

U.S. lags Europe, less affluent nations in retirement security, according to new worldwide index developed by Natixis Global Asset Management

As aging population puts government resources under strain, Durable Portfolio Construction® can help individuals who will need to do more to finance their retirement.

Boston, March 7, 2013 – The United States ranks 19th worldwide in the retirement security of its citizens, according to a new annual index compiled by Natixis Global Asset Management (NGAM). The findings suggest that Americans will need to pick up a bigger share of their retirement costs – especially as the number of retirees grows and the government’s ability to support them fades.

The **Natixis Global Retirement Index** gauges how well retired citizens live in 150 nations, based on measures of health, material well-being, finances and other factors. The study was released today by the NGAM Durable Portfolio Research Center, which conducts research on risk management, asset allocation and other investment issues. NGAM is the world’s 13th-largest investment management firm and oversees \$779 billion, including retirement assets for institutions and individuals.¹

“The message is clear: You will be called on to finance more of your retirement,” said John Hailer, NGAM’s president and chief executive officer for the Americas and Asia. “Citizens of other industrialized nations can rely on strong social safety nets in old age, at least for now. In the U.S., we encourage workers to plan, save and invest, and promote policies that help them meet their future needs.”

TABLE: Natixis Global Retirement Index – Top 20 Nations

1. Norway	8. Denmark	14. Belgium
2. Switzerland	9. Germany	15. Japan
3. Luxembourg	10. France	16. Slovenia
4. Sweden	11. Australia	17. Czech Republic
5. Austria	12. Israel	18. Slovakia
6. Finland	13. Canada	19. United States
7. Netherlands		20. United Kingdom

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¹ Cerulli Quantitative Update: Global Markets 2012 ranked Natixis Global Asset Management, S.A. as the 13th largest asset manager in the world based on assets under management as of December 31, 2011.

Though the U.S. is the world's biggest pension market, it lags behind less-affluent nations on measures of income and health, according to the index. While the U.S. leads the world in per-capita health spending, individuals are still required to pay a portion of this expense on their own. That leaves many health costs in the hands of retirees and takes resources away from their other needs.

In contrast, Western European nations – backed by robust health care and retiree social programs – dominate the top of the rankings, taking the first 10 spots. Norway is first overall, followed by Switzerland, Luxembourg, Sweden and Austria. Australia is the highest-ranked non-European country, followed by Israel and Canada. The U.S. finished ahead of the United Kingdom, but trailed the Czech Republic and Slovakia.

Demographic challenges

Like many other nations, the U.S. is grappling with significant demographic change, including a rapidly aging population, rising life expectancy rates and declining birth rates.

Globally, the number of people aged 65 or older is on track to triple by 2050. By that time, the ratio of the working-age population to those over 65 in the U.S. is expected to drop from 5-to-1 to 2.8-to-1.²

These trends are likely to diminish the government's ability to finance programs such as Social Security and Medicare, and will mean a heavier financial burden going forward for individuals saving for retirement.

Retirement savings deficit

The economic downturn has taken a major toll on retirement savings. According to a recent U.S. Senate report, the country is facing a retirement savings deficit of \$6.6 trillion, or nearly \$57,000 per household.³ As a result, 53% of American workers 30 and older are on a path that will leave them unprepared for retirement, up significantly from 38% in 2011.⁴

Compounding the issue, only half of all workers have access to employer-sponsored plans, and those who do participate often make the common mistakes of saving too little or investing too much in lower-returning products.

Individual responsibility

"The bottom line is that U.S. workers, like many of their counterparts across the globe, have to step up even more and take charge of their retirement futures," said Tracey Flaherty, NGAM's senior vice president for government relations and retirement strategies. "If these challenges aren't met, they may not have adequate income in retirement, with negative consequences for their health and overall quality of life."

To meet their retirement objectives, investors should employ a broad range of asset classes, including stocks, bonds and alternative investments such as commodities and hedging strategies. A diversified, durable portfolio can help investors temper short-term volatility and pursue long-term growth through different market cycles.

For a more detailed overview of the Natixis Global Retirement Index, including rankings of all 150 nations, go to ngam.natixis.com/pressroom.

² Population Reference Bureau, www.prb.org/pdf11/aging-in-america.pdf, p. 12 and 13

³ U.S. Senate Committee on Health Education Labor & Pensions

⁴ Center for Retirement Research at Boston College

About the NGAM Durable Portfolio Research Center

The NGAM Durable Portfolio Research Center, established in 2012, studies risk, asset allocation and other investment issues. The center supports NGAM's belief that investors should pursue long-term financial objectives with portfolios designed to limit risk and volatility. Through its durable portfolio initiative, NGAM provides financial advisors with proprietary tools and services to help investors to make smart use of traditional assets, such as stocks and bonds, and alternative investments, such as hedging strategies, commodities and currencies.

Methodology

The Natixis Global Retirement Index is a composite index that combines 20 indicators grouped into four major categories: health; material well-being; quality of life in retirement; and finances.

CoreData Research, a London-based financial research firm, captured data from a variety of sources, calculated a mean score in each category and combined the category scores for a final overall ranking of 150 nations.

The categories, and the subjects they comprise, are:

- **Health:** Per-capita health spending, life expectancy, the availability of physicians and hospital beds per 1,000 citizens, and the level of noninsured health spending. (Sources: World Bank's Development Indicators, 2012; World Health Organization)
- **Material well-being:** Per-capita income, income inequality and unemployment. (Source: World Bank)
- **Finances:** Old-age dependency (the ratio of retirees to workers), inflation, interest rates, taxation level and bank nonperforming loans. (Sources: World Bank, United Nations)
- **Quality of life:** The level of happiness and satisfaction of citizens, as well as the quality of the climate and environment. (Sources: Gallup World Poll 2012; Environmental Performance Index 2012)

About Natixis Global Asset Management, S.A.

Natixis Global Asset Management, S.A. is one of the 15 largest asset managers in the world based on assets under management.⁵ 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, S.A. 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.

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⁵ Cerulli Quantitative Update: Global Markets 2012 ranked Natixis Global Asset Management, S.A. as the 13th largest asset manager in the world based on assets under management as of December 31, 2011.

Headquartered in Paris and Boston, Natixis Global Asset Management, S.A.'s assets under management totaled \$779 billion (€591 billion) as of December 31, 2012.⁶ Natixis Global Asset Management, S.A. is part of Natixis. Listed on the Paris Stock Exchange, Natixis is a subsidiary of BPCE, the second-largest banking group in France. Natixis Global Asset Management, S.A.'s affiliated investment management firms and distribution and service groups include: Absolute Asia Asset Management; AEW Capital Management; AEW Europe; AlphaSimplex Group; Aurora Investment Management; Capital Growth Management; Caspian Private Equity; Darius Capital Partners; Gateway Investment Advisers; H2O Asset Management; Hansberger Global Investors; Harris Associates; IDFC Asset Management Company; Loomis, Sayles & Company; McDonnell Investment Management; Natixis Asset Management; Ossiam; Reich & Tang Asset Management; Snyder Capital Management; Vaughan Nelson Investment Management and Vega Investment Managers. Visit ngam.natixis.com for more information.

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⁶ Assets under management (AUM) may include assets for which non-regulatory AUM services are provided. Non-regulatory AUM includes assets which do not fall within the SEC's definition of 'regulatory AUM' in Form ADV, Part 1.

NGAM GLOBAL RETIREMENT INDEX

ABOUT THE NATIXIS GLOBAL RETIREMENT INDEX

- The Natixis Global Retirement Index measures how well retired citizens live in 150 nations, based on measures of health, material well-being, finances and quality of life.
- The study, released for the first time, draws on data from sources including the World Bank and the United Nations.
- The study was sponsored by Natixis Global Asset Management, the world's 13th-largest investment firm, which oversees \$779 billion.¹

THE UNITED STATES

- The U.S. ranks 19th in the world, behind nations including the Czech Republic and Slovakia.
- The U.S. finished with a final score of 74%, behind the 87% score for Norway, the No. 1 country in the rankings.
- Here is how the U.S. ranked in the categories included in the study:
 - **Health (23rd):** The U.S. has the world's highest per-capita health spending, but lags other nations in access to care. Americans also trail citizens of most of the developed world in life expectancy.
 - **Material well-being (38th):** Per-capita income in the U.S. is among the highest in the world, but the U.S. has a higher degree of income inequality than many developed nations. The U.S. ranks behind such nations as Poland, Slovakia and Singapore in this category.
 - **Finances (28th):** The U.S. has strong and independent financial institutions, but its aging population raises questions about the long-term durability of programs such as Social Security. The U.S. trails Canada, Brazil and Mexico, among others, in this category.
 - **Quality of life (26th):** Americans express a high level of satisfaction with life, but the U.S. receives lower scores for environmental measures. Among the nations ahead of the U.S. are Costa Rica, Italy and Belize.

THE RANKINGS

- Norway ranks first in the Natixis Global Retirement Index, followed by Switzerland, Luxembourg, Sweden and Austria. Western Europe nations, backed by robust healthcare and retiree social programs, dominated the top of the list, taking the first 10 slots.

¹ Cerulli Quantitative Update: Global Markets 2012 ranked Natixis Global Asset Management, S.A. as the 13th largest asset manager in the world based on assets under management as of December 31, 2011.

- Australia is the highest-ranked non-European country (in 11th place), followed by Israel and Canada. The U.S. finished ahead of the United Kingdom, but trailed the Czech Republic and Slovakia.

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 - **Quality of life:** The level of happiness and satisfaction of citizens, as well as the quality of the climate and environment. (Sources: Gallup World Poll 2012; Environmental Performance Index 2012)

THE FULL RANKINGS

- **1-25**
 - **1** Norway **2** Switzerland **3** Luxembourg **4** Sweden **5** Austria **6** Finland **7** Netherlands **8** Denmark **9** Germany **10** France **11** Australia **12** Israel **13** Canada **14** Belgium **15** Japan **16** Slovenia **17** Czech Republic **18** Slovakia **19** United States **20** United Kingdom **21** Italy **22** New Zealand **23** Iceland **24** Cyprus **25** Spain

- **26-50**
 - **26** Malta **27** Korea, Rep. **28** Singapore **29** Panama **30** United Arab Emirates **31** Costa Rica **32** Portugal **33** Greece **34** Uruguay **35** Croatia **36** Poland **37** Chile **38** Lithuania **39** Kuwait **40** Brazil **41** Argentina **42** Mexico **43** Estonia **44** Mauritius **45** Hungary **46** Saudi Arabia **47** Belarus **48** Ireland **49** Malaysia **50** Qatar
- **51-75**
 - **51** Ecuador **52** El Salvador **53** Lebanon **54** Cuba **55** Albania **56** Belize **57** Peru **58** Romania **59** Turkey **60** Jordan **61** Bulgaria **62** Guatemala **63** Thailand **64** Venezuela **65** Latvia **66** Kazakhstan **67** Paraguay **68** Jamaica **69** Dominican Republic **70** Russian Federation **71** Bolivia **72** Ukraine **73** China **74** Tunisia **75** Serbia
- **76-100**
 - **76** Moldova **77** Colombia **78** Kyrgyzstan **79** Vietnam **80** Armenia **81** Macedonia, FYR **82** Philippines **83** Guyana **84** Indonesia **85** Trinidad and Tobago **86** Iran, Islamic Rep. **87** Morocco **88** Libya **89** Georgia **90** Botswana **91** Sri Lanka **92** Bahrain **93** Azerbaijan **94** Egypt, Arab Rep. **95** Nicaragua **96** Bosnia and Herzegovina **97** Honduras **98** Algeria **99** South Africa **100** Laos
- **101-125**
 - **101** India **102** Syrian Arab Republic **103** Mongolia **104** Uganda **105** Uzbekistan **106** Cameroon **107** Pakistan **108** Cambodia **109** Rwanda **110** Zambia **111** Ghana **112** Bangladesh **113** Kenya **114** Senegal **115** Iraq **116** Tanzania **117** Tajikistan **118** Nepal **119** Malawi **120** Nigeria **121** Myanmar **122** Djibouti **123** Burkina Faso **124** Benin **125** Burundi
- **126-150**
 - **126** Cote d'Ivoire **127** Congo, Rep. **128** Central African Republic **129** Angola **130** Haiti **131** Namibia **132** Yemen, Rep. **133** Sudan **134** Ethiopia **135** Madagascar **136** Mauritania **137** Chad **138** Mozambique **139** Lesotho **140** Guinea **141** Togo **142** Turkmenistan **143** Niger **144** Afghanistan **145** Mali **146** Liberia **147** Sierra Leone **148** Comoros **149** Congo, Dem. Rep. **150** Zimbabwe

For more information from the Durable Portfolio Construction Research Center, see durableportfolios.com.

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