



RESEARCH
IN FINANCE

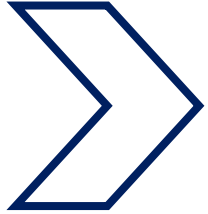
UK Institutional Market Update

**Summary Report: Current market
sentiment & appeal of private assets**

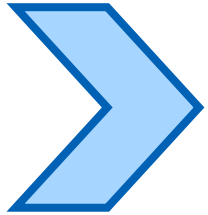
November 2022



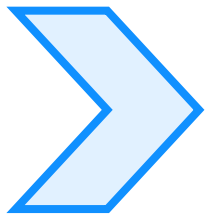
Overview of the research



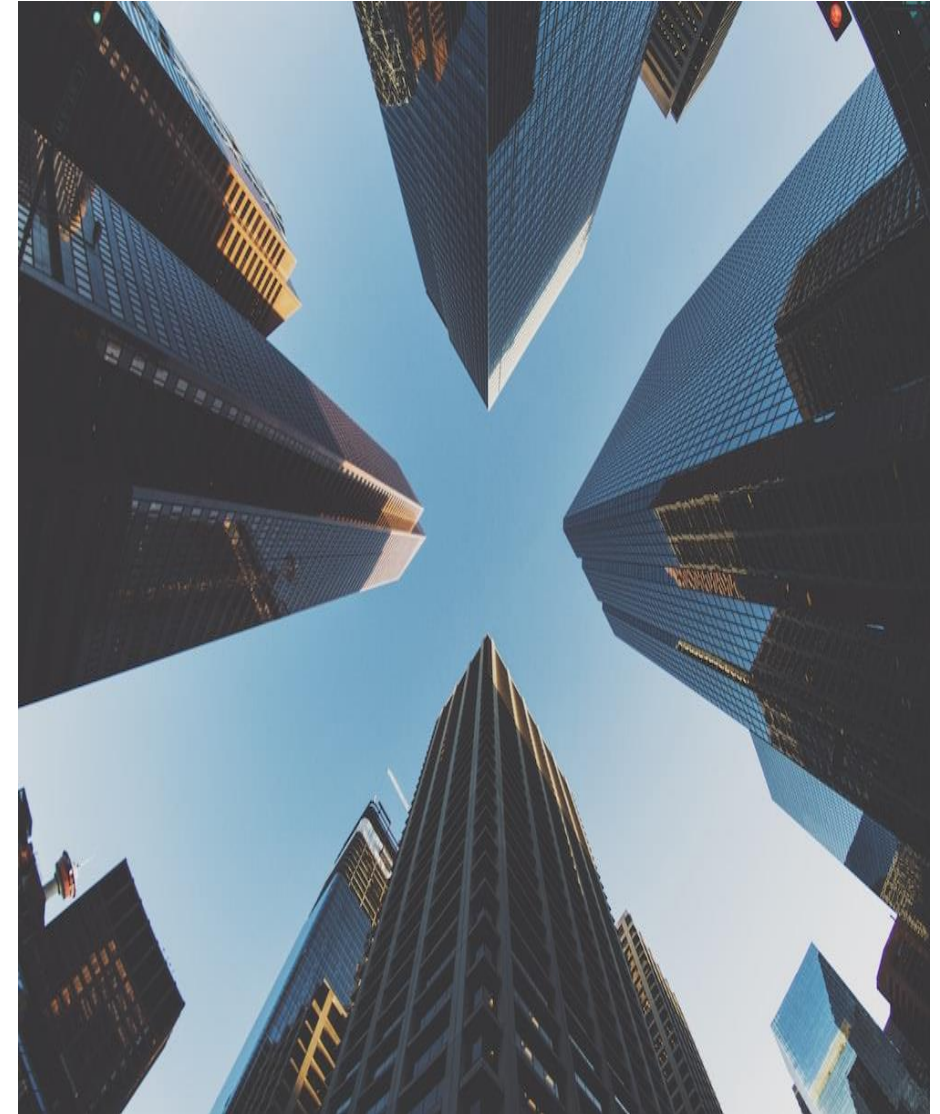
186 institutional investors took part; 100 consultants & professional trustees, and 86 in pension scheme roles.



Short online survey, designed to understand current market sentiment in a challenging time for the UK institutional market.

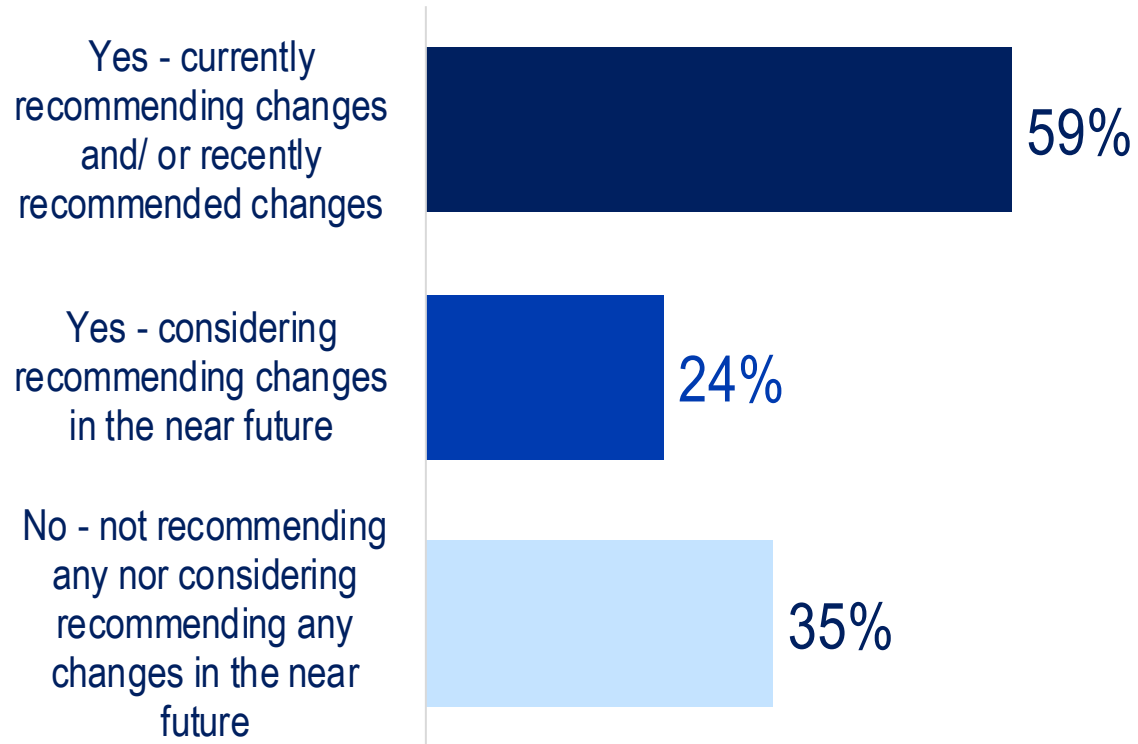


Questions focused on recent changes made to pension schemes, factors having an impact on decision-making and attitude towards private assets.



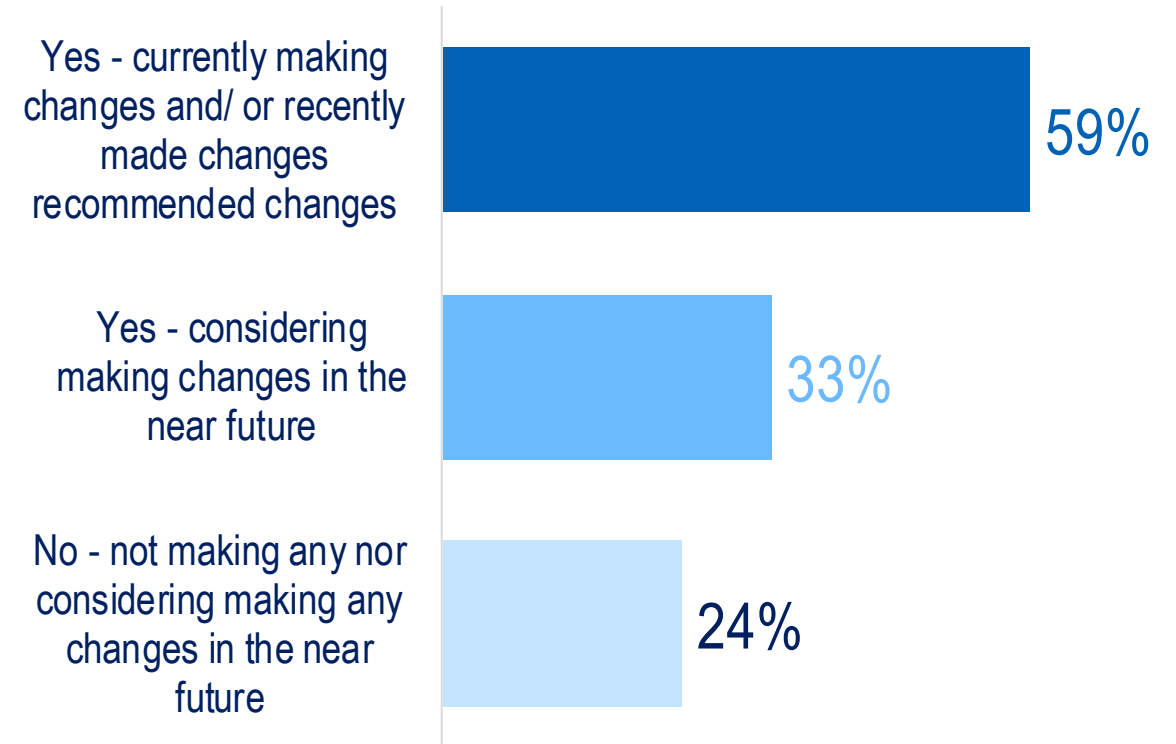
Recommending or making changes to investment portfolio?

Consultants & Professional trustees



Q: Are you recommending any changes to the pension scheme(s) you advise/work with?
Base: Consultants & professional trustees (100)

Schemes



Q: Are you making any changes to your pension scheme investment portfolio?
Base: Schemes (86)

Top 5 current changes being recommended/ made

(Coded responses from open-ended question)

Consultants & Professional trustees

- 1  **De-risking strategy**
- 2  **Changes to asset class allocation generally**
- 3  **Reviewing hedge ratios**
- 4  **Focus on ESG/ sustainable investing**
- 5  **Increasing collateral**

* Similar topics mentioned by those considering recommending/ making changes

Q: Are you recommending any changes to the pension scheme(s) you advise/work with? (Open-ended response) Base: Consultants & professional trustees stating 'yes – currently recommending' (59)

Schemes

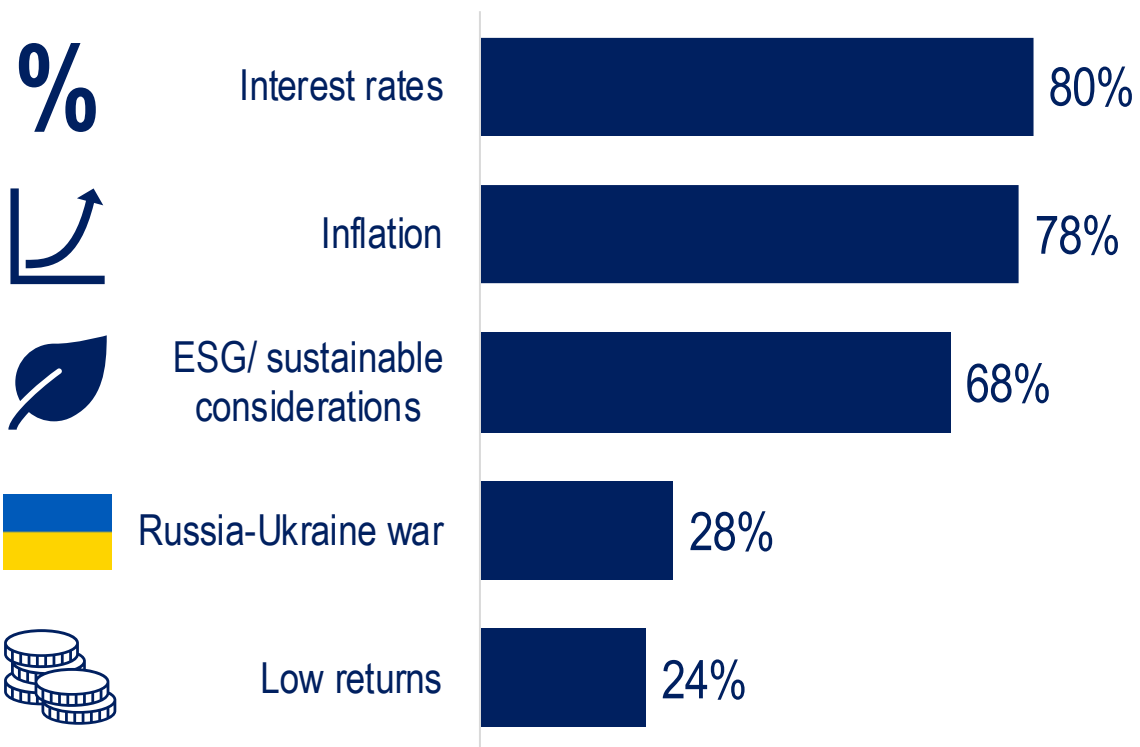
- 1  **De-risking strategy**
- 2  **Focus on ESG/ sustainable investing**
- 3  **Diversification in general**
- 4  **Changes to asset class allocation generally**
- 5  **Reviewing LDI**

* Similar topics mentioned by those considering recommending/ making changes

Q: Are you making any changes to your pension scheme investment portfolio? (Open-ended response) Base: Schemes stating 'yes – currently making changes' (51)

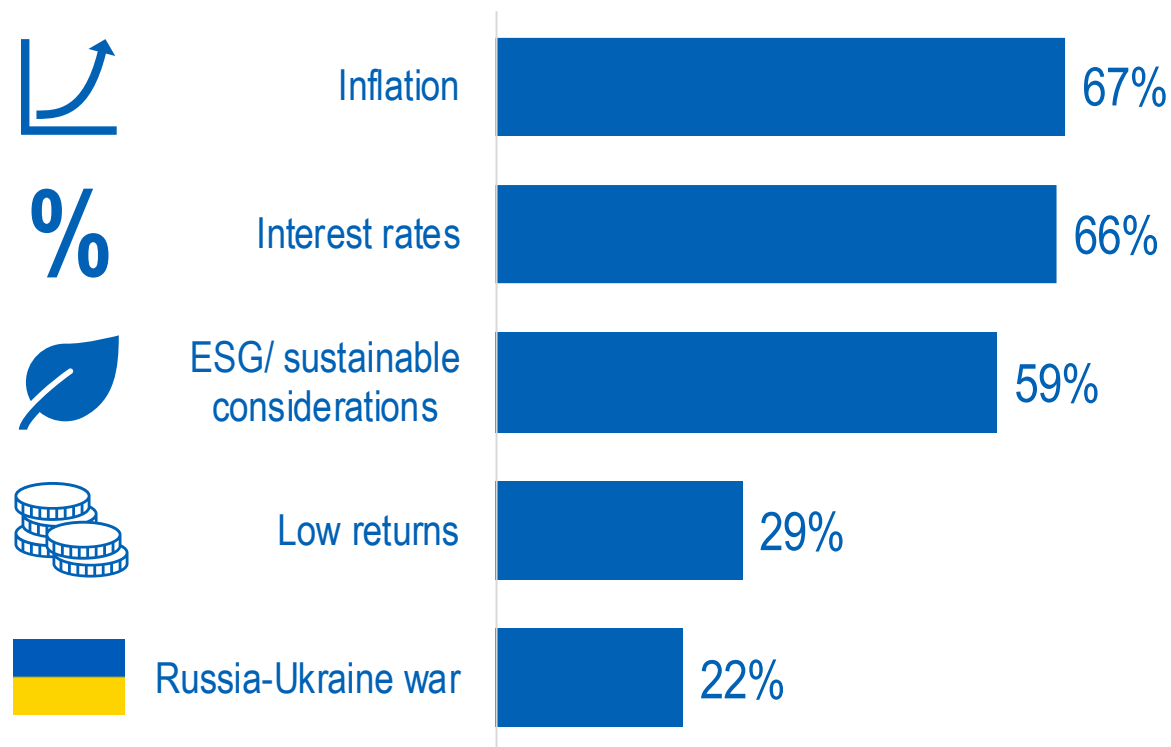
Factors & events impacting on investment decision-making

Consultants & Professional trustees



Q: Which of the following are having an impact on your decision-making with regards to the pension scheme(s) you are advising/working with? Please select all that apply. Base: Consultants & professional trustees (100)

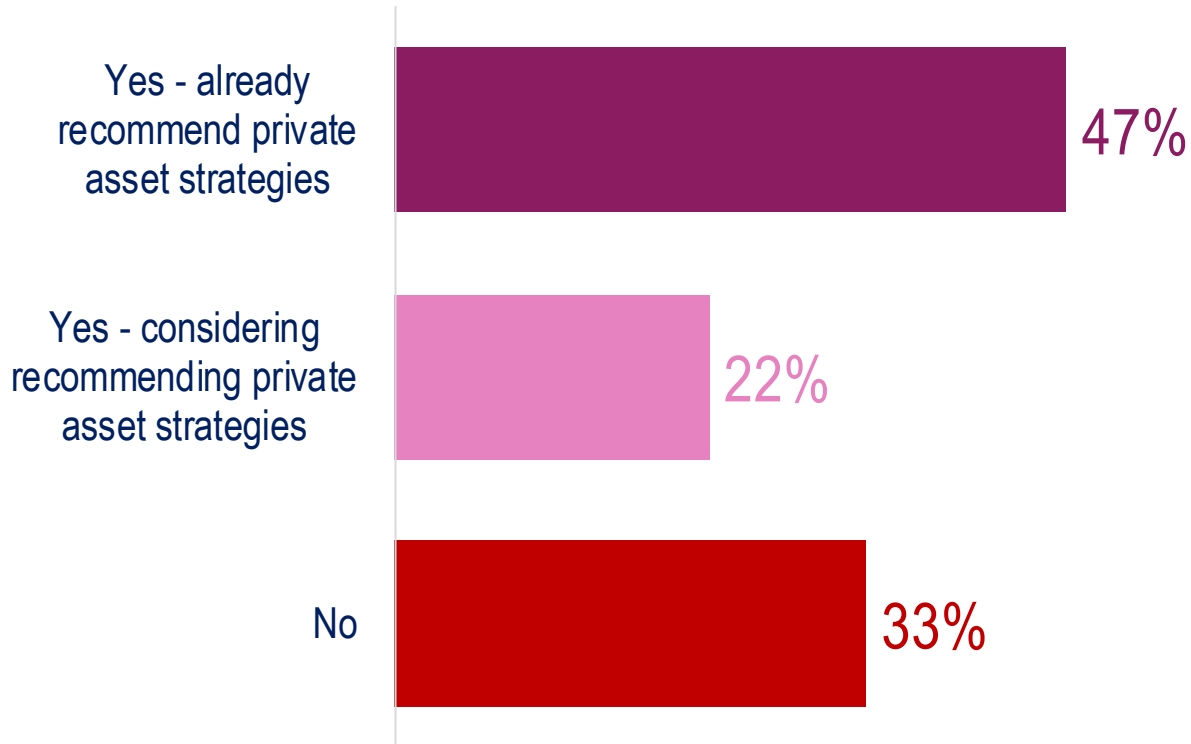
Schemes



Q: Which of the following are having an impact on your decision-making with regards to your pension scheme investments? Please select all that apply. Base: Schemes (86)

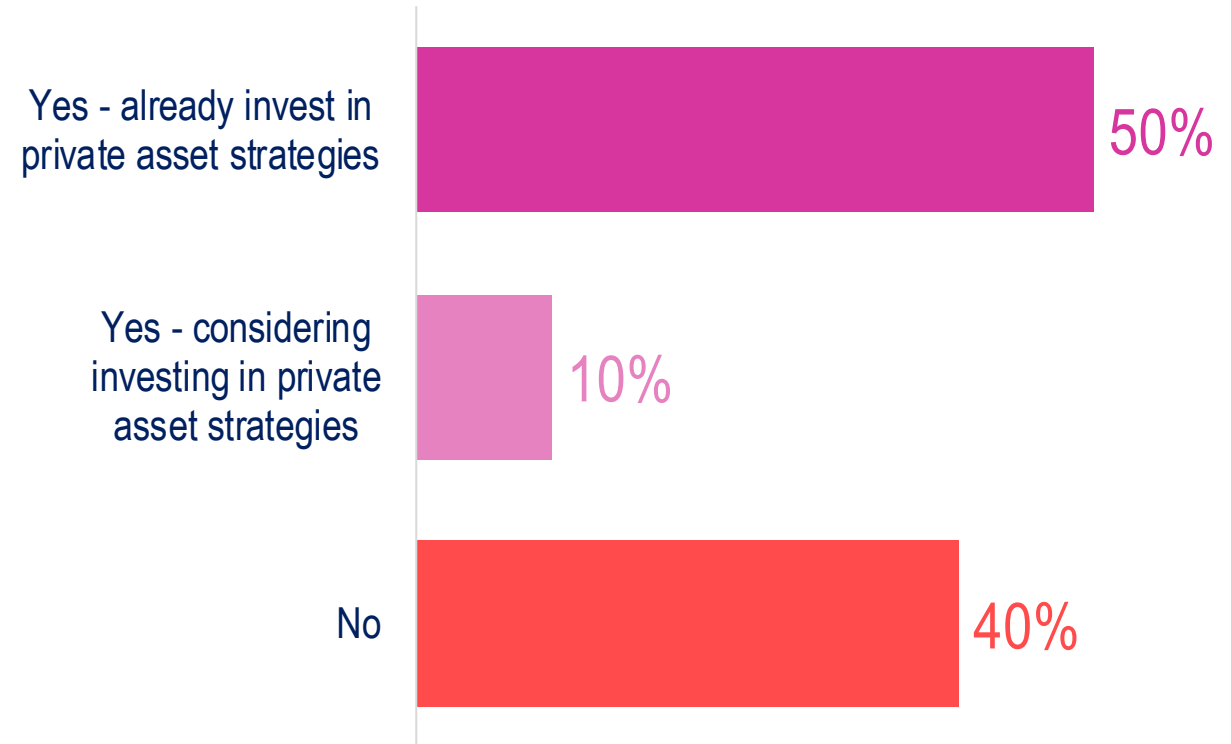
Private asset strategies – appeal

Consultants & Professional trustees



Q: Do private asset strategies appeal in the current investment landscape, as a source of diversification and return? Base: Consultants & professional trustees (100)

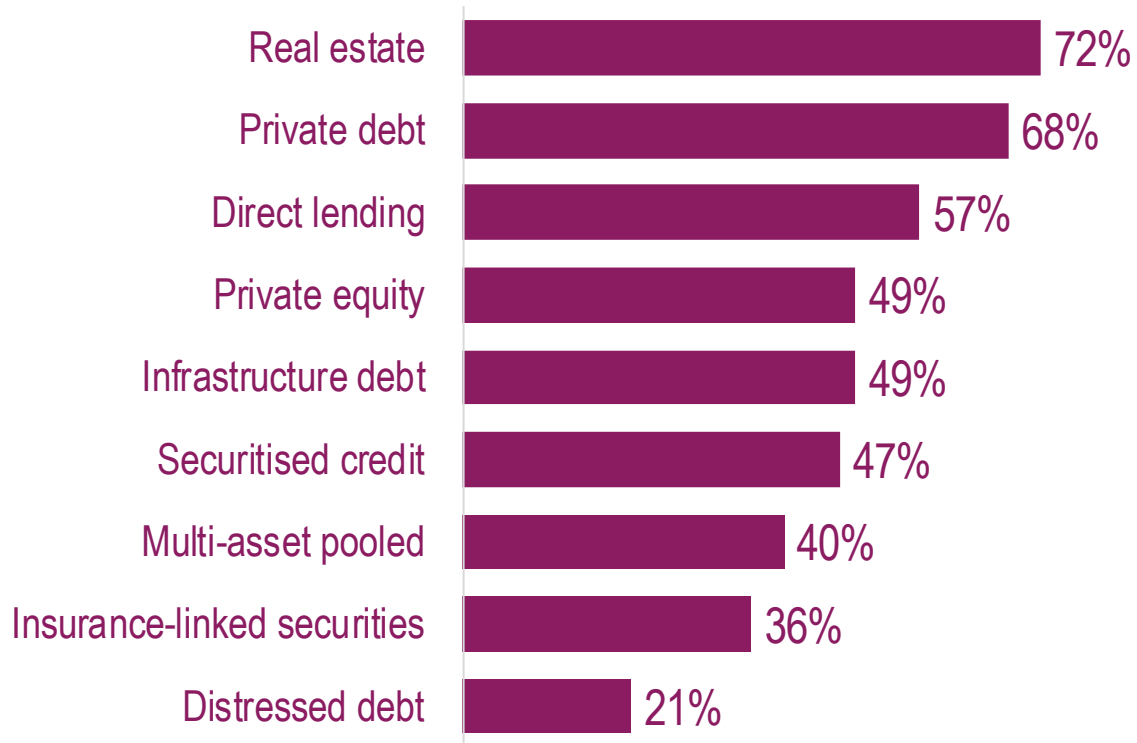
Schemes



Q: Do private asset strategies appeal in the current investment landscape, as a source of diversification and return? Base: Schemes (86)

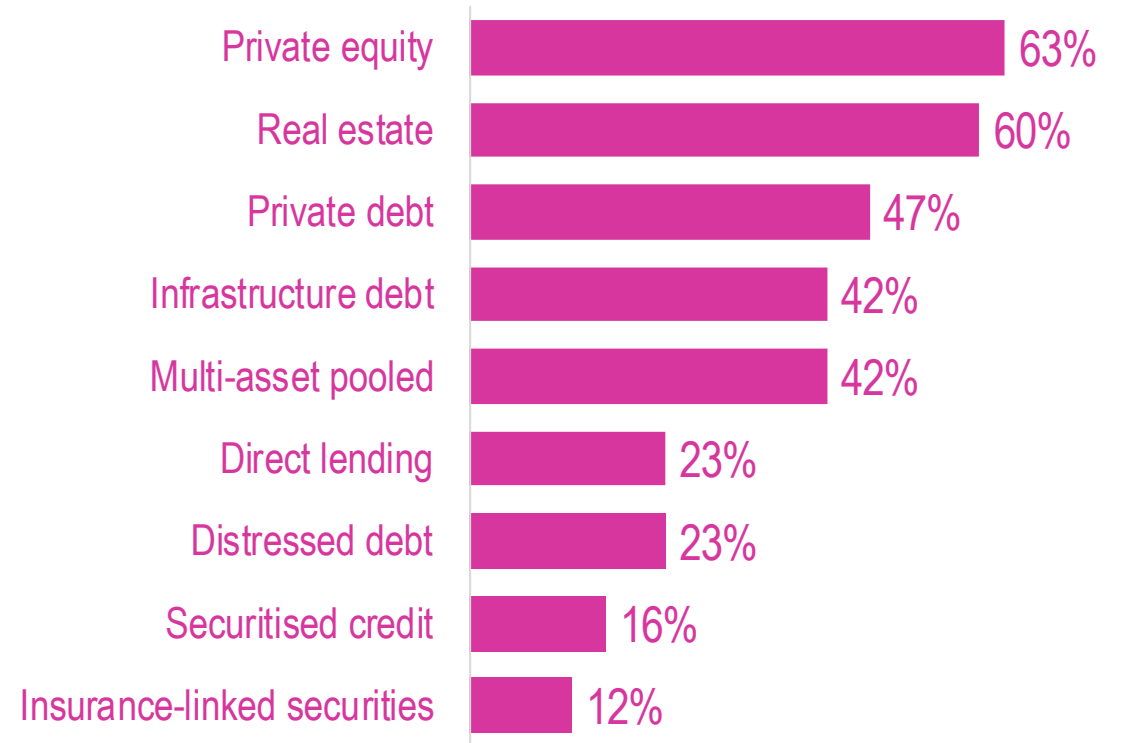
Private asset strategies currently recommend & invest in

Consultants & Professional trustees



Q: Which private asset strategies do you currently recommend? Please select all that apply. Base: Consultants & professional trustees stating 'yes – already recommend' (47)

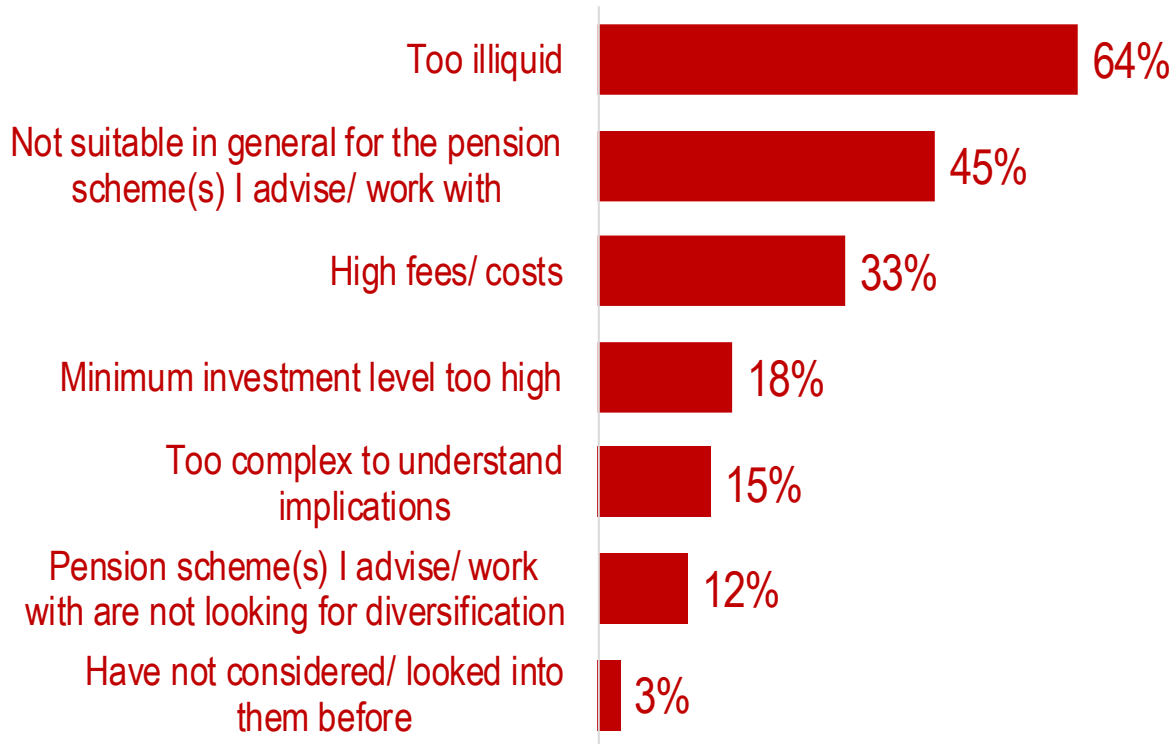
Schemes



Q: Which private asset strategies does your pension scheme(s) invest in? Please select all that apply. Base: Schemes stating 'yes – already invest' (43)

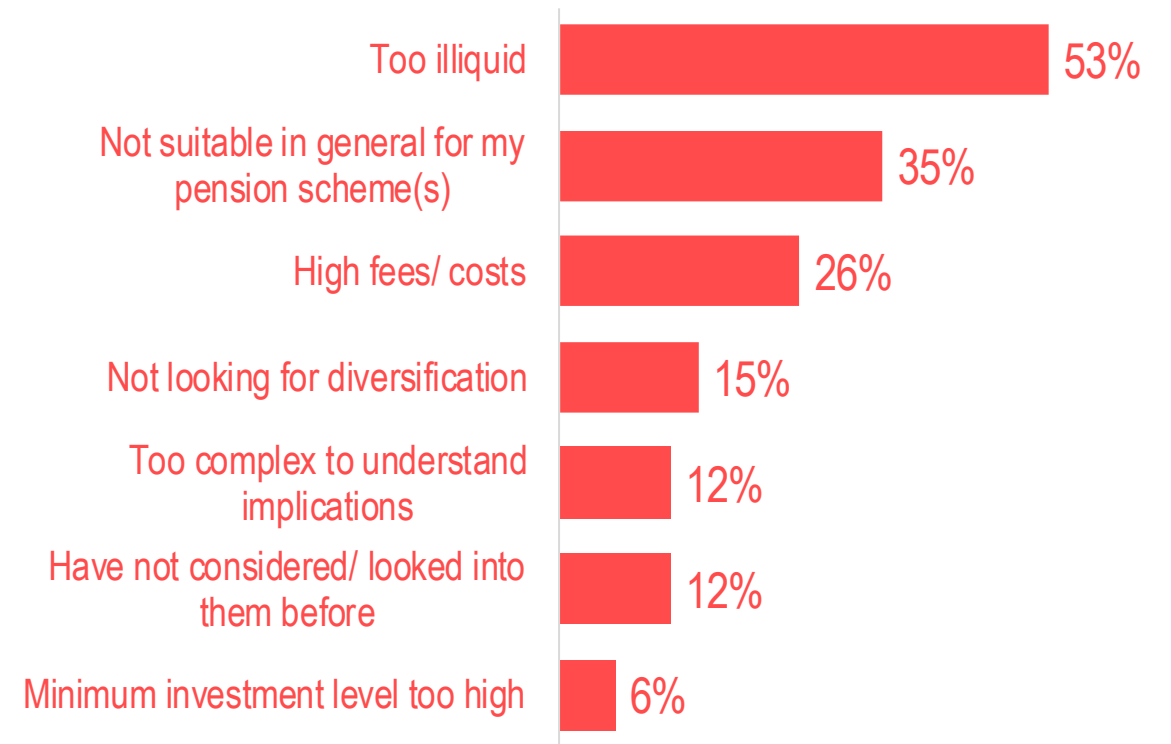
Why do private asset strategies NOT appeal?

Consultants & Professional trustees



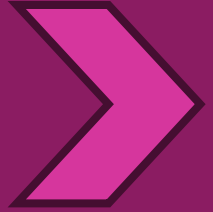
Q: Why do private asset strategies not appeal? Please select all that apply. Base: Consultants & professional trustees stating 'no – they do not appeal' (33)

Schemes

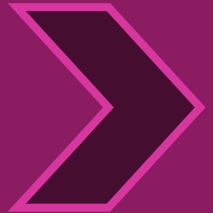


Q: Why do private asset strategies not appeal? Please select all that apply. Base: Schemes stating 'no – they do not appeal' (34)

Thank you!



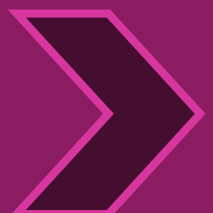
Thank you for taking part in this research – we hope you found this short summary report useful and interesting. Research in Finance work with several investment managers so that they can understand what institutional investors are thinking and therefore look to provide a better service to consultants, professional trustees and all different roles on pension schemes.



Your comments and answers really do help to shape the industry, so your time and feedback is much appreciated. Research in Finance always offers a reimbursement for taking part in research, and we aim to provide a summary report of the findings wherever possible.



Upcoming research that you will soon be able to participate in is our annual UK Institutional Market Study (UKIMS), which is another online survey. Invitations to take part will be sent out next week (w/c 21st November), so please keep an eye out for an email from us!



If you have any questions about the research or would like to get in touch, please do not hesitate to contact Jack Dominy at jackdominy@researchinfinance.co.uk