

PGGM supports full disclosure on investment portfolio

Our policy PGGM's clients, mainly pension funds, have the right to know how PGGM invests their money, what assets are owned on their behalf and how the investments are performing. PGGM is therefore committed to helping its clients disclose comprehensive information about their investment activities.

Until now, PGGM has provided information to its clients on publicly traded equities, fixed-income securities and real-estate funds. From 1 January 2008, this will be extended in principle to *all* investments. With this step PGGM takes the lead in supporting full disclosure.

Why this matters PGGM wants to help its clients expand disclosure of their publicly traded securities and private investments so that their stakeholders can better understand what the actual investments are and how they relate to the investment policy, as carried out by PGGM.. We have two reasons for promoting full disclosure:

- Our clients and their stakeholders have a right to know what investments are implemented on their behalf.
- Our clients, mainly pension funds, feel obliged to explain. As the funds' investment strategies become more attuned to participants' preferences, for example in regard to responsible investment, stakeholders need to be in a position to assess how investment policy is actually implemented.

What we aim to publish Starting on January 1, 2008, PGGM will disclose information on its clients' investments on an annual basis. The record date will be December 31 and the information will be published three months later. Investments as at 31 December 2007 will therefore be disclosed in April 2008.

We shall first provide an overview of all direct asset managers and the investment

mandates they carry out on our clients' behalf, followed by details of all the securities that are directly administered in our clients' name.

Where investments are made through participation in funds, disclosure will depend on the extent of that participation. If our client is the sole beneficiary of the investments, the underlying securities will be disclosed. If, however, our client invests in the fund alongside other investors (or if the fund is open to other investors), the underlying securities cannot be disclosed without disclosing proprietary information that belongs to those other investors. In that case, the name of the asset manager and a description of the investment mandate will be published.

Where the investment mandate is defined as a fund of funds (where the *direct* asset manager appoints *indirect* asset managers), a description will be given of the investment mandate and the names of the indirect asset managers will be disclosed. Because our client is not the sole beneficiary of the assets managed by these managers, the securities in which they invest cannot be disclosed.

Appendix 1 shows an overview tree that summarises this publication policy.

Five reports will be made available for publication:

Report 1: Direct asset managers	This report discloses the asset managers that manage funds on behalf of PGGM's clients. The information includes their name, the relevant asset class and a description of their activities. Where a fund-of-funds manager has been appointed, the name of the fund-of-funds manager is disclosed, and the underlying fund managers are listed in report 5.
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Report 2:	This report discloses the investment mandates that have
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Investment mandates been awarded to direct asset managers. The information includes the name of the asset manager, the name of the fund or mandate, a brief description of the strategy, asset class and market value of the mandate and an explanation of how the PGGM disclosure policy is applied.

Report 3: Publicly traded securities This report discloses the publicly traded securities, including asset class, name, country, market value and, in the case of equities, the sector and approximate percentage holding in the respective company.

Report 4: Private investments This report discloses private investments. The information includes the name and country of domicile of the investee company, the relevant asset class and the approximate market value of the investment.

Report 5: Indirect asset managers Where a fund-of-funds manager has been appointed, the underlying fund managers are disclosed, including the name and the relevant asset class. The link between the individual fund-of-fund manager and the underlying fund managers will not be disclosed.

What will not be published We will not publish information that might cause material financial or reputational damage to our clients and business partners. This is why, for example, we will not disclose links between fund-of-funds managers and their underlying managers, as that may jeopardise their competitive position.

For the same reason, we will not disclose (internal) rates of return, benchmark comparisons or other individual financial ratios. Because positions in currency hedges, money market instruments, derivatives and significant short positions in publicly traded securities may be market-sensitive, this information will not be

published. Commitment values for private investment mandates will likewise not be published.

What this means for current mandates

Information regarding investments not yet contractually completed will not be disclosed. We comply with all applicable laws and regulations regarding such matters as privacy.

We respect existing confidentiality agreements, but urge the parties to disclose unless it is very clear that disclosure may cause financial damage or compromise the manager's competitive advantage or reputation. We realise that many investment mandates incorporate confidentiality agreements which enable fund managers to protect information that gives them a competitive advantage. It is in the interests of our clients that such agreements are respected.

What this means for new and renewed mandates

This disclosure policy applies to all existing and new mandates. In the case of existing mandates, we urge the parties to allow disclosure and expect their full cooperation, which most managers give. If, we conclude that a convincing case for non-disclosure has not been made, PGGM may decide, on behalf of its client, to terminate the mandate.

In the case of new mandates, disclosure requirements will be clearly agreed and incorporated into the investment management agreement. This will also apply to the renewal of existing mandates. Full disclosure as described in this document is our guiding principle.

About PGGM

PGGM manages the pension scheme and assets of Pensioenfonds Zorg en Welzijn (PFZW). PGGM Investments currently manages EUR 88 billion on behalf of over two million employees and former employees in the healthcare and social work sector.

Overview of publications

List 1. Direct Asset Managers	Name and brief description				
List 2. Mandates	Exact name (generic name for sensitive names)	Asset Category	Brief description mandate /strategy	Date of inception	Market value of the investment
List 3. Publicly traded securities	Name	country	Sector	Market value of the investment	Indicative % of PGGM holding
List 4. Private Investments	Name	Country	Sector	Asset Category	Indication of the market value of the investment
List 5. Indirect Asset Managers	Name			Asset Category	

Publication public securities

		List 1. Direct Asset Managers	List 2. Name and description of mandates	List 3. Public Securities	List 4. Private Investments	List 5. Indirect Asset Managers
Fund of Funds?	Yes	✓	✓			✓
No						
Segregated account ?	Yes	✓	✓	✓		
No						
Fund 100% owned ?	Yes	✓	✓	✓		
No						
Fund < 100 % owned?	Yes	✓	✓			

Publication private investments

