

CDC Policy Team

Department for Work and Pensions

By email: CAXTONHOUSE.CDCCONSULTATION@DWP.GOV.UK

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Extending Opportunities for Collective Defined Contribution (CDC) Pension Schemes

We, the Association of Real Estate Funds¹ (AREF), have read with interest the consultation on extending opportunities for CDC pension schemes. We are not in a position to comment on the specific proposals, but AREF is supportive of the establishment of multi-employer CDC pension schemes. We would particularly like to provide our support for performance fee easements applying to all CDC pension schemes, as outlined in paragraph 120 of the consultation.

We expect CDC pension schemes will invest in long-term, illiquid assets which will deliver a better investment outcome for scheme members. Also, these investments will have the real potential to support the Government's levelling up agenda.

If you would like to follow up on our response, please contact either myself (prichards@aref.org.uk) or Jacqui Bungay (jbungay@aref.org.uk), Policy Secretariat at AREF. Also, as our members invest in real estate and other real assets in the UK and in other jurisdictions, we are always willing to assist DWP by sharing their wealth of knowledge and expertise.

Yours sincerely



Paul Richards
Managing Director, The Association of Real Estate Funds

¹ The Association of Real Estate Funds represents the UK real estate funds industry and has around 60 member funds with a collective net asset value of more than £72 billion under management on behalf of their investors. The Association is committed to promoting transparency in performance measurement and fund reporting through the AREF Code of Practice, the MSCI/AREF UK Quarterly Property Funds Index and the AREF Property Fund Vision Handbook.