



PRESS RELEASE: FOR IMMEDIATE RELEASE

Cartwright advises first UK pension scheme on Bitcoin asset allocation

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Cartwright, the pension specialist for defined benefit and hybrid schemes, today announced a pioneering bitcoin allocation into the investment portfolio of a UK Pension Scheme. The first of its kind in the UK, the allocation took place in October after a rigorous training and due diligence process. It saw Trustees of the unnamed scheme choose to make a 3% bitcoin allocation, reflecting the scheme's relatively long investment time horizon. Bitcoin's asymmetric return profile enables a small allocation to have a big positive financial impact, protected by the extensive risk management at both scheme and asset levels.¹

Sam Roberts, Director of Investment Consulting at Cartwright, commented: "Trustees are increasingly looking for innovative solutions to future-proof their schemes in the face of economic challenges. This bitcoin allocation is a strategic move that, not only offers diversification, but also taps into an asset class with a unique asymmetric risk-return profile.

"Our approach ensures that schemes can benefit from the significant potential upside whilst limiting the potential downside. Integrating bitcoin into a pension scheme's investment strategy is a bold step that reflects the forward-thinking nature of the trustees involved. We are proud to have led this ground-breaking move which we hope will be the start of a trend for institutional investors in the UK to catch up with their increasing number of peers and competitors around the world who are already taking advantage of bitcoin's unique attributes*."

¹ Note: Of all the digital cryptoassets available, Cartwright considers only bitcoin to be of institutional grade quality and even then, only if it is held in a secure manner with minimal counterparty exposure. Furthermore, bitcoin has completely different attributes to other cryptoassets. Bitcoin belongs in the category of money alongside government currencies and gold. Other cryptoassets are far too risky and uncertain to be considered for institutional investment purposes, at best treated as small cap technology companies and at worst pure scams.

Steve Robinson, Head of Investment Implementation at Cartwright, commented: “The operational procedures around this bitcoin investment have been designed to maximise the security of the asset whilst allowing profits to be taken quickly as and when they arise. Our commitment to actively engage with emerging innovative technologies means we can ensure that trustees remain at the cutting edge of investment solutions. By combining a highly secure custodial solution with a mechanism to quickly trim profits as they arise, we’ve opened the door for risk-averse pension schemes and other institutional investors to benefit from bitcoin’s potential growth whilst managing volatility within a secure strategic framework.

“The solution created also has a low minimum investment threshold meaning that this option is available to pension schemes of all sizes, unlike many historic investment ideas when they first become available. We are excited to be at the forefront of integrating this exciting asset into a traditionally conservative space and we are confident that this strategic move, coupled with our secure custodial approach, will provide long-term value to scheme members while offering an innovative way to reduce reliance on employer contributions.”

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*This global trend embraces bitcoin as: a hedge against monetary debasement and counterparty risk, diversification alongside other growth assets such as equities, and a way to access a rare long-term asymmetric growth opportunity as bitcoin becomes more widely adopted across the world as a form of money. Cartwright expects an institutional adoption curve similar to when pension schemes started investing in equities in the 1970s, or high yield bonds in the 1980s, or LDI in the 2010s. It can take some time for institutional investors to get comfortable, but then it becomes reputationally risky to not have considered that asset as a natural part of optimal portfolio construction.

Note to Editors

Originally formed to fill a gap in the market, Cartwright was established in 1986 to provide specialist pension scheme services to small, medium sized defined benefit and hybrid schemes.

Today, that same pioneering spirit remains at the heart of the company as the company continues to provide actuarial, administration, investment, and scheme management services to over 200 clients.

The company operates nationwide providing services to a customer base featuring trustees and sponsors seeking to manage their pension schemes more effectively and efficiently.

Dedicated to delivering solutions that are both pragmatic and innovative, Cartwright operates with the highest degree of professionalism and integrity and specialises in providing small and medium sized schemes with direct access to experts in their field.

More information can be found on the website:

<https://cartwrightbenefits.co.uk>

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