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COURSE BROCHURE

# Pension Liability-Driven Investing and Funding Ratio Training Course

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Amman

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# Pension Liability-Driven Investing and Funding Ratio Training Course

**Ref:** 2258_83812 **Date:** 21 – 25 February 2027 **Location:** Amman **Fees:** 3300 GBP

Pension Liability-Driven Investing and Funding Ratio is a 1-week training course for pension trustees, investment officers and fund managers, who leave with a Liability-Aligned Investment Policy Statement for their scheme. Moving interest rates, longer member lifespans and tighter sponsor budgets now swing funding positions faster than many boards can react. Jupiter Prime Training delivers this pension liability-driven investing and funding ratio course.

## Why Pension Liability-Driven Investing and Funding Ratio Matters Now

Three groups pull on every pension investment choice. Members expect promised benefits to be paid in full, sponsors want contributions kept stable, and trustees carry the duty to balance both. Interest rate moves change the present value of liabilities overnight, while collateral calls on leveraged hedges can drain liquidity in stressed markets. A scheme that matches assets to its cash-flow profile can de-risk steadily as its funding ratio improves; one that ignores liabilities may chase returns and widen its deficit. The course rests on asset-liability modelling, the investment policy statement IPS and glide path design.

## Who Gains Most from Pension Liability-Driven Investing and Funding Ratio

- Trustees who approve the strategic asset mix and hedge targets
- Investment officers who monitor the funding ratio and rebalance assets
- Fund managers who run hedging or return-seeking mandates for schemes
- Risk and actuarial liaison staff who translate valuations into cash-flow profiles
- Sponsor finance staff who plan contributions and deficit repair

A pension board gains most when trustees and investment officers attend together and agree one shared view of risk.

## Pension Liability-Driven Investing and Funding Ratio Capabilities

Participants turn actuarial cash flows into hedge ratios, asset mixes and trigger points.

- Calculate the funding ratio and its sensitivity to rates and inflation — trustee risk appetite
- Design an interest rate and inflation hedge using bonds and swaps — the investment committee
- Build a glide path with funding-level triggers for de-risking — sponsor contribution talks
- Test collateral and liquidity needs under stressed markets — hedge sizing decisions
- Weigh growth assets against matching assets in the surplus portfolio — return targets
- Specify manager selection and monitoring criteria — mandate appointments

## Key Pension Liability-Driven Investing and Funding Ratio Terms

- Funding ratio — the market value of scheme assets divided by the present value of promised member benefits.
- Liability-driven investing — an approach that sets assets to move with the scheme's liabilities rather than chase a market benchmark.
- Hedge ratio — the share of liability sensitivity to interest rates or inflation that the assets offset.
- Glide path — a planned schedule that shifts assets from growth to matching holdings as the funding ratio rises.
- Collateral buffer — cash or liquid bonds held to meet margin calls on derivative hedges.
- Investment policy statement — the trustee document setting objectives, risk limits, asset ranges and manager rules.

## Pension Liability-Driven Investing and Funding Ratio Day by Day

### Day 1: Liabilities and the Funding Position

- Member Cash-Flow Profile From The Actuarial Valuation — Shape Of Future Payments
- Discount Rate Choices For Liability Value — How The Deficit Is Measured
- Funding Ratio Dashboard — Early Signals For Trustee Meetings
- Sponsor Covenant Strength Review — How Much Risk The Scheme Can Bear
- Longevity And Inflation Exposure Map — Hidden Drivers Of Liability Growth

### Day 2: Hedging Rate and Inflation Risk

- Liability Duration And PV01 Measures — Sizing The Interest Rate Hedge
- Government Bond And Swap Hedging Tools — Choosing Physical Or Derivative Exposure
- Inflation-Linked Assets And Swaps — Protecting Indexed Pension Increases
- Leverage And Collateral Waterfall — Liquidity Plan For Margin Calls
- Hedge Ratio Targets By Funding Level — Pace Of Risk Reduction

### Day 3: Asset Allocation for Growth and Matching

- Asset-Liability Model Scenarios — Range Of Funding Outcomes Over Time
- Growth Portfolio Mix In Equities, Credit And Real Assets — Return Needed To Close Gaps
- Cash-Flow Driven Investing With Bond Ladders — Paying Pensions In Mature Schemes
- Surplus Risk Budget — How Much Volatility Trustees Accept
- Rebalancing Corridors — When Drift Triggers Trades

### Day 4: Glide Paths, Managers and Oversight

- Glide Path Trigger Design — Locking In Funding Gains
- Fiduciary Versus Advisory Delegation Models — Who Takes Daily Decisions
- Manager Due Diligence Scorecard — Selecting Hedging And Growth Mandates
- Fee And Performance Attribution Review — Judging Manager Value After Costs
- Trustee Reporting Pack — Quarterly Oversight Of Hedges And Returns

## Day 5: Practising the Liability-Aligned Investment Policy Statement

- Scheme Case Funding Diagnosis — Applying Day 1 Cash-Flow And Covenant Review
- Hedge Book Sizing For The Case — Applying Day 2 Duration Measures
- Strategic Asset Mix And Glide Path — Applying Days 3 And 4 Models
- Stress Test Of The Proposed Strategy — Board Challenge Session
- Liability-Aligned Investment Policy Statement — Draft For Trustee Approval

## Applying Pension Liability-Driven Investing and Funding Ratio After the Course

- Recalculate the scheme's hedge ratio against its latest cash-flow profile and report the gap to trustees.
- Run a collateral stress test on existing swap hedges and set a minimum liquidity buffer.

## Pension Liability-Driven Investing and Funding Ratio Questions FAQ

### What is pension liability-driven investing and funding ratio management, and why does it matter now?

It is the practice of investing pension assets to track member liabilities and steering the funding ratio over time. It matters now because rate swings and collateral calls can move a scheme's position quickly.

### Which roles gain most from pension liability-driven investing and funding ratio training?

Trustees and investment officers gain most, followed by fund managers and sponsor finance staff.

### How does pension liability-driven investing and funding ratio differ from a general asset allocation course?

It starts from liabilities, not market benchmarks. A general asset allocation course sets portfolio mixes for many investors, while this one sizes hedges, glide paths and collateral for pension schemes.

### What do you bring back from pension liability-driven investing and funding ratio training?

You bring back a draft policy statement for your scheme, with hedge targets, an asset mix, glide path triggers and manager rules ready for board discussion.

## Pension Liability-Driven Investing and Funding Ratio: The Way Forward

The Liability-Aligned Investment Policy Statement first informs the hedge ratio the board sets for the coming year. Trustees, investment officers and appointed managers use it to keep assets moving with member benefits. After its first annual review, revisit whether glide path triggers fired at the right funding levels and whether the collateral buffer held.