



## **HOW TO INVEST LONG TERM IN VOLATILE TIMES**

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Pension Fund Italy

# Fondenergia

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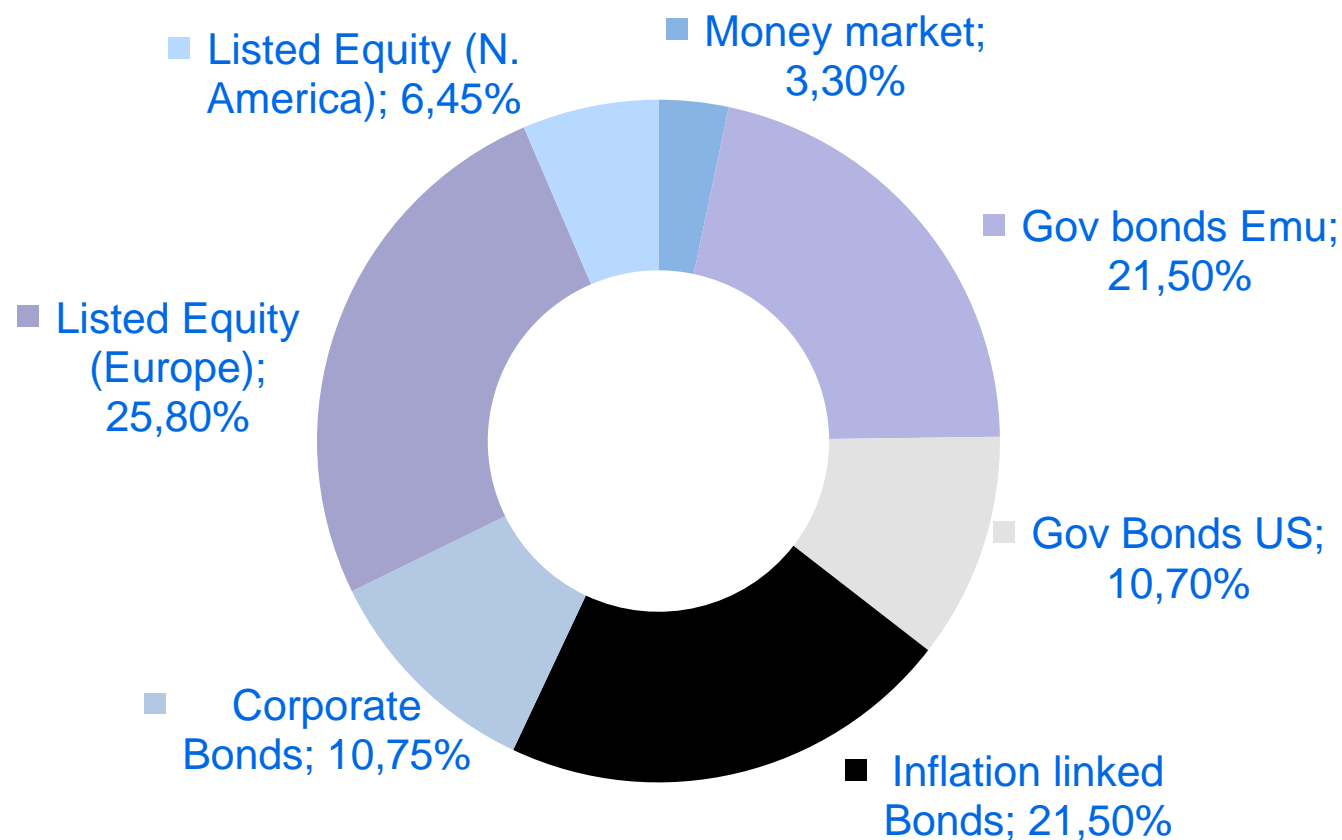
## Oil sector pension Fund - Italy

- DC plan for 42 000 workers and employees (215 employers)
- 1 bn euros assets at 10/2011
- 94% participation rate
- avg contributions = 11% of gross salary (8,7% employee + 2,3% employer)

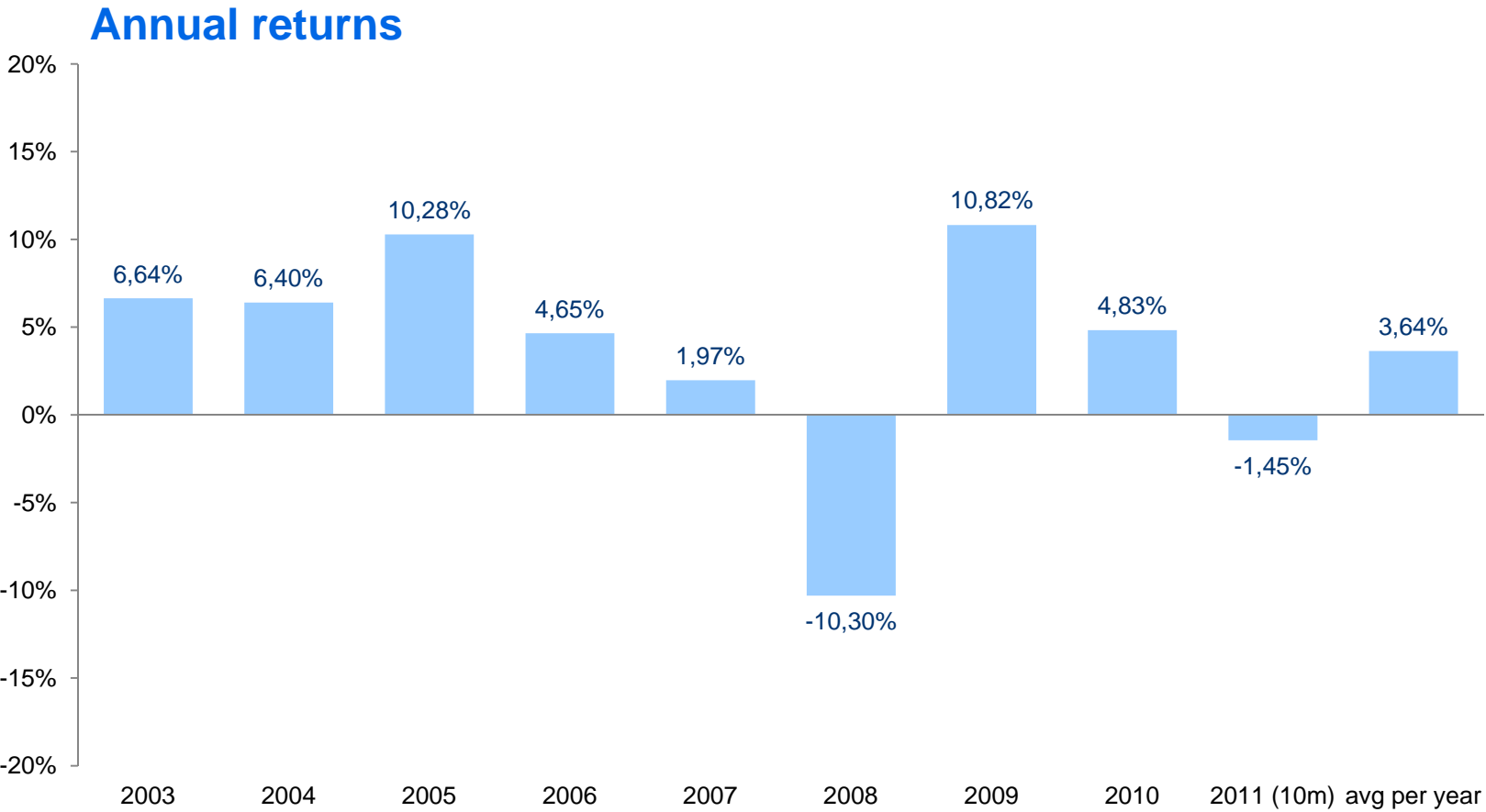
# Asset Allocation (1)

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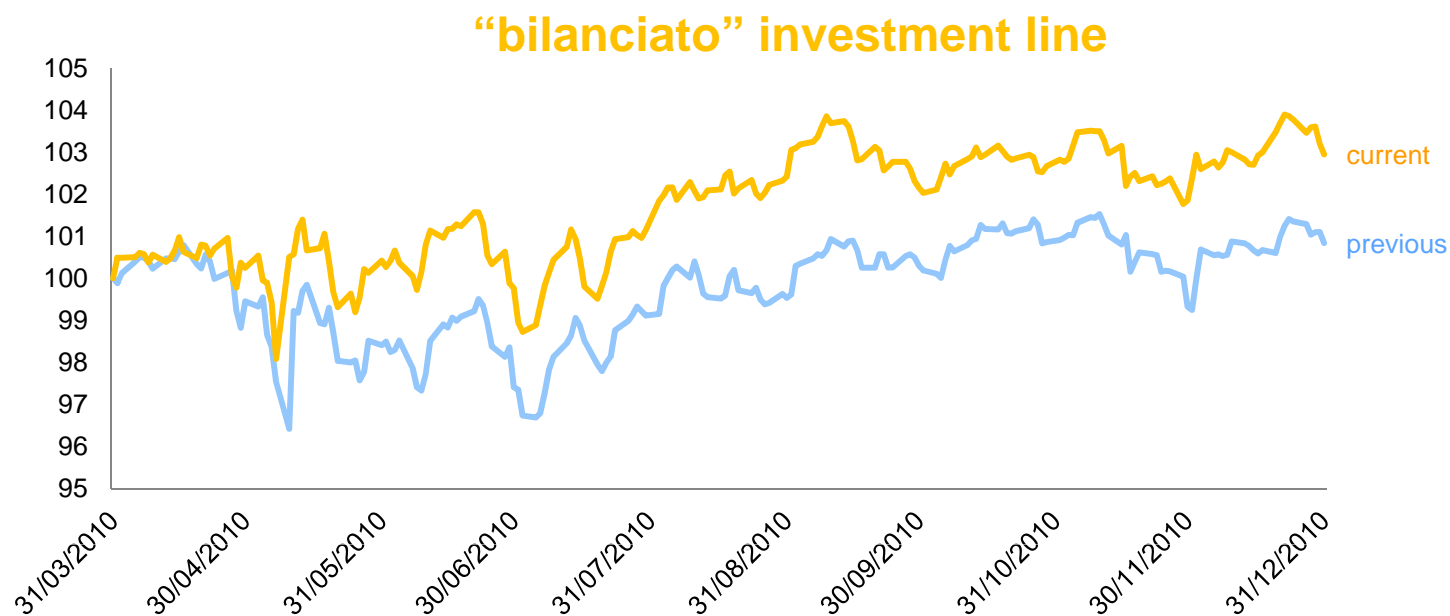
## “bilanciato” investment line (85% total assets)



# Returns



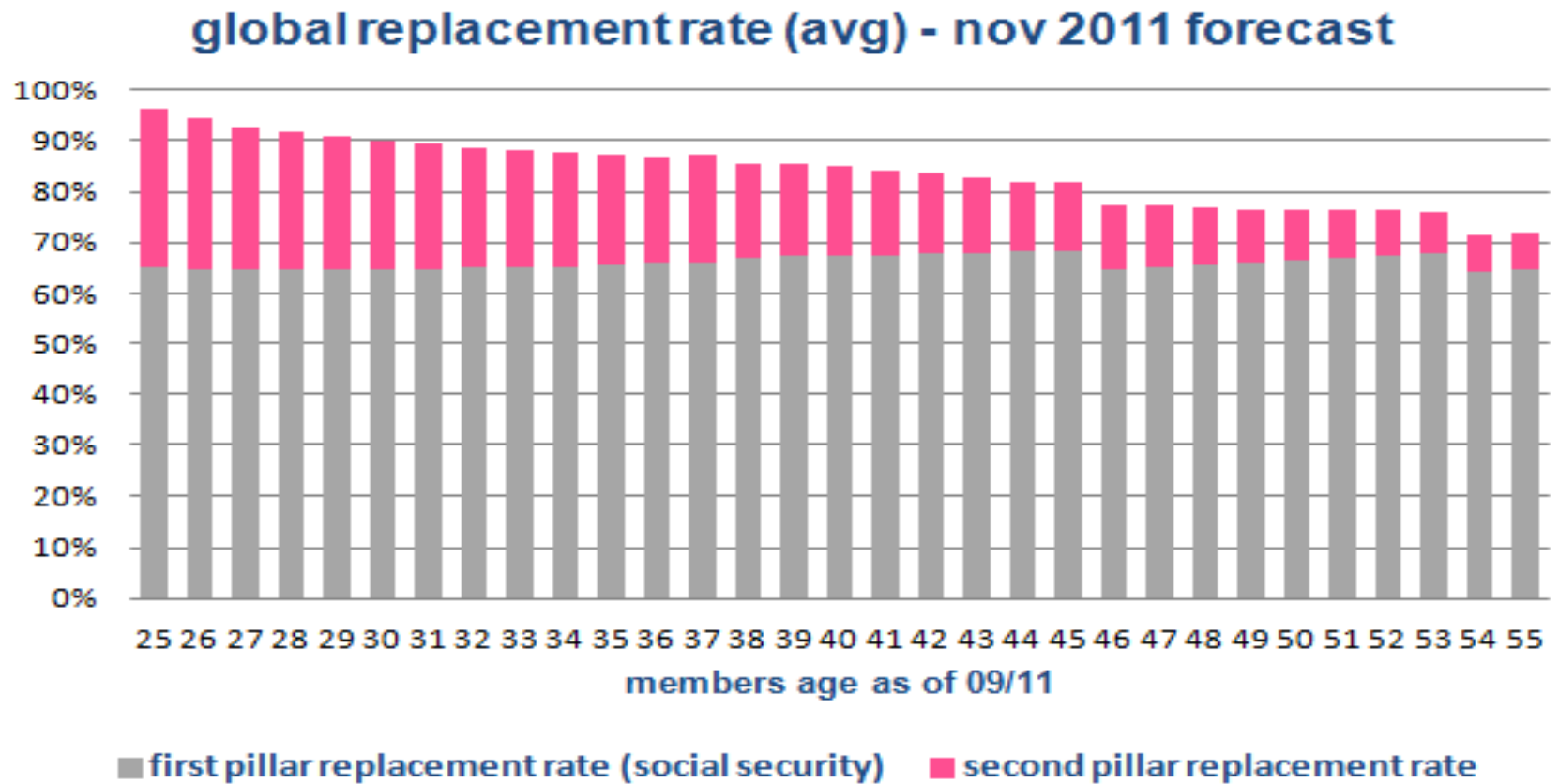
# Asset Allocation (2)



from 31/03/2010 to 31/12/2010

returns		difference
previous asset allocation	new asset allocation	
0,84%	2,94%	2,10%

# Asset Allocation (3)



## Risk overlay structure implementation

Masterfund = 4 balanced sub funds + 1 di risk overlay mandate

AM 1  
24%

AM 2  
24%

AM 3  
24%

AM 4  
24%

(RISK OVERLAY)  
4%

**Risk control on: 1) equity exposure + 2) currency exposure**

### Advantage of risk control via an overlay segment

- masterfund is an economic entity → aggregate reporting + risk measurement
- efficient control using derivative instruments
- no intervention in the subfunds required