liquid assets on hand to cover a "reasonable" rate increase. But what is reasonable? In 2022, there isn't a lot of history to make a great call on this. Imagine the pressure that clients put on BlackRock — if they assume too high an increase (e.g., >50 bps in one day), then they are constrained on how much they can borrow and might shop around for another investment manager who will be more lenient with their liquidity requirements. The 30-year history of rates was that of a nearly continuous decrease with very sparse periods of rates rising. Suffice it to say, the investment managers did not account for rates to spike 50 bps over a two-day period and were now faced with liquidation, which would be a death knell for the majority of these pension plans.

An Unprecedented Central Bank Bailout

> *"On Monday 26 September, as highlighted in a published statement from the Governor, the Bank continued to monitor developments very closely in light of the significant repricing. Long-term gilt yields continued their sharp move upwards. The move was particularly pronounced for 30-year gilt yields, which rose by around 50 basis points, leaving them more than 80 basis points higher than at the start of the day on Friday 23 September. Liquidity remained very poor. Through the day and into the evening, the Bank received market intelligence of increasing severity from a range of market participants, and in particular from*