

Mn Services considers the current macro-economic environment and stress the need for UK pension schemes to be more proactive in managing their investment risk

London 8 October 2009:

As part of its on-going risk management process for pension scheme Mn Services regularly reviews the macro-economic opportunities and threats to pension schemes funding ratios. Mn Services objective is to find investment strategies which best balance protecting against downside risks while retaining the potential to benefit from more favourable outcomes

Mn Services current thinking centres around our core economic scenario and identifies three alternative scenarios:

- Growth recession - the base scenario

Continued delivering leads to a prolonged period of sub-par economic performance and low inflation.

Gwion Moore, Head of Investment Strategy UK says: “given the substantial output gap, tight credit conditions, rising unemployment and the prospect of reduced fiscal stimulus after the 2010 general election, the chances of a return to strong economic growth and accelerating inflation in the near-term seem relatively small”

- Debt deflation – alternative 1

Declining of asset prices, high levels of leverage and excess capacity lead to a vicious cycle of economic decline.

- New asset bubble– alternative 2

The combination of fiscal and monetary stimulus and the resulting “wall of money” leads to a re-inflation of asset prices. However the rally in financial assets only postpones the deleveraging process and does not lay the foundations for a return to robust economic growth.

- Policy traction – alternative 3

Monetary stimulus will lead to an easing in credit conditions and the fiscal stimulus jump starts the economy leading to a virtuous cycle and a normal recovery process

Gwion Moore, Head of Investment Strategy UK says, “At Mn Services we strongly believe that pension schemes should take a proactive approach to managing market risk and protecting their members interests..... The extraordinary monetary and fiscal innovation that has occurred in response to the credit crunch has highlighted the need for pension schemes to be much more agile in responding to the changing economic environment than they have been in the past”.

Gwion goes on to say “Investment and risk management decisions made today by UK pension scheme’s will determine which of those are able to deliver on the promises made to their members, and those which find themselves critically under-funded”

Notes to Editors:

For further information, comment or to arrange a meeting with Mn Services please contact Polhill Communications on 020 7655 0540 or email mnservicespolhill@polhill.com. A jpeg photograph of Gwion is available on request.

About Gwion Moore

Gwion Moore is Head of Investment Strategy at Mn Services Investment Management UK. Prior to joining Mn Services Gwion worked at a number of US investment banks and was a fixed income fund manager. Gwion holds a BSc and PGDip in Physics and Mathematics from the University of Western Australia and a MSc in Political Theory from the University of London.

About Mn Services

Mn Services is owned by pension schemes to provide market-leading solutions to pension schemes. The organisation offers fiduciary management services in the Netherlands and the UK and currently manages assets in excess of GBP 50bn for more than 20 pension schemes. In addition, Mn Services provides pension administration services in the Netherlands for more than 1.2 million members and approximately 35,000 employers. This makes Mn Services one of the largest services providers to pension schemes in Netherlands and Europe.

About Mn Services UK

In 2008, Mn Services became the first Dutch fiduciary manager to offer its services beyond its home market, establishing a full-service London office to offer fiduciary management services to UK pension schemes.

Mn Services Investment Management UK is registered in England and Wales (BR 010224) at 60 Cannon Street, London EC4N 6NP as the branch of Mn Services Vermogensbeheer B.V., a limited liability company that is incorporated in the Netherlands (The Hague Chamber of Commerce, 27245360), authorised by the Dutch Authority for Financial Markets (AFM), and subject to limited regulation by the UK Financial Services Authority. Details about the extent of our regulation by the Financial Services Authority are available from us on request.