

# Asset Pooling and The Pensions Journey

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Tuesday 14 July 2009



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- 1. The Start of our Journey 01
- 2. Planning our Route 07
- 3. Reaching the Highway 12
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## In 2005...

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- The world was already a dangerous place
- Large corporations had set up operations all over the globe
- Globalisation had made the world much smaller than we realised. And perhaps things were already starting to become undone.



## ... In Europe

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- Within Europe there were just 15 countries with 15 different regulatory, tax and fiscal regimes
- TODAY we have 27 countries..... pity the CEO or CFO trying to get to grips with cost, etc

- Risk Management
- Governance
- Cost control

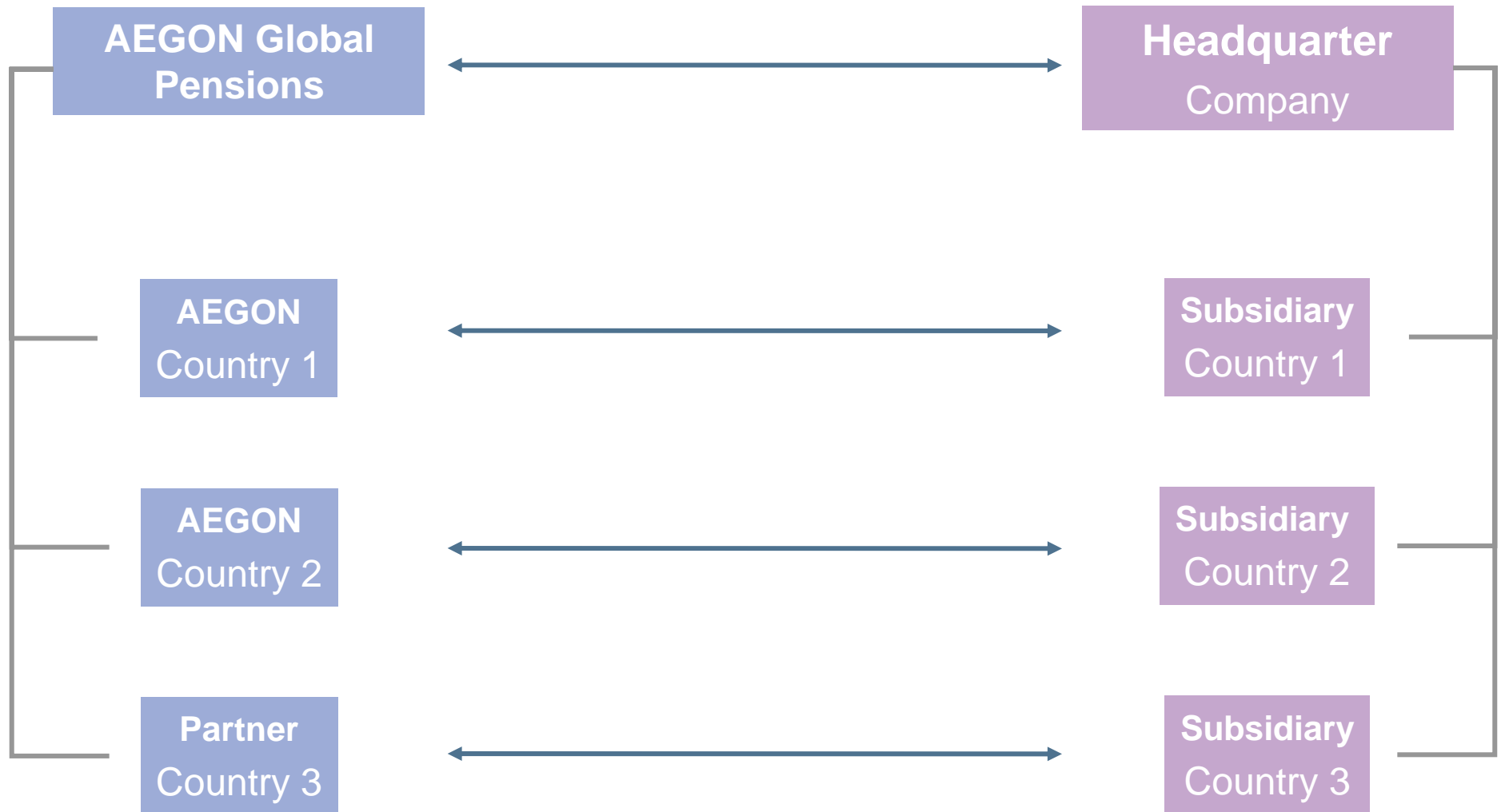


In 2008...



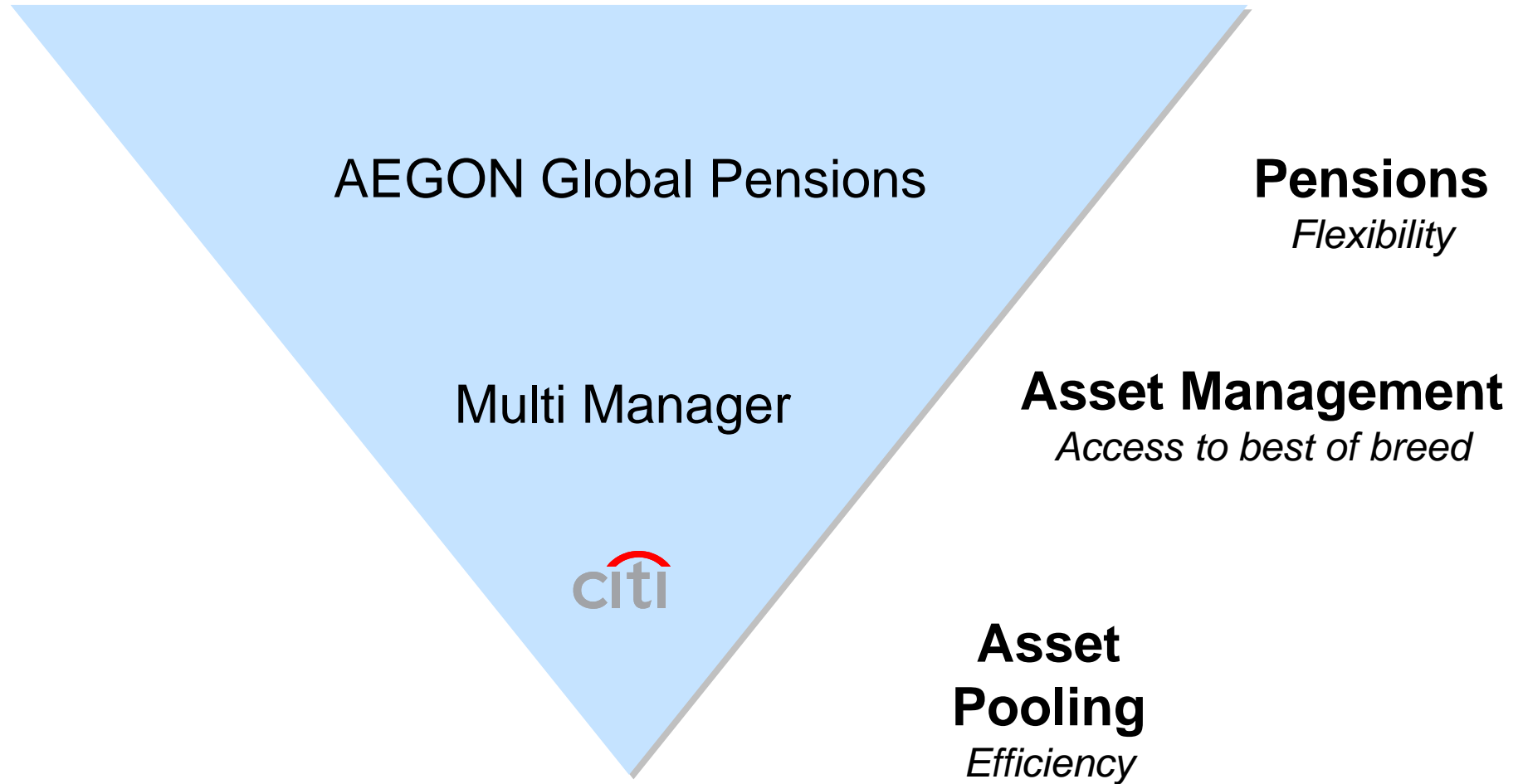
# AEGON Global Pensions – One point of contact

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# Starting Out

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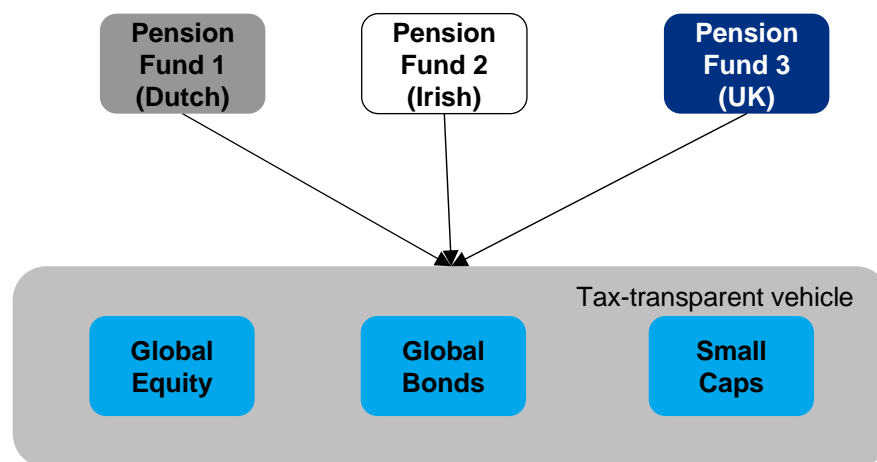
# The Road Map

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- Supporting the Client's Investment Objectives
  - Providing greater efficiency
  - Support for multiple products
  - Provision of entity and virtual pooling options
- Flexible Solution
  - Support of complex investment management structures
  - Modular functionality
  - Scalable operational and technology structure
  - Low barrier to entry
- Integrated range of custodial services
  - Support for investors with different fiscal, regulatory and accounting profiles
  - Enhanced return potential through securities lending
  - Compliance monitoring and performance measurement options

# Agreeing the Destination 1

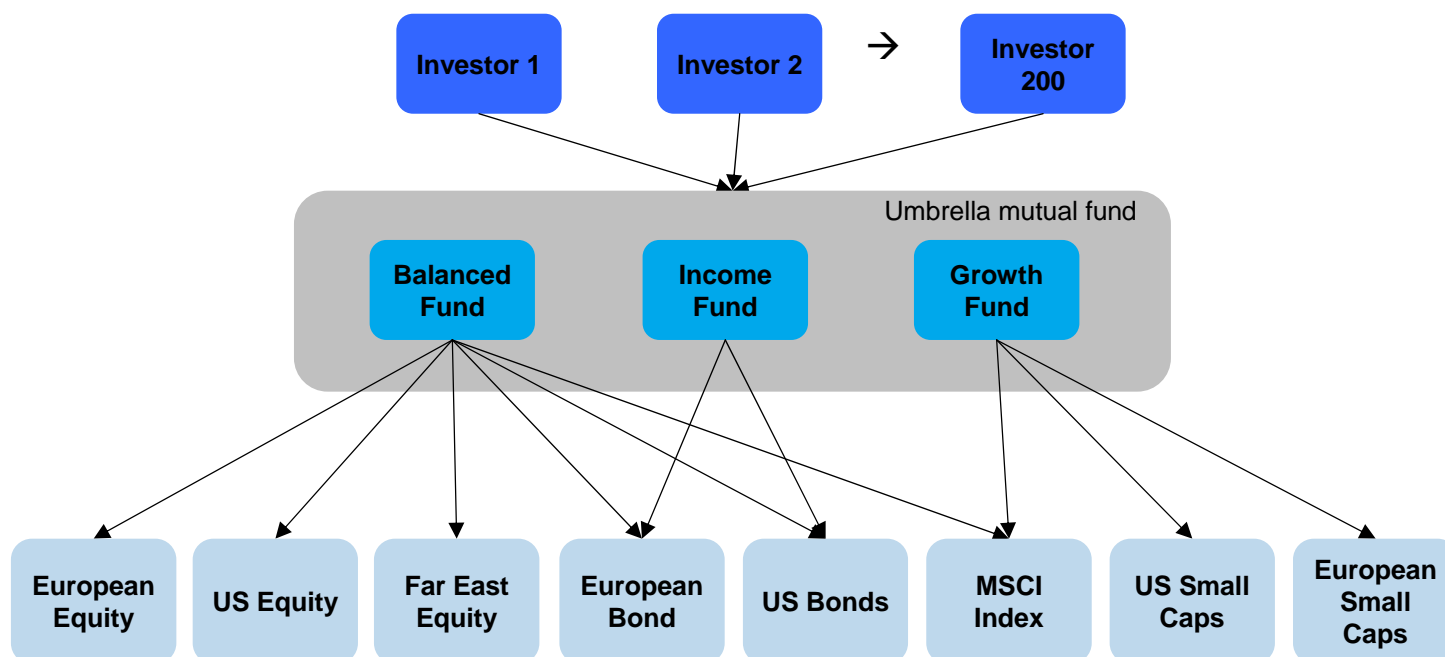
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## Multinational Corporate Model:

- A Multinational Corporate will be looking to pool to improve risk management and enhance corporate governance, as well as achieve investment economics
- A model will be required that can support either a multinational corporate (MNC) with many group pensions, or a fund manager wishing to sell pooled investment solutions to many pension funds

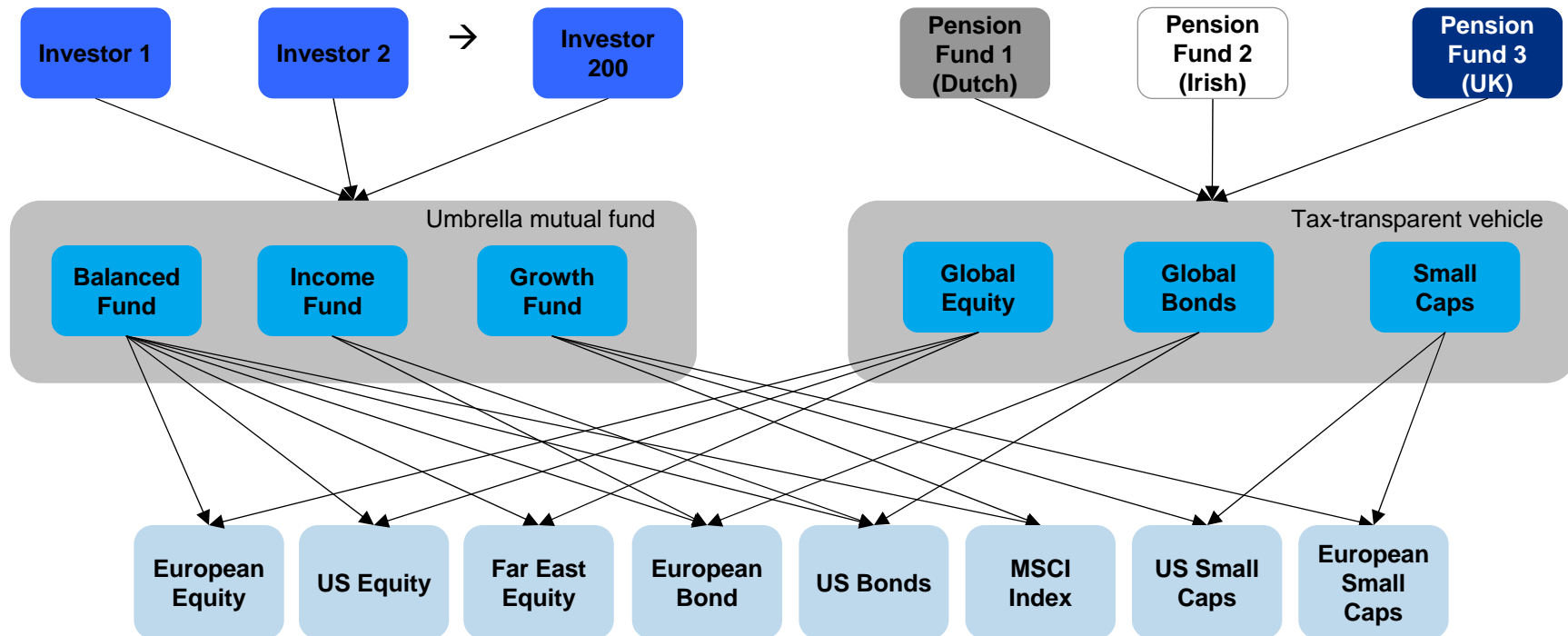
## Agreeing the Destination 2



### Mutual Fund Model:

- A mutual fund promoter will want to engage the services of many specialist fund managers (multi-manager), or allocate management to internal specialist investment desks
- A model will be required such that each manager can have its own portfolio for investment without the need to establish a fund specifically for each manager

# Agreeing the Destination 3



## Investment Products Model:

- Frequently, existing assets will be used as a base (e.g. an existing retail mutual fund)
- New structure is tax-transparent to enable different fiscal profiles to be supported
- The model will need to be able to support the existing structure and have the flexibility for the new structure to be added; potentially with a different investment approach

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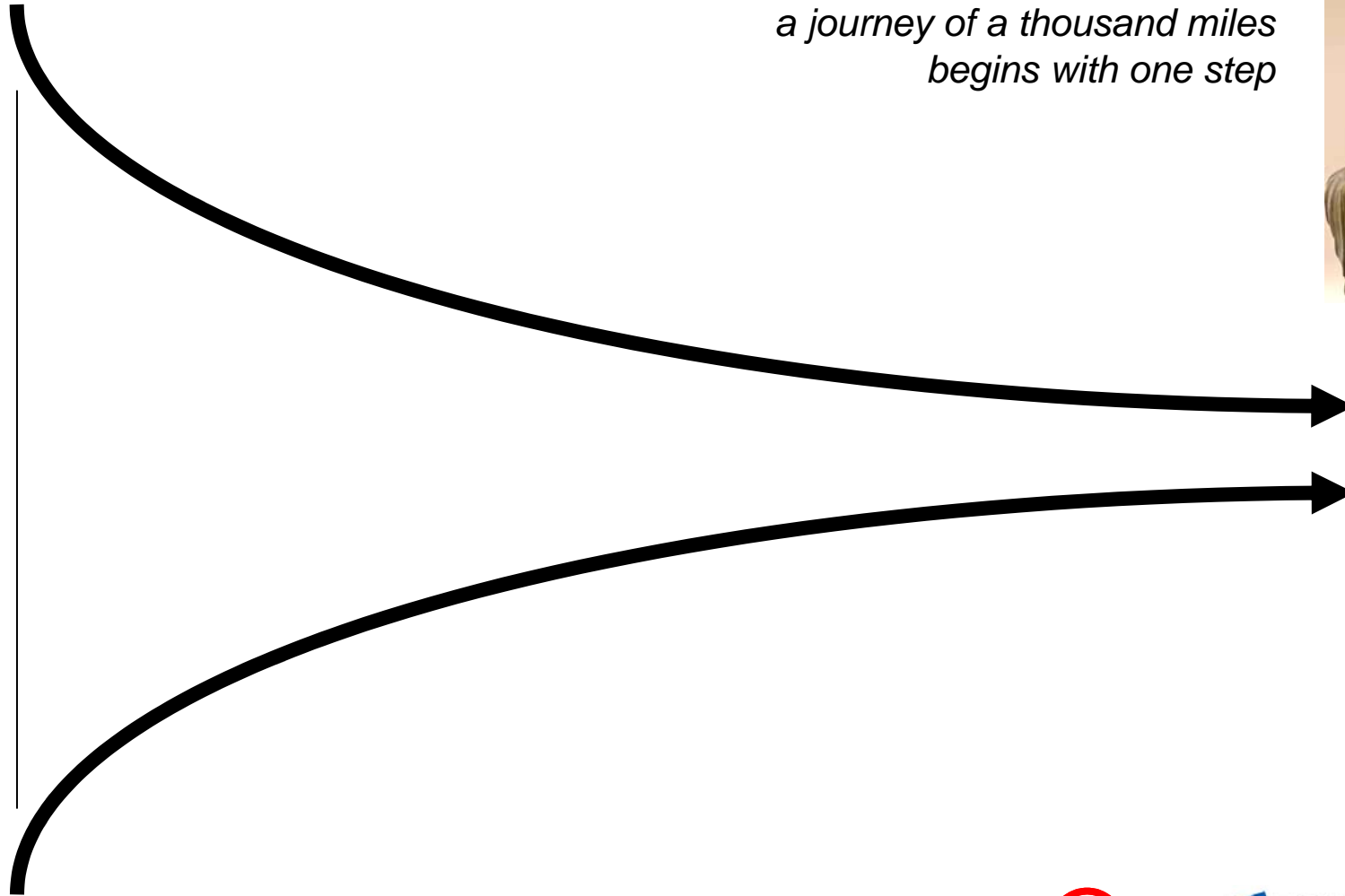
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# Phased rationalisation

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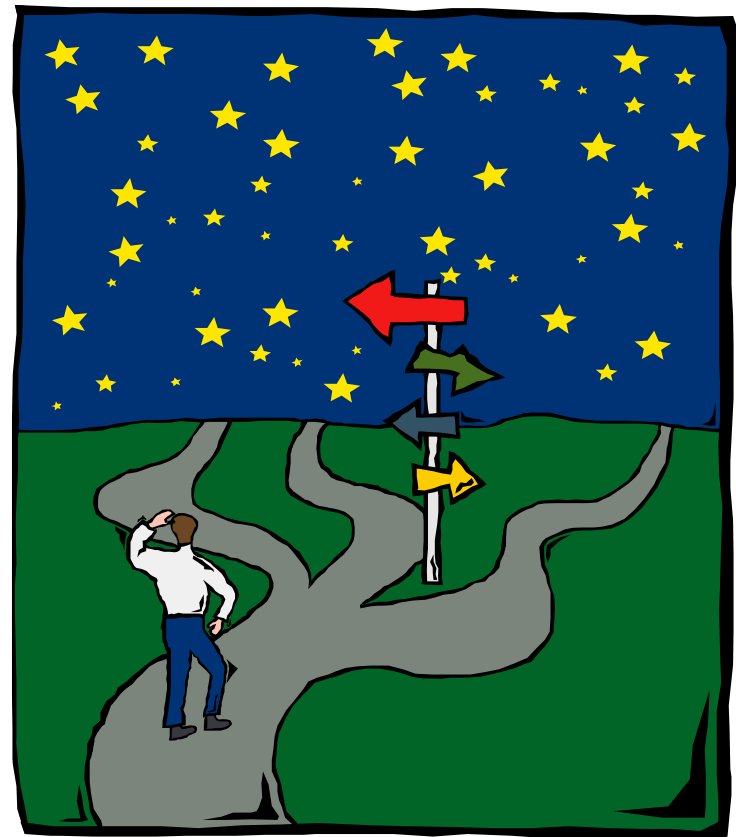
*a journey of a thousand miles  
begins with one step*



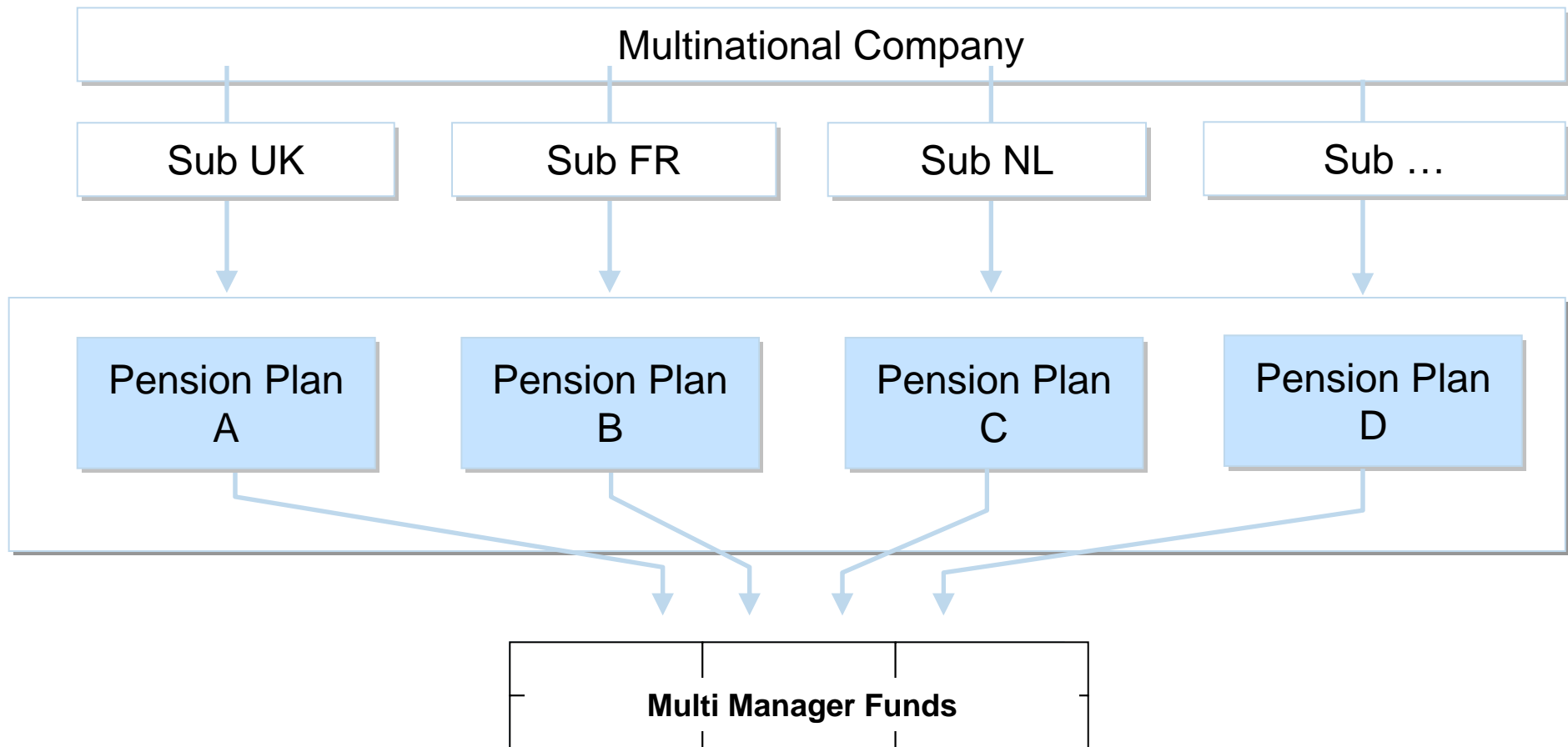
# Key Requirements of the next generation products

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- Flexibility
- Low barrier to entry
- Support phased entry
- Solid investment solution

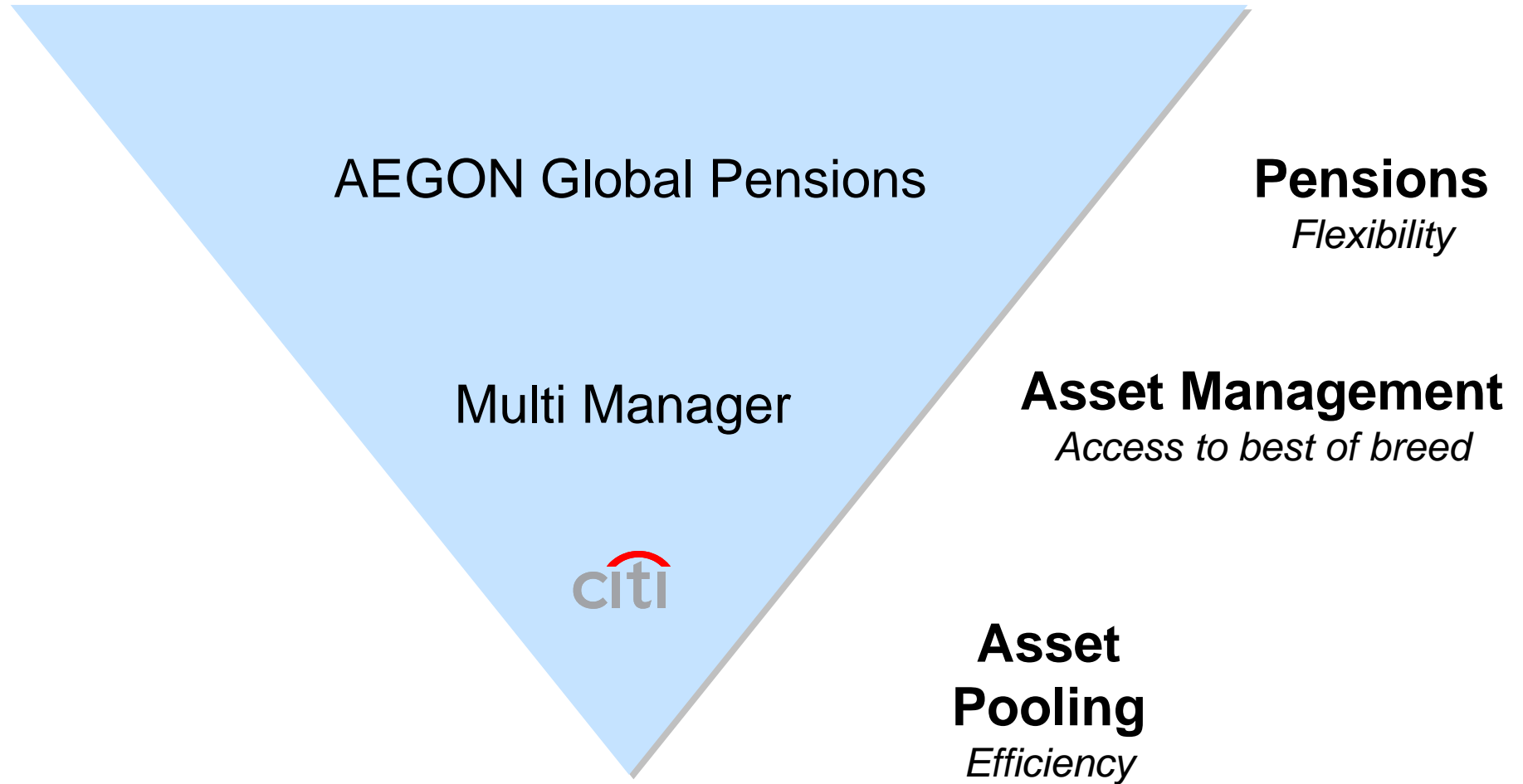


# The asset pooling framework



# Reaching our Destination

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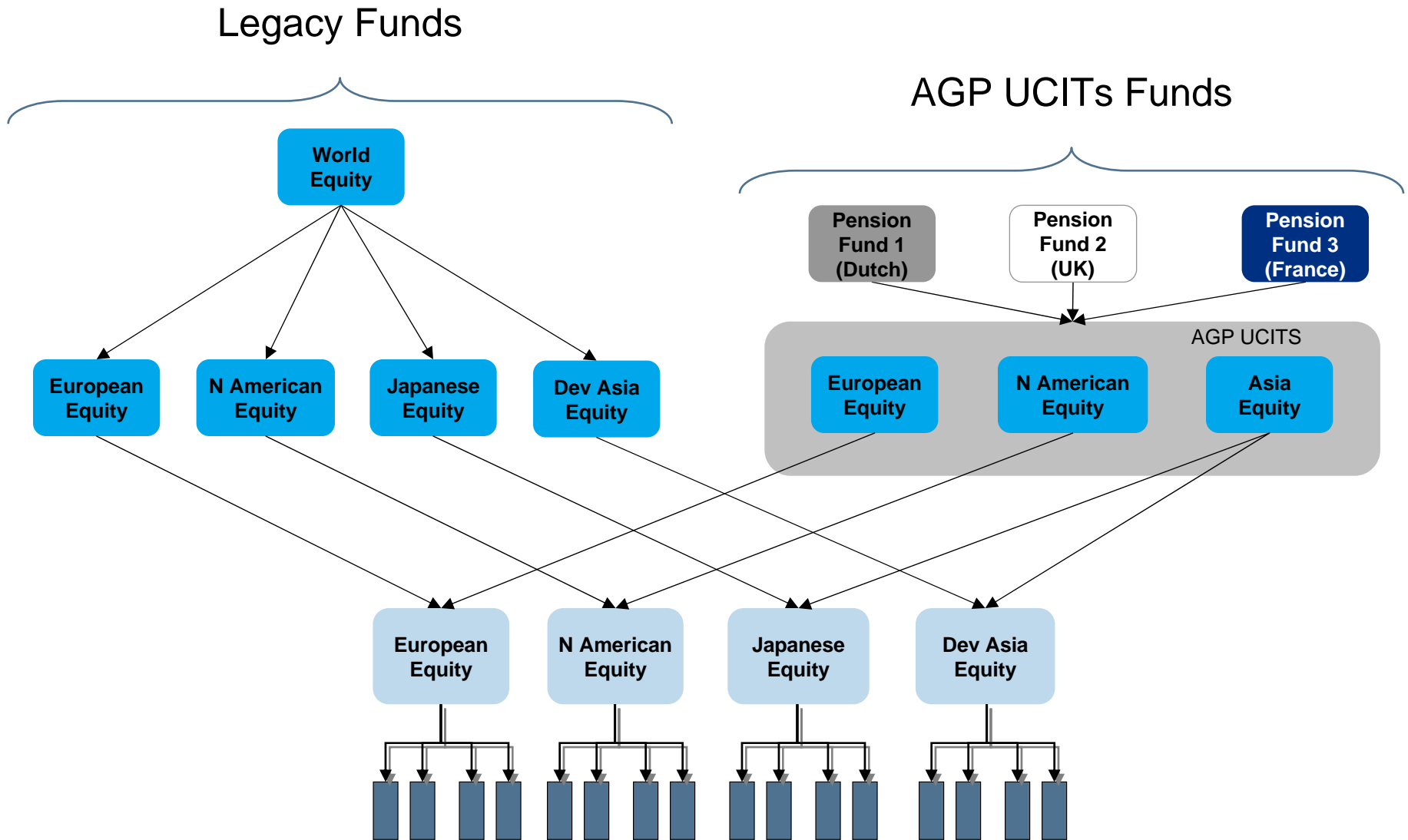
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# Our Initial Destination...



# Bon Voyage!

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- AEGON and Citi's asset pooling journey
  - Reached our destination
  - However, this is just the start. We will continue to drive forward
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- **Any questions?**