

# Investing for success in a changing world

Jon Cunliffe  
Managing Director, Investments



# Who we are

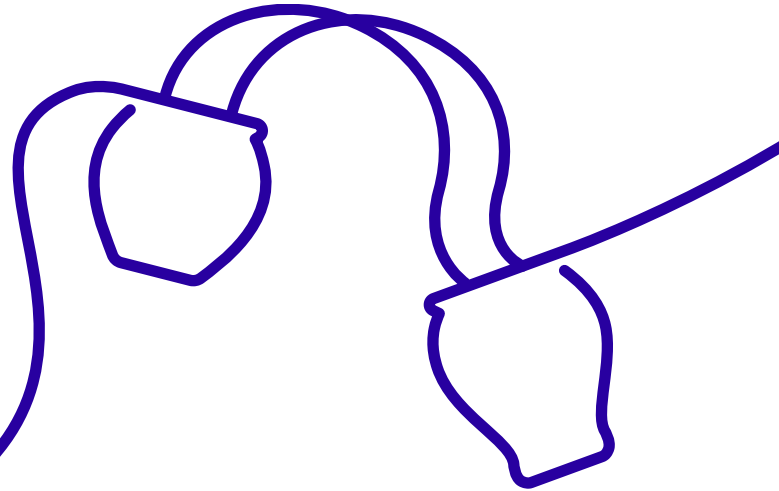


## B&CE

- We've been providing simple financial products to the construction industry for nearly 80 years
- We're dedicated to improving the welfare of those working in the construction industry
- Profit for people – we put our members first

## The People's Pension

- One of the largest master trust workplace pensions in the UK
- Currently helps 1 in 5 UK workers save for a better retirement
- Approximately 20% of the construction industry are saving with us
- Offers investment options to suit everyone

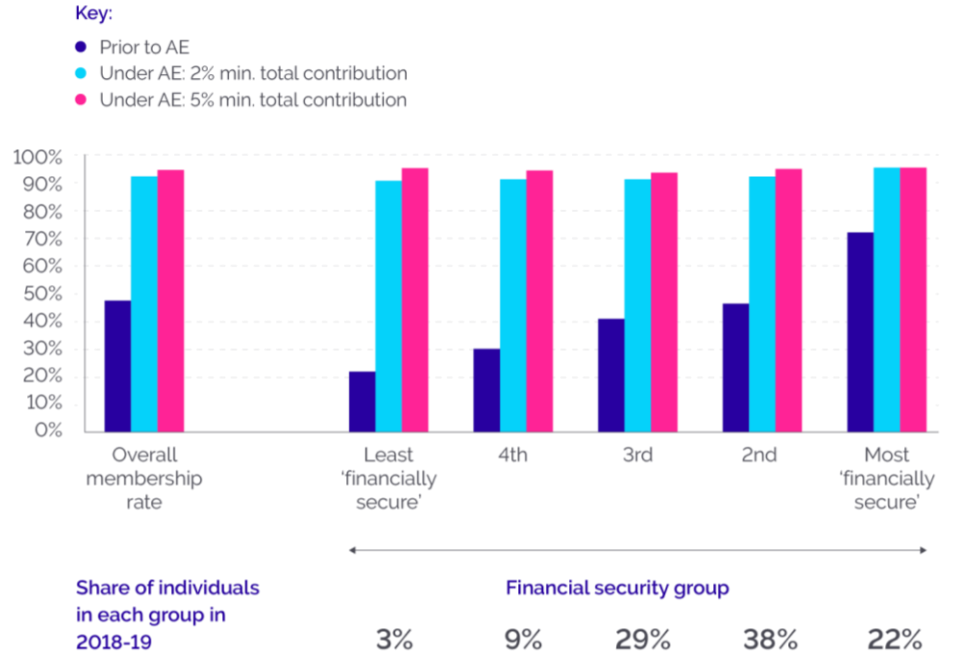


# The auto-enrolment pensions landscape



## 10 years of auto-enrolment pensions

- First employers began auto-enrolling staff in 2012
- 10m people brought in to pension saving
- 142% increase in participation amongst the lowest paid



# The People's Pension growth

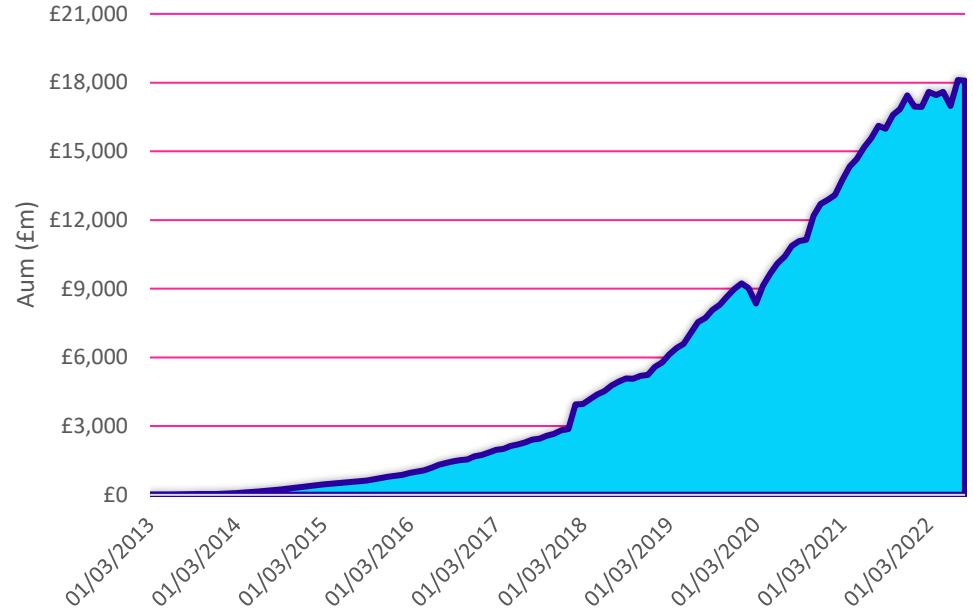


## Our growth in numbers

- Over 6m members are saving with us
- Over £17bn invested for scheme members
- Over 100,000 employers

## A good time to save

- Governments did what they could after the credit crunch
- Policy makers and central banks supported investments by lowering interest rates



# A changing world

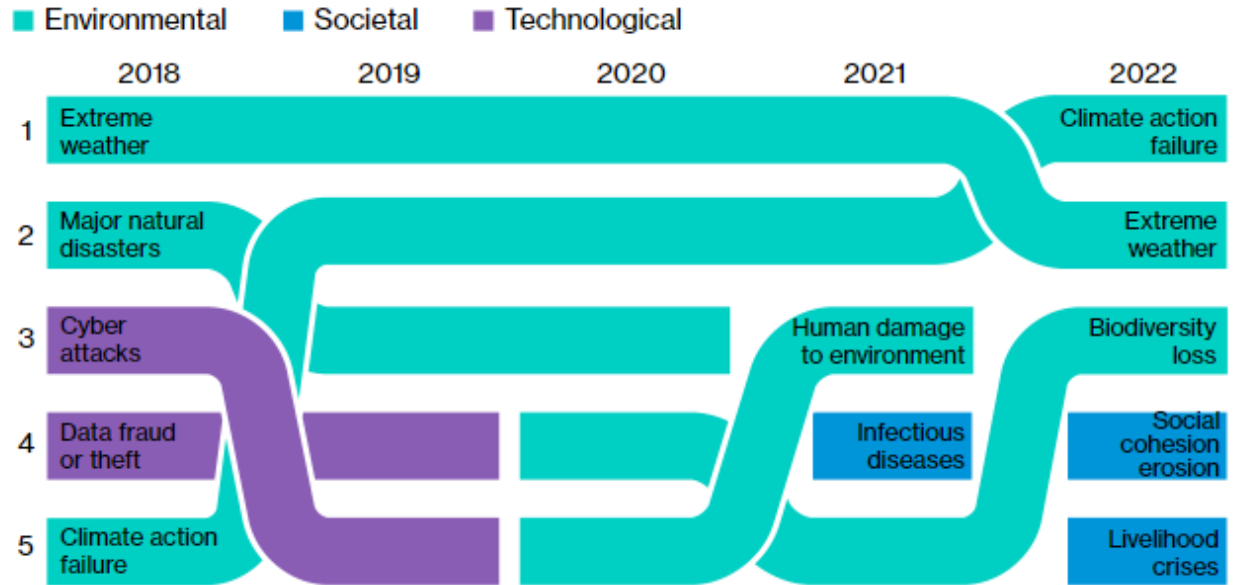


## Geopolitical risk

- Increasing social polarisation
- War in Ukraine
- China

## A changing climate

- Extreme weather events
- Increasing food prices
- Transition to a low carbon world



Source: World Economic Forum Global Risks Report 2022

# The next 10 years from an investment perspective



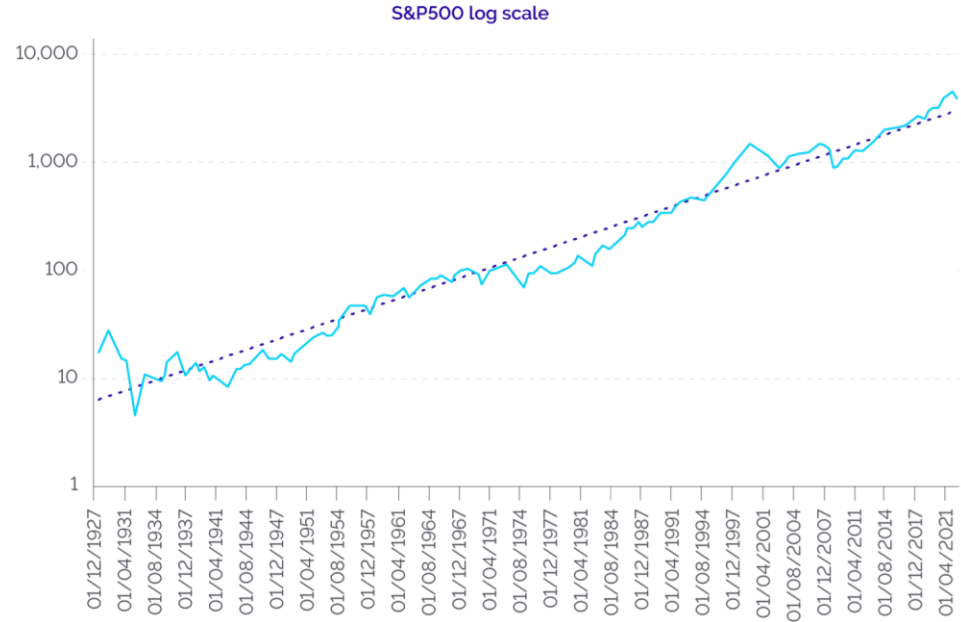
## Can performance continue?

- Global stock markets have been well ahead of their long-term trends

## A changing world means changing strategy

- Higher inflation
- Higher bond yields
- Shorter economic cycles
- Lower correlations between asset classes

## US stock market performance



# What could this mean for investments?



## Market returns unlikely to be enough

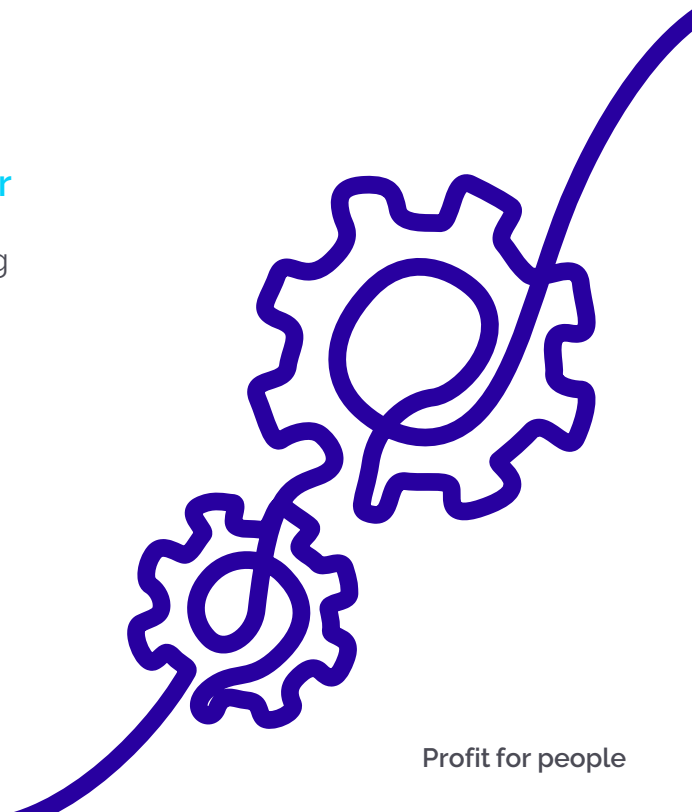
- Can no longer rely on just letting stock markets rise to deliver returns

## Schemes will need to work harder, smarter and manage risk better

- More dynamic approach and a broader opportunity will be required including alternative sources of return
- Investing directly into infrastructure and building projects
- Greater awareness and understanding of how the world is changing

## Understanding and integration of climate risk will be required

- Likely the most material of risks over the next decade
- Extreme weather events
- Understanding of how the world will transition



# Questions?



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Manor Royal, Crawley, West Sussex, RH10 9QP. Tel 0300 2000 555 Fax 01293 586801.

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Profit for people