

3 ways DC schemes can already access illiquids



Diversified Growth Funds

- Diversified Growth Funds (and target date funds) often have modest allocations to illiquid assets via closed-ended components
- There are typically limits based on fund structure



Specialist pooled funds


- Specialist funds blending liquid and illiquid assets can have a high illiquid %
- Different fund structures offer different levels of flexibility



Blended funds

- Already commonly used, blended fund structures which can include a mix of liquid and illiquid assets, with a single daily price for the top level fund. Relies on platform capability

Potential illiquids % overall


Low (<5%)


Material (<20%)


Very high (<40%)

Liquidity risk


Low


Modest


Higher

Reliance on platform


Low


Low


High

Governance implications


Low


Modest


Higher

Impact on outcomes


Modest


Material


Significant