

Investment Strategy

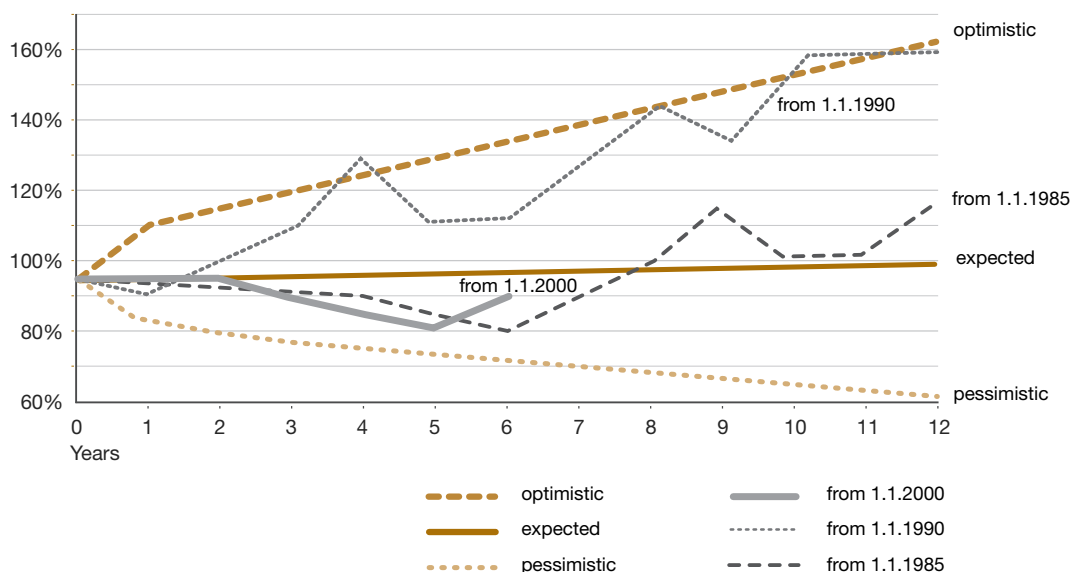
Your Goal

You wish to conduct a comprehensive Asset-Liability Management analysis (ALM analysis) in order to determine an investment strategy. This strategy takes into account the pension fund's risk budget and the trustees' risk tolerance. It also aims to stabilize the scheme's funding level in the long run.

Our Services

- Preparing an ALM analysis based on best-practice standards.
- Consideration of a variety of liability scenarios: the current employee benefit plan, equal treatment of active employees and retirees, linking retirees' pensions to inflation, increasing or decreasing the number of beneficiaries depending on the economic situation.
- Modelling the expected course of liabilities and appraise its impact on the funding requirements.
- Defining appropriate target returns.
- Assessing the pension fund's risk budget from an actuarial and economic angle.
- Defining the investment universe – for both traditional and alternative asset classes – as well as formulating economic scenarios and deriving assumptions for future asset class returns.
- Deriving investment strategies which seek to enable the pension fund to reach its target returns and to match its risk budget.
- Calculating the value of the necessary price volatility reserve for each investment strategy.
- Projecting the path of the funding level for each investment strategy.
- Assisting the board of trustees when making its final decision on the investment strategy.

Projection of the funding level: expected value and fluctuations



Organisation of Investments

Your Goals

- To determine an optimal solution for global custody and asset management for the previously selected investment strategy.
- To ensure the investment rules comply with current legislation.

Our Services

- Recommending a global solution which is cost and tax efficient.
- Defining customized investment concepts for alternative investments by answering the following questions in particular:
 - How can Swiss pension funds invest in foreign real estate, private equity, hedge funds, commodities, etc.?
 - What are the advantages and disadvantages of the investment vehicles available on the market? Segregated account with direct investments, listed mutual funds, unlisted funds (investment foundations), limited liability companies or limited partnerships.
 - Which is the best investment concept for a pension fund of your size (investment vehicle, benchmark, investment process, etc.?)
- Developing a rebalancing process for your whole portfolio.
- Updating your investment rules to take new legislation and best-practice standards into account.

An attractive global solution for medium-sized pension funds is set out below: the financial institution A is acting both as a global custodian (to consolidate the entire portfolio) and as an asset manager for the traditional asset classes (core portfolio):

