Highlights and achievements

METALLRENTE'S INNOVATIVE Pension Risk Management (PRiMa) concept and real-time asset liability management initiative successfully bridge the gap between Germany's old insurance fund pensions and new capitalised fund system. The fund claims that it is the 'most advanced' asset-liability management tool it knows of in Germany.

Its management and risk control structure ensure pensions and benefits investments can be maximised while the capital guarantee will be paid, as required in the new pensions laws.

Splitting the assets into three main reserve funds that have a different asset allocation policy is the chosen solution to ensure pensions provision will be guaranteed and encourage people to save more voluntarily.

MetallRente's innovative real-time asset-liability management model is successful in ensuring the right asset mix each fund requires to enable it to meet its objectives as well as effective risk management. Moreover, being able to check and monitor hundreds of individual asset positions and thousands of single liabilities on a 24-hour basis is a major achievement in a country where this kind of investment set-up is relatively new.

The fund's proactive approach to stress testing and using the most modern techniques in the most extreme conditions means it can retain a favourable long-term and sustainable risk/return ratio, even if short-term hedging action is required.