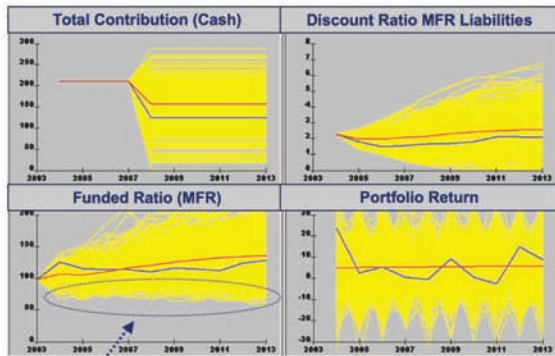


PALM

Strategic Planning of Pension Assets & Liabilities



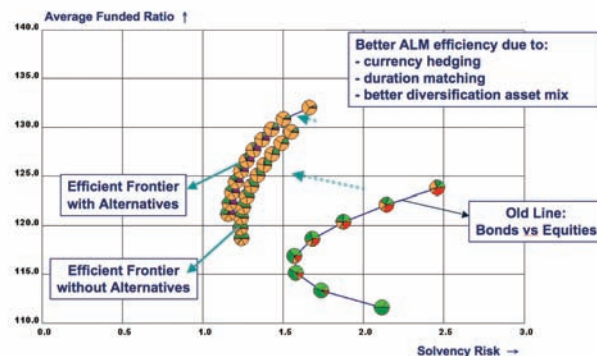
Pension plans operate in a world that is becoming more complex and dynamic. The future balance sheets of these plans are increasingly influenced by economic and demographic risk factors. Developments from the International Financial Reporting Standards (IFRS) also greatly impact the strategy of a pension plan. Fortunately, our Asset Liability Management system – PALM - enables pension plans to make efficient strategic decisions.



Scenario analysis can give insight the pension fund dynamics and quantifies the solvency risk of a pension fund.

ORTEC has been serving the pension fund industry for over 20 years, providing consulting and modeling expertise. We give clients insight into the most important risk factors and their influence on long and short-term objectives. Pension plans use these thorough risk analyses to set out an optimal and integral strategic policy, taking into account its specific liability structure. Every day, a large number of ALM specialists use our PALM software to analyze and solve issues with respect to:

- Strategic asset allocation
- Duration strategy
- Currency hedging
- Strategic use of financial derivatives
- Policy-making regarding investments, contribution and indexation
- Market-to-market valuations of liabilities (including embedded options)
- Solvency risk analysis
- Corporate assessment of pension risk (P&L and Balance Sheet)
- Mergers and acquisitions
- Establishing long- and short-term risk budgets



PALM offers an integral framework for strategic policy-making with regards to investments, contribution and indexation. The most distinguishing features of our approach are:

Consistent modeling and valuation of assets and liabilities

This yields consistent risk analyses of the P&L statement and balance sheet for the pension plan as well as the company

Fast and easy to use software tool

ALM cockpit with accurate high speed calculations and extensive graphics

Fair Value as well as International Accounting Standards

This includes full support of IFRS, IAS, US GAAP and FRS

Modeling of pension rules taking into account local regulatory requirements

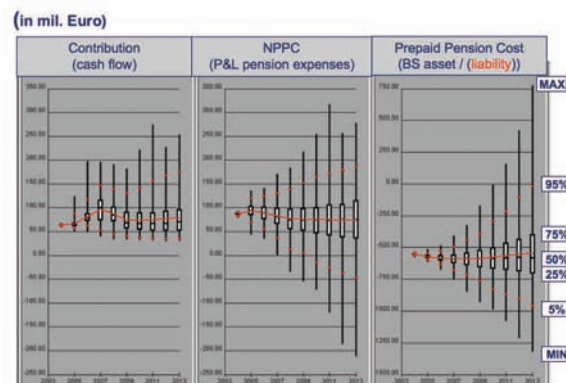
For instance FTK in the Netherlands, the Minimum Funding Requirement in the UK and the Traffic Light Systems in Scandinavia

Possibility to aggregate pension plans

Multinationals can analyze all pension plans in a consistent manner

Integrated derivative module

Market consistent and arbitrage free modeling of plain vanilla and complex dynamic derivative strategies



ORTEC maintains close relations with the academic world. We constantly stay at the cutting edge of innovation. With our advanced ALM systems, we are at the forefront of social and scientific developments. Our clients clearly profit from this advantage. With ORTEC, you are prepared for the future!