Investment Portfolio Profile

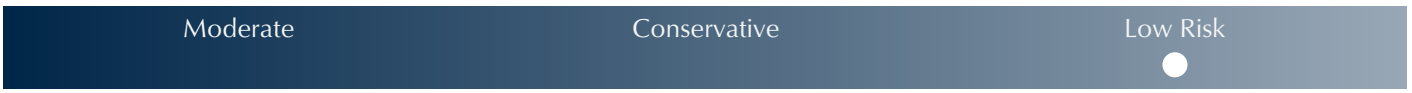
This portfolio is managed within what Investment Solutions regards to be a low-risk investment strategy. It is aimed at investors wishing to preserve capital through a capital guarantee underwritten by a local insurer or more than one insurer. This insurer is selected on its bonus-smoothing philosophy and balance-sheet strength. The underlying investment portfolios of the insurer consist of local equities, bonds, property and cash, which are selected and managed by the insurer's investment managers. The insurer provides fully vesting bonuses declared monthly in advance.

Investment Strategy

The underwriting insurer determines its own investment strategies regarding management of the underlying investment portfolios.

Risk Meter

Risk refers to the predictability or volatility of returns over a five-year period.



The portfolio is aimed at investors pursuing capital preservation and smoothed real investment returns. Investment Solutions expects this portfolio to have:

- A low probability of capital loss, except on termination, withdrawal or switching when the market value may be lower than the book value of the portfolio
- Investment returns above inflation and, more particularly, within 1% to 2% a year of the underlying insurer's partially vesting guaranteed returns over the longer term

The portfolio complies with the investment limitations set out in Regulation 28 of the Pension Funds Regulations.

Note:

Certain conditions and notice periods for switching out of this portfolio apply to prevent selection against the insurers. Therefore, switches are only allowed on 1 January and 1 July each calendar year and investors wishing to switch must give Investment Solutions at least four months' prior written notice to do so. If the switch involves more than 10% of the investor's interest in the portfolio, he/she will only be entitled to the lower of book and market value of this portion of the interest. An investor wishing to partially or fully terminate his/her investment must give Investment Solutions at least two months' prior written notice, and will again only receive the lower of book and market value of his/her full interest in the portfolio.

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