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This is DC Pensions News of my Journey, Alice in this bullet in the forthcoming SG responsibilities for trustees, some uncomfortable analysis on UK state pensions from the CD, and we're responsibility. Shifting increasingly two individuals for investment choices. We look at how the investment management industry can help DC members with their investment decisions. Well, first up on the D. W. P. Now considers to be a systemic risk to pension schemes, so obligations does that put on trustees, Anderson Hatcher from global client strategy, HSBC Global Asset Management explains. What's really interesting is that the deed OBP have recognized that there is a lack of consistency, both within policies and processes. But also it's just a very confusing market at the moment, with variety of funds. So what? They're dinos have stepped in because they want to help trustees, helped them with some guidance and help them understand not just the long term financial risks of SG and the impact on the portfolio, but also how they can manage those risks. And what they've done is they've created some new obligations on the trustees themselves. So there's a new legislation on that's divided into multiple different areas. The first one is that by the first of October two thousand nineteen, so there's a nice period of time to get this in order. The trustees are to create some policies of how they're going. Teo. Think about the financial and material impact. All the SG on their portfolio on this financial material impact is a very important statement because it is in essence saying that long term, well governed and well managed companies will outperform those that are not. And it's helping to trustees to understand that this is actually a long term risk, and it's good governance. They then have to look at the policies that they have in place around stewardship around voting on also around asset managers off the money because it's not just good enough that they outsource the responsibility. They have to make sure that those asset managers or governing the risks in the right way then as off the October two thousand nineteen, they will have to make this public and put it online, which is lovely in Morton Andi. At the same time, they will have to create, say, a roadmap of how they're going to implement some of these policies. And I think that's really important because it's not just about having the policy is about how they're going toe, implement it and this is on their overall portfolio. But specifically and importantly for D. C it the legislation rule cut, pulls out default funds on. We must look at this now for default funds as well in other news and the Organization for Economic Cooperation and Development. PENSIONS Outlook Reporters out and highlights that you K state pensions are considerably lower when compared to other member countries, meaning the people in the UK run the risk of retiring on small pension pots.

If they've not engaged their private pension savings. There's a link to the full reports below the player on that next. Catherine Doyle, head of defined contribution Newton Investment Management discusses challenges facing the D C sector on how the investment management industry can help. So, Catherine, the investment management industry is facing a number of different trends. So how should investment strategies respond to these? Well, it is facing a number of trends, including regulatory trends, technological challenges on also pricing pressures on DH. Obviously, responsibility is shifting increasingly towards individuals in terms of investment choices. So investment strategies really need to involve to meet investor need's on that might be creating a sustainable income stream. Teo. Maintain someone's lifestyle in retirement. It might be focusing on capital preservation or indeed just giving greater prevalence and predominance. Two written the responsible aspects of investing. So then Quadra parallel with the challenges facing the D. C sector. Absolutely, D. C has also been facing a multitude off challenges. Clearly, we've had pension freedoms, which has meant that there are a myriad of different choices that individuals can make it the point of retirement. The introduction off the regulator recharge cap has influence and continues to influence default from design. Andi, indeed, technology has has left a mark on our industry with the increasing predominance and prevalence of robo advisory services at the point of retirement. So then how can the industry help DC members make their investment decisions. Well, I think the industry's culture needs to be aligned with good member outcomes and also monitoring progress to achieve those outcomes. So, like any well run industry, you need to have clear objectives. And that's common to both D. C on DH investment management on DH. You also need discipline around those objectives as well as the flexibility to respond. Teo. Changing market conditions and the changing regulator backdrop. Catherine. Thank you. Thank you. More news on analysis. Please visit [asset dot tv](http://asset.dot.tv) or follow us on Twitter at TV. No.