



PREPARATION IS THE KEY TO SECURING INSURER ENGAGEMENT



PENSIONER BUY-IN PRICING AT 20BPS DISCOUNT TO GILT YIELDS



Questions



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Investments

