

PRESS RELEASE

6 June 2013

UK Trustees still largely unaware of full impact of latest TPR objectives

RisCura, the investment advisors specialising in emerging markets, today urged schemes to look closely at their investment portfolio following the additional statutory objective placed upon the Pensions Regulator (TPR).

Andrew Slater, MD at RisCura UK said; "Despite the government announcements being made over a month ago, it is very clear to us that trustees have yet to fully realise the impact of TPR's statutory objective regarding employer contributions. Much of the focus, both before and after the Budget, was on the smoothing of discount rates. The cynic might say this was a deliberate distraction well played by politicians to stifle debate on the real issue.

"The money to pay pensions comes from two sources: contributions and investment returns. Up to now TPR has been able to require and enforce that, if companies have the spare cash, they put it to their pension scheme – and companies had little recourse. Now TPR also has to consider the wider situation of the sponsor and its potential for growth. Companies are now in a position whereby if they have spare cash they can utilise it in the company for growth and are under less obligation to pump further monies into the pension scheme. This is a game-changer for the industry: the focus for schemes must now switch to generating investment returns."

Slater continued; "It is more important than ever to find the best possible opportunities to improve funding positions. Trustees need to challenge their investment advisers on the best strategies to achieve the returns required to compensate for any fall in contributions. For that they need look no further at some of the impressive figures generated by emerging markets, coupled with greatly reduced risk levels than were experienced in previous years.

"Now that the comfort blanket of contributions is beginning to be pulled away by sponsors, it is crucial that trustees stand on their own two feet and take responsibility for their scheme through dynamic and effective investment strategies."

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NOTES TO EDITORS

RisCura are investment advisors, specialising in investments in emerging markets, specifically Africa. The company services institutional investors with over \$200 billion in assets under management, as well as a significant number of asset management, hedge fund and private equity firms.

RisCura is a global, independently owned financial analytics provider and investment consultant, founded 12 years ago, with a large office in Cape Town, South Africa and additional offices in Johannesburg and Windhoek (Namibia). With an entrepreneurial and passionate team in place, and as a specialist in manager research and selection in emerging markets, RisCura have established an office in London, offering a comprehensive range of expertise to UK pension funds.

For more information about RisCura, visit www.riscura.com

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