

TAKING STOCK: PENSION INVESTOR FLASH POLL



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BLOG POST

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Considering the extreme market volatility driven by COVID-19, NEPC, LLC conducted a poll of Corporate and Health Care Pension Plan Sponsors to gauge investor sentiment and understand recent actions.

Top findings from the survey are:

- Most Plan Sponsors believe a US recession is possible due to COVID-19: Seventy nine percent (79%) of respondents say there is a 50% or greater chance of a recession. All respondents indicated that there is at least a 25% or greater chance of a recession; 0% answered that there is no chance of a recession.
- Sponsors believe negative interest rates in the US are unlikely: When asked of the possibility of negative interest rates in the US, 67% of respondents indicated it is unlikely with only a 25% chance of occurring. Nineteen percent (19%) of respondents indicated that there is a 50% or greater chance of negative rates while 14% indicated there is no chance.
- Majority of investors are staying the course: Fifty one percent (51%) of respondents said the market is too volatile for action while 31% are working on rebalancing to targets. Seven percent (7%) are raising cash awaiting opportunities with the balance taking other actions.
- Most investors expect negative returns from the S&P 500 in 2020: Sixty three percent (63%) of respondents expect a negative return in 2020 with 15% expecting a loss greater than -10% for the year. Thirty seven percent (37%) of respondents expect positive returns with only 2% expecting a return greater than 10% and the balance expecting a return between 0% and 10%.

We are in an uncertain market environment that most investors have never seen before. In the face of uncertainty, NEPC continues to advise clients to remain disciplined.

The poll was conducted the week of March 9th, 2020. Respondents represent a diverse array of corporations and not-for-profit healthcare organizations. Total estimated assets of poll respondents are over \$120 billion with 65% of survey respondents overseeing more than \$500 million in assets. A presentation providing additional insights on the results can be found [here](#).

NEPC's Corporate Pension Solutions Group is actively reviewing the markets and highlighting key considerations and potential actions for pension investors. A blog post summarizing the Group's views will be released shortly.

NEPC general actions for clients amid COVID-19 driven market volatility can be found [here](#).

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