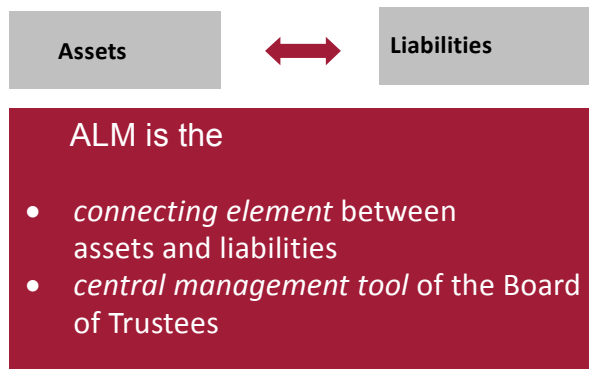


Asset Liability Management Services

Your advantages

Comprehensive risk study

Swiss Life Asset Liability Management helps you to gain more transparency regarding the numerous factors that affect the financial and structural situation of your employee benefits institution. It seeks to use a realistic and fund-specific projection of assets and liabilities to provide a detailed look at the opportunities and risks connected with the choice of asset allocation and the risks of the plan design. After this, potential solutions for reducing risk are discussed and recommendations for investing the assets developed.



- Simultaneous analysis of assets and liabilities
- Quantitative basis for the discussion and making a decision regarding the funding and structure of future benefits
- Recommendation of an optimised investment strategy that aims to ensure coverage of the pension obligations in the medium to long term
- Board of Trustees tool for carrying out its obligations under Art. 50 of the BVV2

Our offer

Combined expertise in asset management and pension funds.

The ALM study combines our many years of experience in asset management with a high level of specialist expertise in the area of pension funds. The investment specialists at Swiss Life Asset Managers work closely with the pension fund experts at Swiss Life Pension Services.

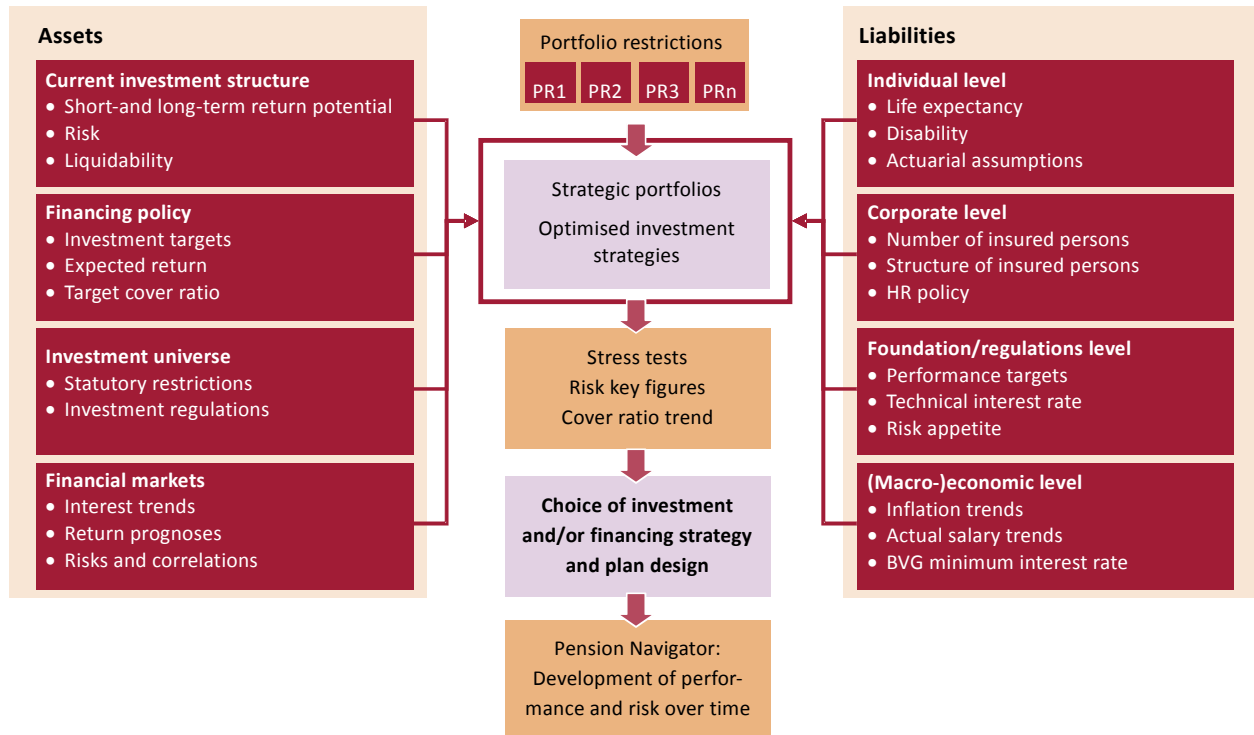
Highly practical with many years of experience

- Investment specialists and pension fund experts work hand in hand, not only preparing a problem analysis, but also showing where there is potential for improvement and providing solutions.
- Experienced investment specialists apply a consistent approach in making market assessments, taking account of the various uncertainties related to the assumed forecast parameters.
- Asset management has been a core business at Swiss Life for more than 150 years. We currently manage more than CHF 200 bn in assets, making

us the third-largest institutional asset manager in Switzerland.

- Depending on the needs, we also analyse other individual issues which may go beyond the scope of a traditional ALM study.
- Traditional and capital market-based method with dynamic projections
- Our ALM study combines the advantages of the traditional and capital market-based methods. The former reflects the accounting view, while the latter corresponds to an economic approach (“true and fair view”).
- Various plan designs and funding strategies are determined on the basis of dynamic projections of the balance sheet and the pool of insured persons and then represented graphically.
- We work with various scenarios and stress tests for both the returns and the structure of insured persons. In this way, all fund-specific factors can be recorded and their future impact represented graphically.

Structured and consistent process



The key steps in detail

- Support in collecting all pension fund-related data
- Analysis of the current investment strategy (risk/return ratio, positioning compared to the efficiency curve)
- Determination of financial and structural risk capacity
- Definition of the target returns based on different projection assumptions and scenarios
- Calculation of the potential reference portfolio, taking account of the initial parameters
- Modelling of the potential development of the future cover ratio with default probabilities and default expectations
- Explanation of the impact of asset-based stress tests (Swiss Solvency Test) on the cover ratio
- Calculation of the impact of changed assumptions (such as the development of the portfolio, interest and conversion rates, life expectancy etc.) on the liabilities and on the cover ratio
- Recommendations for strategic asset allocation and its benchmark, tactical bandwidths and fluctuation reserves
- Impact analyses and restructuring concepts provide an answer regarding the optimal combination of restructuring measures in order to minimise costs for employers and beneficiaries as well as a fair distribution of the burden.

We view ALM as a comprehensive form of risk management. In addition to defining an optimised investment strategy, all other variable factors and plan parameters can be checked for their effectiveness. In this way, the drivers for best achieving the employee benefits institution's objectives can be identified.