

Fiduciary Management Firm of the Year: Aon



The **Fiduciary Management Firm of the Year** award went to **Aon**. Receiving the award was Michael Pedel, senior partner, Aon. Robert Branagh, London Pension Fund Authority (right) and host Andrew Ryan (left) presented the award.

This year's winner of the Fiduciary Management Firm of the Year demonstrated its continued excellence in delivering exceptional service and performance to its clients. Congratulations to Aon, who proved to the judges that it excelled in mitigating risk for its clients while achieving strong stable investment returns so that they could meet their funding goals.

During the year, Aon worked in partnership with its clients to develop new and bespoke solutions, and continued to provide exemplary performance and service. The firm designed a number of new solutions and invested heavily in enhancing its existing offerings. Aon launched two new, highly diversified

strategies which allowed its clients to tailor their hedge fund portfolios to their requirements i.e. return seeking (for clients focused on enhancing return) or defensive (for clients focused on downside protection and diversification). The strategies span a full range of sub-strategies and since their launch had assets exceed £1billion.

The judges were also impressed with Aon's new dynamic LDI fund, which is designed to take advantage of volatility and add greater value through tactically under-hedging liabilities. It benefits clients by allowing a quicker reaction to market movements and adds returns where yields move sideways or increase slowly.

In light of schemes having excess cash/LDI collateral and a need for low risk, low

cost credit solutions as they look to approach buyout, Aon designed a high quality liquid credit solution. It will invest in a diversified mix of contractual income assets, suiting clients who want to reduce risk whilst generating income. Clients get access to a diversified strategy, across best-in-class external managers.

The firm demonstrated its commitment to ESG considerations by adding a low carbon overlay to its multi-factor investing fund, which reduced the weighted average carbon intensity of the fund. Furthermore, it invested in integrating ESG into clients' portfolios during the year.

During a difficult year for markets, the judges were impressed by Aon's ability to protect clients' funds by making decisions which allowed it to withstand the volatile conditions, such as maintaining a highly diversified approach to portfolios, and strategically reducing risk within portfolios at the right time.

Aon demonstrated continued strong performance, with all its fiduciary clients' funding levels significantly outperforming the average UK DB pension scheme over the last nine years. Furthermore, nearly 100 per cent of Aon's full fiduciary clients with one year or longer track records have seen their returns above their bespoke liability benchmark, since inception. One of the keys to clients' outperformance was the firm's robust manager selection process.

All in all, the judges expressed how impressed they were at Aon's continued excellence. Congratulations Aon, a worthy winner.