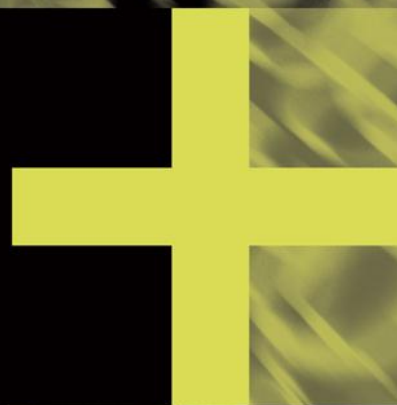


Fact Sheet

Asset Allocation Service

barrie+hibbert

Powering objectivity in the global financial services industry



Asset Allocation Service

As financial services products become ever more complex, and manufacturers and distributors face up to the challenges of "Treating Customers fairly", it is increasingly important that product manufacturers are able to offer strategic asset allocations that meet a set of specific customer risk objectives.

Addressing the industry challenges

Building on our core asset models and expertise, the Asset Allocation Service from Barrie & Hibbert provides a robust quantitative risk framework, whereby customer risk profiles are defined in terms of objective risk and return targets. Our stochastic model and asset allocation methodology can then be applied to construct a set of strategic risk graded asset allocations which fit these objective targets.

We review the strategic asset allocations on a quarterly basis to understand how changes in the market environment impact on risk to customers. This allows our clients to continue to provide a set of strategic asset allocations that meet the needs of their customers.

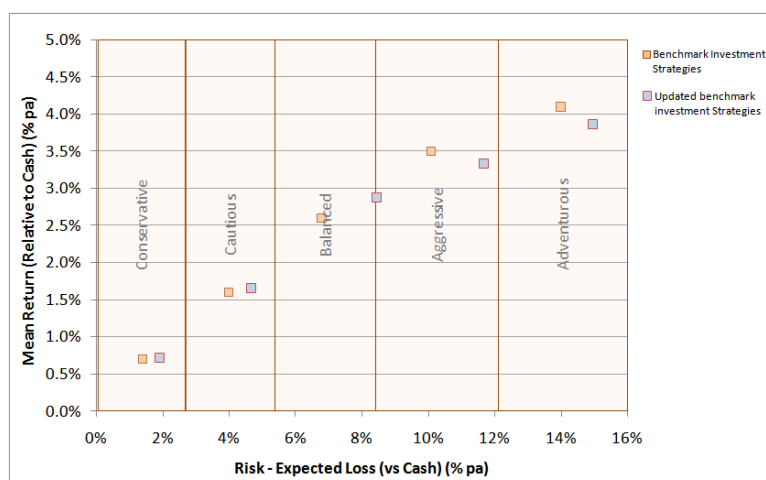
The Key Benefits of the Barrie & Hibbert approach

- Supports the design of risk-graded investment strategies based on objectively defined customer risk grades and an agreed set of asset classes.
- If required, a consistent methodology can be used to map these investment strategies onto the outputs from a clients own risk profiling tool or other third party tools.
- Regular quarterly review, based on Barrie & Hibbert's updated model calibration ensures strategic asset allocations continue to deliver risk and return characteristics in accordance with defined customer requirements
- Quantitative risk information will be provided, that can be used in financial promotions and attributed to Barrie & Hibbert.

Example Output

The following chart uses objective measures of risk and return to:

- demonstrate how changes in the economic environment have impacted the risk and return characteristics of the asset allocations
- consider whether the asset allocations continue to match the agreed customer risk and return profiles, and determine when a change to the asset allocations is required



Why Barrie & Hibbert?

Barrie & Hibbert was established in 1995 by John Hibbert and Andrew Barrie. We provide a range of software modelling tools, research and consulting services to a wide range of financial institutions and strategic partners.

Barrie & Hibbert's primary focus is the identification, quantification and management of financial risk in savings and investment products, institutional portfolios and life and pensions balance sheets. Barrie & Hibbert has developed a powerful library of financial models that can be used to understand the complicated joint financial relationships that drive uncertainty in long-term financial plans.

Collectively our staff of leading academics, quantitative analysts, actuaries and software engineers offer a depth and breadth of expertise combined with an unrivalled track record of experience in implementing risk solution for financial institutions around the world.

Our asset and product modelling capability has been developed over the last 13 years resulting in Barrie & Hibbert becoming a global market leader in stochastic asset modelling services.

Barrie & Hibbert is privately owned and employs around 100 staff across locations in the UK, US and Asia.

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