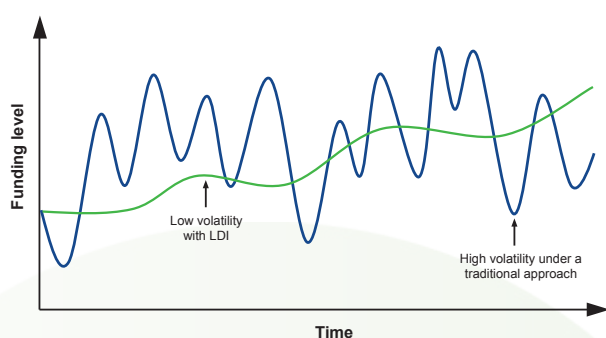


HEDGING INTEREST AND INFLATION RISK (LDI)

WHAT IS LDI?

Liability Driven Investment (“LDI”), enables defined benefit pension schemes to protect their funding level from adverse movements in interest rates and inflationary expectations. This helps ensure steadier increases in funding level over time.



LDI STRATEGIES

An LDI strategy is determined by a pension scheme's:

- size
- funding level
- maturity
- Inflation linkage

The diverse range of products now available in the market offers significant opportunities for pension schemes of all sizes to implement an LDI strategy in a cost effective manner. Both leveraged and unleveraged LDI solutions are available, enabling underfunded schemes to fully implement LDI whilst retaining an allocation to return-seeking assets.

THE SERVICE

We can provide assistance in all aspects of adopting an LDI strategy including the following:

- Introductory report
- Assessment and proposals
- Implementation
- Monitoring and reporting

WHO WOULD FIND THIS SERVICE USEFUL?

- Trustees of defined benefit pension schemes
- Employers with defined benefit pension schemes

HOW LONG DOES THE PROCESS TAKE?

An introductory report can normally be provided within a few weeks. Implementation of a strategy will depend on the complexity of the LDI Solution being implemented. However, a timetable can be agreed in advance to reflect your individual requirements.

CHARGES

The cost of the service is calculated on a time-spent basis and will depend upon your specific needs.

BWCI GROUP

The BWCI Group is the largest group of actuaries and consultants in the Channel Islands, with offices in both Guernsey and Jersey. It is a member of Abelica Global, the international network of leading independent actuarial consulting firms.

FURTHER INFORMATION

For further information on this and other investment services provided by the BWCI Group please contact invservices@bwcigroup.com, or visit our website at www.bwcigroup.com.



Focused

We are focused on our clients' needs and provide a service to suit their individual requirements.

Practical

We deliver solutions in practical, commercial and cost-effective ways.

Innovative

We seek innovative solutions to complex financial problems using advanced analytical tools and software.

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