NATIXIS

Paris, 25 February 2014

Report on Global Retirement Index: ageing populations still find greatest financial security in Europe

But financial security is increasingly at risk in both developed and developing global markets.

Natixis Global Asset Management releases today a report on Global Retirement Index, a **global benchmark designed to compare how 150 different countries meet their populations' needs in retirement.** The index is based on 20 indicators structured around 4 underlying thematic indices, using selected and compiled gross data for 2013 provided by independent sources such as the World Bank, the World Health Organisation and the OECD.

The financial environment for retirees shows signs of erosion in many developed nations where governments are facing high debt levels and ongoing financial pressures. In developing markets, the provision of government services has not kept pace with economic growth, and income inequality remains preventing incomes harmonization at the time of retirement. The world's population is ageing and these retirees are set to consume a greater share of government resources. *"This dilemma has contributed to the complexities involved in solving the worldwide crisis in retirement funding, and underscores the need for more diverse, more stable sources of funding, including personal savings and investments"* highlights Christophe Point, Director NGAM distribution France.

France ranks in 15th position. As with other developed countries, France is facing increasing challenges in meeting the liabilities of its national pensions system. The country's difficulties are similar to those faced by all others with ageing populations: inflation, increasing tax burden, and the inability to fund old-age dependency. These factors are reflected in the "Finances in retirement" sub-index, thereby severely impacting the country's overall ranking. However France remains in the top 3 as far as the "**Health**" sub-index is concerned, **sharing 2nd place with Germany**, with special mention given to the country's life expectancy and the quality of its social security system.

Implications for individuals: more responsibility and the need to re-engineer how they prepare financially for retirement

"While many external factors determine retirement security, individual investors should focus on the factors that remain in their control – namely saving for their futures; obtaining and following professional financial advice; and acting to minimize external risks as much as they can" adds Christophe Point.

Two worldwide surveys conducted recently by Natixis Global AM* covering individual investors and financial advisors found that most individuals (58%) admit they don't have a financial plan in place for their retirement, while the majority of advisors say their clients are underestimating the amount of income they will need.

*Survey of Individual Investors conducted on sample of 5,560 private investors in June and July 2013; and Survey of Financial Advisors conducted on 1,300 IFAS between August and September 2013

Natixis - 30, avenue Pierre Mendès France - 75013 Paris - Adresse postale : BP 4 - 75060 Paris Cedex 02 France - Tél. : +33 1 58 32 30 00 - **www.natixis.com**
Société anonyme à Conseil d'administration au capital de 4 960 472 304 euros - 542 044 524 RCS Paris - TVA : FR 73 542 044 524

Investors need to build more durable portfolios capable of delivering stable returns that can withstand market fluctuations over time, and success should be measured by whether investors are on track to meet their personal retirement goals, not an irrelevant benchmark. "*Making investments more personal for individuals – and reinforcing that they are key stakeholders in this process – could help them become more engaged in planning, saving and investing*" suggests Christophe Point. "*To truly meet their retirement objectives, investors need to think of risk first as they* ***build durable, diversified portfolios*** *that can manage short-term volatility, pursue long-term growth, and keep investors invested through a variety of market cycles in order to realize their full savings potential".*

Global trends

Europe is where retirees will enjoy the highest level of financial security. Among the 150 countries in the Index, 12 of the top 15 are European. Switzerland, Norway and Austria rank in the top 3 with overall scores above 80%, while other European countries generally achieve scores of 75% or more. Unsurprisingly, core European nations outdo peripheral countries that were forced to cut more severely into their social programs.

The United States trails the United Kingdom, with both countries stable from one year to the next. For the second year running, the US ranks 19th out of 150 countries. The stability of the ranking is likely due to the gradual improvement of the country's economy, which has helped offset the consequences of political uncertainty and the government shutdown period. The UK ranks in 18th position, with a high ranking for health factor balanced by low rankings for finance in retirement, including low rates and high tax pressures that have affected retirees' current income and purchasing power while also increasing pressure on the UK pension system.
New Zealand, Iceland and Korea were among the fastest risers in the table, with each nation moving into the top 20. In Iceland for instance, the recovery of public finances, together with low inflation, low interest rates and the country's top position for income equality have helped boost its general ranking. But even in the highest-ranking countries, future demographic shifts will exert pressure and future retirees need to be planning today for those changes.

"*Again, investors need to plan to do more on their own*", said Hervé Guinamant, President and CEO for international distribution at Natixis Global Asset Management. *"And the asset management industry must adapt by providing the tools investors need to build portfolios that put risk first, minimize volatility and help meet their long term savings goals."*

Top 30 countries in the Global retirement index ranking:

Rank	Country	Health Index	Finances in Retirement Index	Quality of life Index	Material Wellbeing index	Global Retirement Index
1	Switzerland	86%	71%	95%	87%	84%
2	Norway	86%	66%	89%	97%	84%
3	Austria	90%	63%	86%	89%	81%
4	Sweden	83%	68%	87%	82%	79%
5	Australia	84%	74%	82%	78%	79%
6	Denmark	83%	64%	87%	83%	79%
7	Germany	88%	63%	85%	82%	79%
8	Finland	82%	68%	83%	81%	78%
9	New Zealand	79%	72%	87%	75%	78%
10	Luxembourg	85%	59%	80%	89%	78%
11	Iceland	85%	60%	85%	83%	77%
12	Belgium	86%	62%	81%	82%	77%
13	Netherlands	86%	56%	83%	86%	77%
14	Canada	79%	69%	83%	76%	77%
15	France	88%	61%	85%	74%	76%
16	Czech Republic	83%	63%	76%	80%	75%
17	Korea, Rep.	77%	68%	71%	83%	75%
18	United Kingdom	81%	58%	87%	72%	74%
19	United States	81%	65%	80%	68%	73%
20	Israel	79%	63%	81%	70%	73%
21	Slovenia	80%	60%	73%	80%	73%
22	Slovak Republic	78%	64%	78%	70%	72%
23	Italy	82%	53%	83%	73%	72%
24	Ireland	82%	63%	78%	65%	71%
25	Cyprus	71%	64%	74%	76%	71%
26	United Arab Emirates	71%	55%	72%	84%	70%
27	Japan	84%	47%	76%	78%	69%
28	Malta	79%	62%	60%	80%	69%
29	Spain	83%	62%	79%	57%	69%
30	Poland	75%	62%	70%	67%	68%

Source: Coredata research for Natixis Global AM

Methodology

Natixis Global AM's Global Retirement Index is a well-being index which provides a global benchmark for comparing the models of 150 different countries in terms of how they respond to the needs of their retired populations. The GRI is built from 20 indicators based around thematic sub-indices, based on selected and compiled gross data for 2013 provided by independent and reliable sources such as National Development Banks, the World Health Organisation or the OECD. The 4 sub-indices are the following:

- *Health (life expectancy, health expenditure per capita, number of doctors per 1000 inhabitants, uninsured health expenses index, number of hospital beds)*
- *Material well-being in retirement (income per capita index, income equality index, percentage of unemployed)*

- *Quality of life (well-being ratio, air and water pollution, biodiversity and habitat, climatic change indicators)*
- *Finances in retirement (investment landscape, old-age dependency, inflation, interest rates, taxation, default ratio on bank loans, government debt ratio, robustness of financial institutions)*

The full report is available via the following link: www.ngam.natixis.com/espacepresse
More information on: www.durableportfolios.com

Press contacts

Natixis
Andrea Pucnik
Tél. +33 (0)1 58 32 01 03
andrea.pucnik@natixis.com

Natixis Global Asset Management
Stéphanie Mallet
Tél. +33 (0)1 78 40 81 85
stephanie.mallet@am.natixis.com

About Natixis Global Asset Management
Natixis Global Asset Management ranks as one of the largest asset management companies in the world. Its affiliated asset management companies provide investment products that seek to enhance and protect the wealth and retirement assets of both institutional and individual investor clients.*
Its proprietary distribution network helps package and deliver its affiliates' products around the world. Natixis Global Asset Management brings together the expertise of multiple specialized investment managers based in Europe, the United States and Asia to offer a wide spectrum of equity, fixed-income and alternative investment strategies.
*Headquartered in Paris and Boston, Natixis Global Asset Management has assets under management totalling 629.2 billion € as of December 31, 2013 **. Natixis Global Asset Management is a subsidiary of Natixis.*

* Source : Cerulli Quantitative Update: Global Markets 2013 ranked Natixis Global Asset Management, S.A. as the 15th largest asset manager in the world based on assets under management as of 31 December 2012
** Source : Natixis Global Asset Management