



14th Annual Retirement Policy Conference

*Progress Amid Turbulence:
Building Towards a Secure Retirement*

| February 28, 2023



NATIONAL INSTITUTE ON
Retirement Security

Reliable Research. Sensible Solutions.

Keynote

The Unintended Consequences of UK Pension Regs

Stephen McCourt
Managing Principal/Co-CEO
Meketa Investment Group



Why the UK Pension Crisis Matters to the US

Speaker: Stephen McCourt, Co-CEO

February 28, 2023

BOSTON CHICAGO LONDON MIAMI NEW YORK PORTLAND SAN DIEGO

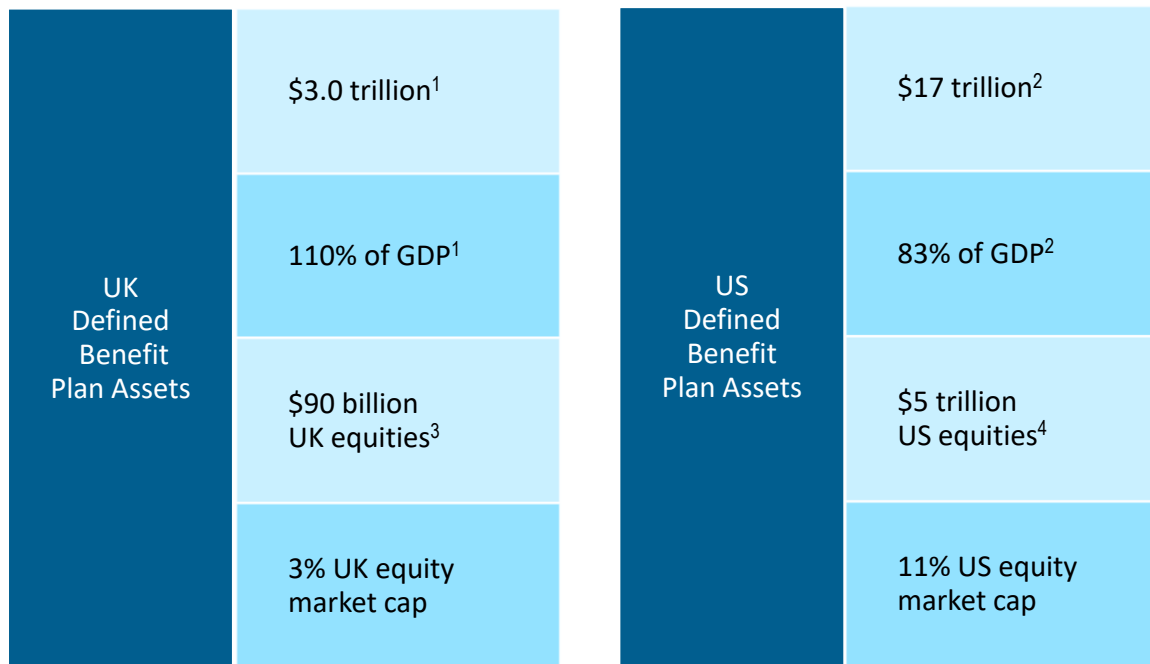


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Why the UK Pension Crisis Matters to the US

LDI (“Liability Driven Investing”) Strategies have stripped the UK of a critical source of domestic savings.



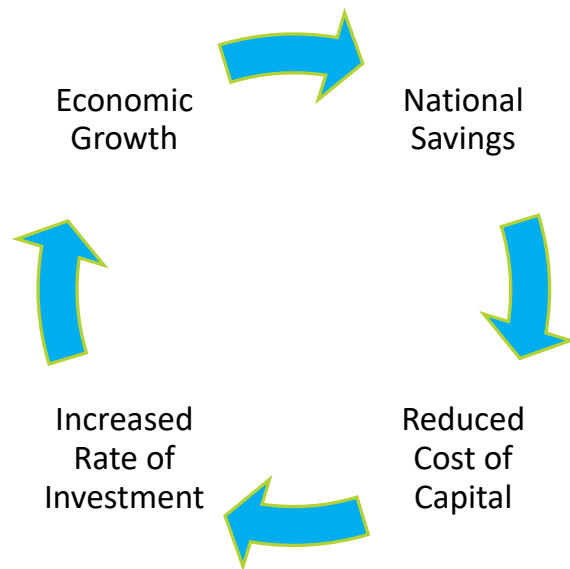
1 Willis Towers, Watson, 2020.

2 Department of Labor, Federal Reserve.

3 Financial Times, “Is there a pot of pension money to rehabilitate UK plc?”, Helen Thomas, February 7, 2023. In 2000, nearly 50% of pension assets were invested in UK assets.

4 Assumes 30% of US assets in US equities.

Defined Benefit Plans Are a Powerful Economic Tool



End Value of \$1 trillion Invested Over 20 Years	
5% Government Bonds \$2.7 trillion	9% Global Equity \$5.6 trillion

UK Plan Sponsors have allocated unnecessary (and valuable) capital to their Defined Benefit Plans that could have been deployed more productively.