

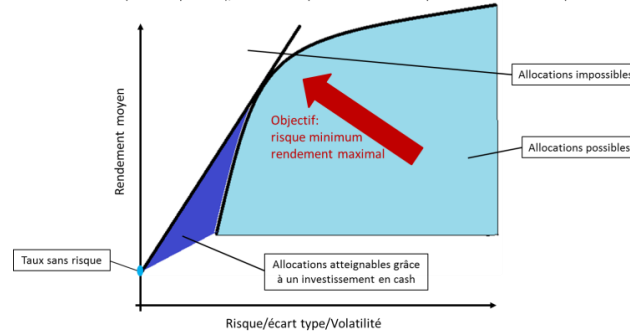
# Strategic Asset Allocation Study for Pension Fund

## Client Situation

- Client: Belgian or international Pension Fund
- Client asked Reacfin to analyze its strategic asset portfolio allocation and potentially suggest for modifications, improvement
- Specificities as rebalancement constraints, reported loss, cash constraints
- Obvious and easy to understand decision criteria



Dans le graphique suivant, chaque point représente une allocation possible (poids pour chaque actif), caractérisée par un rendement espéré et un niveau de risque.

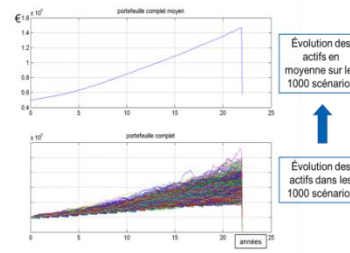
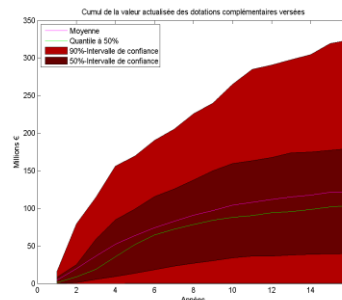


## Reacfin's Contribution

- Aggregation, modeling and calibration of assets.
- Generation of scenarios
- Projection of the different asset values along each scenario
- Thanks to a pension specialized partner, projections of the liabilities
- Definition of risk indicators taking into account asset and liabilities projections
- Computation of these risk indicators

## Issues

- Modeling of the asset classes using a rough aggregated asset but sufficiently in line with the risks and allowing for stochastic behavior
- Projections of liability cash flows and technical reserves
- Determination of decision criteria



Évolution des actifs en moyenne sur les 1000 scénarios

Évolution des actifs dans les 1000 scénarios

## Results

- Improved strategic asset allocation, (confirmed or adjusted) i.e. in line with risk tolerance of the management and expected return
- Better knowledge of the current and future potential risks depending on economy evolution