



Press release
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Demand for DB rebalancing and trigger monitoring increasing says Mobius Life

Survey shows that 90% of UK consultants advise on rebalancing and trigger point switching

Over 90% of UK consultants¹, who responded to a survey, advise their defined benefit (DB) pension scheme clients on rebalancing and trigger point switching, with the take-up highly dependent on client preference, according to a survey conducted by Mobius Life.

Rebalancing: Most UK consultants prefer quarterly rebalancing, with 70% opting for simple systematic and control range rebalancing back to the benchmark. Only a small minority include LDI funds in the rebalancing process.

Trigger point switching: Most UK consultants favour the use of 'funding level' triggers, for example where the funding increases to a set level, switches are triggered which decrease the growth portfolio and increase the liability hedge. Across the market views are varied on the use of triggers with some anticipating a high take up by clients and others more cautious.

Craig Brown, Institutional Distribution Director, Mobius Life, said:

"There is an increased demand for rebalancing and trigger monitoring services anticipated as DB pension schemes mature.

Consultants want simple and clear rebalancing processes. There is a preference for quarterly rebalancing across the market as this provides a framework to maintain the character of the strategic asset allocation benchmark, whilst keeping transaction costs at a reasonable level.

Most advisors now discuss the merits of triggers with their clients, but attitudes are quite varied, with some being greater advocates than others. We expect the demand for trigger point monitoring to continue to increase as schemes mature and seek to implement more systematic and dynamic strategies to reflect their changing funding levels."

1. The survey of pension fund consultants was conducted among the UK pension consultants who use the Mobius Life platform.

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Notes to Editors:

Mobius Life is a UK life insurance company and institutional investment platform, established in 1996, with over £10 billion assets under administration. We deliver made-to-measure investment administration and life company services to DB and DC pension funds, asset managers and other institutions. Mobius Life empowers investors to implement investment strategies efficiently in a cost effective manner.

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