



An individual approach to pensions

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An individual approach to pensions

The growth of individualism

Group trust versus group PRSA

How to encourage individuals to start saving

How to encourage them to save enough

How to encourage good investment



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The growth of individualism

New breed of employers

Employment seen as a series of jobs

Defined contribution on the rise

New options available: ARFs, AVC limits,
Standalone AVCs

Choice of investments



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Group trust versus group PRSAs

Trustee responsibilities

Administration

Flexibility

Options for members

Advisor role

Inertia



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How to encourage individuals to start saving

Mandatory

Auto enrolment

Employer matching contribution

Education

Not SSIA repeat



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How to encourage them to save enough

Encourage understanding of contribution patterns

Develop appropriate funding plans –
Save More Tomorrow™



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How much have You saved ?



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Multiple of salary

40 Years Service

Revenue Max	22.7
Public Servant	17.0
DB Scheme 65	14.7
DC 15% Contribution	9.2
DC 10% Contribution	6.1
DC 5% Contribution	3.0



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Multiple of salary

20 Years Service

Revenue Max	22.7
Public Servant	8.5
DB Scheme 65	7.4
DC 15% Contribution	3.7
DC 10% Contribution	2.5
DC 5% Contribution	1.2

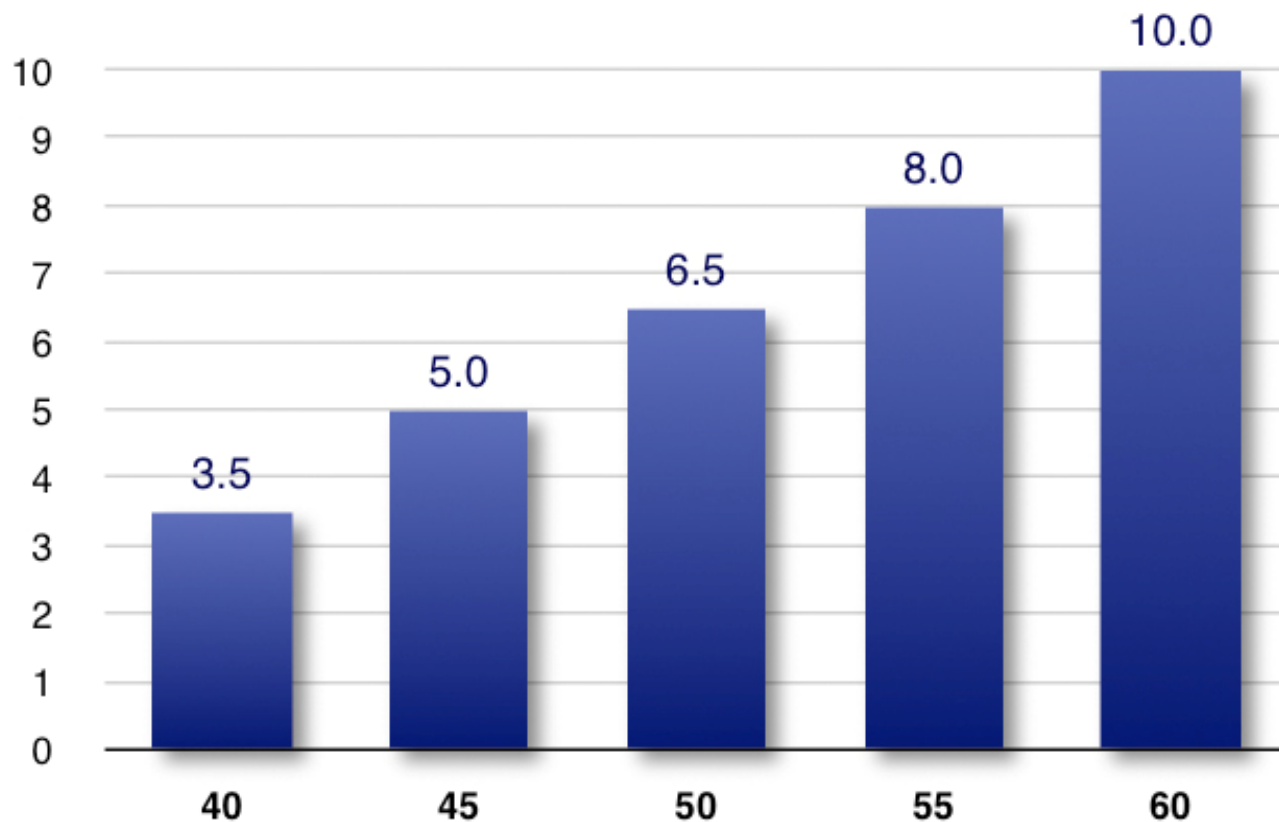


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How are you?

Multiple of Salary



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Save More Tomorrow™

Based on a paper by Benartzi and Thaler

- Aims to promote higher contribution increases



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Start with a low contribution

Increase contribution in line with inflation

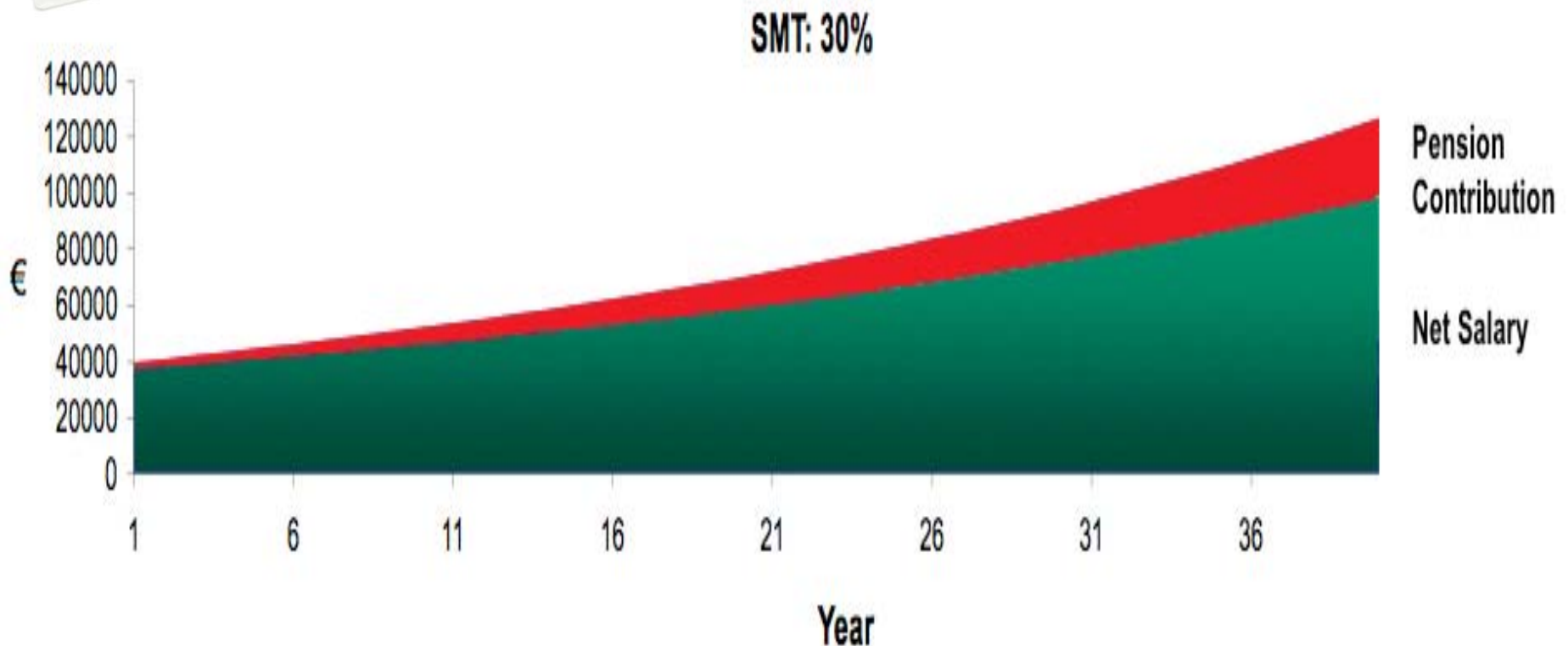
Use part of salary increases to make
further increases



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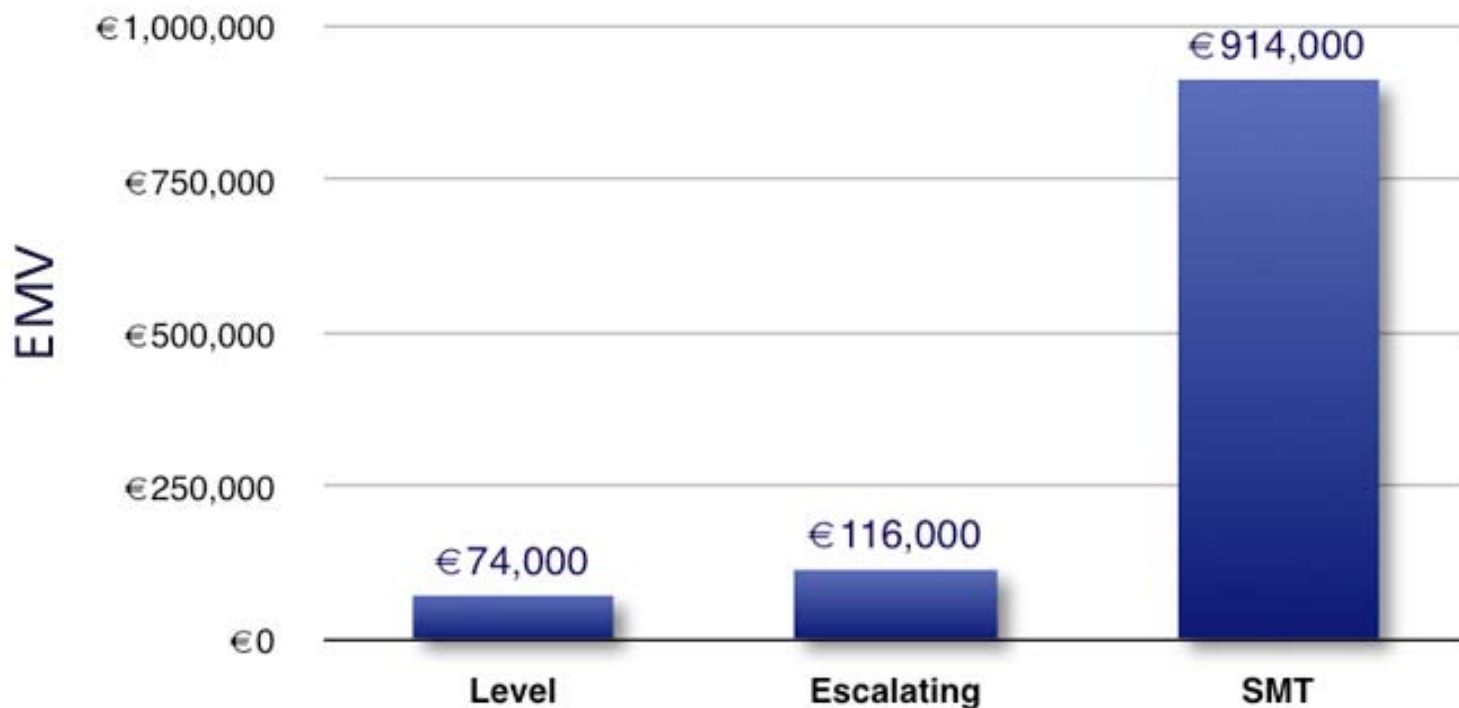


30% of increases: 1.5% to 22.4%



Save More Tomorrow™

EMVs under different strategies





How to encourage good investment

A short history

The unknown knowns

A balanced portfolio

Some words of wisdom

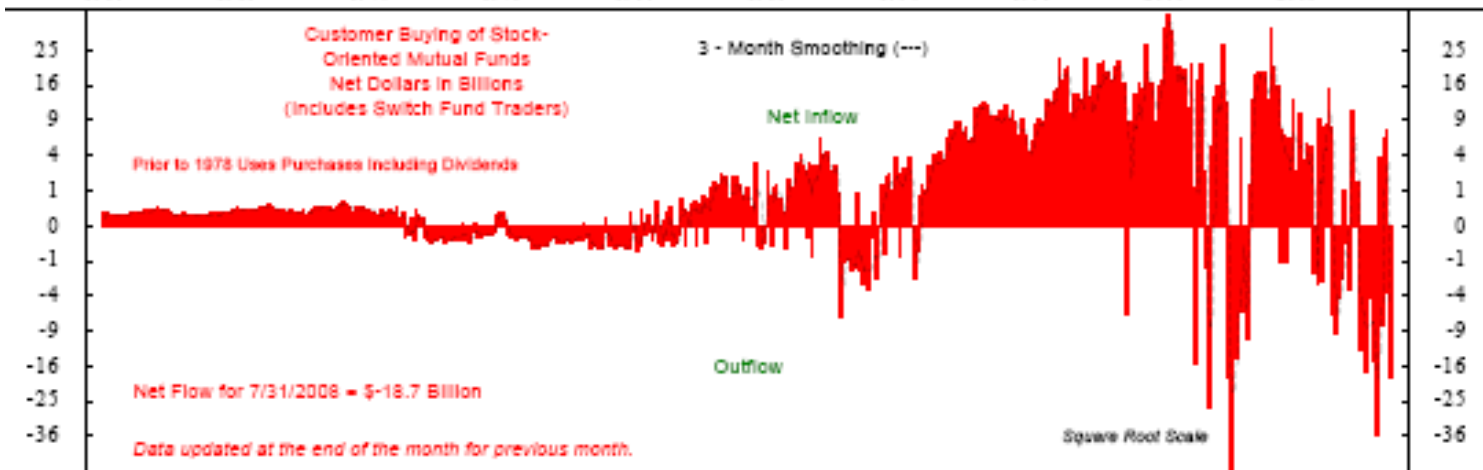
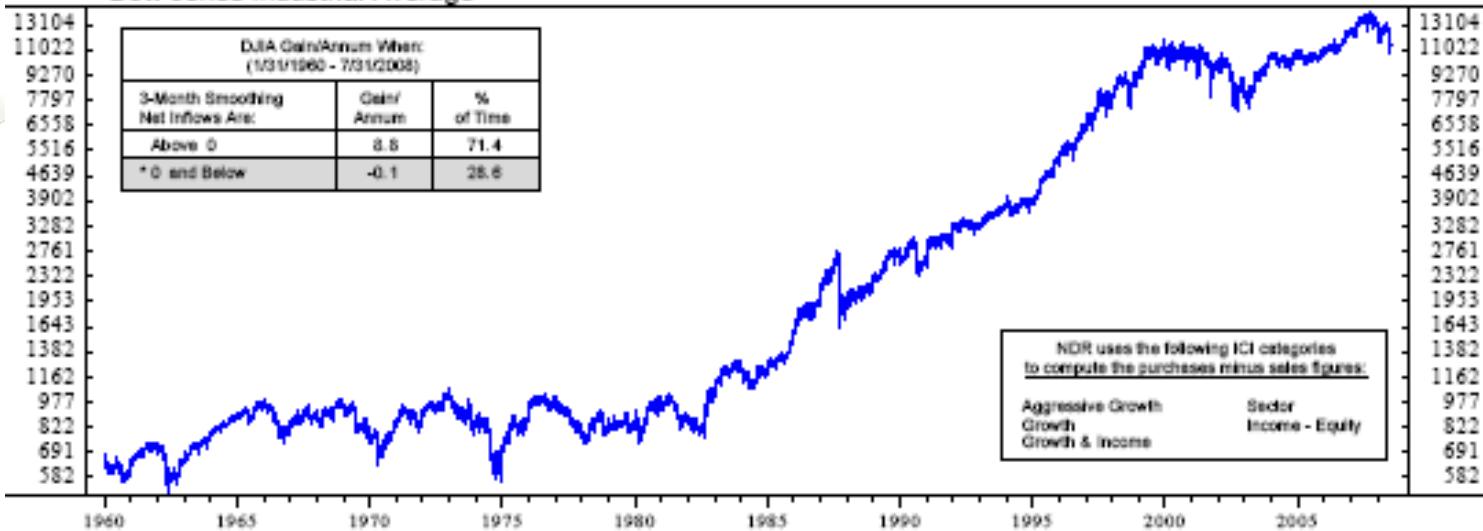


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Dow Jones Industrial Average

Monthly Data 1/31/1960 - 7/31/2008 (Log Scale)





The unknown knowns

Don't borrow to invest

Invest in line with your needs

Don't put all your eggs in the one basket

Average in and average out

Don't invest in things you don't understand



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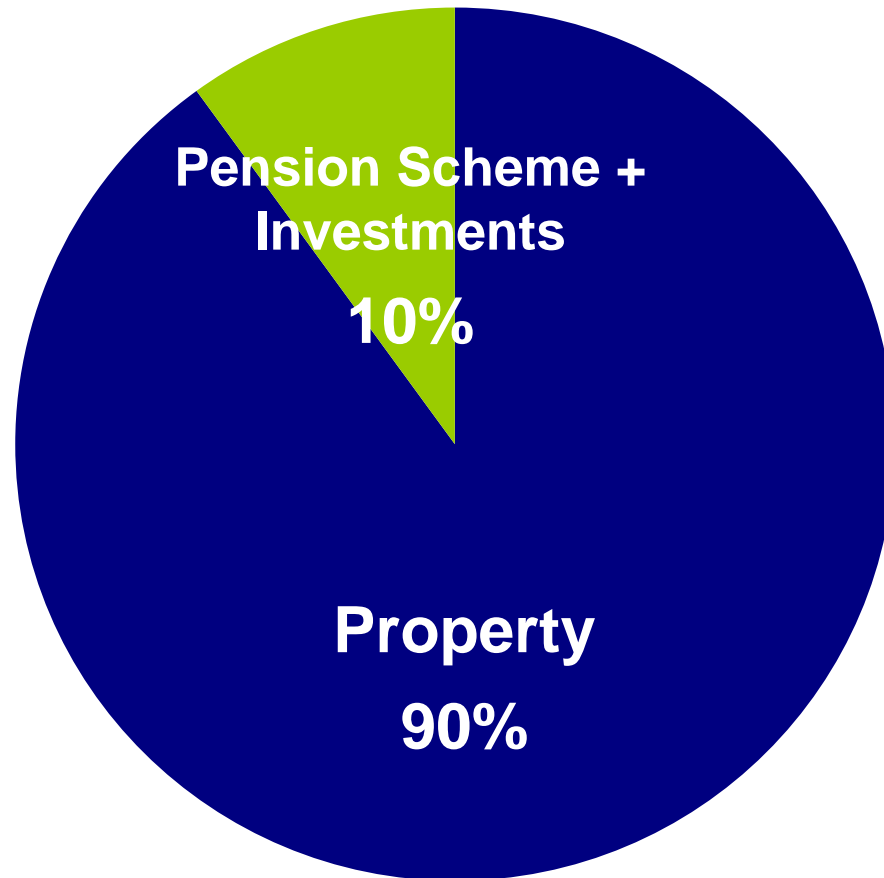
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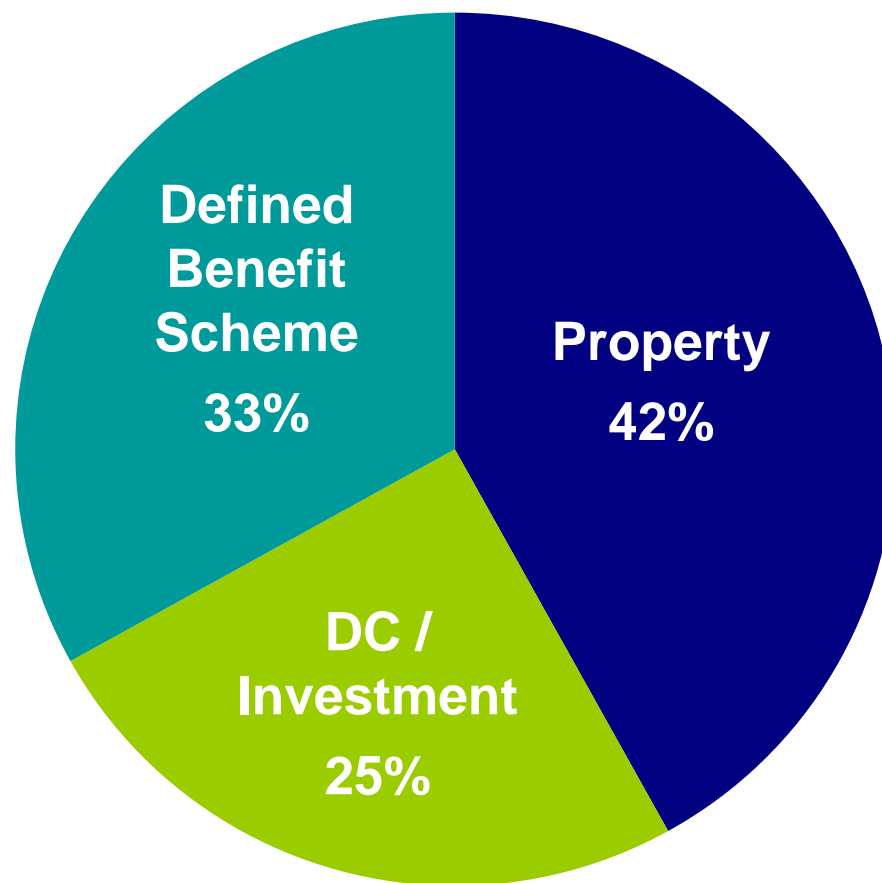
Asset position for 30 year old



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Asset position for 50 year old



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*“I can calculate the movement of
the stars, but not the madness
of men”*

Isaac Newton



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“What we learn from history is that people don't learn from history”

Warren Buffett



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