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ICI GLOBAL-IOPS-OECD CONFERENCE

June 24 2015



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MULTI-PILLAR PENSION SYSTEM

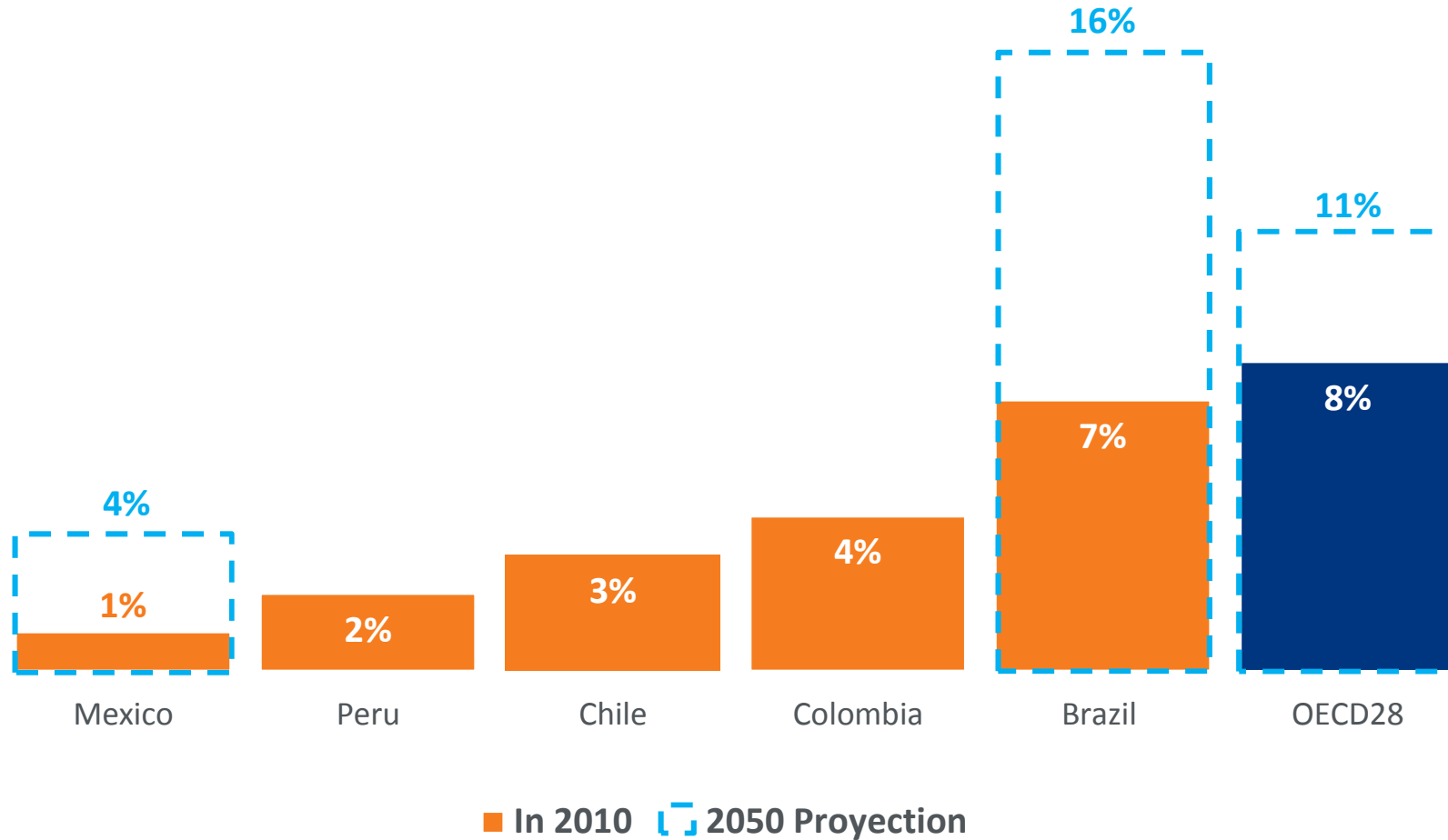
	Zero Pillar State Financed 	First Pillar Mandatory Defined Benefit 	Second Pillar Mandatory Defined Contribution 	Third Pillar Voluntary 
Brazil	✓	✓		✓
Chile	✓		✓	✓
Mexico	✓		✓	✓
Peru	✓		✓	✓
Colombia	✓		✓	✓

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SOURCE: OECD Pensions at a Glance 2013, World Bank. Design Contribution Rates 3Q2014
 The World Bank's Conceptual Framework. The Fourth Pillar is also present in the Framework, intentionally wasn't included here.

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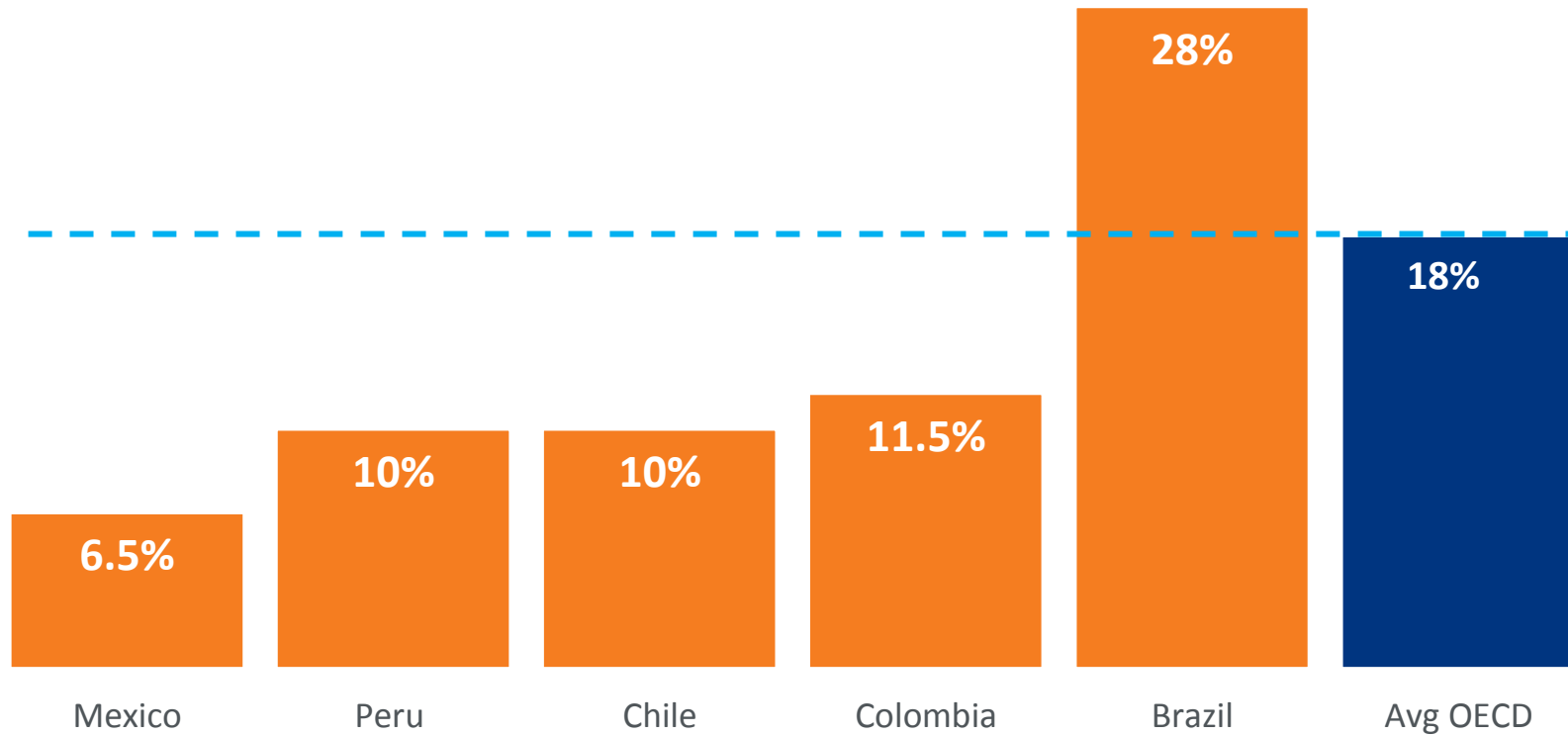
PUBLIC PENSION EXPENDITURES (as % GDP)



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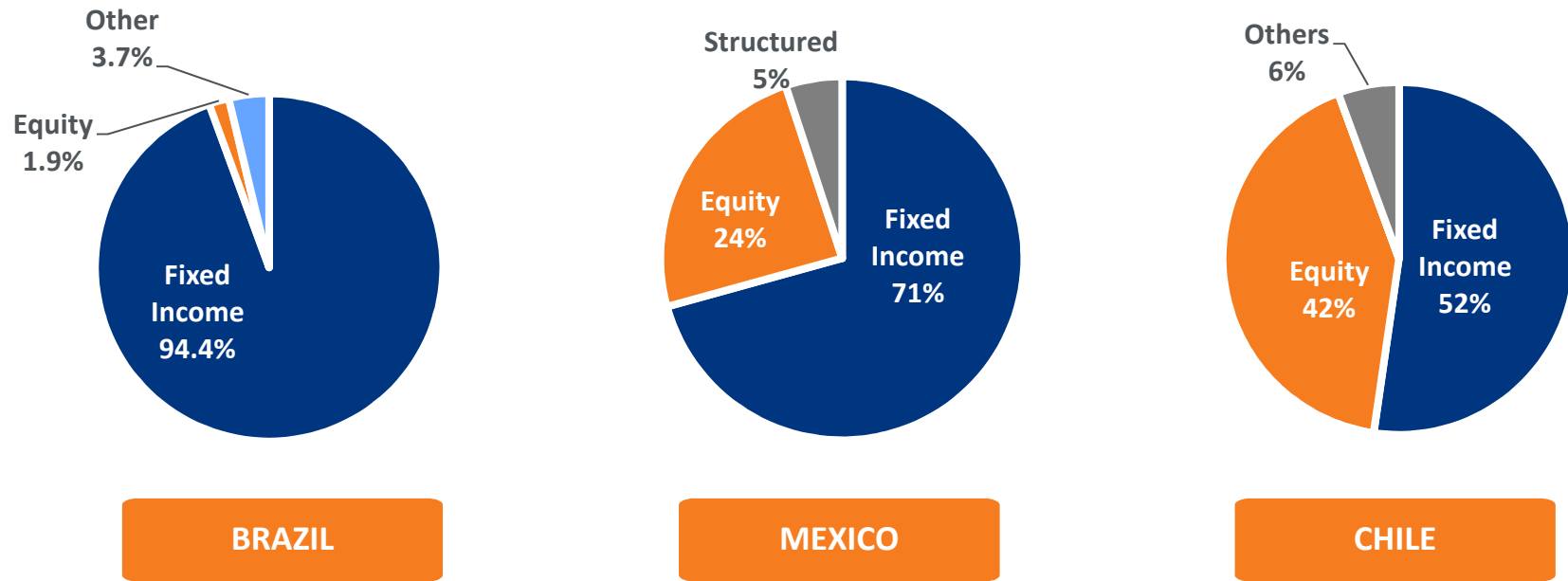
CONTRIBUTION RATES

(as % of taxable wage)



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PENSION ASSET ALLOCATION



Percentage of Pension Assets Invested Abroad



5 SOURCE: Cerulli Latin America Distribution Dynamics (2014); Cerulli Global Markets (2014);
 *Multimarket funds can have 20% non-domestic exposure.



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PAYOUT SOLUTIONS

Normal Retirement Age	Male	Female
Brazil	55	50
Colombia	62	57
Chile	65	60
Mexico	65	65
Peru	65	65
OECD Average	64.7	63.5

Products

- Mandatory income based (Annuity or Programed Withdrawal) is the right approach
- Opportunity for Hybrid Products
- Opportunity for updating regulation improving pensions

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KEY TAKEAWAYS

For those who can save:

- Funded systems provide
 - Ownership rights
 - Transparency
 - Equality
 - Long-Term savings/growth

For those who cannot save:

- Solidarity Pillar
- Avoid Inequality of PAYG
- Insure sustainability

- People are not saving enough
- Regulators: Pointing in the wrong direction
- Basic Financial Education

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KEY TAKEAWAYS

The era of
PERSONAL RESPONSIBILITY

Workers + Employers + Governments

THANK YOU

