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Investing in the future

European Asset Allocation Insights 2021

DB Asset Allocation Trends across the UK and Europe

Contents

Welcome

Mercer's *European Asset Allocation Insights 2021* provides a comprehensive overview of investment strategy across the UK and European defined benefits (DB) pension industry. It identifies emerging trends in the behaviour of c. 850 institutional investors across 11 countries, reflecting total assets of c.€1 trillion.

What has happened since last year's survey?

2020 was a year lacking in precedent. Global economic activity had its largest fall since the Great Depression in the first half of the year but recovered much of it during the second half. The relatively brief crash in March 2020 aside, equity markets returned with a vengeance and posted positive returns (developed equities: 6.1%; emerging equities: 8.1%[1]) over 2020.

Unprecedented monetary expansion and fiscal support throughout the Western world — and even in some emerging markets — added fuel to the equity rally. Markets really took off towards the end of the year when vaccine news made sustained reopenings a plausible prospect. The orderly resolution to Brexit and the US election reduced political uncertainty.

Bonds also performed well over 2020 even as we moved into an economic recovery — which is usually associated with rising yields and inflation. Markets only started to price this in over the first half of 2021.

Much of the real economy still operates in a business-as-unusual environment, at least to a degree. Financial markets, however, have returned to the "old normal" of stretched valuations for both equities and bonds. In some cases, these are even more stretched than before the COVID-19 shock.

In the face of these high asset valuations, DB plans continue to focus on investment strategy. They are de-risking where possible, particularly out of equity market risk, and diversifying what is left of their growth portfolios into alternatives. They are also looking to increase liability matching where appropriate, which we discuss in more detail in our separate de-risking report.

Accompanying reports

This report is accompanied by three sister reports: one on the asset allocation trends within DC plans across the UK and Europe, a UK DB de-risking report and a sustainable investing report.

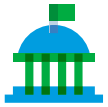
[1] Thomson Reuters Datastream. Total returns in euros. Developed equities (MSCI World) and emerging equities (MSCI Emerging Markets).

Key findings

COVID-19 setbacks and equity correction keep investors awake

The biggest concerns for investors this year were COVID-19 remaining an obstacle for the hoped-for full reopenings and a stock market correction (around 20% of survey investors rated them as main concerns), closely followed by rising corporate defaults as policy support gets withdrawn (see Headwinds on page 6).

Governance lessons from the COVID-19 crisis



Following the turbulent journey during 2020, the majority of investors (53%) plan to review investment strategy, manager mandates or plan governance. 38% do not intend to make any changes to their plan's governance as a direct consequence of last year's events (see Governance on page 10).

Appetite for real assets is rising

While the allocation to equities is declining (from 22% to 21% average allocation in total portfolios), DB investors continue to seek diversification via alternative asset classes (from 18% to 20%), such as growth fixed income, private equity and real assets (see Asset Allocation on page 7).

Seeking more bang for the buck in fixed income

Bond yields recorded new lows during 2020. This is not changing most investors' plans to continue adding to their defensive fixed income and LDI portfolios, a move driven by the need to match liabilities. For income-producing portfolios (which are becoming more important for an increasing amount of cashflow-negative plans), investors are considering branching out into private debt and real asset funds, with around 20% considering each of them as alternatives to government bonds (see Bond Portfolios on page 15).

Allocation to alternatives almost at par with equities

Allocations to alternatives are now almost on par with equities for the UK and Europe as a whole and higher than for equities in some countries, most notably in the UK and Germany (ex CTA). Diversifying return drivers, dampening portfolio volatility and accessing inflation-protected return streams are the main motivations for allocating to alternatives (see Asset Allocation on page 7).

ESG remains the new normal

As we outline in our separate sustainable investing report, the vast majority of investors have firmly embedded ESG considerations into their investment process, a trend that has strengthened further during the COVID-19 crisis.

Actions for DB plans to consider

Rethink income generation

Fixed income constitutes the largest single asset class in DB portfolios and is, therefore, our main area of focus. The combination of low yields and being cashflow-negative is the second-most pressing concern for institutional investors after hedging liabilities. Investors should discuss how to get more bang for their buck from their non-LDI fixed income portfolios in order to generate as much cash as possible and reduce the need to sell assets when covering liability outgo.

Diversify equity portfolios into China, where applicable

Some investors will remain invested in equities for the foreseeable future because they are still far away from their end game. If the absolute allocation size is enough for another mandate, investors should consider adding a dedicated China allocation to their portfolios for the reasons we have outlined in our latest emerging markets and China research paper.[2]

Highlight opportunities in alternatives

With equity valuations back at record highs, more and more investors are allocating to alternatives. This is not a straightforward process, as it requires more investor education than for traditional asset classes, and the lead-up times to build an allocation, most notably in private equity, can be very long. Investors who have a sufficient time horizon, yet with no alternatives allocation, should consider building up an allocation to alternatives and private markets.

[2] Mercer. Positioning Your Portfolio for the Future of Emerging Markets — The Case for a Dedicated China Equity Allocation, 2021, available at https://www.mercer.com/content/dam/mercer/attachments/global/gl-2021-long-em-and-china.pdf.

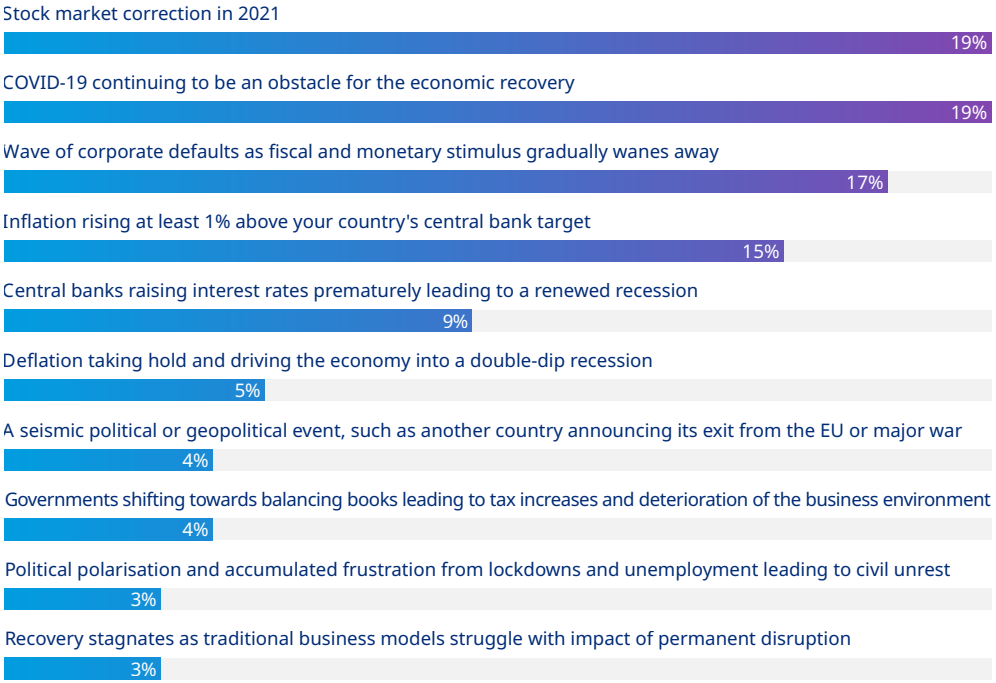
Headwinds

Investors are mainly worried about COVID-19 remaining an obstacle for a sustained economic reopening, be that because of the now regular emergence of variants or hiccups in the vaccine distribution. Most shots have been administered in only a small number of mostly developed countries by mid-2021.

Richly priced stocks leave little margin for setbacks. A stock market correction at some point this year is therefore the other top concern for investors.

A wave of corporate defaults and an inflation shock are in third and fourth place of investor concerns. These risks are connected, as higher inflation could lead to a tapering of policy support or even outright central bank policy errors, which is the fifth-highest concern.

Figure 1. Do any of the following scenarios worry you?



Note: Respondents were able to select up to *three* scenarios.

Asset allocation

Figure 2. Broad asset allocation by country

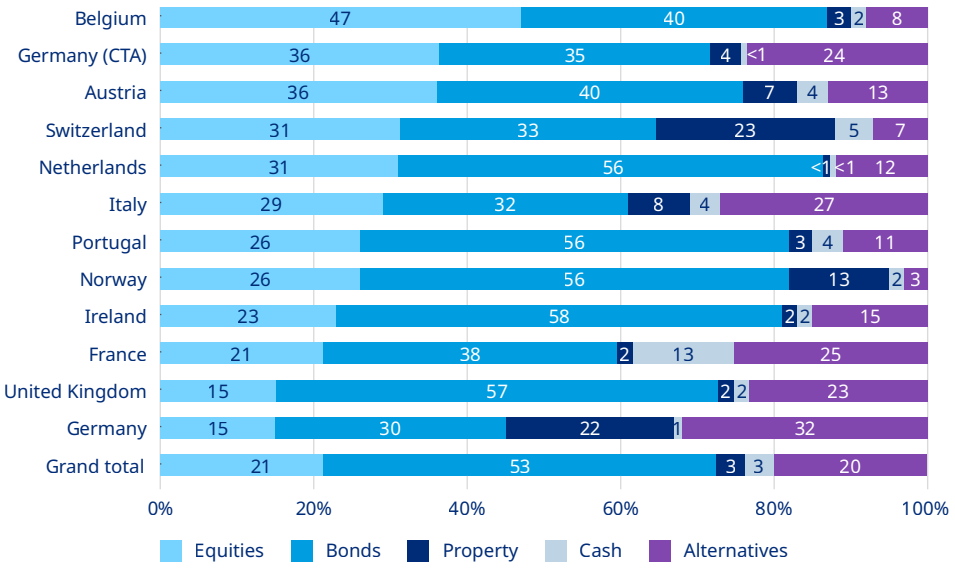


Figure 3. Compared to your portfolio's current strategic allocation, do you plan to add/increase or decrease your exposure to the following asset classes?

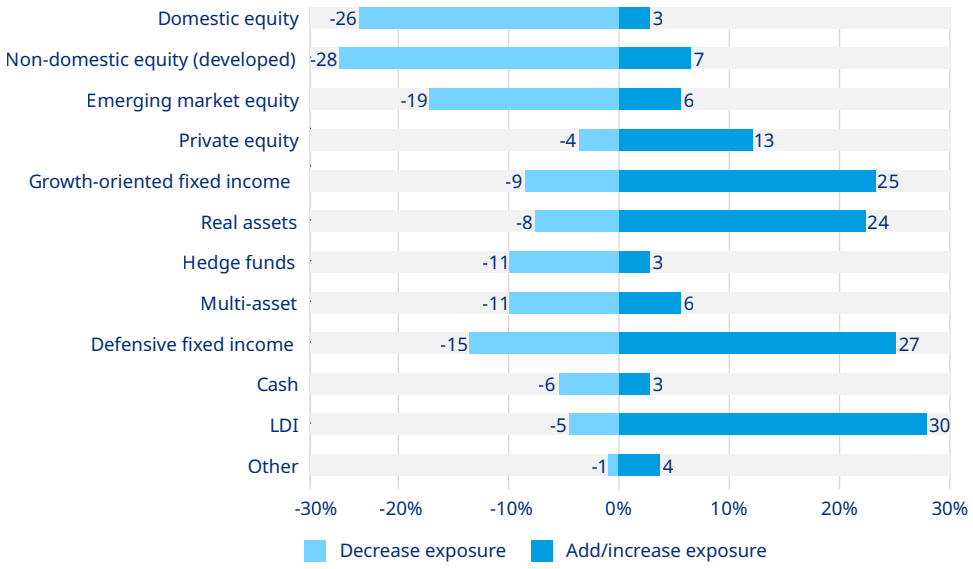


Figure 2 shows the broad allocation of plan assets by country for DB plans. In Belgium and Germany, plans (contractual trust arrangements, or CTAs) have the highest average equity weightings, whereas plans in Germany (excluding contractual trust arrangements) and the UK exhibit the lowest equity exposure. Continuing the trend seen in previous years, average equity allocations kept decreasing, from 22% to 21%, with average bond allocations also decreasing slightly from 54% to 53%. Average allocations to alternatives increased from 18% to 20%, cash increased from 2% to 3% and property allocations fell from 4% to 3%.

Figure 3 shows investors' forward-looking plans for allocating assets. The ongoing move of pension plan clients into their endgames, with desire for de-risking into bond assets (a better match for liability movements), means that the picture is largely unchanged from previous years. Most surveyed investors plan to increase exposure to bond assets and particularly LDI while decreasing exposure to equity. There is also a notable planned increase to growth fixed income as a less volatile alternative to equities and also due to its income-producing characteristics, as many DB plans are cashflow-negative. Some alternatives, such as private equity and real assets, are also seeing a notable increase, as investors are looking for ways to diversify their equity portfolios due to equity valuations in many markets being at record highs again.

Investment governance

Figure 4. Strategic asset allocation by plan size

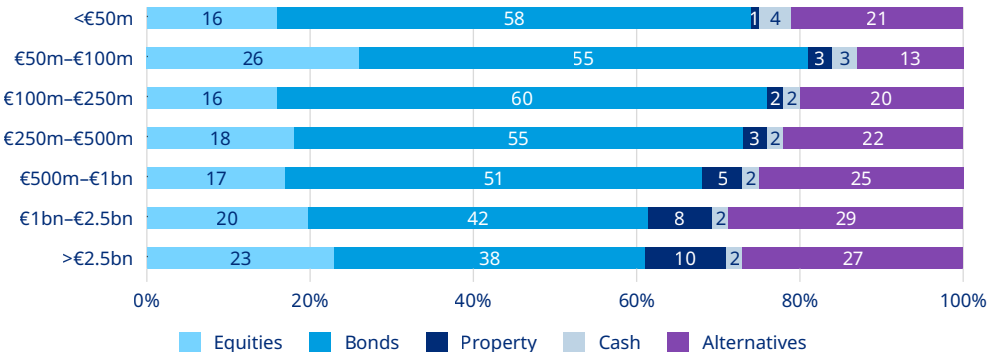
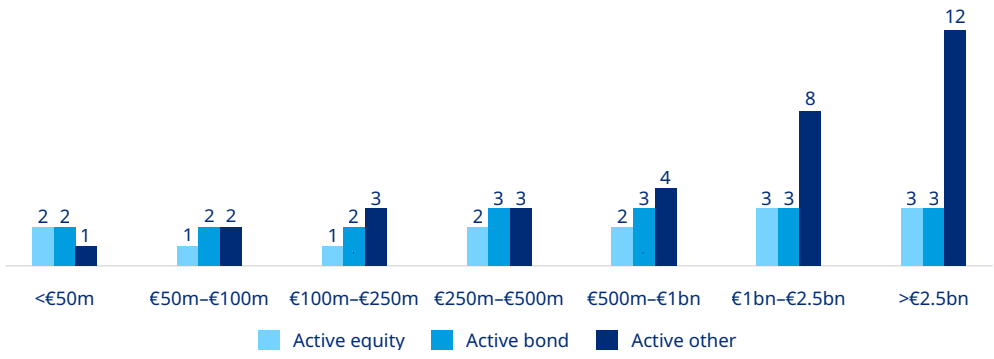


Figure 5. Average number of active mandates by plan size



Pension plan investment governance covers a range of topics, from the complexity of investment arrangements and whether they are actively or passively managed to the number of ideas and opportunities considered. Our survey results highlight a link between plan size and the amount of time and resources devoted to considering investment issues.

Figure 4 illustrates how asset allocation varies with plan size. Although equity exposures do not appear to follow a clear pattern, alternatives allocation size and larger plan size are somewhat correlated. Larger plans usually have higher governance ability and wider resources — and are likely to be large enough to access certain opportunities that smaller plans might not.

The largest plans, though holding less in bonds, often have higher interest-rate and inflation-hedge ratios than their bond allocations reflect, given their ability to leverage their portfolios to achieve a higher degree of liability matching. This often frees up assets for return-seeking portfolios such as alternatives.

Figure 5 shows that larger plans tend to use more active manager mandates. This is because they have the scale to diversify active manager portfolios (sometimes to neutralise unintentional factor/style/geographical biases and concentration risk) and to build bespoke portfolios of alternative assets (captured within the “active other” category).

Figure 6. Total amount of equity and bond assets managed on a passive basis (%)[3]

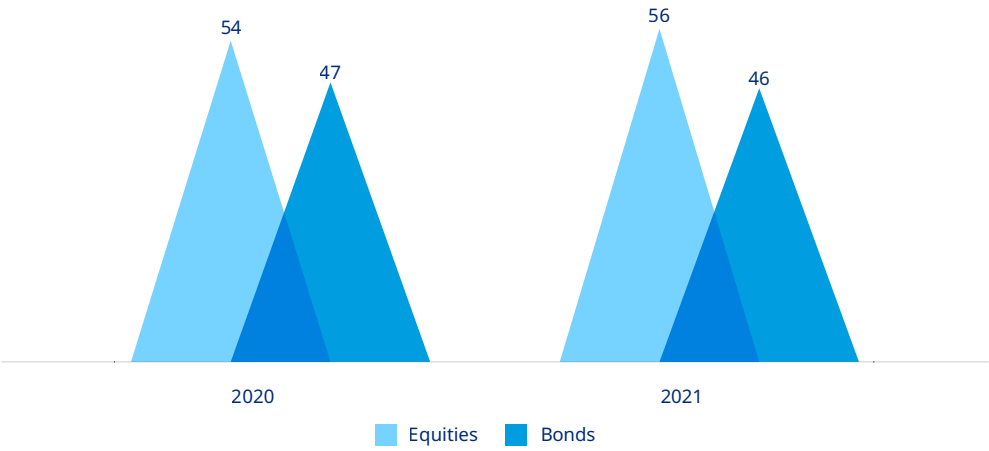


Figure 6 shows the extent to which plans use passive mandates for equities and bonds, using a like-for-like comparison of those plans featuring in last year's dataset. For a number of years, this chart has shown a steady increase in the proportion of passive allocations; however, for the second year in a row, this year's figures are largely the same as in the previous year.

Figure 7. Proportion of equity and bond assets managed on a passive basis (%)

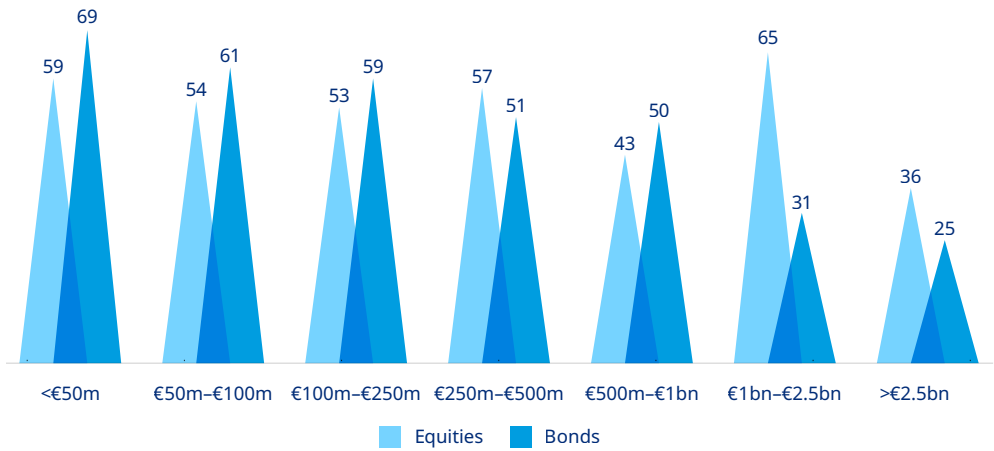
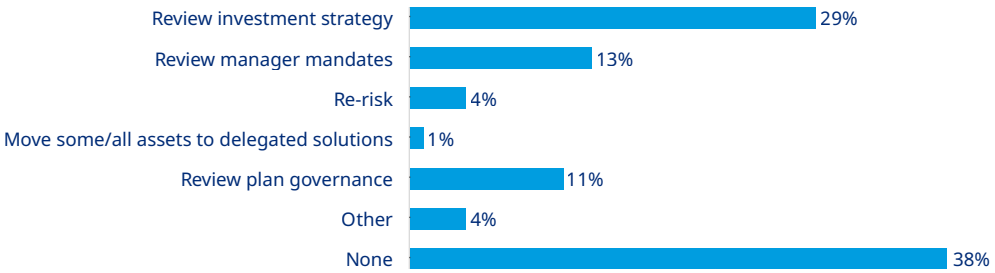


Figure 7 still supports the idea that smaller investors are more likely to invest passively — perhaps due to greater fee sensitivity, lower ability to negotiate on fees or the lack of framework from which to effectively and regularly monitor the performance of active managers. For many smaller investors, it makes more sense to focus their governance budget on liability management, or matching cashflows, rather than spending time on high-governance active management. These figures also only report active/passive basis on traditional bonds and equity: many investors focus their governance budget on alternatives asset classes, where passive options rarely exist.

[3] We have removed respondents from the 2020 samples that were not represented in the 2021 respondents.

Figure 8. Have you planned or are you planning to undertake any of the following as a consequence of the 2020 COVID-19 experience?



The 2020 COVID-19 sell-off during March may have appeared dramatic when it happened, but the rebound was equally sharp, with most asset classes and hence portfolios ending the year with substantial positive returns. The majority of investors, therefore, did not see a compelling reason to change any of their existing portfolio management arrangements, but those who did are considering a review of their investment strategy and manager mandates.

Reviewing plan governance also features prominently: as the rebound happened in some asset classes with the blink of an eye, some investors may wish to build more flexibility into their processes in order to react to future short-lived opportunities.

Equity portfolios

Figure 9. Equity portfolio allocation by country

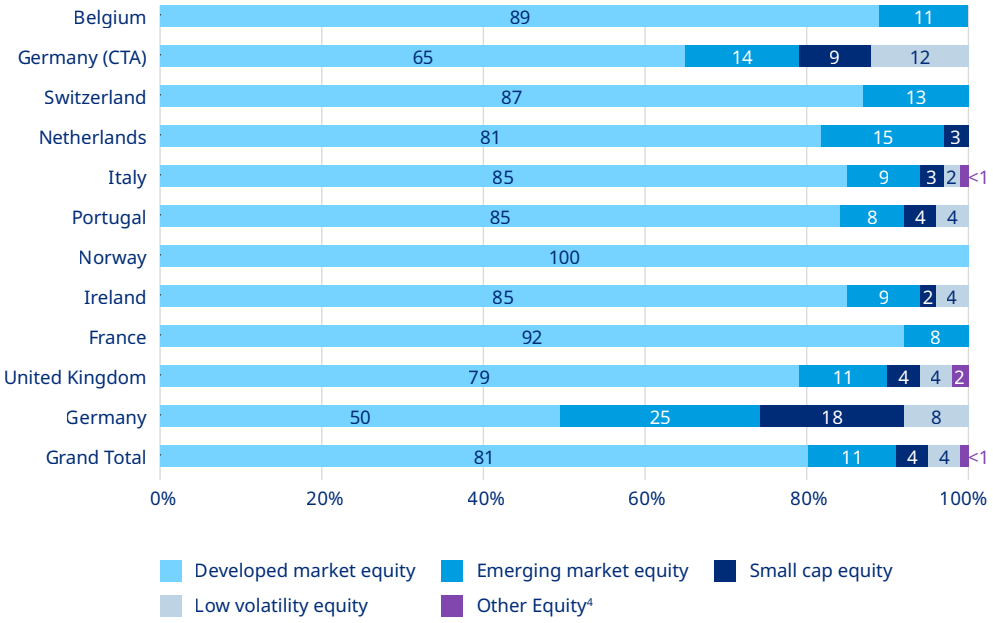
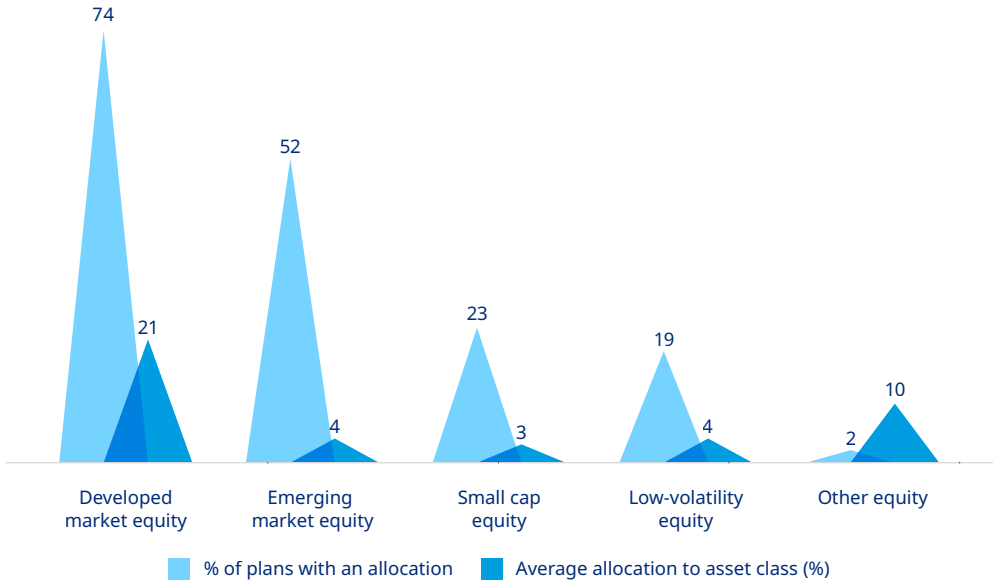


Figure 10. Strategic allocation to selected equity strategies (%)



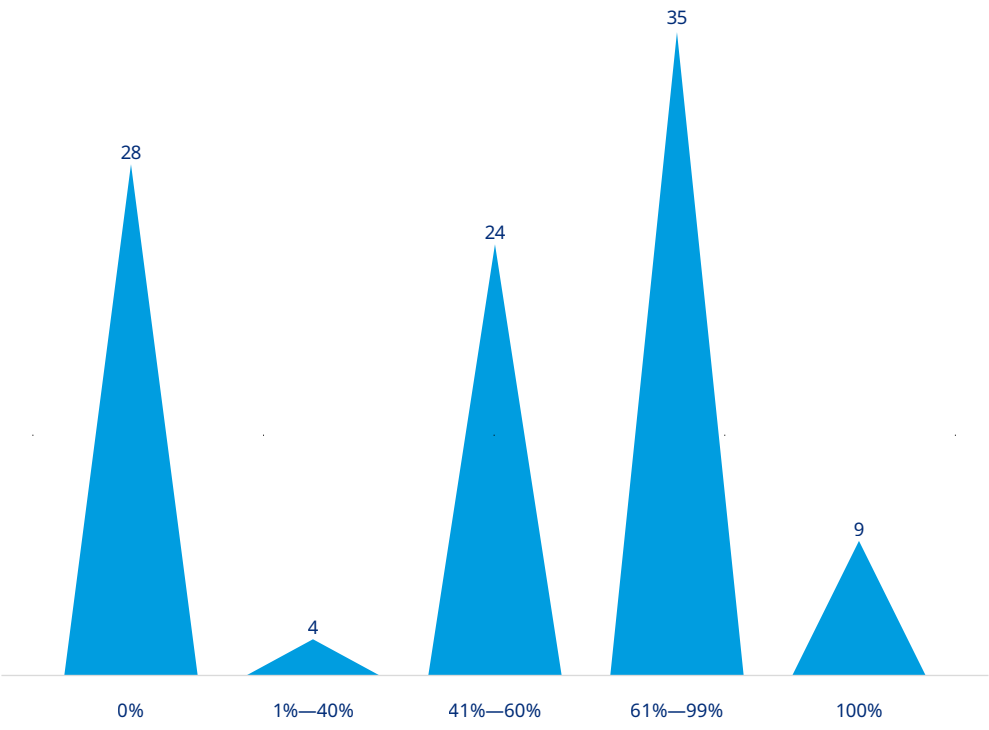
Figures 9 and 10 consider equity portfolios by underlying allocation, currency exposure and capture of style factors. The proportion of total assets allocated to equities has reduced over the years we have run this survey. Nevertheless, the construction of equity portfolios has continued evolving thoughtfully, with increased diversification across geographies and factors, and the steady adoption of emerging markets and small cap stocks as a key part of a broad equity portfolio.

The 2021 survey results, again, support this, showing a decrease in the percentage of plans with an allocation to developed market equities over the year from 79% to 74% and an increase in the number of plans with allocations to emerging markets (43% to 52%), small cap (21% to 23%) and low-volatility stocks (17% to 19%).

The desire to diversify could explain the increase in plans allocating to these sub-equity asset classes this year. Having said this, these developments come from a low base, with most equity portfolios still exhibiting a heavy bias towards developed market equities.

[4] Includes equity protection strategies and sustainably themed equities.

Figure 11. Target currency hedge ratios for equity portfolios (%)



Investment in equities priced in non-domestic currencies comes with foreign exchange risk, as returns may be reduced by adverse currency movements. Commonly, investors are hedging this risk — a trend that has not changed by much over the year.

Few UK and European DB investors are considering a separate China allocation in their equity portfolio at the moment.

The key reason for this is that most DB plans are de-risking or diversifying into alternatives and are therefore shrinking their equity allocation, so they typically prefer to spend their governance budgets on the growing income generating, liability hedging and alternative components of their portfolios.

Another common reason plans are not considering a separate China allocation is the belief that sufficient China exposure can be obtained through a global emerging market mandate, managed towards a benchmark with a significant allocation to China offshore equities. But in one of our latest China-related research papers,[5] we explain why this approach to emerging markets investing is likely not optimal.

We believe that investors with sufficient governance capabilities should consider actively managed, dedicated China allocations in addition to broader emerging market allocations. This would provide plans with a more balanced exposure to China's offshore and onshore equities, with the latter offering higher alpha and diversification benefits in portfolios.

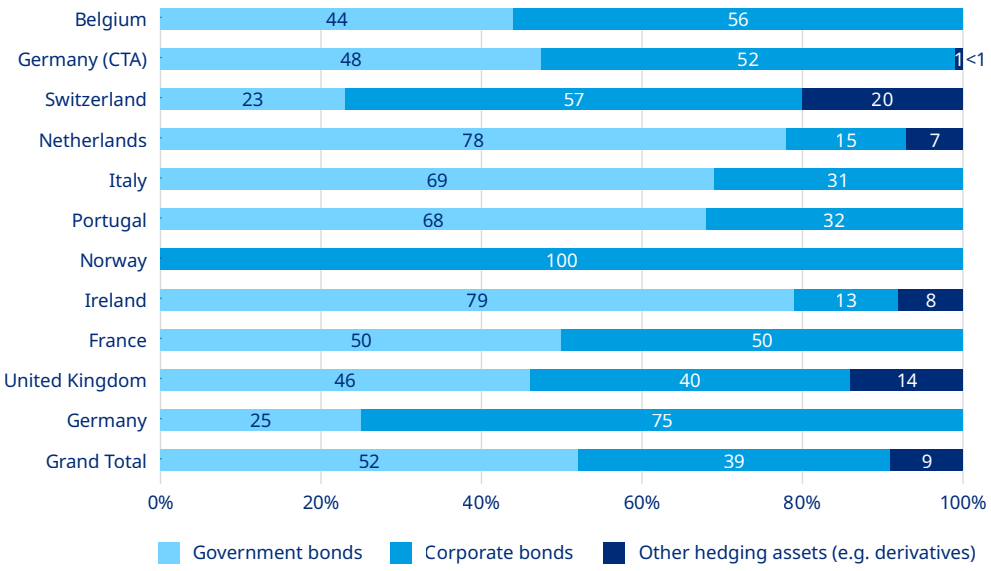
Figure 12. Would you consider building a separate allocation to China in your equity portfolio? (%)

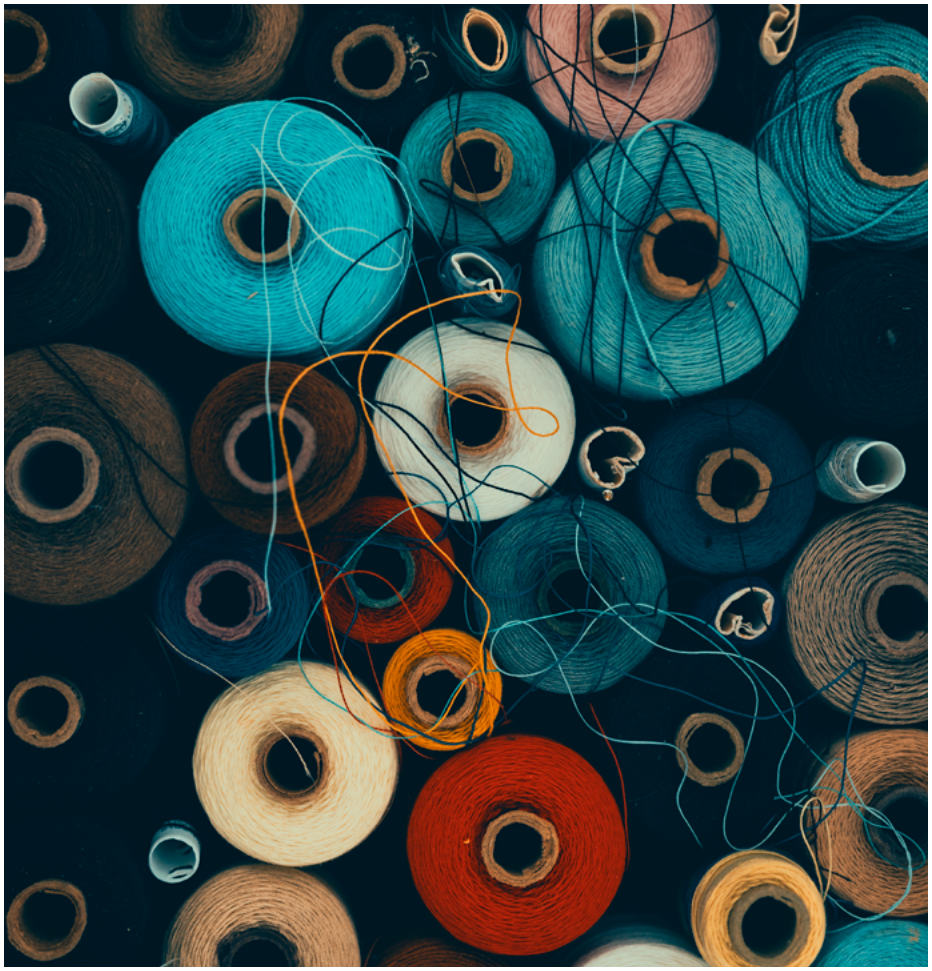
[5] Mercer. Positioning Your Portfolio for the Future of Emerging Markets — The Case for a Dedicated China Equity Allocation, 2021, available at https://www.mercer.com/content/dam/mercer/attachments/global/gl-2021-long-em-and-china.pdf.

Bond portfolios

The composition of the average bond portfolio has changed little over time; the make-up of individual plans' bond portfolios (see Figure 13) is still heavily country-specific. Government bond allocations form the largest component, and the average corporate bond allocation represents around 39% of all bond holdings, a 4% increase from last year, funded from a commensurate decrease in government bonds. Within countries, there have been a few more significant changes over the year: mostly, but not always, the trend has been out of government bonds into corporate bonds.

Figure 13. Bond portfolio allocation by country





In spite of offering low to negative yields, most investors do not see many alternatives to holding government bonds in the defensive part of their portfolio (see Figure 14). For income generation, over a quarter of investors also struggle to see an alternative to plain vanilla government bonds, but more are considering alternative options, with real assets, private debt and multi-asset income funds ranking highest.

Figure 14. In this low-yield environment, what alternatives to government bonds would you consider for the defensive part of your portfolio?

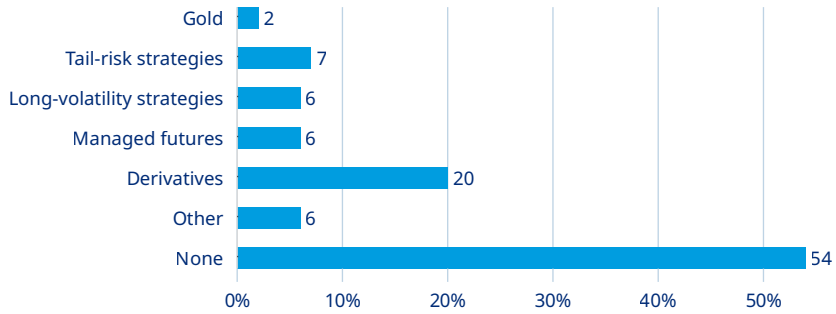
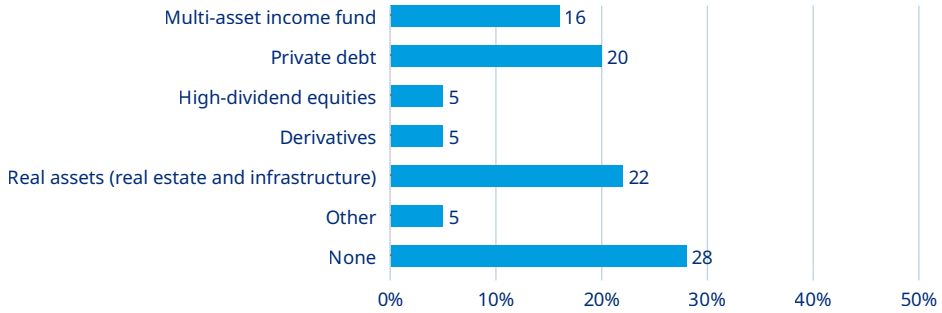


Figure 15. In this low-yield environment, what asset classes would you consider for the income-producing part of your portfolio instead of government bonds?



Alternative investments

Investors' use of alternatives continues to increase, and this section considers the nature of plans' underlying alternative investment strategies. As a whole, growth fixed income remains the favourite alternatives option in most countries, while hedge funds and diversified growth funds tend to come second, even though this starts to vary by country.

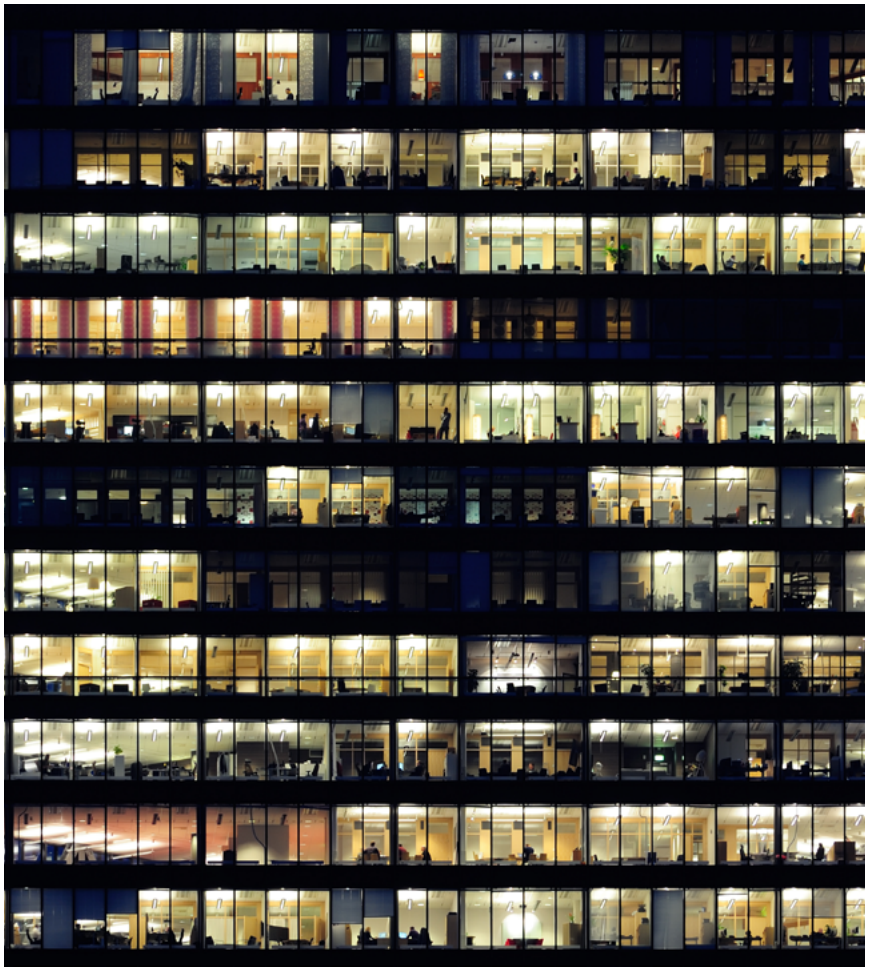
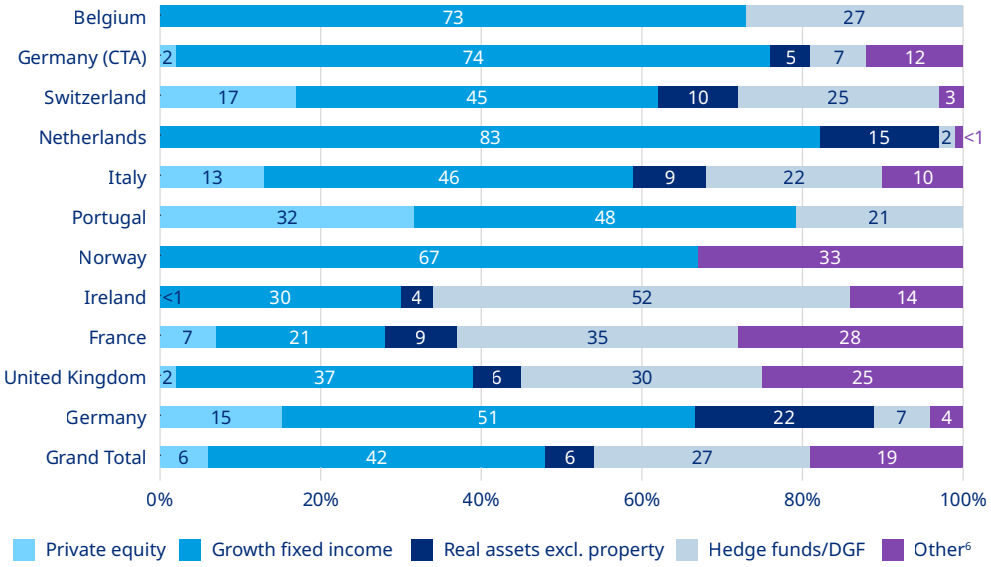


Figure 16. Other alternatives allocation



[6] Largely made up of LDI, bulk annuities, buy-ins and alternative credit that does not fit into one of our growth fixed income categories.

Figures 17 and 18 show that although the average allocation to the respective asset classes has not changed substantially over the year, the percentage of plans having an allocation to each asset class has increased considerably for growth fixed income and decreased considerably for hedge funds.

Figure 17. Strategic allocation to alternative asset classes by type of asset class (%)

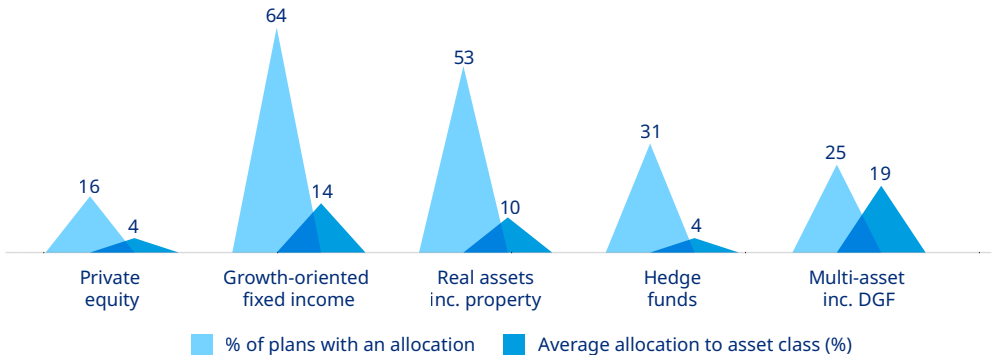


Figure 18. Year-on-year change in % of plans with allocation

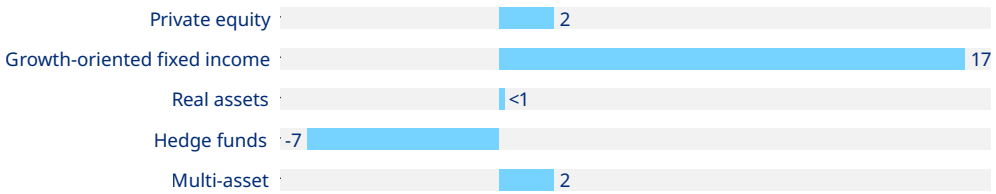


Figure 19. Strategic allocation to private equity (%)

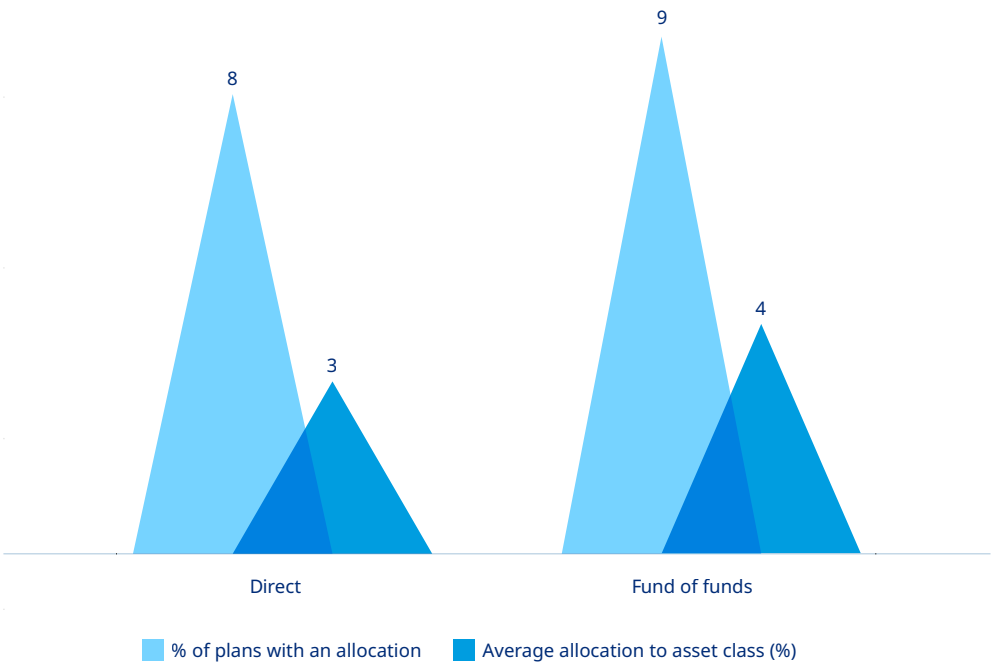


Figure 20. Strategic allocation to growth-oriented fixed income (%)

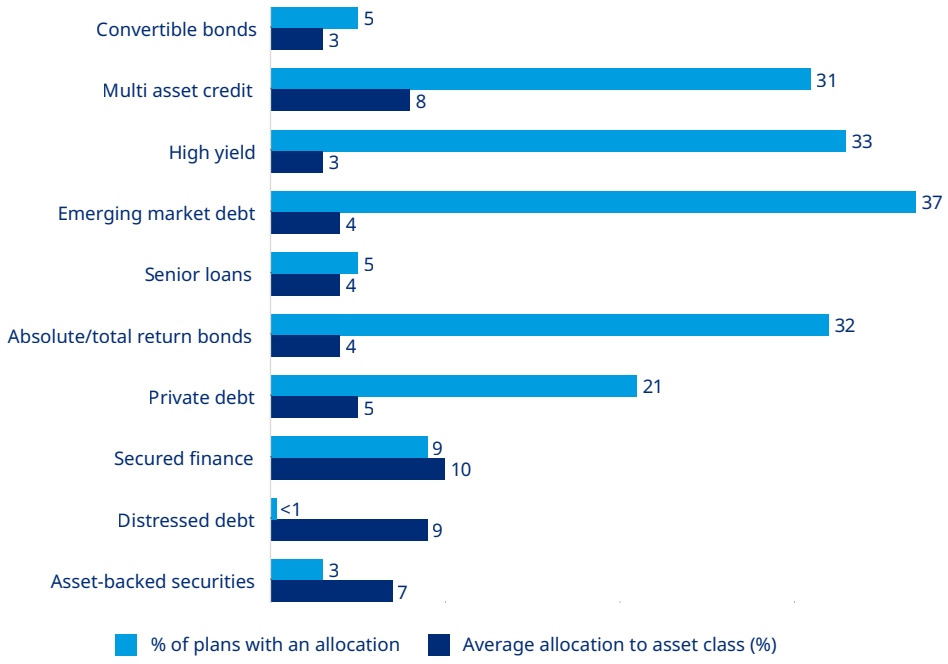


Figure 19 shows the proportion of plans reporting a private equity allocation, either directly invested or via a fund of funds. Neither the percentage of plans reporting an allocation nor the average allocation to each has changed much from last year.

Figure 20 shows the proportion of plans with various growth fixed-income allocations alongside the average portfolio allocation these plans report. Growth fixed income has offered investors wide diversification benefits against traditional asset classes and continues to see appetite from investors, particularly given the level of some equity valuations reached in 2020.

The following asset classes all saw noticeable increases in investors reporting an allocation:

- Multi-asset credit (22% to 31%)
- High yield (21% to 33%)
- Emerging market debt (28% to 37%)
- Absolute return (21% to 32%)
- Private debt (16% to 21%)
- Secured finance (7% to 9%)

In all cases, this has continued a trend we have been observing over the past few years.

Real assets remain popular thanks to longer-term real return drivers and strong, stable cashflows at a time when valuations for many traditional asset classes are rich and most fixed-income yields remain depressed.

Figure 21 shows core and domestic real estate continue to dominate the real asset landscape. This year's survey revealed a slight decrease in the proportion of plans reporting a core real estate allocation (in line with the slight decrease in the allocation to property as a whole), with plans reporting a slight decrease in domestic and non-domestic allocations. Plans reporting an allocation to other listed property sectors, infrastructure or other real assets have not changed much over the year.

One notable difference over the year has been an increasing allocation to listed real assets, with both REITs and listed infrastructure seeing a higher number of plans reporting an allocation.

Average allocations themselves have not changed much over the year, with core real estate and domestic real estate still having the highest average allocations.

Figure 21. Strategic allocation to real assets, including property (%)

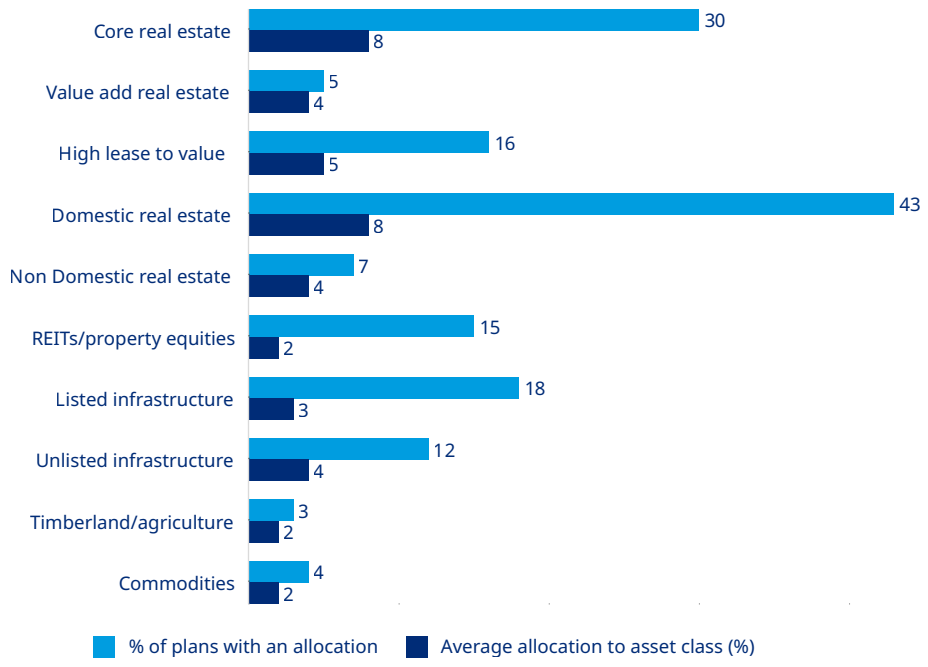
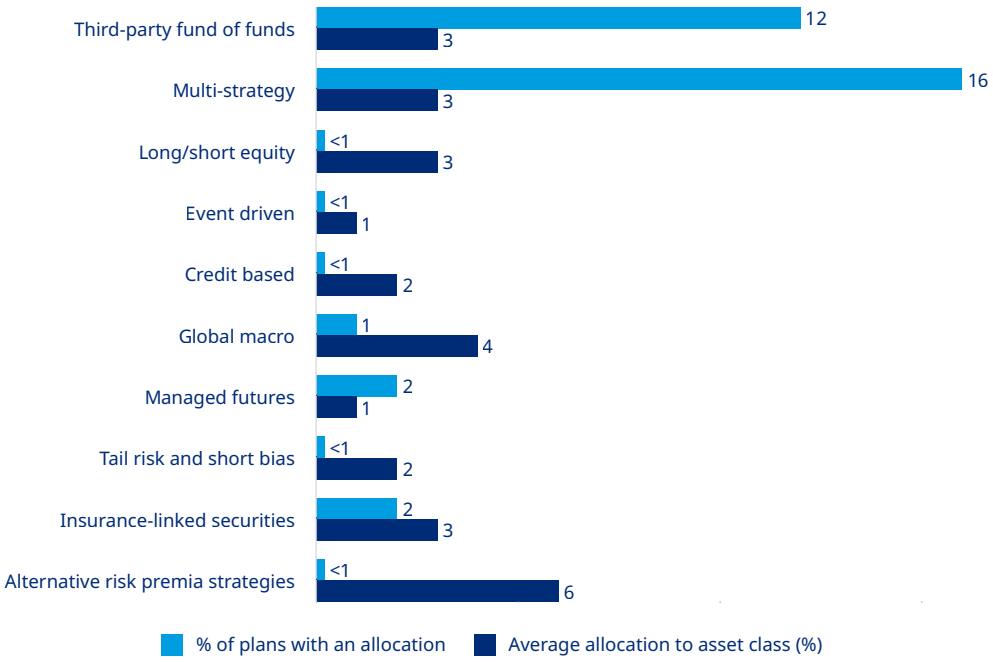
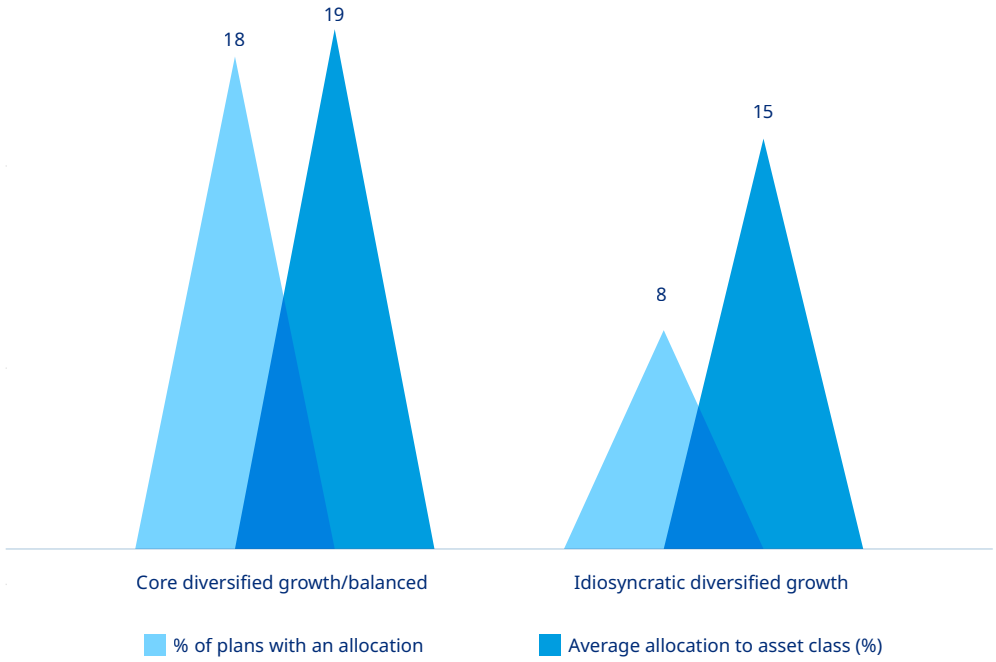


Figure 22. Strategic allocation to hedge funds (%)



Within hedge funds, only fund-of-funds strategies saw a substantial decrease in the proportion of plans reporting an allocation compared to last year's findings. Along with multi-strategy funds, however, they remain among the most popular hedge fund strategies. This may be due to the strongly diversified nature of strategies. Although they have higher fees, they can provide lower-governance investors with exposure to various fund strategies and managers through one vehicle while allowing them to focus the governance budget on higher-level strategic decisions. All other asset classes saw little change.

Figure 23. Core versus idiosyncratic diversified growth funds (%)



Within multi-asset strategies, the proportion of investors allocating to core diversified and idiosyncratic strategies and how much they allocate on average remained mostly unchanged.

Acknowledgements

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Appendix: Survey participants

Figure 24. Split of total survey assets by country (%)

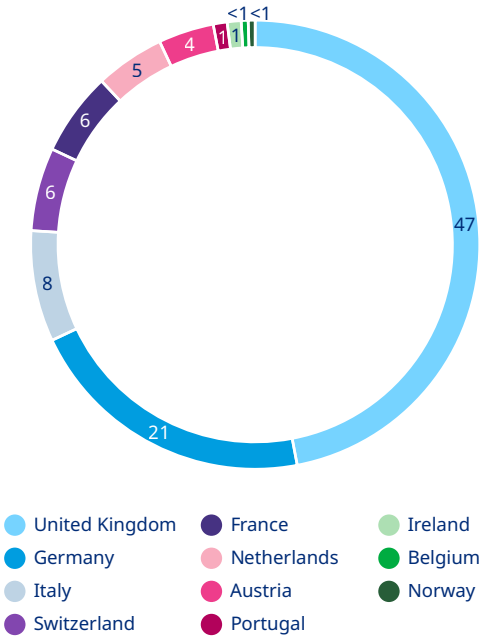


Figure 25. Split of total survey participants by plan size (%)

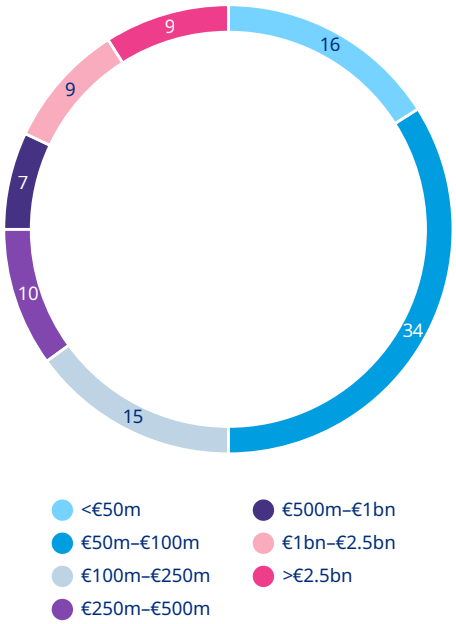
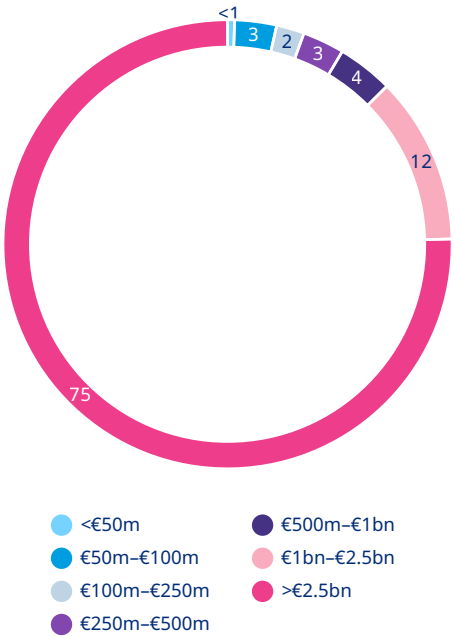


Figure 26. Split of total survey assets by plan size (%)



Our 2021 survey gathered information from c. 850 institutional investors across 11 countries, reflecting total assets of c.€1 trillion. Figure 24 shows the asset-weighted composition of survey participants by country. UK-based participants formed the largest group.

About a half of the participants (by number) represent plans with assets under €100 million, whereas around 20% had over €1 billion of assets (see Figure 25).

Although smaller in number, these larger plans dominate the overall assets under review (see Figure 26).

Some year-on-year turnover among survey participants is inevitable, but most of the plans have remained part of the survey over time, allowing us to identify asset-allocation trends based on robust core data.

Appendix: Changes in asset allocations by country over time

Figure 27 shows the change in overall allocations in the UK over the past 19 years. The equity allocation of UK participants fell again over 2020, with the average equity allocation reaching a new low of 15%. This has involved both a slight increase in bond allocations, but also a continued move into alternative investments — representing a desire to both match liabilities and cash flows and diversify return drivers away from those of traditional equity.

Figure 27. Changes in actual asset allocation for UK plans (2003–2021)

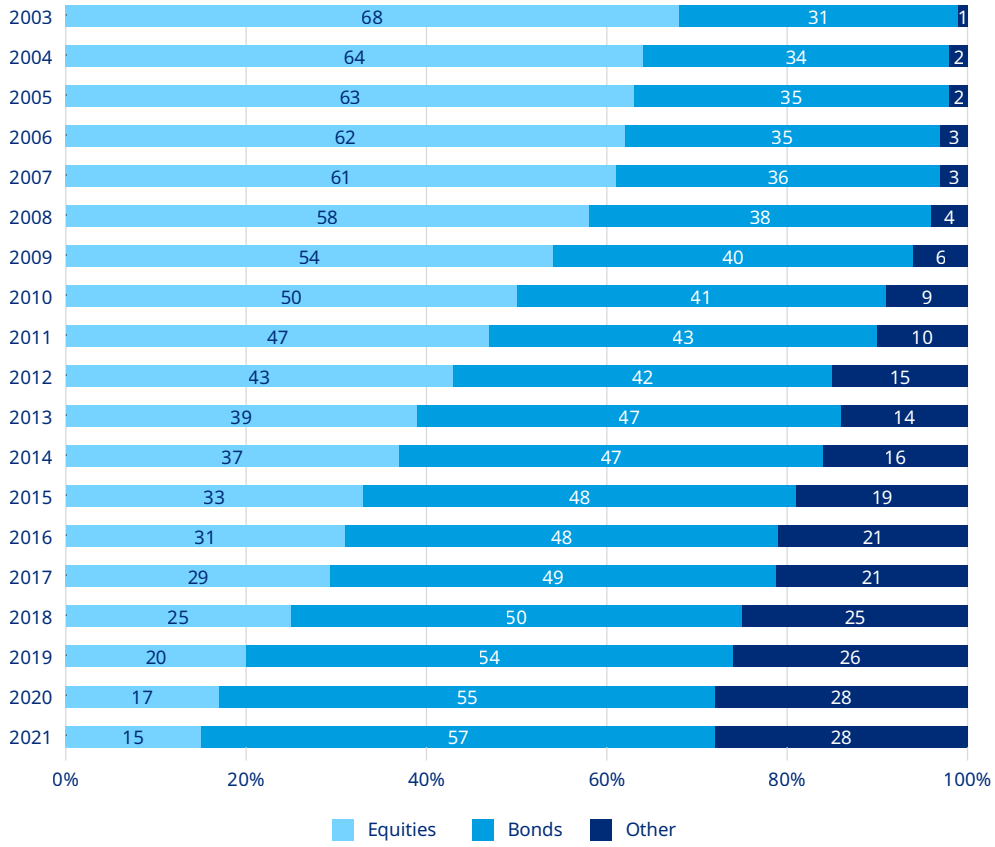
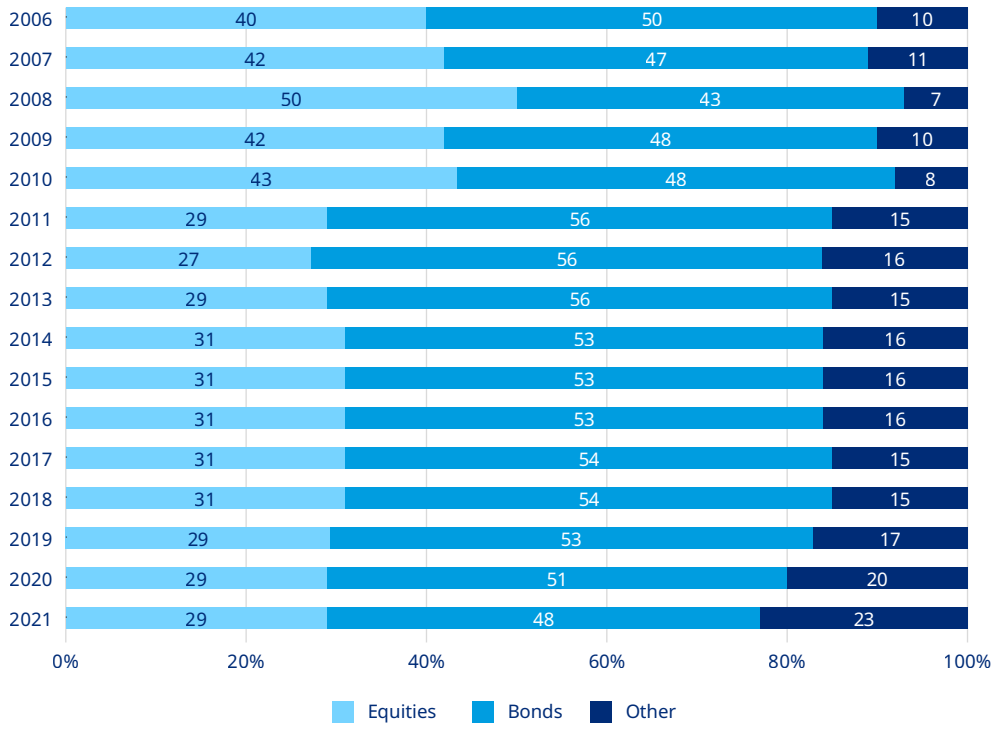


Figure 28 shows the change in overall allocations for Europe over the past 16 years. The equity allocation has fallen, but in a less linear fashion than for the UK, while the allocation to alternatives has increased. The bond allocation has been pretty much constant.

Figure 28. Changes in actual asset allocation for European plans (2006–2021)



Appendix: Detailed asset allocation as at the end of 2020

	Belgium	France	Germany	Germany (CTA)	Ireland	Italy	Netherlands	Norway	Portugal	Switzerland	United Kingdom	Grand Total
Developed market equity	41.7%	19.1%	7.5%	23.5%	19.5%	24.8%	24.9%	26.0%	22.0%	27.0%	12.1%	17.0%
Emerging market equity	5.1%	1.7%	3.8%	5.2%	2.1%	2.6%	4.6%	0.0%	2.0%	4.1%	1.7%	2.2%
Small cap equity	0.0%	0.0%	2.7%	3.2%	0.4%	1.0%	1.0%	0.0%	1.0%	0.0%	0.6%	0.8%
Low volatility equity	0.0%	0.0%	1.1%	4.3%	1.0%	0.6%	0.0%	0.0%	1.0%	0.0%	0.6%	0.8%
Other equity	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.3%	0.2%
Listed equity	46.8%	20.8%	15.1%	36.3%	23.0%	29.2%	30.5%	26.0%	26.0%	31.2%	15.4%	21.0%
Direct	0.0%	0.9%	0.5%	0.2%	0.0%	2.7%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%
Fund of funds	0.0%	0.9%	4.4%	0.4%	0.0%	0.9%	0.0%	0.0%	3.4%	1.2%	0.2%	0.9%
Private equity	0.0%	1.7%	4.9%	0.6%	0.0%	3.6%	0.0%	0.0%	3.4%	1.2%	0.4%	1.1%
Convertible bonds	0.0%	0.0%	2.2%	0.6%	0.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Multi strategy credit	0.0%	1.8%	0.1%	0.0%	0.9%	1.1%	0.0%	0.0%	0.0%	0.4%	3.1%	1.9%
High yield	1.3%	1.8%	1.7%	3.4%	0.2%	3.2%	2.1%	2.0%	1.7%	0.3%	0.8%	1.1%
Emerging market debt	0.9%	1.8%	6.5%	6.5%	1.0%	2.2%	3.3%	0.0%	1.7%	1.0%	1.1%	1.6%
Senior loans	0.0%	0.0%	1.1%	0.7%	0.5%	0.2%	0.3%	0.0%	0.0%	0.9%	0.1%	0.2%
Absolute/total return bonds	3.3%	0.0%	2.4%	5.2%	0.9%	2.3%	0.0%	0.0%	1.7%	0.0%	1.0%	1.4%
Private debt	0.0%	0.0%	2.5%	1.2%	0.3%	2.0%	0.7%	0.0%	0.0%	0.6%	1.1%	0.8%
Secured finance	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.7%
Distressed debt	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset-backed securities	0.0%	0.0%	0.0%	0.2%	0.3%	0.0%	4.0%	0.0%	0.0%	0.1%	0.1%	0.1%
Growth-oriented fixed income	5.5%	5.3%	16.5%	17.7%	4.5%	12.4%	10.3%	2.0%	5.0%	3.2%	8.6%	8.1%
Domestic property – core real estate	3.3%	1.1%	17.6%	3.7%	1.6%	6.1%	0.6%	12.6%	1.3%	0.0%	1.0%	2.3%

	Belgium	France	Germany	Germany (CTA)	Ireland	Italy	Netherlands	Norway	Portugal	Switzerland	United Kingdom	Grand Total
Domestic property – value add real estate	0.0%	0.0%	2.3%	0.4%	0.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Domestic property – high-lease-to-value real estate	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.6%
Domestic real estate	3.3%	1.1%	20.0%	4.1%	1.9%	7.3%	0.6%	12.6%	1.3%	20.7%	2.1%	3.0%
Non domestic real estate	0.0%	1.1%	1.7%	0.0%	0.4%	0.7%	0.2%	0.0%	1.3%	2.4%	0.1%	0.4%
REITs/property equities	0.0%	0.0%	1.3%	0.0%	0.0%	0.2%	1.0%	0.0%	0.0%	0.0%	0.3%	0.3%
Listed infrastructure	0.0%	2.2%	2.0%	0.7%	0.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.7%	0.5%
Unlisted infrastructure	0.0%	0.0%	2.2%	0.1%	0.0%	1.4%	0.0%	0.0%	0.0%	0.5%	0.4%	0.3%
Timberland/agriculture	0.0%	0.0%	1.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Commodities	0.0%	0.0%	0.8%	0.4%	0.0%	0.7%	0.8%	0.0%	0.0%	0.2%	0.0%	0.1%
Real assets	3.3%	4.4%	28.9%	5.3%	2.9%	10.3%	2.6%	12.6%	2.7%	23.8%	3.7%	4.8%
Hedge funds	2.0%	0.8%	2.2%	1.6%	2.2%	2.7%	0.2%	0.0%	2.2%	1.2%	0.9%	1.4%
Multi-asset	0.0%	8.1%	0.1%	0.0%	5.7%	3.2%	0.0%	0.0%	0.0%	0.6%	6.1%	3.9%
Domestic fixed interest government bonds	15.6%	9.6%	6.2%	12.2%	26.2%	9.9%	39.8%	0.0%	32.0%	21.0%	9.3%	15.1%
Domestic index-linked government bonds	2.2%	0.0%	0.1%	0.3%	17.8%	3.3%	1.5%	0.0%	5.2%	8.7%	16.6%	11.6%
Non-domestic fixed interest government bonds	0.0%	9.6%	1.0%	4.2%	0.0%	8.1%	2.5%	0.0%	1.2%	0.0%	0.1%	0.8%
Non-domestic index-linked government bonds	0.0%	0.0%	0.0%	0.0%	1.6%	0.8%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%
Domestic corporate bonds	22.6%	9.6%	19.8%	12.5%	5.0%	2.7%	7.2%	31.6%	17.2%	0.0%	20.4%	18.2%
Non-domestic corporate bonds	0.0%	9.6%	2.5%	5.8%	2.7%	7.4%	1.2%	24.5%	0.6%	0.0%	2.3%	2.4%
Other matching assets	0.0%	0.0%	0.0%	0.1%	4.7%	0.0%	3.9%	0.0%	0.0%	3.7%	7.9%	4.9%
Fixed income	40.4%	38.3%	29.6%	35.1%	58.0%	32.3%	56.1%	56.1%	56.2%	33.4%	56.9%	53.3%
Other (inc. cash)	2.0%	20.6%	2.7%	3.4%	3.7%	6.3%	0.3%	3.3%	4.4%	5.4%	8.1%	6.4%
Total asset allocation	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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