

## Press Release

28 March 2019

# Small schemes shouldn't fear illiquid asset opportunities, says Quantum Advisory

Quantum Advisory, the leading independent financial services consultancy, has stressed that it's not just large defined contribution (DC) arrangements that can reap the benefits of illiquid assets, urging smaller schemes to help members gain access to these opportunities too. This follows the Department for Work and Pensions publishing its [consultation into illiquid assets and the development of scale in occupational DC schemes](#), due to close on Monday.

**Jayna Bhullar, Investment Consultant at Quantum Advisory, said:** "Illiquid assets have traditionally been overlooked by smaller DC schemes owing to questions around scale but, if effectively managed, there's no reason for them to forgo these opportunities when considering the possible benefits to members. Those in the accumulation phase would have the potential to build a more diversified and potentially better risk adjusted retirement pot, resulting from the different return stream offered by illiquid assets and, for those in a drawdown arrangement, the regular income distributions provided by these assets can go a long way to supporting cash flow needs throughout retirement.

"Naturally there are challenges to consider, with higher and more complicated fee structures, understandably raising concerns around charge cap compliance for some – however, the DWP's proposals to build on current methods look to ease this pain. Elsewhere, others may fear not being able to gain immediate access to invested funds if needed, but with the right support on training and communication there is no reason why these challenges cannot be overcome."

**Bhullar added:** "As with all investments the key is in finding the right balance. If members are equipped with enough information to make informed decisions to help maximise their pension pot, we can enable more members to reap the benefits of these opportunities whilst safeguarding themselves from excessive risk."

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## NOTES TO EDITORS

### About Quantum Advisory

Quantum Advisory is the trading name of Quantum Actuarial LLP and provides a full range of services to pension schemes and sponsoring employers with a focus on tailored and practical advice and support from experienced professionals.

We have offices in Amersham, Birmingham, Bristol, Cardiff and London servicing schemes and employers across DB, DC, hybrid schemes and a variety of employee benefits arrangements.

Our core services include administration, actuarial consultancy, investment consultancy, secretarial services, employee benefits consultancy, communications, auto enrolment support and health and wellbeing. Across all services we aim to provide pro-active, solution-based thinking by investing in talented people and innovative systems.

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