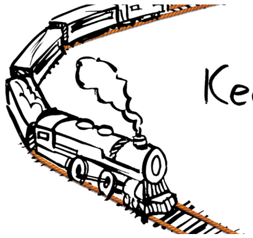

Keep your assets and liabilities on track with RisCura's new LDI monitoring service.

RisCura

good thinking

PRESS RELEASE

19 July 2011

RisCura launches new LDI Monitoring Service

RisCura has launched a monthly monitoring service that uses the principles of liability-driven investment (LDI) to detail how the assets of a defined benefit pension fund are tracked versus its liabilities, and according to its investment strategy.

This service capitalises on RisCura's ten years of LDI experience and expertise in the South African and Namibian pension fund and investment market.

With RisCura's new LDI Monitoring Service, the effects of changes in pensioner demographics, markets, and investment strategy are visible immediately on a month-to-month basis. This enables stakeholders - such as trustees of defined benefit funds or financial directors on behalf of plan sponsors - to understand and monitor how the investment strategy is performing relative to the changing liabilities before regulatory reporting is able to alert them.

Petri Greeff, head of RisCura's LDI team says this service goes a long way to providing a bank-like check on a pension fund's assets and liabilities to ensure peace of mind. "Like any bank, a pension fund should closely monitor its balance sheet of assets and liabilities. Whereas a bank would be concerned about debtors defaulting on loans due to 'financial mortality', a pension fund should be concerned about its defined pension payments to its pensioners and how human mortality affects that. However, unlike a bank that has an in-house team of experts who price its asset and liability position relative to the market on a daily basis, many pension funds have limited capabilities when it comes to monitoring their balance sheet. In today's volatile market sometimes an annual check is not enough and this lack of monitoring could lead to excessive funding level volatility and nasty surprises."

Fund trustees and financial directors acting on behalf of plan sponsors have shown significant interest in this service as a tool to help them manage their funding level risk, and where applicable, enterprise risk for the sponsoring company.

RisCura has recommended LDI strategies to their pension fund clients for the past 12 years. Globally LDI has grown in popularity due to its unique ability to minimise funding level volatility by hedging specific pension fund risk factors in volatile markets.

For more information on the LDI Report, please contact **Petri Greeff** on 021 673 6999 or pgreeff@riscura.com.