



30th International Congress of Actuaries
30 March to 4 April 2014

ROLE OF ACTUARY IN A DC WORLD

DC PLANS IN SPAIN

April, 1, 2014

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CPPS, General Director



Signatories of the Principles for Responsible Investment
and member of SPAINSIF





Orientando el rumbo

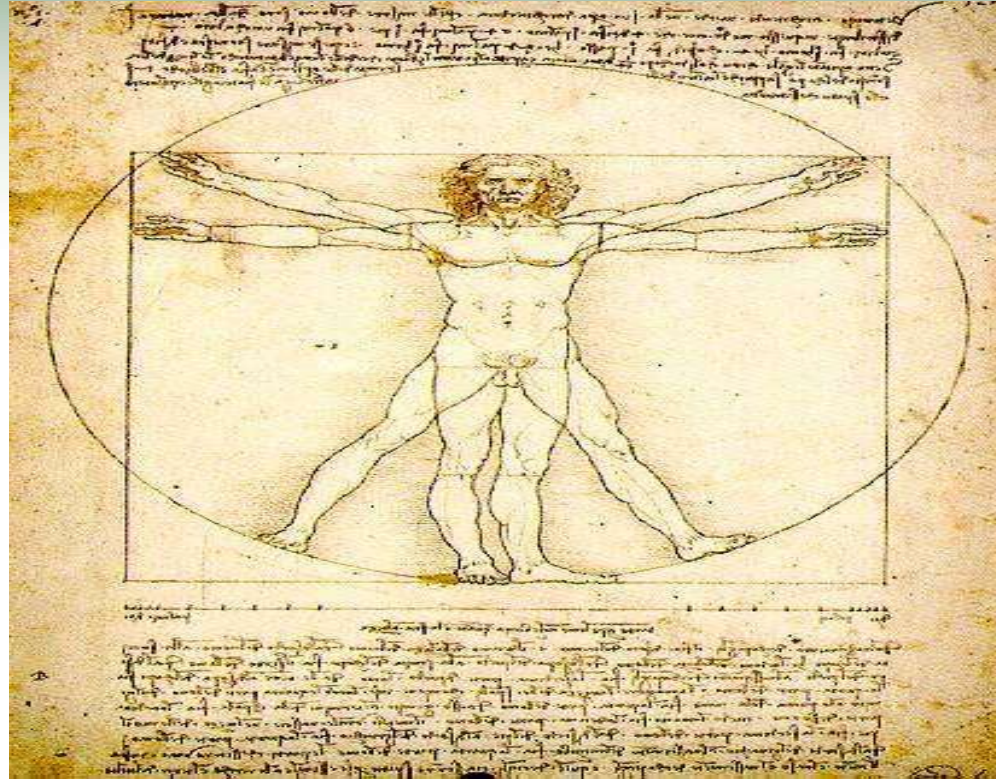
25 años de asesoramiento
a las Comisiones de Control de los Planes
y Fondos de Pensiones,
Juntas Directivas de las Mutualidades
y Entidades de Previsión Social Voluntaria



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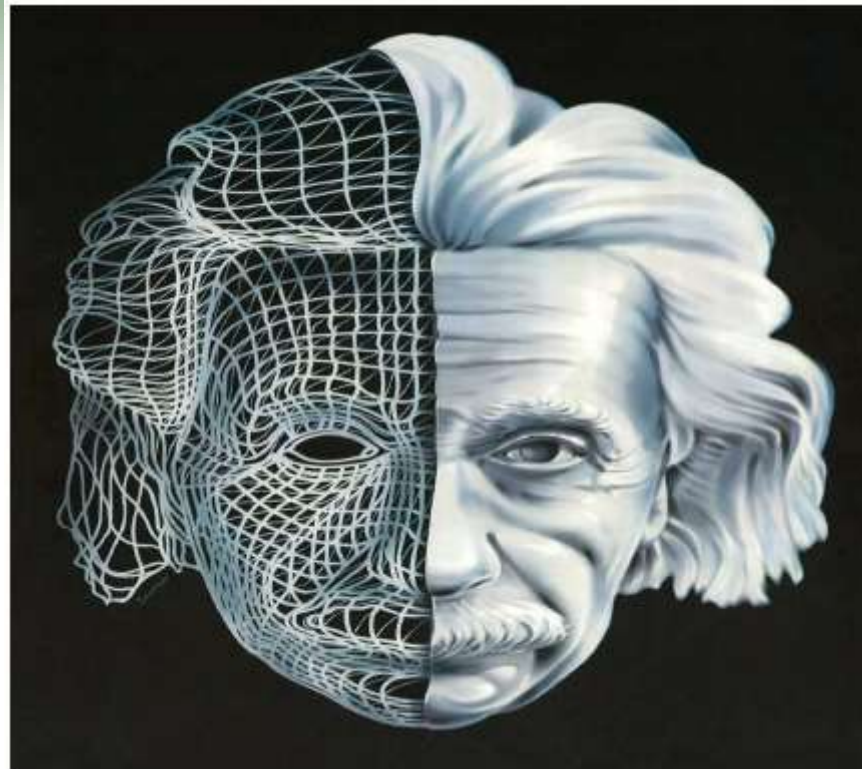
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1. INTRODUCTION: SOME PRELIMINARY REFLECTIONS



“Control of an occupational pension scheme must offer a
global and comprehensive vision”

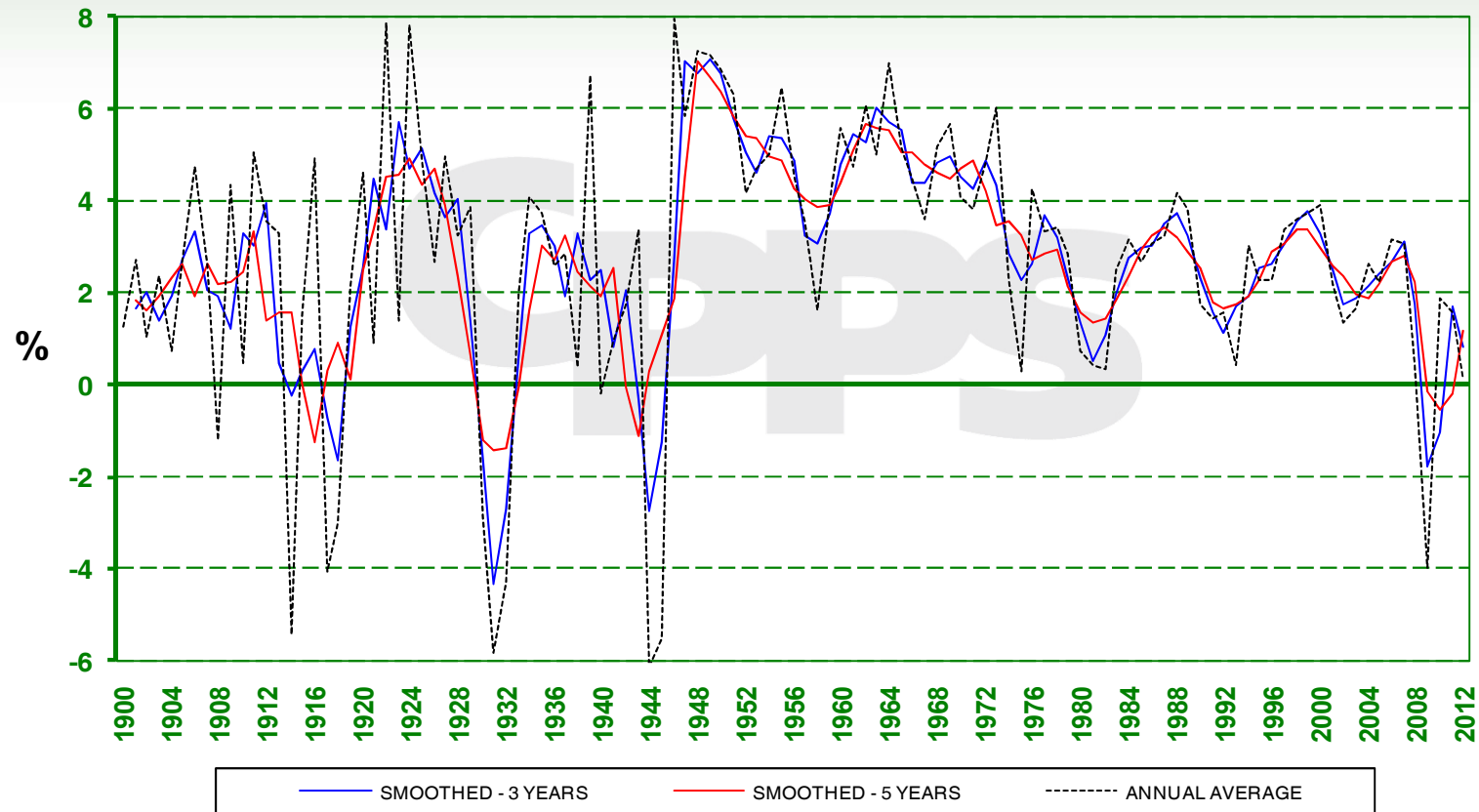
1. INTRODUCTION: SOME PRELIMINARY REFLECTIONS



“There’s no challenge without a **crisis**. Without challenges, life becomes a routine, a slow agony.” (Albert Einstein)

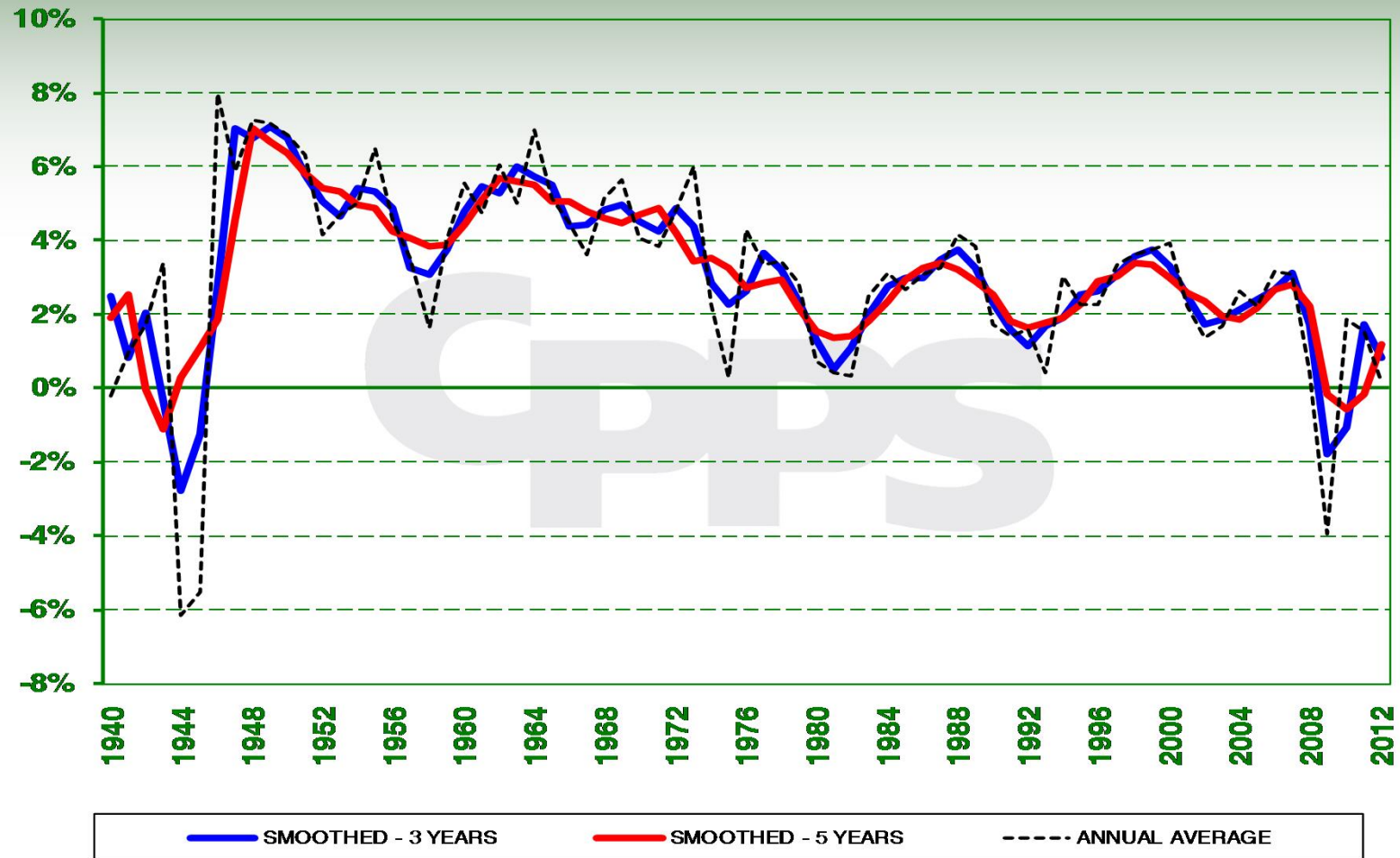
REPRESENTATION OF ANNUAL GDP GROWTH (in percentages)

PROGRESS OF THE AVERAGE GDP OF THE SIX COUNTRIES (Spain, U.S.A., G.B., France, Holland and Germany)



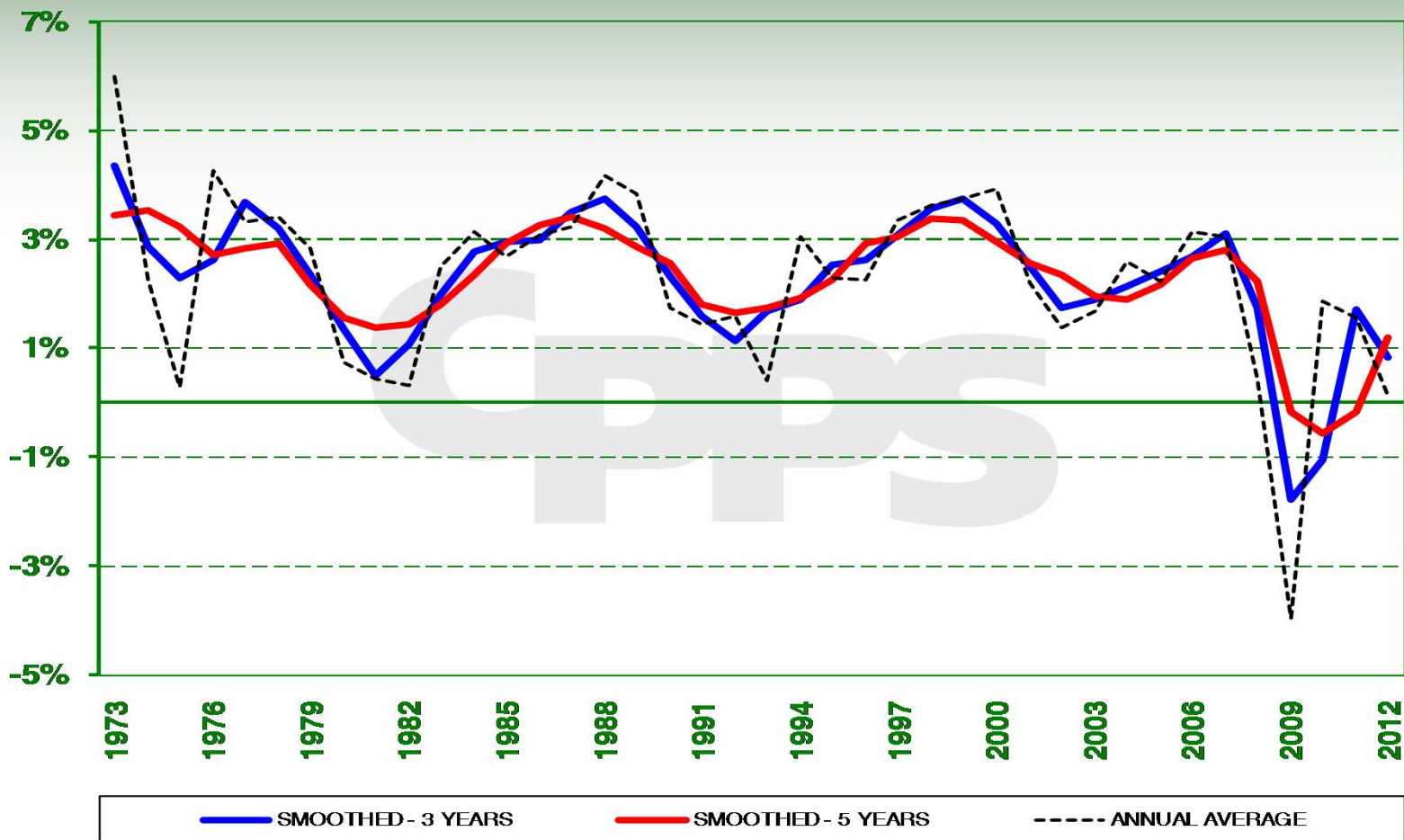
SOURCE: IN-HOUSE PREPARATION BASED ON OECD STATISTICAL COMPENDIUM DATA <http://www.oecd.org>

PROGRESS OF THE AVERAGE GDP (Spain, U.S.A., G.B., France, Holland and Germany)



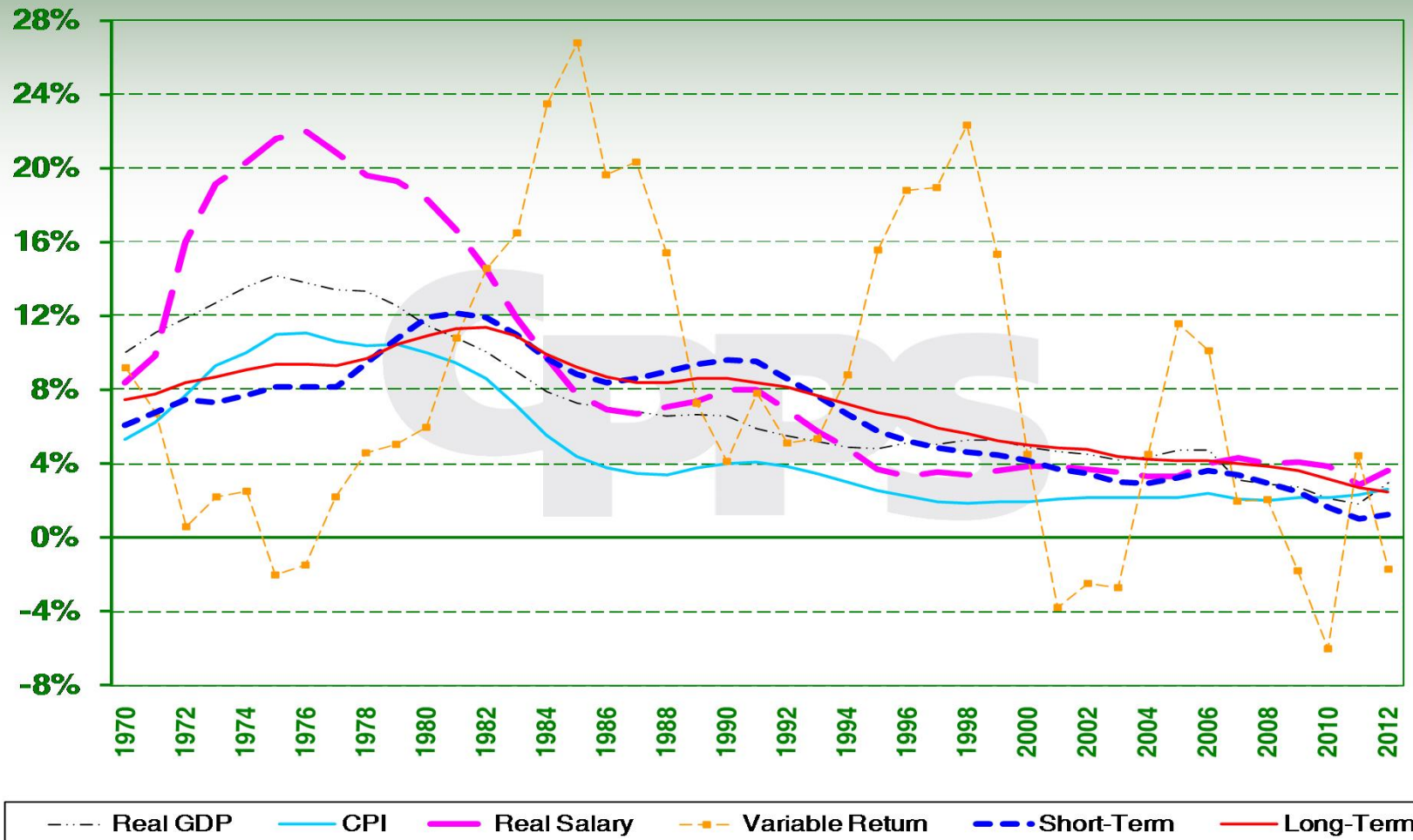
SOURCE: IN-HOUSE PREPARATION BASED ON OECD STATISTICAL COMPENDIUM DATA <http://www.oecd.org>

PROGRESS OF THE AVERAGE GDP (Spain, U.S.A., G.B., France, Holland and Germany)



SOURCE: IN-HOUSE PREPARATION BASED ON OECD STATISTICAL COMPENDIUM DATA <http://www.oecd.org>

PROGRESS OF THE VARIABLES (Smoothed - 5 years)



SOURCE: IN-HOUSE PREPARATION BASED ON OECD STATISTICAL COMPENDIUM DATA <http://www.oecd.org>

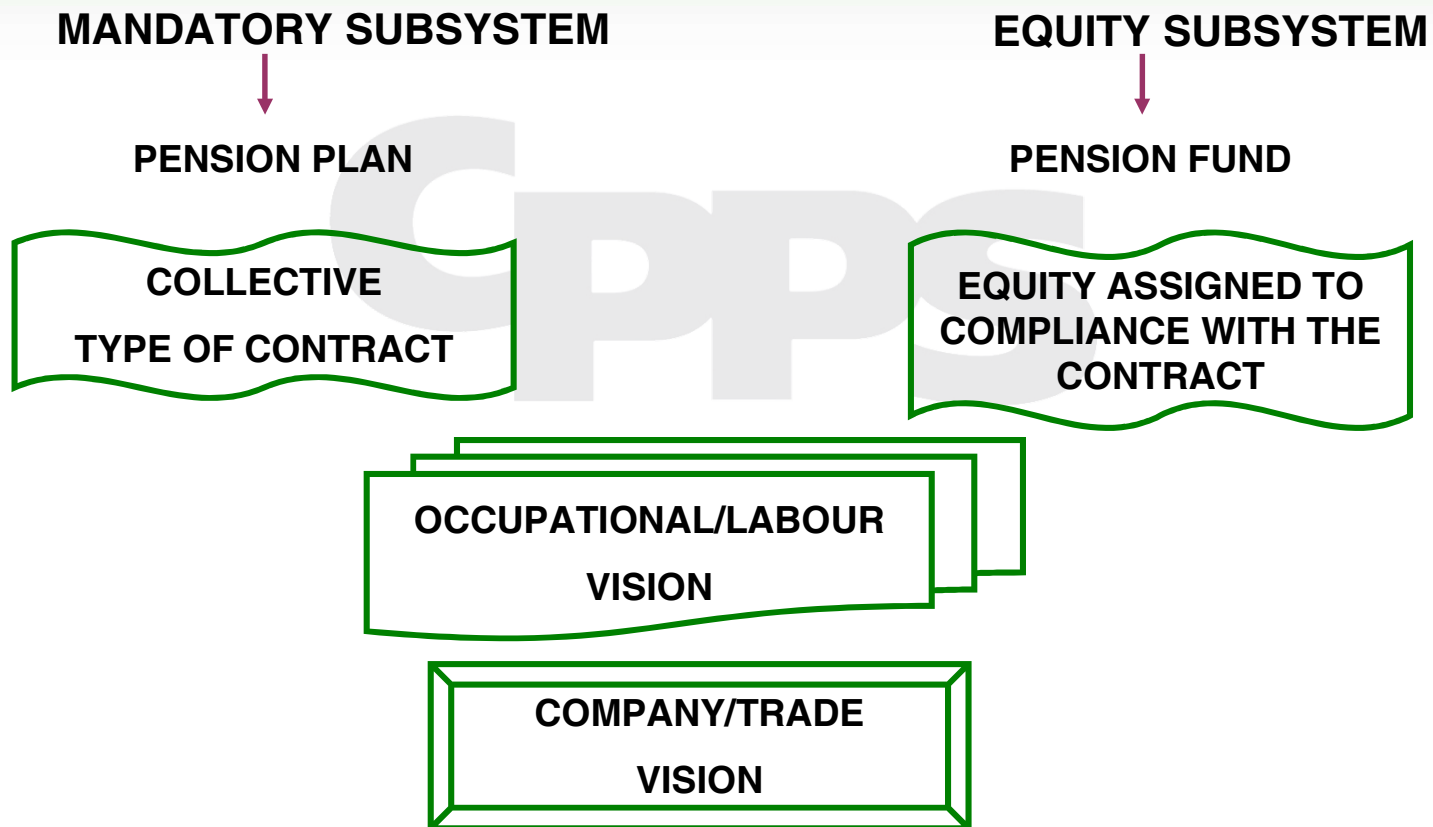
1. INTRODUCTION: SOME PRELIMINARY REFLECTIONS



“We must control human feelings: **euphoria** and **panic**”

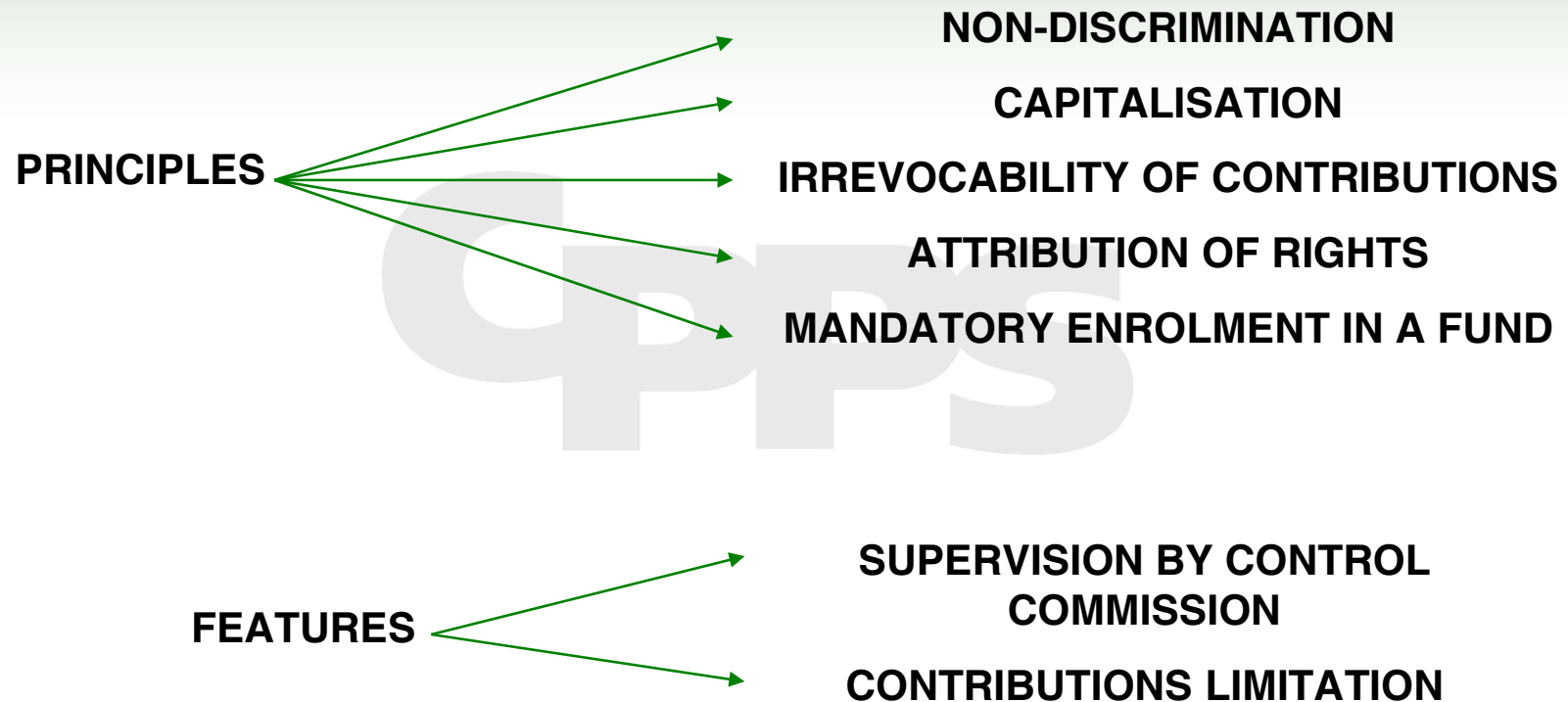
2. OCCUPATIONAL PENSION PLANS

Concepts: Pension Plan and Pension Fund



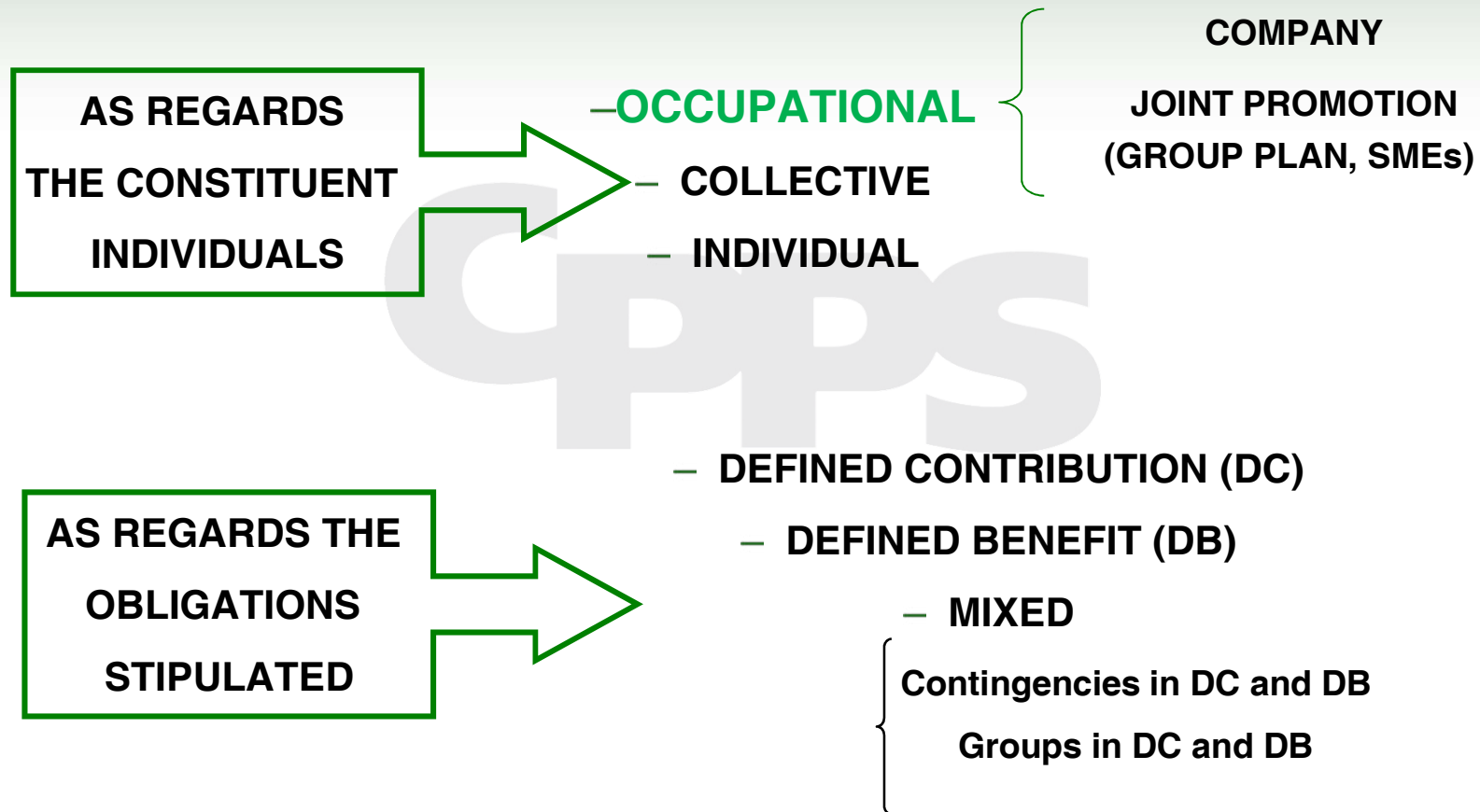
2. OCCUPATIONAL PENSION PLANS

Pension Plans: Principles and Features



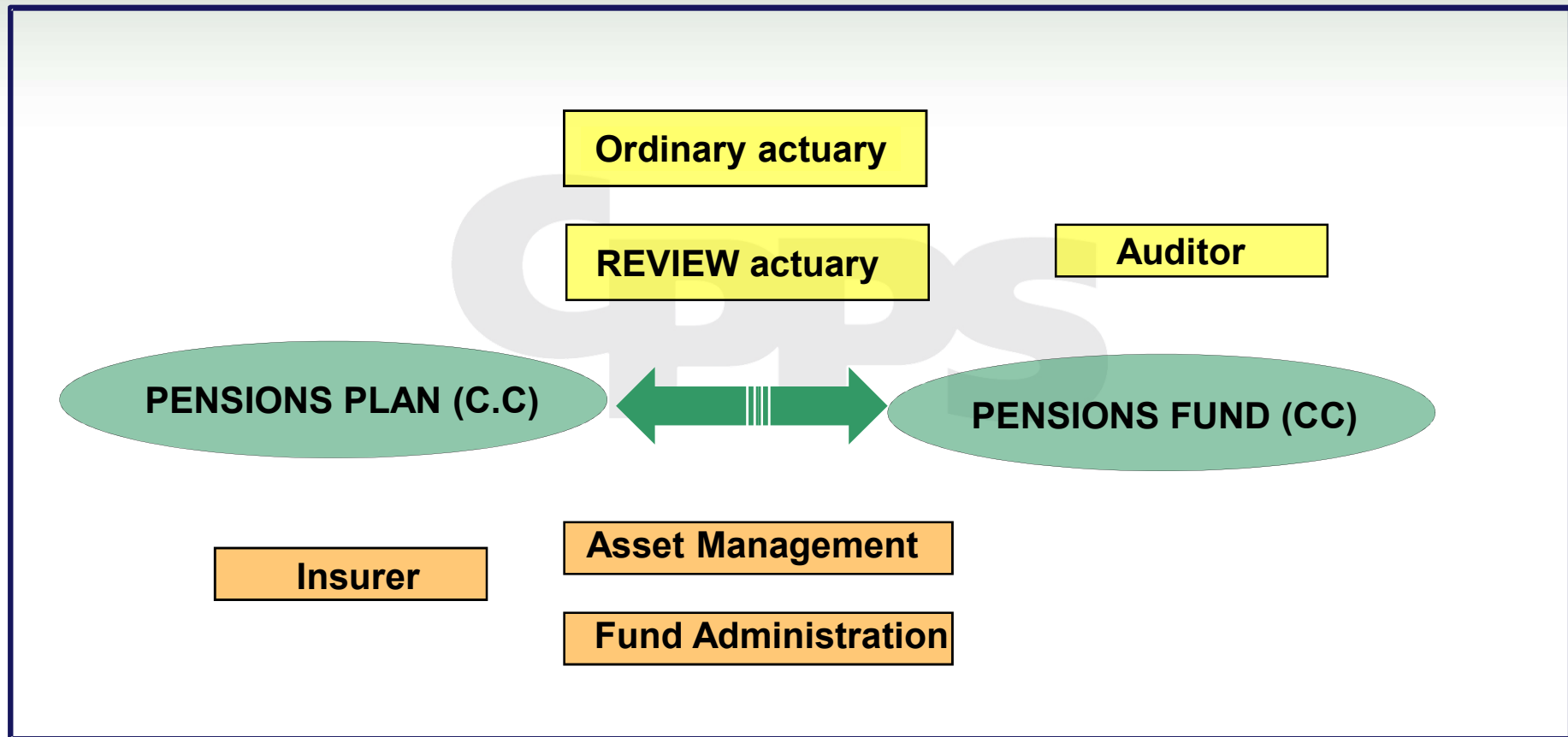
2. OCCUPATIONAL PENSION PLANS

Types of pension plan

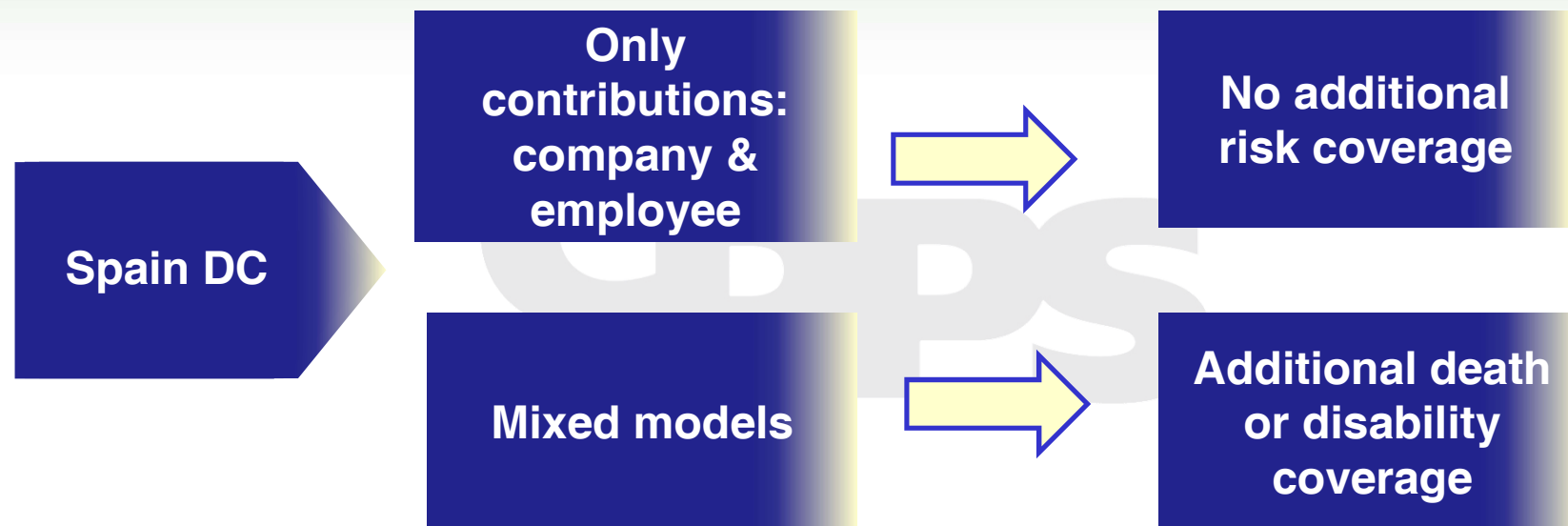


2. OCCUPATIONAL PENSION PLANS

OPP Control Bodies and Advisors



2. OCCUPATIONAL PENSION PLANS



2. OCCUPATIONAL PENSION PLANS

Some previous definitions of pension plan terms

Personal
Subjects

Promoter: Company which offers a Pension Plan

Participants: Employees in a Pension Plan

Beneficiaries: People who receive benefits

Instruments

Pension Plans

Mutual Benefit Societies

Collective Insurance

Patrimony
Plans

Pension Fund. The Plan is a contract The Fund is a form of patrimony

Control
Commission

Control Commission. Representatives of the company and employees

2. OCCUPATIONAL PENSION PLANS

The range of Spanish regulations:

Law: a measure approved by the Parliament, it requires ratification by the Senate

RDL: Royal Decree Law. A measure promulgated by the government revising laws, it requires ratification by the Parliament

RD: Royal Decree. A measure promulgated by the government, it requires Parliamentary ratification

OM: Ministerial Order, measure promulgated by the Economy and Taxation Ministry

DGSFP: Dirección General de Seguros y Fondos de Pensiones (General Insurance and Pension Funds Authority), attached to the Economy and Taxation Ministry.

2. OCCUPATIONAL PENSION PLANS

The actuary's role in defined contribution systems and Spanish regulations

| | | |
|----------------|---|---------------------------------------|
| Designation | RDL 1/2002: | Article 9.5 |
| | RD 304/2004: | Artículos 6.1.d, 22 and 33.2 |
| | RD 304/2004: | Additional Disposition 3 ^a |
| Content | RD 304/2002: | Article 23.1, 2 and 3 |
| | RD 304/2004: | Article 69.1 and 4 |
| | RD 304/2004: | Article 24.1.d |
| Implementation | Min. Order february 2008 (antecedents Min. Order july 1990) | |
| | Recommendations from the DGSFP 23.1.06 and responses to different inquiries | |

2. OCCUPATIONAL PENSION PLANS

Instructions from the General Insurance and Pension Funds Authority (DGSFP)

- Response to the Institute of Spanish, October 2004
- Response to the inquiry of a Management Entity, July 2005
- Internal Instruction of Inspection, December 2005
- Draft w/ changes, January 2006
- “Macroinquiry” 2008 DGSFP.

2. OCCUPATIONAL PENSION PLANS

The RDL of 1/2002 approving the consolidated text of the law regulating Pension Plan Funds

Article 9.5

The financial and actuarial system of the plans is to be reviewed at least every three years by an independent actuary **designated by the control commission, expressly charged with carrying out the actuarial review.**

If, as a result of the review, the need or advisability of introducing changes to the slated contributions and benefits, or to other aspects impacting financial-actuarial performance is determined, a control plan will be submitted to the control commission so that it may propose or agree to the response which it deems appropriate.

2. OCCUPATIONAL PENSION PLANS

Royal Decree 304/2004 which enacts the Pension Plans and Funds Law

RD 304/2004. Article 23

The financial and actuarial system of the plans is to be reviewed at least every 3 years, with the necessary involvement of an independent actuary and, where called for, other independent professionals who may be necessary to carry out a complete analysis of the pension plan's financial and actuarial performance.

The professionals who participate in the review are necessarily to be persons unrelated to the actuary or to the experts involved in ordinary operations.

2. OCCUPATIONAL PENSION PLANS

Royal Decree 304/2004 which enacts the Pension Plans and Funds Law

Additional Disposition No.3. The Actuaries

1. Qualified and experienced actuaries
2. **Independence:** No professional nor labor relationship with the Promoter (or its group) Manager, Trustee or Insurer
3. **Ordinary performance:** the need for the physical separation of the professionals

2. OCCUPATIONAL PENSION PLANS

Royal Decree 304/2004 which enacts the Pension Plans and Funds Law

RD 304/2004. Article 33

If, as a result of the review, the need or advisability of introducing changes to the slated contributions and benefits, or to other aspects impacting financial-actuarial performance is determined, a plan will be submitted to the control commission so that it may propose or agree to the response which it deems appropriate.

RD 304/2004. Article 24. Termination of the Pension Plans

1.d) Due to the impossibility of carrying out the necessary changes called for by the review of the plan, in accordance with Article 23.

2. OCCUPATIONAL PENSION PLANS

Royal Decree 304/2004 which enacts the Pension Plans and Funds Law

The terms of this Article are directly related to Article 69.4 of the aforementioned Royal Decree, which sets forth the GENERAL PRINCIPLES OF INVESTMENTS:

“The Pension Fund’s control commission, with the participation of the managing entity, shall elaborate in writing a comprehensive declaration of the principles of its investment policy.

Said declaration is to be sufficiently publicized and make reference to questions such as the methods to measure the risks inherent to the investments, and the management processes of said risks, as well as the strategic placement of assets with respect to the nature and duration of its commitments.

It is to be reviewed when there are significant changes to it and, in any case, as a result of changes to be made in response to the conclusions of the financial/actuarial review”.

2. OCCUPATIONAL PENSION PLANS

The report will be presented in three parts: one covering actuarial aspects, another including financial aspects, and, finally, one with conclusions and recommendations

Actuarial aspects of the Pension Plan review, pursuant to article 23 of RD 304/2004

Required by Article 23.3.1 of RD 304/2004 :

“The review of the actuarial aspects shall include at least the following information:

- A) Description of the plan’s fundamental aspects
- B) Information on the group evaluated
- C) Actuarial methodology
- D) Hypotheses used
- E) Analysis of contributions, benefits and consolidated and economic rights
- F) Results and analysis of actuarial assessments
- G) Analysis of the plan’s position account
- H) Analysis of the plan’s solvency
- I) Projections made until the next actuarial review
- J) Conclusions and recommendations

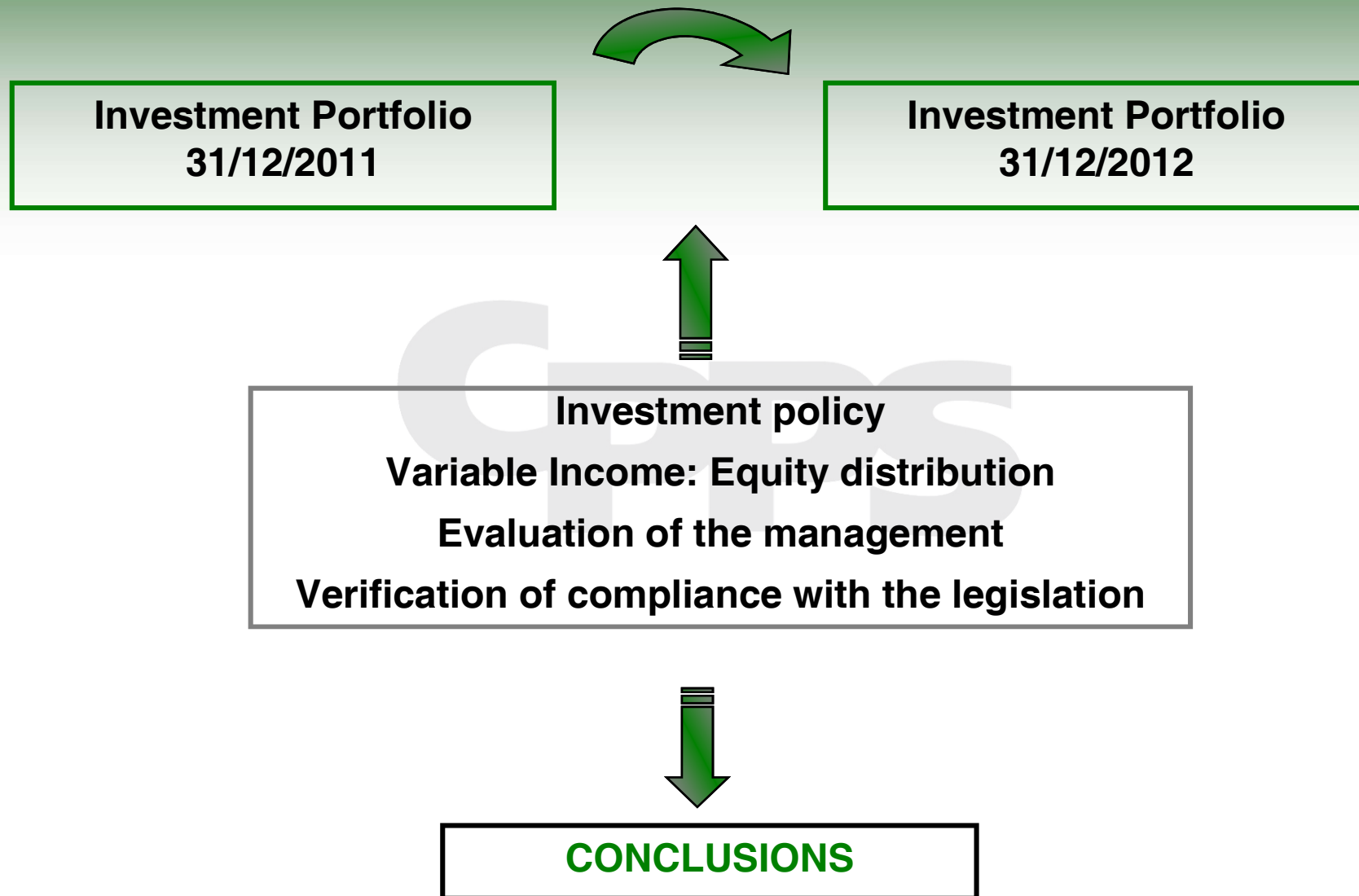
2. OCCUPATIONAL PENSION PLANS

Financial aspects of the Pension Plan review, pursuant to article 23.3 of RD 304/2004

“**The financial aspects of the review** to which the present Article refers shall refer to the investment policy carried out, with **relation to the objectives and characteristics** of the pension plans in question. As a minimum it shall include the following aspects:

- A) Basic criteria of the investment policy set by the control commission
- B) Characteristics of the assets making up the portfolio
- C) The establishment of benchmarks which reflect the investment policy and strategy
- D) The analysis of possible deviations from benchmarks
- E) Asset distribution and management policies based on profitability and risk criteria. The adjustment of these policies to concur with the objectives and characteristics of each plan
- F) Analysis of the investments' sensitivity
- G) Analysis of the duration of the portfolios and the congruence of deadlines with respect to each plan's obligations

4. FINANCIAL REVIEW



4. FINANCIAL REVIEW

Investment Policy

| Asset | % Portfolio | Band |
|------------------------------|-------------|-------------|
| Fixed Income + Liquid Assets | 70% | [60% - 80%] |
| Variable Income: Equity | 20% | [10% - 30%] |
| Other Investments | 10% | [5% - 15%] |

- ✓ Corporate income < 35% total Fixed Income
- ✓ Creditworthiness: investment grade
- ✓ Duration around 5 years
- ✓ Equity preferably in Europe, USA and Japan
- ✓ Equity in emerging countries < 10%
- ✓ ...

4. FINANCIAL REVIEW

Equity distribution (cash)

| Assets | 31/12/2011 | 31/03/2012 | 30/06/2012 | 30/09/2012 | 31/12/2012 | |
|--------------------------|----------------|----------------|----------------|----------------|----------------|--------|
| Liquid Assets | 13.01% | 17.48% | 11.99% | 13.90% | 10.57% | -2.43% |
| Fixed Income (FI) | 65.97% | 60.86% | 61.65% | 56.71% | 59.54% | -6.43% |
| Equity (VI) | 8.73% | 9.62% | 14.58% | 18.23% | 18.96% | 10.23% |
| Alternative Management | 2.90% | 2.92% | 1.84% | 1.73% | 0.70% | -2.20% |
| Venture Capital | 5.06% | 5.03% | 5.54% | 5.43% | 5.44% | 0.38% |
| Property Investment (PI) | 4.36% | 4.31% | 4.47% | 4.12% | 4.02% | -0.34% |
| Other Items | -0.03% | -0.23% | -0.07% | -0.12% | 0.76% | 0.79% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | |

- ✓ During the financial year, the weight of equity has increased substantially, whilst the weight of fixed income, liquid assets and alternative management have mainly been reduced
- ✓ The amount of other items matches the difference between the Fund's debtors and creditors

4. FINANCIAL REVIEW

| Liquid Assets | 31/12/2011 | 31/03/2012 | 30/06/2012 | 30/09/2012 | 31/12/2012 | |
|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Current Account | 9.84% | 70.70% | 7.51% | 70.08% | 78.96% | 69.13% |
| Guarantee Deposits | 22.01% | 17.39% | 26.19% | 14.85% | 21.04% | -0.98% |
| MMA | 68.15% | 11.91% | 66.30% | 15.07% | 0.00% | -68.15% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | |

| Fixed Income (FI) Assets | 31/12/2011 | 31/03/2012 | 30/06/2012 | 30/09/2012 | 31/12/2012 | |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|---------------|
| Guaranteed | 0.66% | 0.00% | 0.00% | 0.00% | 0.00% | -0.66% |
| Public Debt | 37.85% | 35.05% | 38.26% | 41.85% | 38.87% | 1.02% |
| Private Fixed Income | 44.05% | 48.95% | 46.83% | 44.78% | 46.26% | 2.21% |
| FI Collective Investment Schemes | 7.02% | 7.24% | 7.88% | 9.68% | 11.38% | 4.36% |
| FI Structured Notes | 10.42% | 8.76% | 7.03% | 3.69% | 3.49% | -6.93% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | |

| Equity (VI) Assets | 31/12/2011 | 31/03/2012 | 30/06/2012 | 30/09/2012 | 31/12/2012 | |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Shares | 51.99% | 50.60% | 36.47% | 28.17% | 28.84% | -23.15% |
| VI Collective Investment Schemes | 34.28% | 36.97% | 57.11% | 66.26% | 65.37% | 31.09% |
| VI Options | 3.92% | 2.87% | 0.00% | 0.30% | 0.71% | -3.22% |
| SRI | 9.80% | 9.55% | 6.42% | 5.27% | 5.08% | -4.73% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | |

| Property Investment (PI) Assets | 31/12/2011 | 31/03/2012 | 30/06/2012 | 30/09/2012 | 31/12/2012 | |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|--------|
| PI Collective Investment Schemes | 29.63% | 29.18% | 29.03% | 29.26% | 28.28% | -1.35% |
| PI Companies | 70.37% | 70.82% | 70.97% | 70.74% | 71.72% | 1.35% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | |

4. FINANCIAL REVIEW

Distribution of cash and derivatives

| Fixed Income (FI) | 31/12/2011 | 31/03/2012 | 30/06/2012 | 30/09/2012 | 31/12/2012 | |
|-------------------|---------------|---------------|---------------|---------------|---------------|--------------|
| FI Cash | 65.97% | 60.86% | 61.65% | 56.71% | 59.54% | -6.43% |
| FI Futures | 6.02% | 5.83% | 13.09% | 16.63% | 14.76% | 8.74% |
| Total | 71.99% | 66.69% | 74.74% | 73.34% | 74.30% | |

| Variable Income (VI) | 31/12/2011 | 31/03/2012 | 30/06/2012 | 30/09/2012 | 31/12/2012 | |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| VI Cash | 8.39% | 9.35% | 14.58% | 18.17% | 18.83% | 10.44% |
| VI Futures | 12.08% | 25.03% | 11.49% | 5.42% | 14.61% | 2.53% |
| VI Options | 4.49% | -5.34% | 0.00% | 1.31% | 2.98% | -1.51% |
| Total | 24.96% | 29.04% | 26.06% | 24.90% | 36.42% | |

| Commodities | 31/12/2011 | 31/03/2012 | 30/06/2012 | 30/09/2012 | 31/12/2012 | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------|
| Commodities: Futures | 2.39% | 2.43% | 2.56% | 2.08% | 1.89% | -0.50% |
| Commodities: Swaps | 0.86% | 0.82% | 0.90% | 0.92% | 0.86% | 0.00% |
| Total | 3.25% | 3.25% | 3.46% | 3.00% | 2.75% | |

4. FINANCIAL REVIEW

Fixed Income (FI)

| S&P's | Weight | Moody's | Weight | Fitch | Weight |
|-------------|---------|-------------|---------|-------------|---------|
| AAA | 0.00% | Aaa | 16.22% | AAA | 28.51% |
| AA+ | 6.17% | Aa1 | 12.29% | AA+ | 0.00% |
| AA | 5.15% | Aa2 | 0.00% | AA | 0.00% |
| AA- | 8.04% | Aa3 | 3.40% | AA- | 3.40% |
| A+ | 0.00% | A1 | 1.75% | A+ | 5.29% |
| A | 1.85% | A2 | 3.54% | A | 0.00% |
| A- | 13.62% | A3 | 16.75% | A- | 10.45% |
| BBB+ | 2.63% | Baa1 | 2.63% | BBB+ | 15.25% |
| BBB | 6.97% | Baa2 | 13.15% | BBB | 13.39% |
| BBB- | 14.23% | Baa3 | 14.23% | BBB- | 0.00% |
| < BBB- | 0.95% | < Baa3 | 0.95% | < BBB- | 0.00% |
| Unavailable | 40.40% | Unavailable | 15.09% | Unavailable | 23.71% |
| | 100.00% | | 100.00% | | 100.00% |

| Date | Duration | IRR |
|------------|----------|-------|
| 31/12/2011 | 3.99 | 3.73% |
| 31/03/2012 | 3.82 | 2.74% |
| 30/06/2012 | 4.35 | 3.55% |
| 30/09/2012 | 4.65 | 3.20% |
| 31/12/2012 | 4.73 | 2.20% |

| Countries | 31/12/2011 | 31/03/2012 | 30/06/2012 | 30/09/2012 | 31/12/2012 | |
|----------------|------------|------------|------------|------------|------------|---------|
| Germany | 6.45% | 6.75% | 7.17% | 7.58% | 12.49% | 6.05% |
| Spain | 62.89% | 62.43% | 61.81% | 60.15% | 36.10% | -26.78% |
| United States | 3.42% | 2.07% | 2.06% | 1.42% | 1.35% | -2.08% |
| France | 3.44% | 3.66% | 3.78% | 3.96% | 13.83% | 10.39% |
| Greece | 0.53% | 0.00% | 0.00% | 0.00% | 0.00% | -0.53% |
| Netherlands | 5.93% | 6.98% | 4.66% | 5.02% | 3.35% | -2.58% |
| Ireland | 5.33% | 5.53% | 6.02% | 5.14% | 7.06% | 1.73% |
| Italy | 5.88% | 4.85% | 4.93% | 7.72% | 8.05% | 2.17% |
| Luxembourg | 4.84% | 5.02% | 5.35% | 4.53% | 13.02% | 8.19% |
| United Kingdom | 0.92% | 0.00% | 0.00% | 0.00% | 0.00% | -0.92% |
| Switzerland | 0.38% | 0.42% | 0.36% | 0.32% | 0.00% | -0.38% |
| Supranational | 0.00% | 2.29% | 3.86% | 4.16% | 4.75% | 4.75% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | |

4. FINANCIAL REVIEW

Variable Income: Equitys (VI)

| Geographic Regions | % | % | % | % | % | |
|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| America | 0.00% | 0.00% | 16.04% | 15.82% | 21.85% | 21.85% |
| North America | 0.00% | 0.00% | 16.04% | 15.82% | 21.85% | 21.85% |
| Europe | 86.26% | 86.09% | 65.87% | 56.28% | 58.47% | -27.79% |
| Global Europe | 1.03% | 0.94% | 11.44% | 17.84% | 12.44% | 11.40% |
| Rest of Europe | 0.00% | 0.00% | 1.59% | 10.60% | 7.27% | 7.27% |
| Eurozone | 85.22% | 85.14% | 52.84% | 27.84% | 38.76% | -46.46% |
| Global | 13.74% | 13.91% | 18.10% | 27.90% | 19.68% | 5.93% |
| Global | 13.74% | 13.91% | 18.10% | 27.90% | 19.68% | 5.93% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | |

- ✓ During the year, recorded exposure in the Eurozone was strongly reduced in favour of America and Global, a change which principally occurred in the second half of the year

4. FINANCIAL REVIEW

Rotation

- ✓ Rotation is 0.92 times the total average equity, this being an average level for a pension fund.

Fees

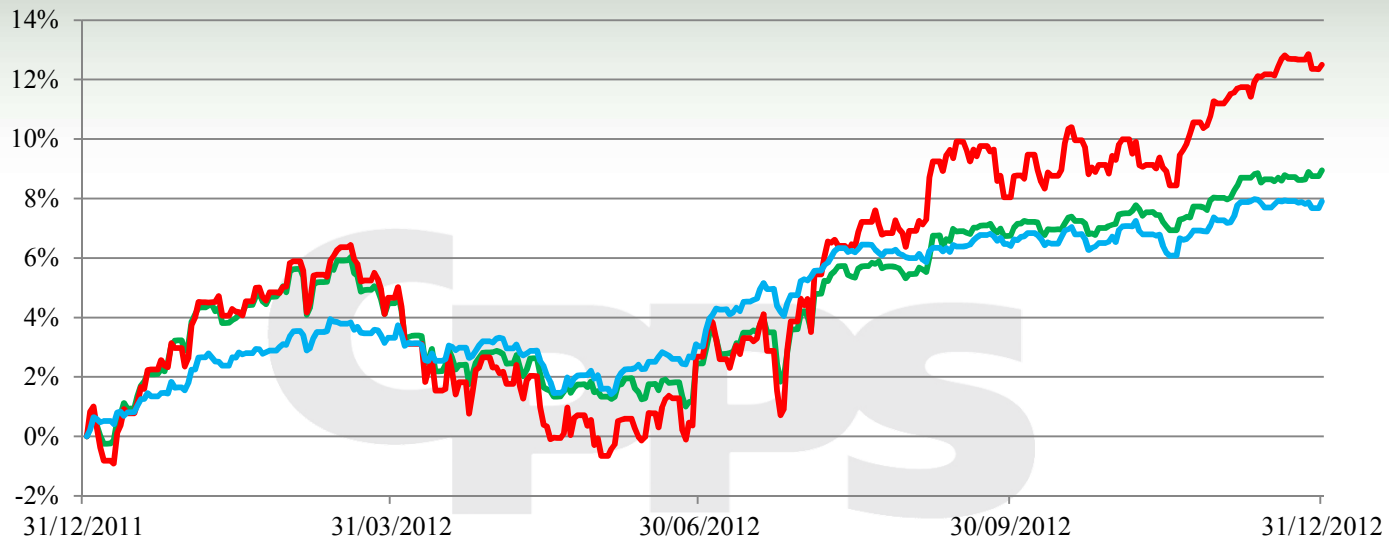
- ✓ The amounts of the management and deposit fees are consistent with the conditions agreed.

Currency

| Currency | 31/12/2011 | 31/03/2012 | 30/06/2012 | 30/09/2012 | 31/12/2012 | |
|-------------|------------|------------|------------|------------|------------|--------|
| Dollar | 11.88% | 12.09% | 13.70% | 13.83% | 14.06% | 2.18% |
| Euro | 87.44% | 87.64% | 86.01% | 85.87% | 85.65% | -1.79% |
| Swiss Franc | 0.29% | 0.00% | 0.00% | 0.00% | 0.00% | -0.29% |
| Pound | 0.19% | 0.20% | 0.20% | 0.21% | 0.20% | 0.01% |
| Yen | 0.20% | 0.07% | 0.08% | 0.09% | 0.08% | -0.11% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | |

4. FINANCIAL REVIEW

Yield and financial ratios



— VLUC — IRE — IRT

| Yield | VLUC | IRE | IRT |
|-------------------|-------|--------|-------|
| Yield | 8.95% | 12.50% | 7.91% |
| Volatility | 4.95% | 8.25% | 3.05% |

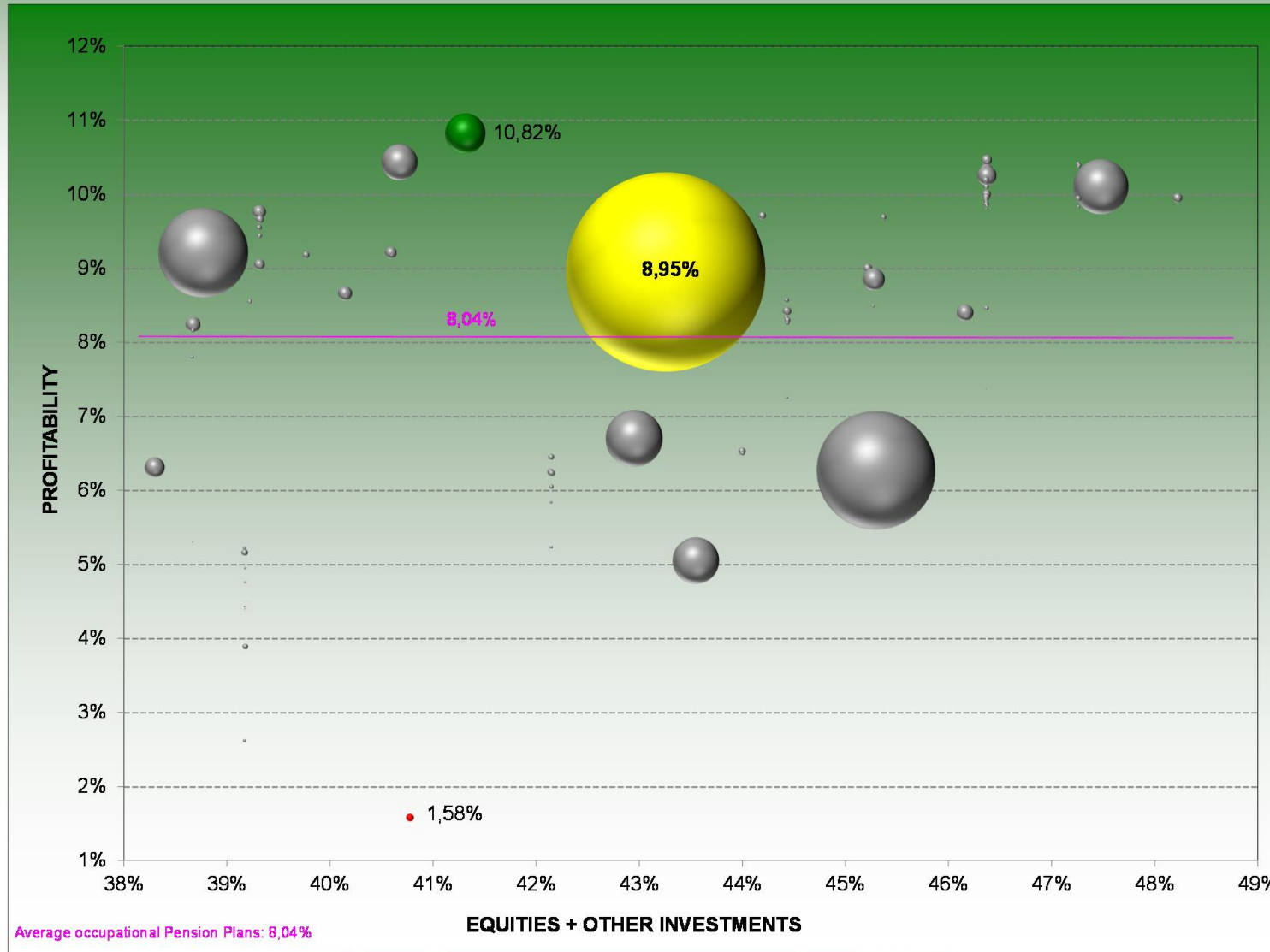
| Tracking Error | IRE | IRT |
|----------------|-------|-------|
| 2012 | 4.63% | 3.24% |

| Sharpe Ratio | VLUC | IRE | IRT |
|--------------|------|------|------|
| 2012 | 1.32 | 1.22 | 1.80 |

| Information Ratio | IRE | IRT |
|-------------------|-------|------|
| 2012 | -0.77 | 0.32 |

4. FINANCIAL REVIEW

Comparison with similar investment policy pension fund



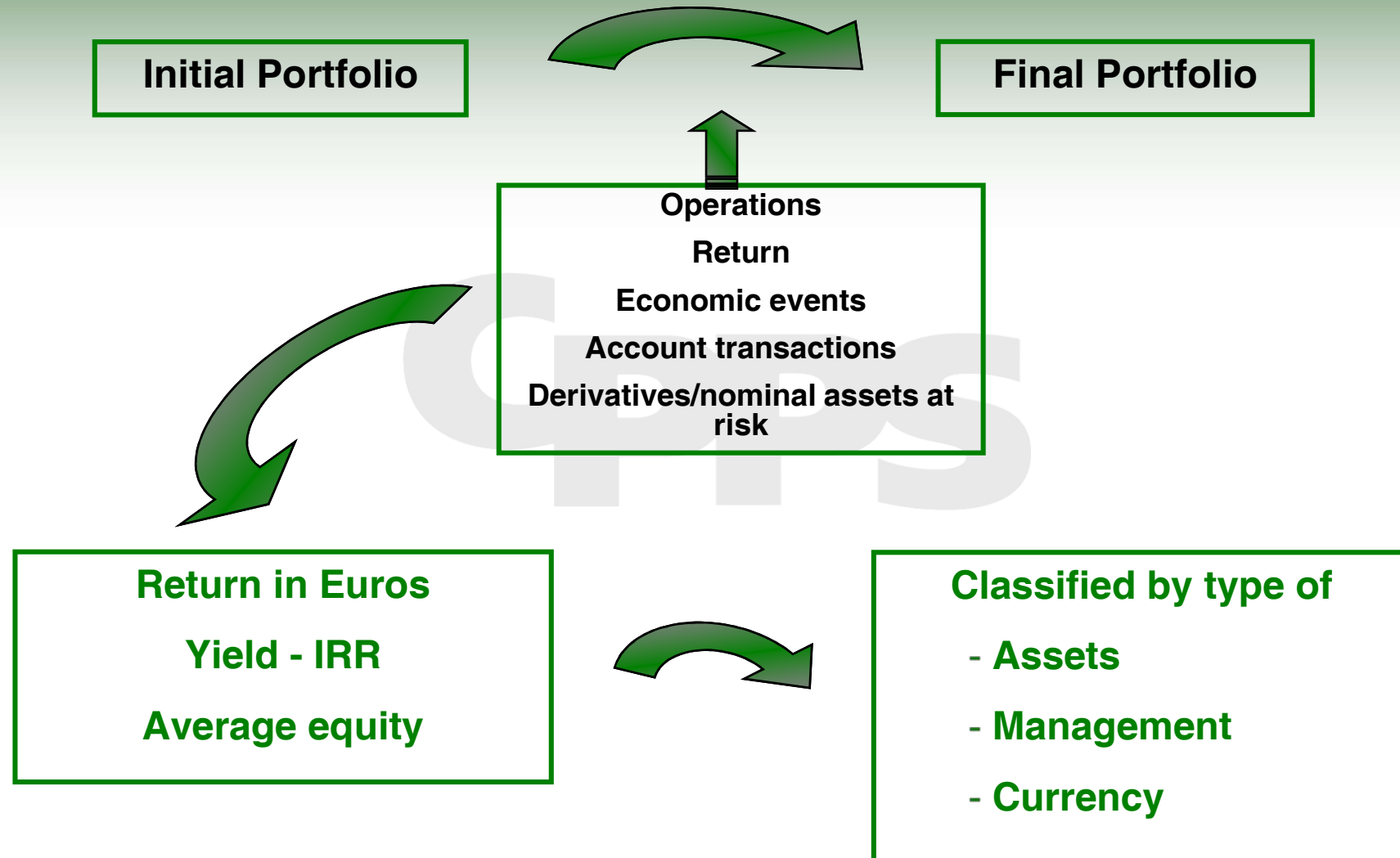
OVERSIGHT OF FUND LEGALITY

- Financial assets and instruments susceptible to generalized and impersonal traffic, negotiated in regulated markets, derived instruments negotiated in organized markets, bank deposits, credits with mortgage guarantees, real estate, Investment Fund Real Estate Groups, Investment Fund (Excluded from Free Investment)($> 70\%$)**
- Investment in assets or instruments issued by the same entity, except deposits, except deposits ($<5\%$)**
- Notwithstanding the previous limit, it shall be 10% for each emitting entity if the sum of all those exceeding 5% is less than 40% .**
 - Investment in various companies of the same group ($<10\%$)**
- Financial assets or instruments not admitted for negotiation in regulated markets, or which are not susceptible to generalized and impersonal traffic ($<2\%$)**
- Financial assets for instruments not admitted for negotiation in regulated markets by companies of the same group ($<4\%$)**
- Investments in Investment Fund of a financial nature which qualify under the 70% limit, in a single Investment Fund or various managed by one Managing Entity. ($<20\%$)**

OVERSIGHT OF FUND LEGALITY

- ❑ Investments in Investment Fund of a financial nature which do not qualify under the 70% limit, in a single Investment Fund, or in various managed by one Managing Entity (<5%)
- ❑ The investment in financial assets or instruments emitted or backed by the same entity, the positions before it in derived instruments and deposits which said entity or group may have (<20%)
- ❑ **NO: Investment in equities/bonds issued by entities of the same group of the promoter of the Plan or integrated within it (<5%)**
- ❑ Investment in securities issued by an entity may not exceed in its nominal value all the assets or financial instruments in circulation by <5%; in the case of the Investment Fund by 20%; and in the case of public issues, 10%.
- ❑ Investment in real estate, mortgage loans and real estate rights, stocks and participations of real estate Investment Funds for Real Estate companies not admitted for trading in regulated markets (<30%)
- ❑ The previous limit shall be 10% in the case of a unit of real estate, mortgage loans, real estate rights, stocks or share capital participations in a company, and 20% in the case of an Investment Fund.
- ❑ (<20%) Investment in assets or participation issued by companies or Venture Capital funds subject to Law 25/2005 (<20%)

5. ATTRIBUTION OF RETURN



5. ATTRIBUTION OF RETURN: Management Evaluation

Performance attribution by management type

| | Absolut Return | Return of average assets | Yield by assets class | Average per asset class | Weigth | Balance 31/12/2009 | Balance 31/12/2010 |
|-------------------------------|--------------------|--------------------------|-----------------------|-------------------------|----------------|----------------------|----------------------|
| Fixed Income | 47.168.636 | 1,30% | 3,09% | 1.551.855.364 | 42,87% | 1.822.642.231 | 1.753.384.077 |
| Direct | 28.485.784 | 0,79% | 2,02% | 1.424.127.713 | 39,35% | 1.491.305.410 | 1.352.357.341 |
| Funds | 29.565.211 | 0,82% | 21,91% | 149.015.437 | 4,12% | 102.813.802 | 183.162.644 |
| Structure Notes | 8.194.123 | 0,23% | 3,69% | 225.854.339 | 6,24% | 228.523.018 | 217.864.092 |
| Opciones | -358.925 | -0,01% | | | | 0 | 0 |
| Futures | -18.717.556 | -0,52% | -7,75% | -250.670.855 | -6,93% | 0 | 0 |
| Swaps | | 0,00% | 0,00% | 0 | 0,00% | 0 | 0 |
| Equity | -32.007.818 | -0,88% | -2,97% | 1.060.588.202 | 29,30% | 294.957.765 | 376.699.760 |
| Direct | -17.462.205 | -0,48% | -6,70% | 251.872.511 | 6,96% | 250.801.120 | 222.417.012 |
| Funds | 8.880.839 | 0,25% | 12,78% | 73.787.173 | 2,04% | 14.802.046 | 120.506.396 |
| S.R.I. | 3.872.121 | 0,11% | 16,85% | 24.838.560 | 0,69% | 22.975.424 | 26.850.064 |
| Opciones | 17.763.278 | 0,49% | | | | 6.379.176 | 6.926.287 |
| Futures | -42.676.462 | -1,18% | -5,79% | 715.417.828 | 19,77% | 0 | 0 |
| Swaps | -2.385.389 | -0,07% | -81,24% | -2.936.371 | -0,08% | 0 | 0 |
| Real Estate | -1.249.863 | -0,03% | -0,94% | 132.334.137 | 3,66% | 133.443.462 | 130.980.775 |
| Funds | -4.807 | 0,00% | -0,01% | 43.683.342 | 1,21% | 44.358.955 | 42.721.775 |
| Societies | -1.245.056 | -0,03% | -1,39% | 88.652.514 | 2,45% | 89.084.506 | 88.259.000 |
| Alternative Management | -731.376 | -0,02% | -0,85% | 85.694.560 | 2,37% | 94.073.175 | 73.523.657 |
| Hedge Funds | 2.988.337 | 0,08% | 7,60% | 40.780.250 | 1,13% | 52.937.887 | 31.627.107 |
| Absolut Return | 899.869 | 0,02% | 2,19% | 41.506.887 | 1,15% | 41.135.288 | 41.896.550 |
| Volatility | -4.619.582 | -0,13% | -64,43% | 4.276.767 | 0,12% | 0 | 0 |
| Private Equity | 18.838.121 | 0,52% | 15,15% | 133.451.986 | 3,69% | 113.861.035 | 154.941.764 |
| Commodities | 31.989.913 | 0,88% | 21,95% | 160.967.721 | 4,45% | 1.539.776 | 0 |
| Funds | 71.113 | 0,00% | 4,67% | 1.558.008 | 0,04% | 0 | 0 |
| Opciones | -1.663.739 | -0,05% | | | | 1.539.776 | 0 |
| Futures | 23.141.475 | 0,64% | 26,11% | 99.526.197 | 2,75% | 0 | 0 |
| Swaps | 10.441.063 | 0,29% | 19,06% | 59.780.654 | 1,65% | 0 | 0 |
| Currency | -33.867.987 | -0,94% | | | | 0 | 2.098.002 |
| Direct | 5.150.328 | 0,14% | | | | 0 | 0 |
| Opciones | 1.497.226 | 0,04% | | | | 0 | 2.098.002 |
| Futures | -40.500.191 | -1,12% | | | | 0 | 0 |
| Swaps | -15.350 | 0,00% | | | | 0 | 0 |
| Liquid Assets | 1.564.052 | 0,04% | 0,33% | 477.022.461 | 13,18% | 657.969.742 | 525.232.497 |
| Elsewhere | | | | | | -6.259.605 | 59.975.802 |
| Fees | -14.951.899 | -0,41% | | | | | |
| Pending | -76.795 | 0,00% | | | | | |
| Total | 16.674.984 | | 0,46% | 3.619.546.174 | 100,00% | 3.112.227.581 | 3.076.836.333 |

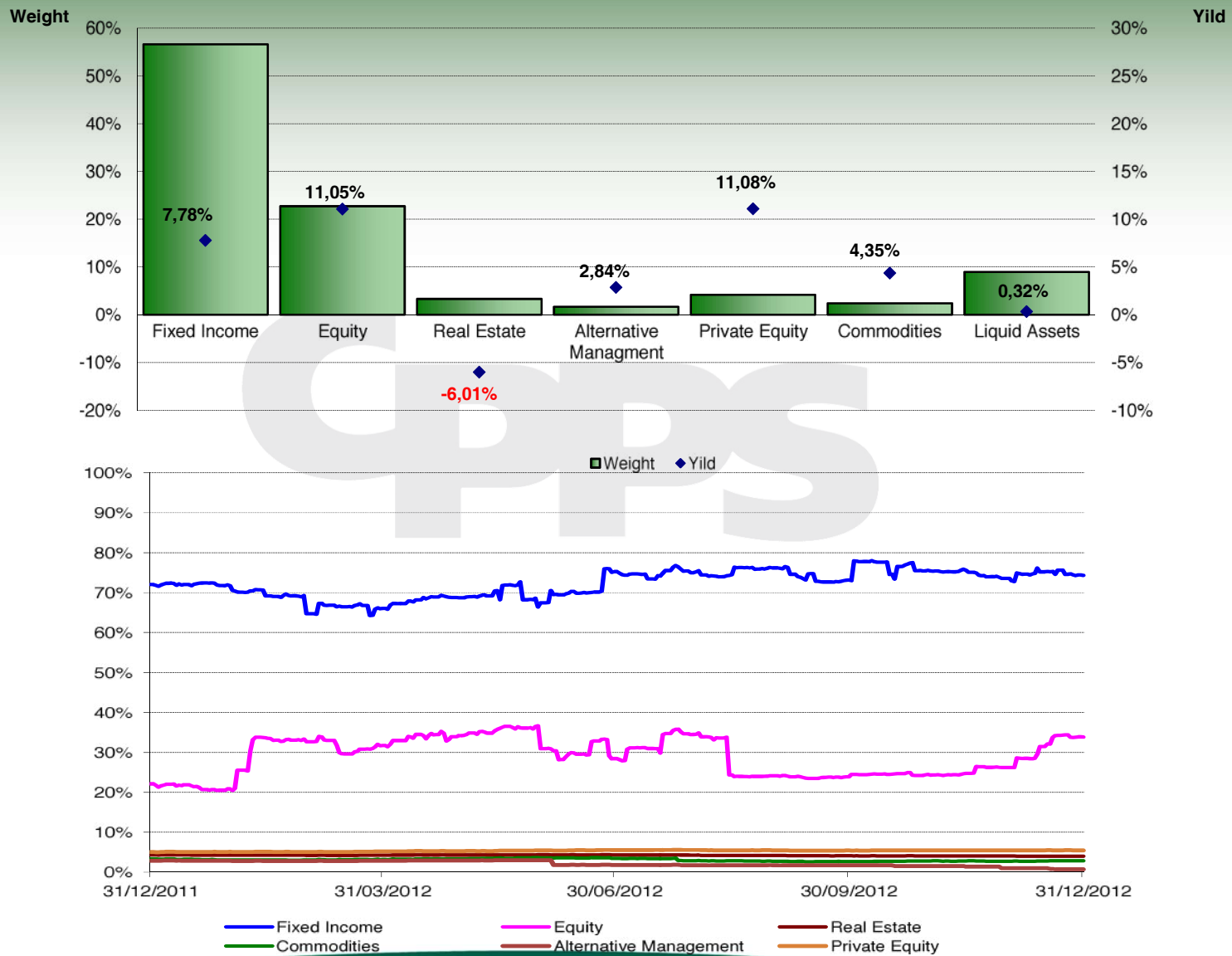
5. ATTRIBUTION OF RETURN: Management Evaluation

Performance attribution by currency

| | Absolut Return | Return of average assets | Yield by assets class | Average per asset class | Weigth | Balance 31/12/2009 | Balance 31/12/2010 |
|----------------------|--------------------|--------------------------|-----------------------|-------------------------|----------------|----------------------|----------------------|
| Euro | -46.168.757 | -1,28% | -1,63% | 2.814.267.076 | 77,75% | 2.890.806.322 | 2.566.852.874 |
| Fixed Income | 13.267.749 | 0,37% | 0,94% | 1.412.384.868 | 39,02% | 1.738.309.847 | 1.579.234.849 |
| Equity | -69.952.699 | -1,93% | -8,68% | 770.364.020 | 21,28% | 232.645.067 | 181.300.396 |
| Others assets | 10.516.193 | 0,29% | 1,41% | 751.021.025 | 20,75% | 919.851.408 | 806.317.629 |
| Dólar | 61.955.613 | 1,71% | 13,51% | 488.714.378 | 13,50% | 196.749.326 | 421.549.683 |
| Fixed Income | 27.417.861 | 0,76% | 22,02% | 137.564.557 | 3,80% | 77.843.463 | 161.669.663 |
| Equity | 16.049.444 | 0,44% | 17,66% | 98.600.651 | 2,72% | 40.190.576 | 182.353.876 |
| Others assets | 18.488.308 | 0,51% | 7,62% | 251.794.991 | 6,96% | 78.715.288 | 77.526.145 |
| Yen | -7.269.016 | -0,20% | -52,56% | 13.829.855 | 0,38% | 15.499.456 | 6.442.083 |
| Fixed Income | 2.018.930 | 0,06% | 32,43% | -5.117.825 | -0,14% | 1.486.933 | 3.499.770 |
| Equity | 3.060.829 | 0,08% | 20,42% | 16.447.681 | 0,45% | 11.692.028 | 9.392 |
| Others assets | -12.348.775 | -0,34% | | | | 2.320.495 | 2.932.921 |
| Libra | 1.477.763 | 0,04% | 13,60% | 11.580.715 | 0,32% | 11.379.372 | 6.394.610 |
| Fixed Income | 55.311 | 0,00% | 5,51% | 1.030.370 | 0,03% | 949.278 | 508.846 |
| Equity | 1.706.441 | 0,05% | 17,60% | 10.513.167 | 0,29% | 10.430.094 | 5.885.764 |
| Others assets | -283.989 | -0,01% | 0,00% | | | 0 | 0 |
| Otras divisas | 21.708.075 | 0,60% | 13,69% | 169.022.159 | 4,67% | 4.052.710 | 15.621.281 |
| Fixed Income | 4.408.785 | 0,12% | 105,17% | 6.004.767 | 0,17% | 4.052.710 | 8.470.949 |
| Equity | 17.128.168 | 0,47% | 11,08% | 162.932.688 | 4,50% | 0 | 7.150.332 |
| Others assets | 171.123 | 0,00% | -97,54% | -27.493 | 0,00% | 0 | 0 |
| Elsewhere | | | | | | -6.259.605 | 59.975.802 |
| Fees | -14.951.899 | -0,41% | | | | | |
| Pending | -76.795 | 0,00% | | | | | |
| Total | 16.674.984 | | 0,46% | 3.619.546.174 | 100,00% | 3.112.227.581 | 3.076.836.333 |

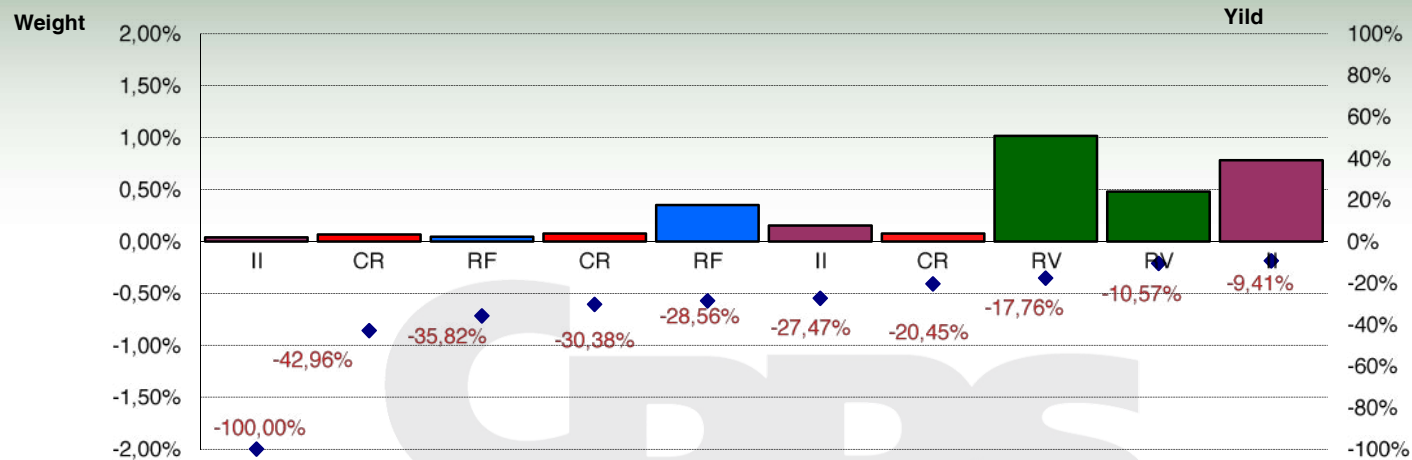
5. ATTRIBUTION OF RETURN

Per type of asset

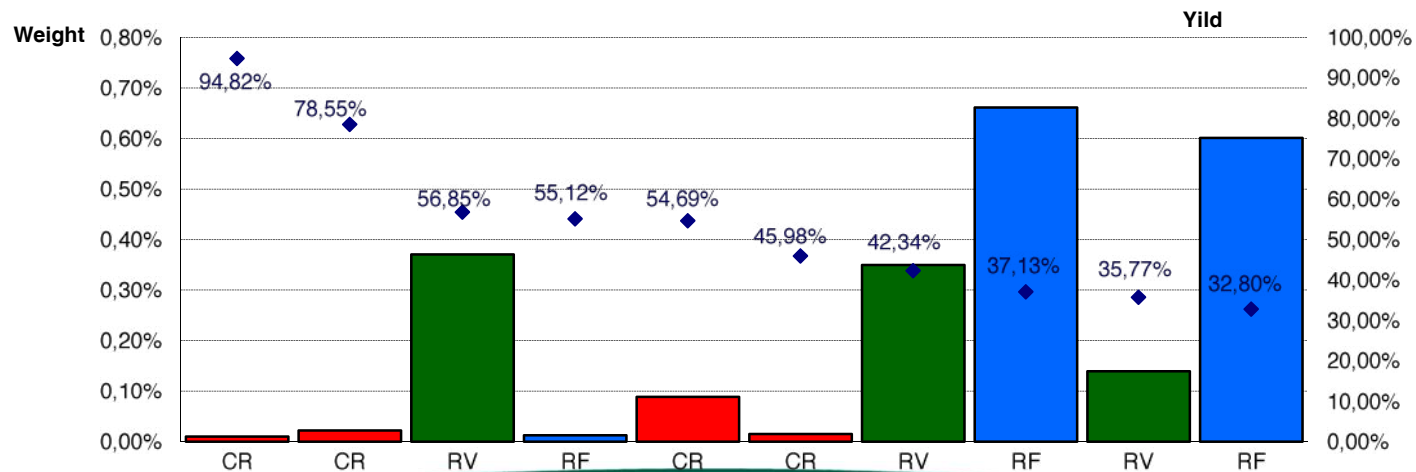


5. ATTRIBUTION OF RETURN

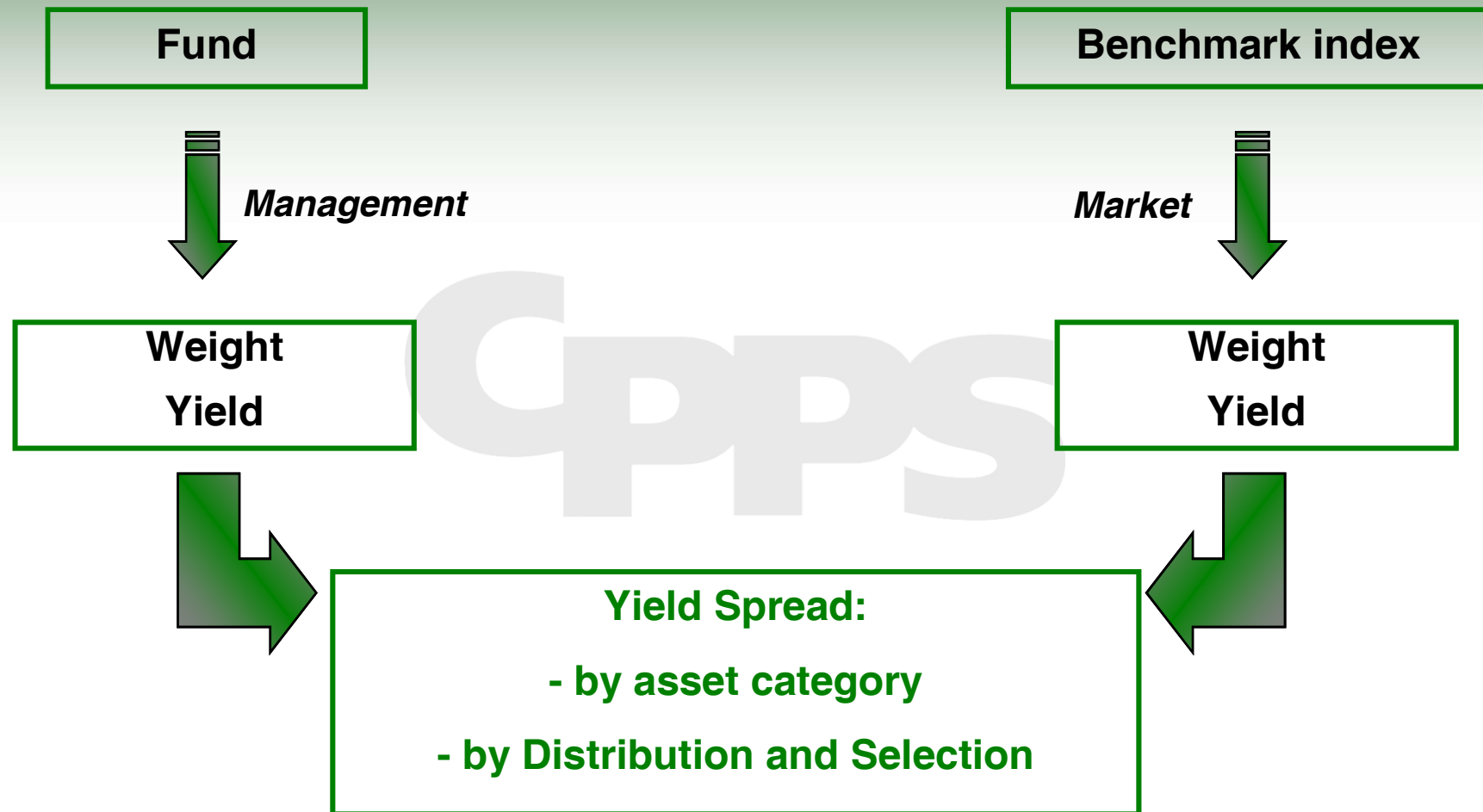
The 10 securities with the lowest absolute yield



The 10 securities with the highest absolute yield



6. ATTRIBUTION OF RESULTS

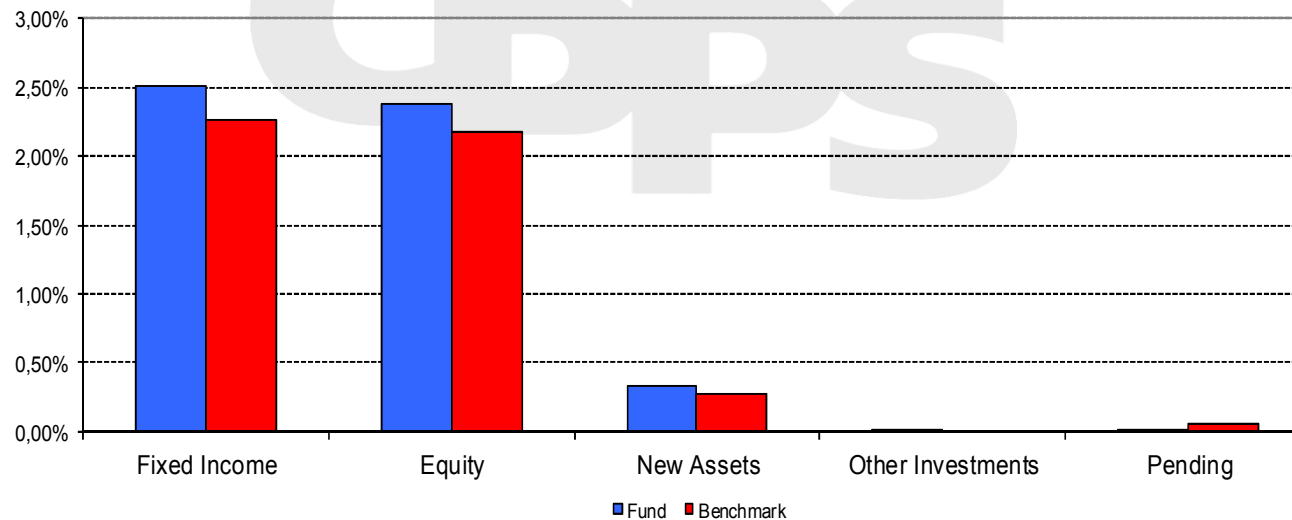


6. ATTRIBUTION OF RESULTS

Comparison of Yield

| YILD | |
|--------------------|--------------|
| VLUC | 5,22% |
| BENCHMARK IRE | 4,68% |
| Difference: | 0,54% |

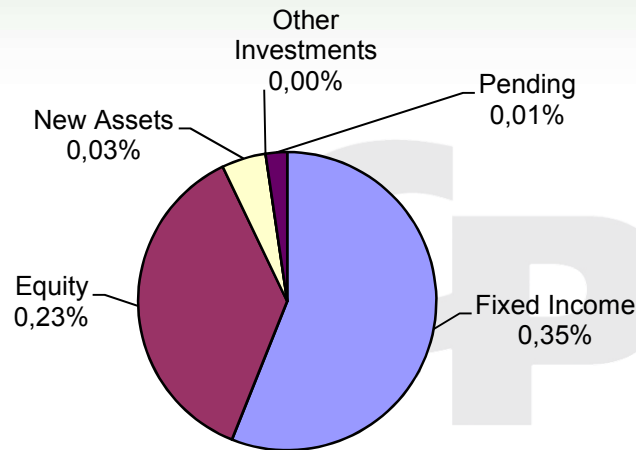
✓ The Fund has outperformed the Index by 0.54%



6. ATTRIBUTION OF RESULTS

Composition of yield spread

Differences Yild by Assets



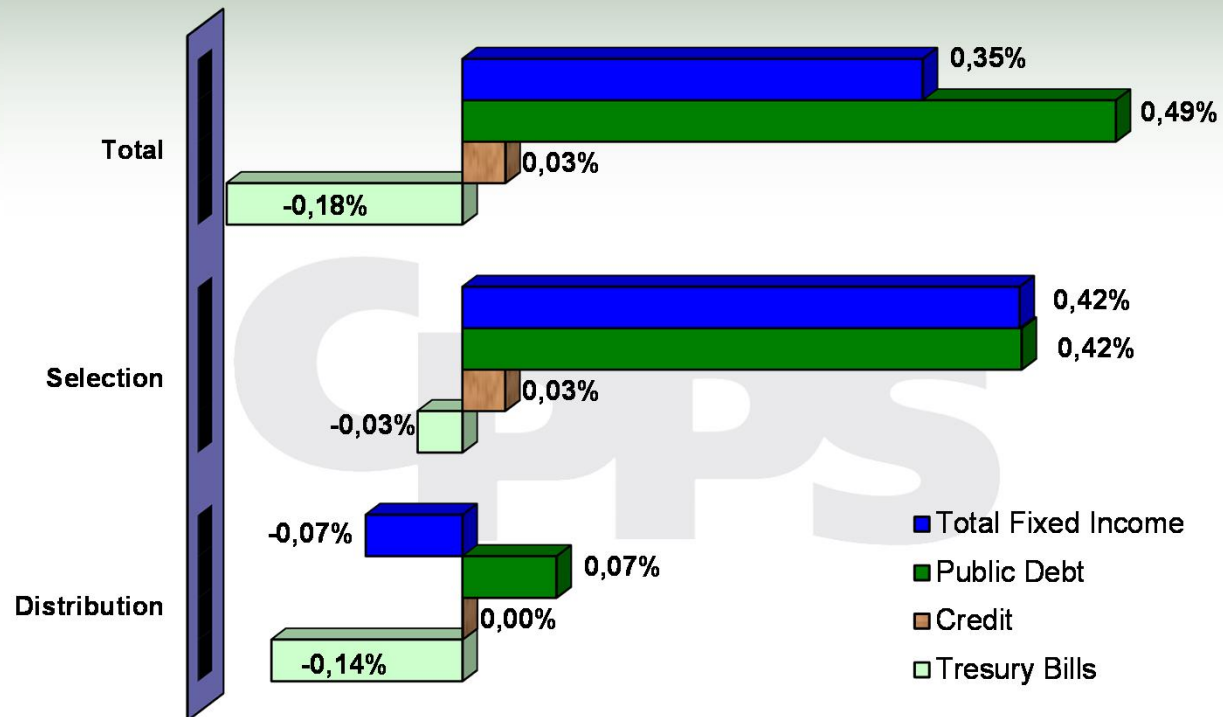
| | DIFFERENCES | |
|-------------------|-------------|--------------|
| | Weight | Yild |
| Fixed Income | -1,94% | 0,35% |
| Equity | -0,19% | 0,23% |
| New Assets | 0,49% | 0,03% |
| Other Investments | 1,64% | 0,00% |
| Pending | | 0,01% |
| Total | | 0,62% |

■ Fixed Income
 ■ Equity
 ■ New Assets
 ■ Other Investments
 ■ Pending

- ✓ Fixed income has been under-weighted in the Fund compared to the index.
- ✓ Fixed income has contributed 0.25% more than the index.
- ✓ Variable income is slightly under-weighted.
- ✓ Variable income has contributed 0.21% more than the index.

6. ATTRIBUTION OF RESULTS

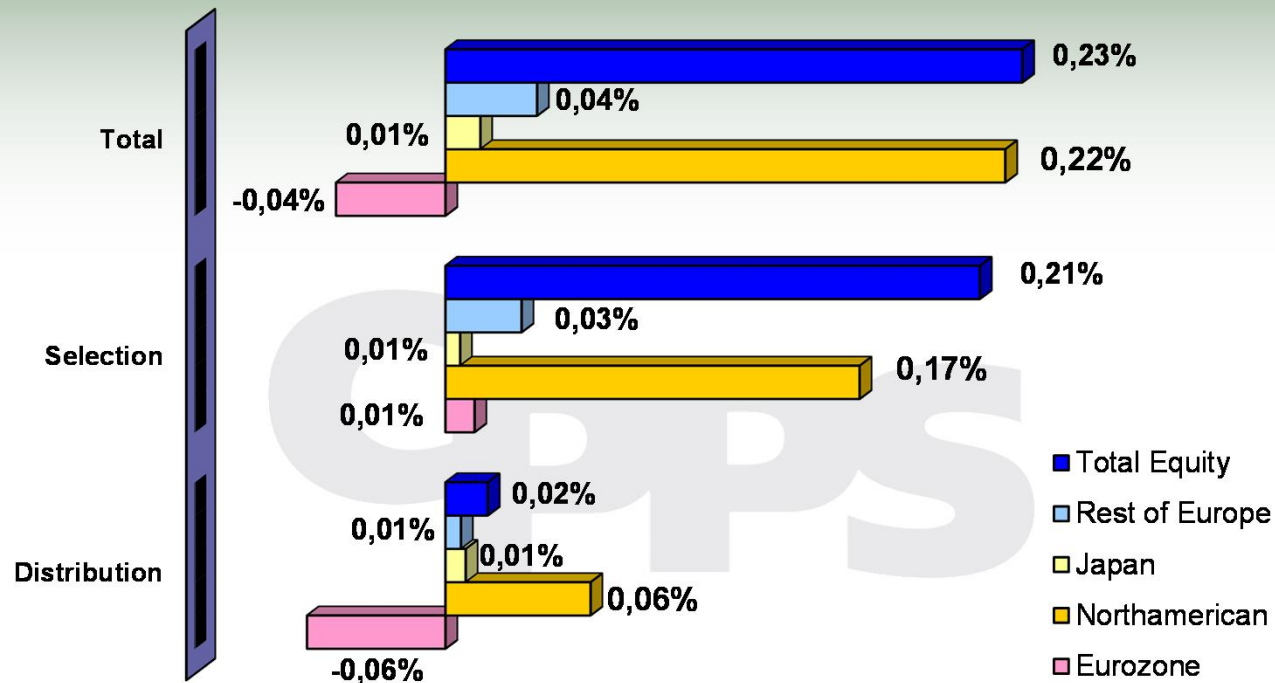
Distribution/Selection of Fixed Income: BONDS



- ✓ Selection contributes 0.42% to the total and distribution subtracts -0.07%
- ✓ The **positive spread** is contributed by selection in the SOVEREING sector, with 0.42%
- ✓ The **negative spread** of distribution is contributed mainly by the Bills sector

6. ATTRIBUTION OF RESULTS

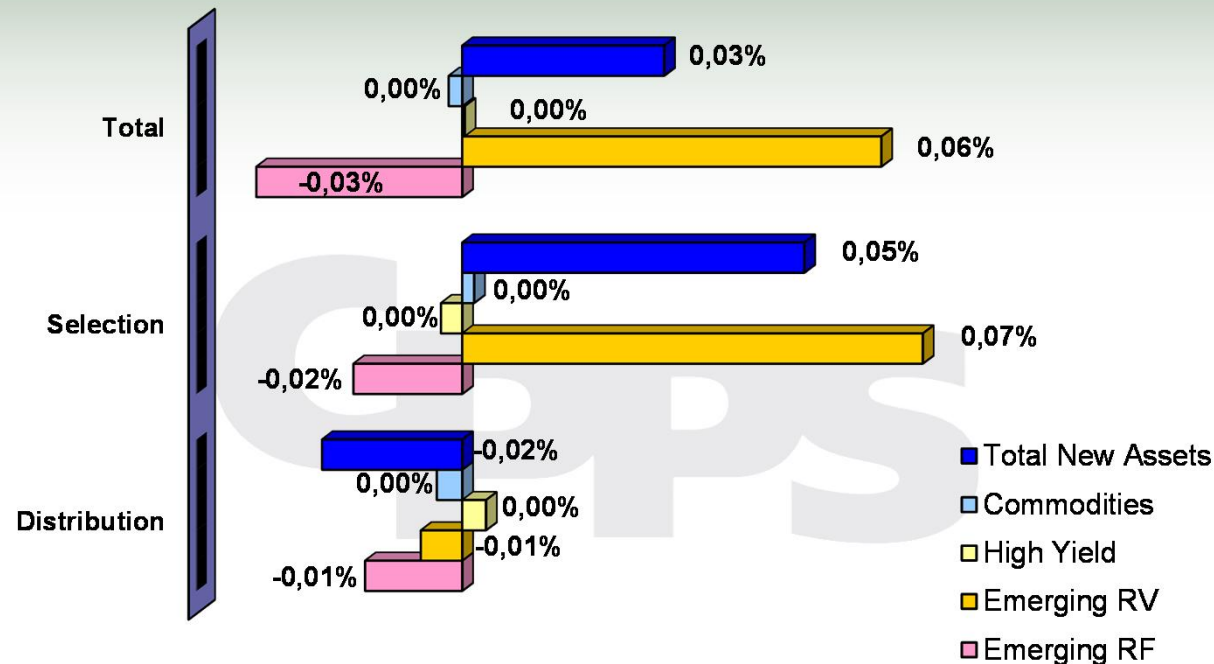
Variable Income Distribution/Selection: EQUITYS



- ✓ Selection contributes 0.21% to the total and distribution 0.02%
- ✓ The **positive spread** is provided principally by selection in North America
- ✓ It is worth noting that the **negative spread** of distribution in the Eurozone is offset by the North American selection

6. ATTRIBUTION OF RESULTS

Distribution/Selection of New Assets



- ✓ Selection contributes 0.05% to the total and distribution subtracts 0.02%
- ✓ The positive spread is contributed mainly by selection in VI Emerging
- ✓ FI Emerging subtracts from the total both in Selection and Distribution
- ✓ Commodities and High Yield do not generate outstanding spreads

6. ATTRIBUTION OF RESULTS

Summary of yield per assets and weights

| | Fund | | Benchmark | | Difference | |
|-------------------|----------------|--------------|----------------|--------------|------------|--------------|
| | Weight | Yild | Weight | Yild | Weight | Yild |
| Fixed Income | 66,38% | 2,51% | 68,32% | 2,16% | -1,94% | 0,35% |
| Equity | 26,49% | 2,38% | 26,68% | 2,15% | -0,19% | 0,23% |
| New Assets | 5,49% | 0,33% | 5,00% | 0,30% | 0,49% | 0,03% |
| Other Investments | 1,64% | 0,00% | | 0,00% | 1,64% | 0,00% |
| Pending | | 0,01% | | | | 0,01% |
| TOTAL | 100,00% | 5,23% | 100,00% | 4,61% | | 0,62% |

7. SRI

SRI ON INVESTMENT POLICY

➤ CONTROL COMMISSION DUTIES

➤ **INVESTMENT POLICY:**

Main SRI Policy Document.

➤ **ETHICS PAPER:**

Linked to the Asset Manager . Depends on the criteria and methodology developed by the asset manager.

➤ **POLITICAL RIGHTS PROTOCOL :**

Procedure for exercise of political rights, agreements, publications, etc...

➤ **REVIEW AND FOLLOW SRI.**



7. SRI

SRI ON INVESTMENT POLICY

➤ CONTROL COMMISSION DUTIES

➤ *NEED TO INFORM*



7. SRI

SRI IN REVIEW

➤ INCLUDED IN SRI REVIEW

- ❑ **Analisis of SRI Policy**
- ❑ **ESG compliance verification**
- ❑ **Track and development in SRI**
 - ❑ **Ratings ESG portfolio**
- ❑ **Conclusions and Recommendations SRI**
 - ❖ **Political Rights: protocol, implementation and monitoring**
 - ❖ **Performance Attribution with ESG criteria**



7. SRI

ESG RATING PORTFOLIO

➤ DIAGRAM CONTENT ANALYSIS:

➤ Coverage

➤ Total

➤ By asset class

➤ SRI RATING

➤ Total

➤ For each ESG criteria

➤ By asset class

SRI Rating

- By agency

- Average



Performance Attribution with ESG criteria

7. SRI

ESG RATING PORTFOLIO

➤ QUALITATIVE RATINGS SECTIONS SRI – AVERAGE:

| | SRI AVERAGE | MINIMUM VALUE | MAXIMUM VALUE |
|----------|-------------|---------------|---------------|
| AGENCIES | ★★★★★ | 81 | 100 |
| | ★★★★ | 61 | 80 |
| | ★★★ | 41 | 60 |
| | ★★ | 21 | 40 |
| | ★ | 0 | 20 |

The average grade of "star" is set based on the average numerical value.

This criteria will be used in the performance attribution.

7. SRI

ESG RATING PORTFOLIO

➤ SRI RATING:

➤ The average score on the ISR total portfolio is 68 out of 100.



✓ The SRI Rating Fund is above average and 4 stars range

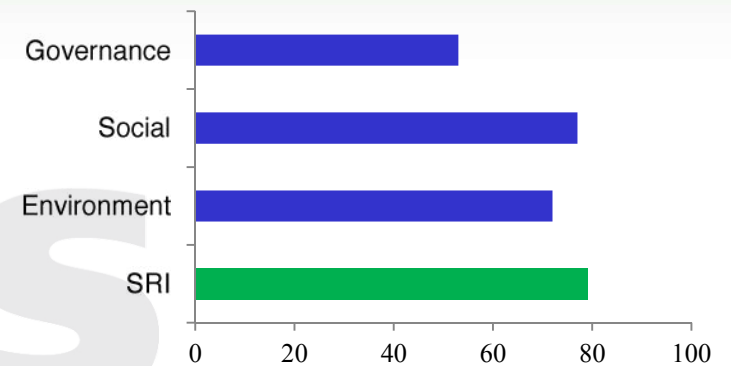
7. SRI

ESG RATING PORTFOLIO

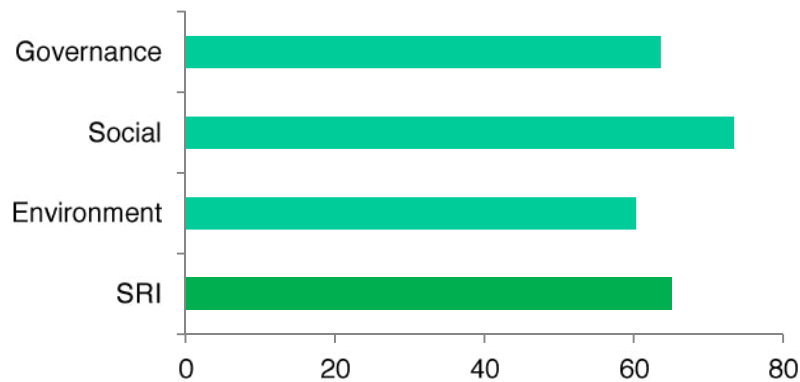
➤ BY ESG CRITERIA AND BY ASSET CLASS.

| ASSETS | GLOBAL | ENVIRONMENT | SOCIAL | GOVERNANCE |
|------------------------|-----------|-------------|-----------|------------|
| LIQUID ASSETS | 79 | 72 | 77 | 53 |
| FIXED INCOME | 65 | 60 | 73 | 64 |
| EQUITY | 68 | 69 | 64 | 62 |
| ALTERNATIVE MANAGEMENT | - | - | - | - |
| PRIVATE EQUITY | - | - | - | - |
| REAL ESTATE | - | - | - | - |
| TOTAL | 68 | 63 | 73 | 61 |

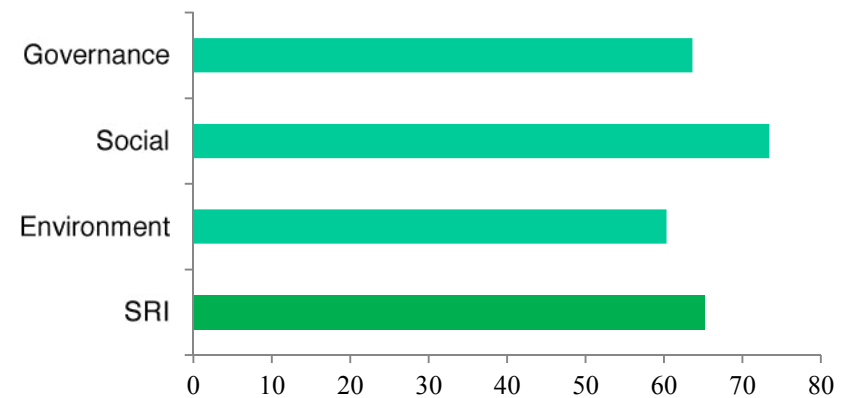
Liquid Assets



Fixed Income



Equity

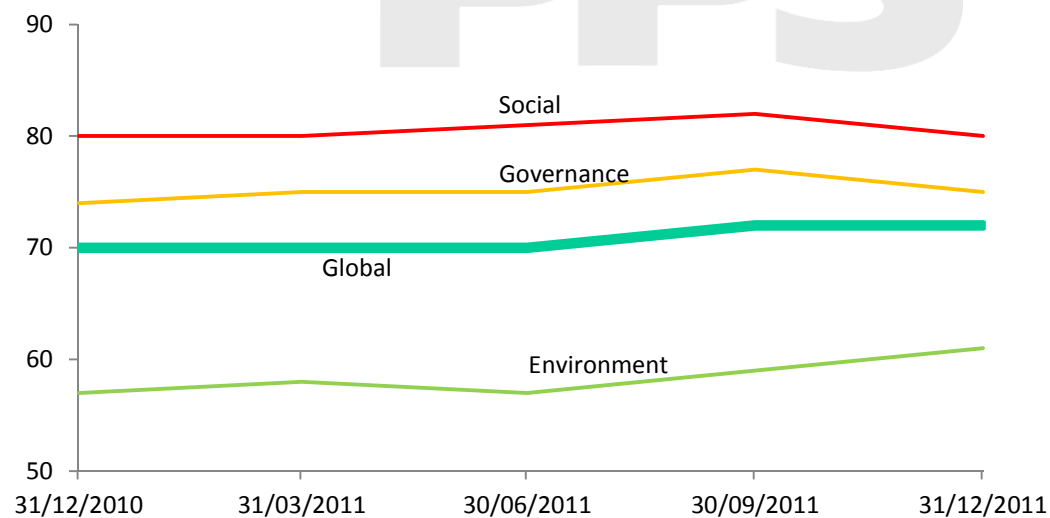


7. SRI

ESG RATING PORTFOLIO

➤ COVERAGE EVOLUTION:

| ASSETS | 31/12/2011 | 31/03/2012 | 30/06/2012 | 30/09/2012 | 31/12/2012 |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| LIQUID ASSETS | 100,00% | 100,00% | 100,00% | 100,00% | 100,00% |
| FIXED INCOME | 79,47% | 77,91% | 77,03% | 77,85% | 67,79% |
| EQUITY | 51,99% | 49,42% | 35,81% | 28,01% | 28,84% |
| ALTERNATIVE MANAGEMENT | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% |
| PRIVATE EQUITY | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% |
| REAL ESTATE | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% |
| CURRENCY | - | - | - | 0,00% | - |
| PORTFOLIO | 69,95% | 69,42% | 64,63% | 63,03% | 57,16% |

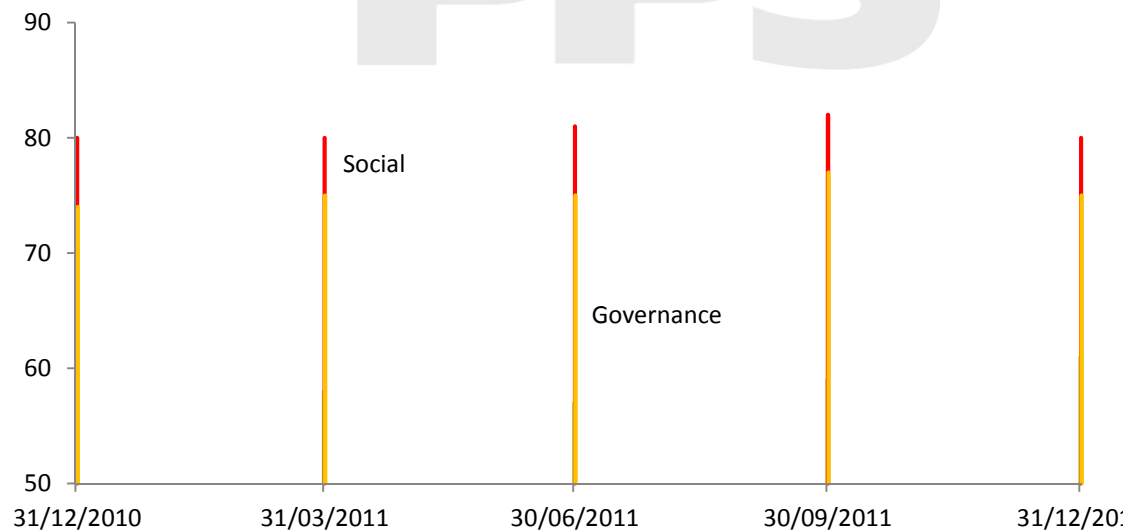


7. SRI

ESG RATING PORTFOLIO

➤ ESG RATING EVOLUTION

| | GLOBAL | ENVIRONMENT | SOCIAL | GOVERNANCE |
|------------|--------|-------------|--------|------------|
| 31/12/2012 | 70 | 57 | 80 | 74 |
| 31/03/2013 | 70 | 58 | 80 | 75 |
| 30/06/2013 | 70 | 57 | 81 | 75 |
| 30/09/2013 | 72 | 59 | 82 | 77 |
| 31/12/2013 | 72 | 61 | 80 | 75 |



7. SRI

PERFORMANCE ATRIBUTION

TOTAL SRI

| | YIELD | WEIGHT |
|---------|---------|--------|
| ***** | 2,64% | 85,98% |
| **** | -10,06% | 6,95% |
| *** | -6,54% | 2,44% |
| Pending | 3,97% | 4,56% |

SRI

| | YIELD | WEIGHT |
|---------------------|---------------|---------------|
| FIXED INCOME | 4,57% | 75,50% |
| ***** | 6,37% | 55,77% |
| **** | -1,87% | 14,37% |
| *** | 4,33% | 3,76% |
| Pending | 2,79% | 1,67% |
| EQUITY | -8,55% | 22,42% |
| ***** | -3,65% | 13,57% |
| **** | -16,56% | 5,61% |
| *** | -19,13% | 1,70% |
| Pending | -7,61% | 1,53% |

7. SRI

PERFORMANCE ATRIBUTION

GOVERNANCE

| | YIELD | WIEGHT |
|---------|--------|--------|
| ***** | 3,41% | 75,25% |
| **** | -6,20% | 15,93% |
| *** | -3,65% | 4,32% |
| Pending | 3,97% | 4,56% |

SOCIAL

| | YIELD | WIEGHT |
|---------|---------|--------|
| ***** | 3,14% | 84,50% |
| **** | -8,65% | 6,44% |
| *** | -14,39% | 4,23% |
| ** | -18,32% | 0,15% |
| Pending | 3,97% | 4,56% |

ENVIRONMENT

| | YIELD | WIEGHT |
|---------|---------|--------|
| ***** | -2,73% | 20,29% |
| **** | 1,72% | 32,63% |
| *** | 3,29% | 42,39% |
| ** | -20,00% | 0,11% |
| Pending | 3,97% | 4,56% |

7. SRI

PERFORMANCE ATRIBUTION

The correlation coefficient between the Yield and SRI rating (*) is calculated.

| | CORR. COEFF | RELATION |
|-------------|-------------|-------------|
| GLOBAL | 0,7949 | FAVORABLE |
| ENVIRONMENT | 0,5092 | INDIFFERENT |
| SOCIAL | 0,9986 | FAVORABLE |
| GOVERNANCE | 0,8025 | FAVORABLE |

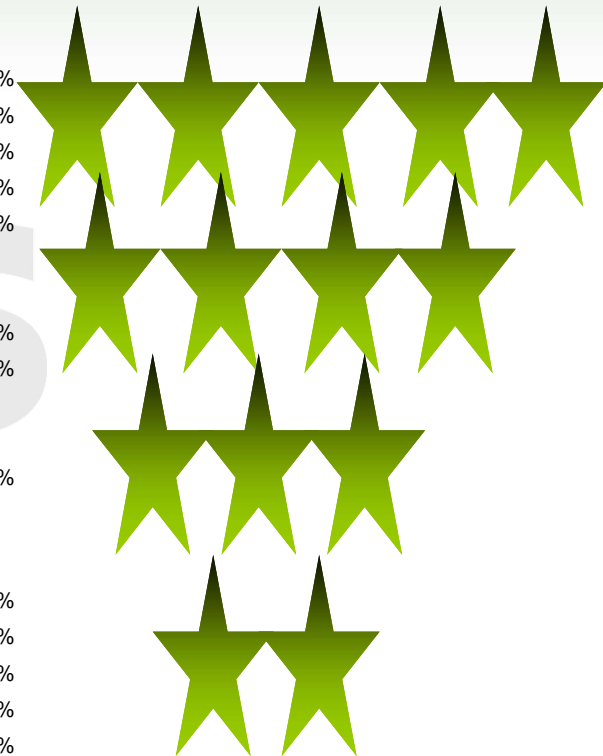
(*) If the correlation coefficient is between 0.7 and 1 is considered favorable relationship between -0.7 and -1 unfavorable. The remaining cases indifferent.

7. SRI

PERFORMANCE ATRIBUTION

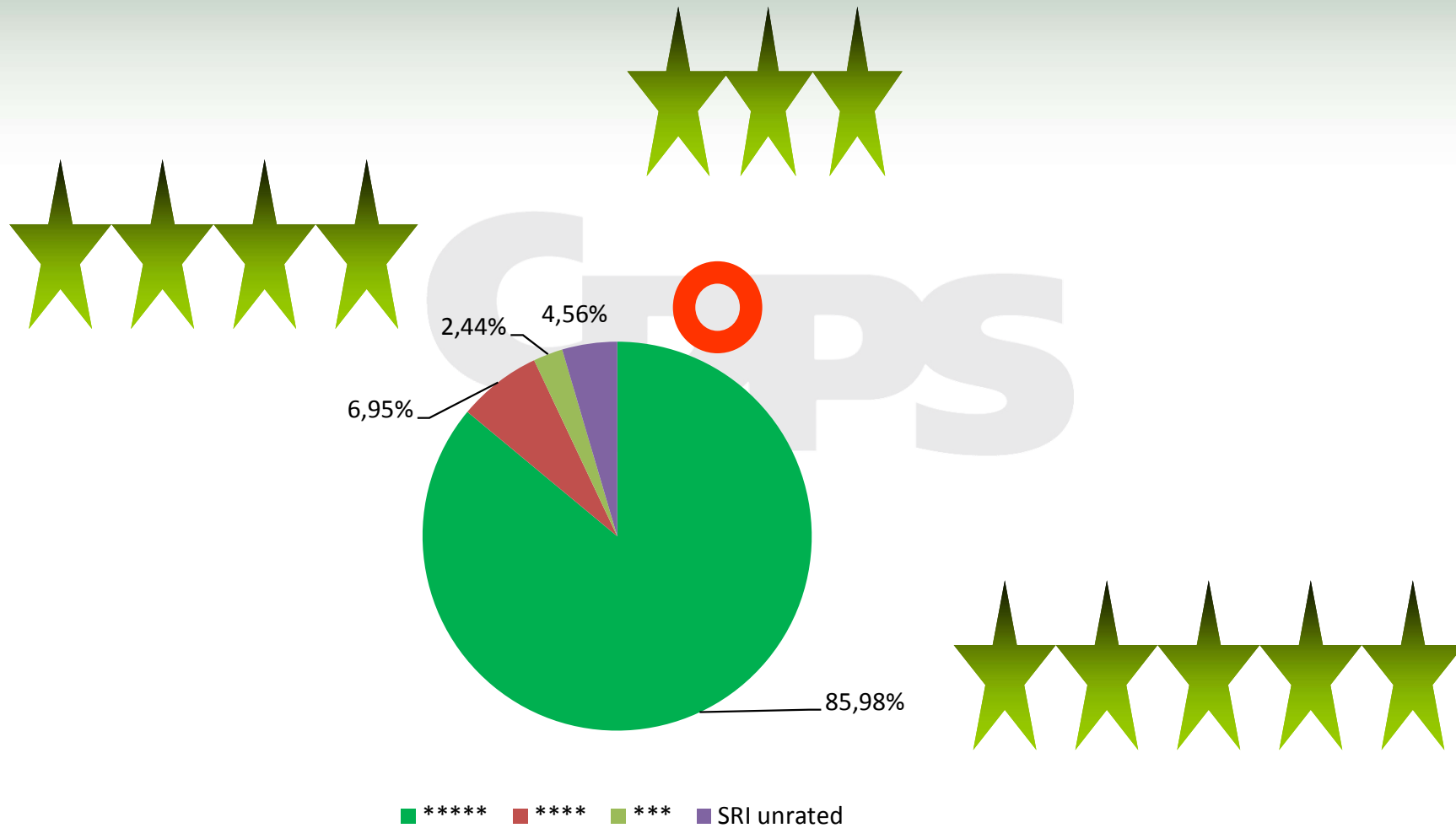
TOTAL SRI

| | Performance | Absolute Return | Yield | Portfolio | Weight |
|------------------|-------------------|-----------------|----------------|--------------------|----------------|
| ***** | 4.874.396 | 1,13% | 2,64% | 186.790.151 | 85,98% |
| Fixed Income | 5.731.669 | 2,16% | 4,74% | 123.727.465 | 56,95% |
| Equity | -1.277.079 | -3,43% | -6,52% | 18.942.839 | 8,72% |
| Liquid Assets | 332.053 | 0,11% | 0,79% | 42.045.601 | 19,35% |
| Private Equity | 88.415 | 6,05% | 6,05% | 1.505.354 | 0,69% |
| New Assets | -662 | -0,08% | -0,30% | 218.323 | 0,10% |
| **** | -1.601.586 | -5,50% | -10,06% | 15.092.825 | 6,95% |
| Fixed Income | 3.254 | 0,06% | 0,15% | 2.152.108 | 0,99% |
| Equity | -1.604.840 | -6,58% | -11,68% | 12.911.650 | 5,94% |
| *** | -358.809 | -3,57% | -6,54% | 5.304.789 | 2,44% |
| Equity | -358.481 | -4,52% | -8,37% | 4.099.821 | 1,89% |
| Undefined | 386.090 | 1,50% | 3,97% | 9.915.662 | 4,56% |
| Fixed Income | 78.998 | 0,94% | 2,79% | 2.869.581 | 1,32% |
| Equity | -208.891 | -3,85% | -7,61% | 2.637.688 | 1,21% |
| Private Equity | 142.822 | 13,28% | 16,52% | 933.257 | 0,43% |
| Real Estate | 10.395 | 1,64% | 1,78% | 590.637 | 0,27% |
| New Assets | 483.369 | 4,67% | 19,65% | 2.691.152 | 1,24% |
| Fees | -133.863 | | | | |
| Unassigned | 13.259 | | | | |
| Total | 3.300.090 | | 1,53% | 217.260.658 | 100,00% |



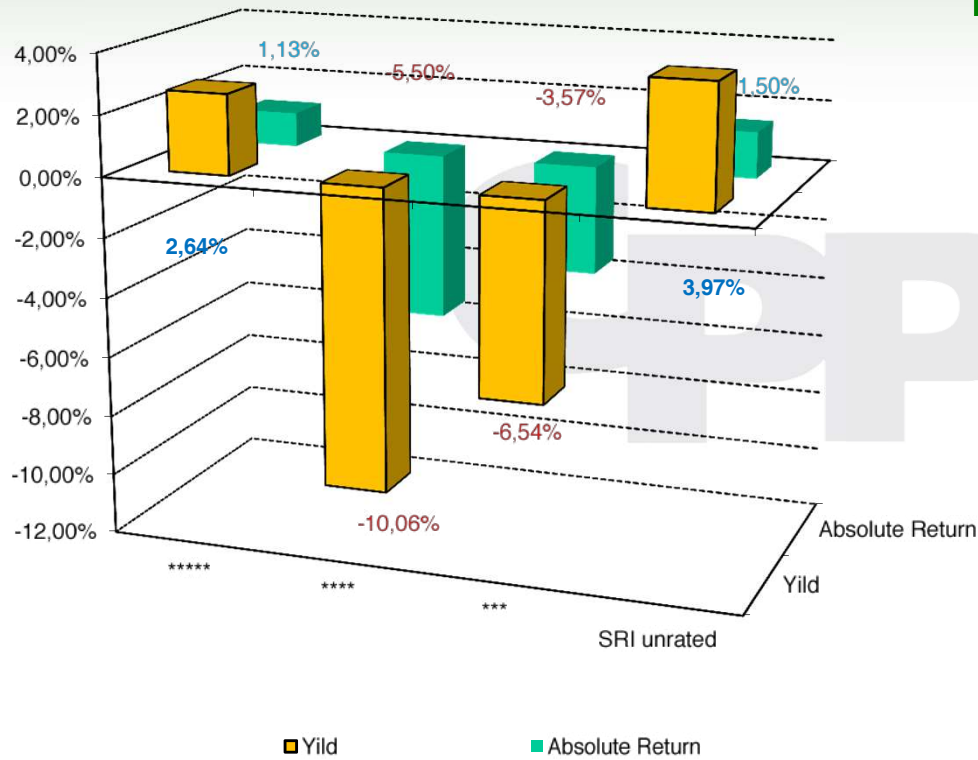
7. SRI

PERFORMANCE ATRIBUTION



7. SRI

PERFORMANCE ATRIBUTION



FUND
YIELD
1,53%

7. SRI

POLITICS RIGHTS

□ CURRENT SITUATION:

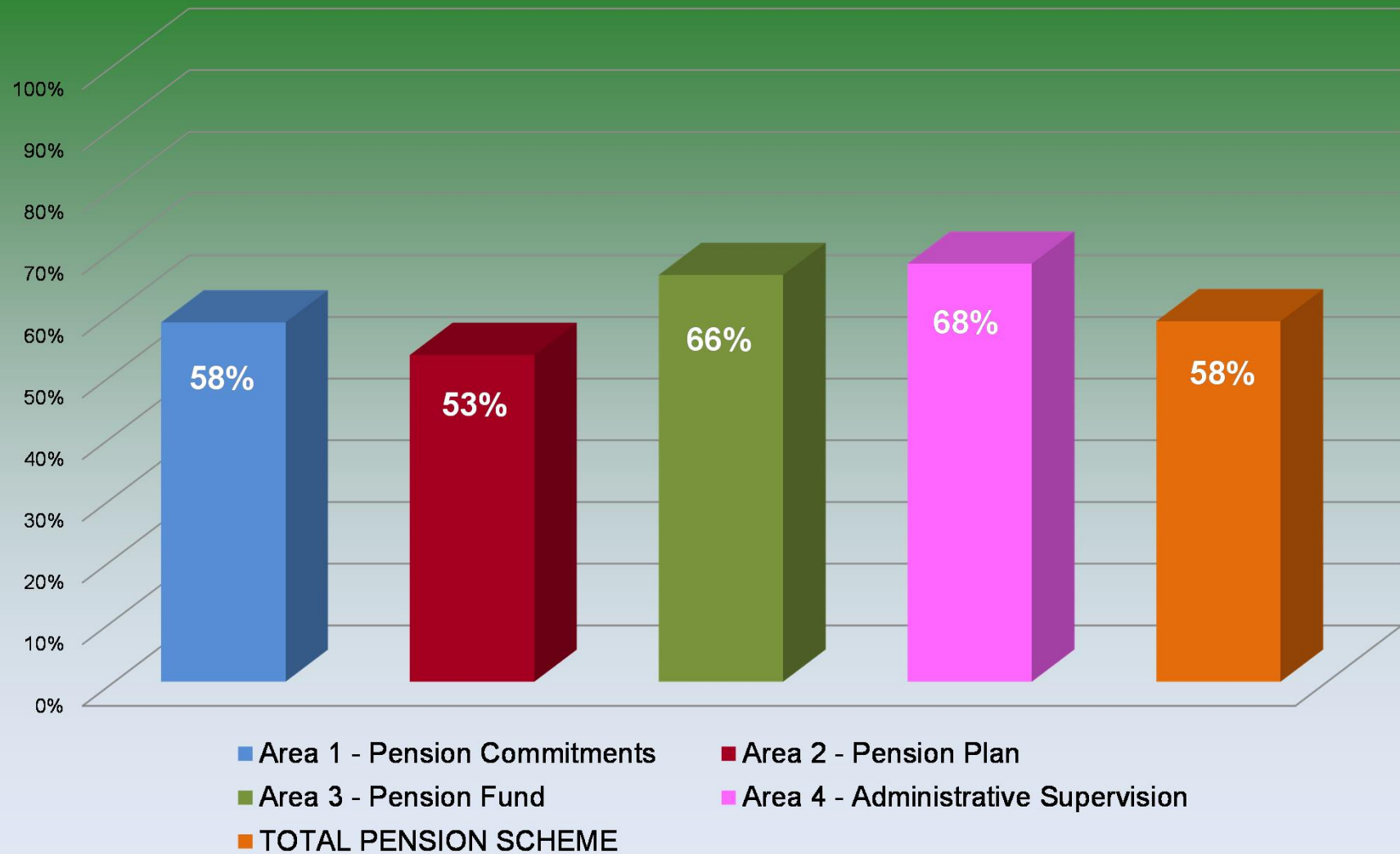
- *EFFECTIVE FROM 2008 - ART 69.6 RFPF*
- *LOW PARTICIPATION BUT UNSTOPPABLE*

□ PROBLEMS:

- *HIGH VOLUME INFORMATION TO DISCUSS GENERAL SHAREHOLDERS MEETING*
- *GENERAL SHAREHOLDERS MEETING CONCENTRATION IN TIME*
- *DECISION MAKING PROCESS SEMI-COMPLEX*
- *INVESTMENT FUNDS OR DERIVATIVES*
- *REPORTING*
- *SENSE OF VOTE CONTROL AND MONITORING*

8. GOVERNANCE

Level of fulfilment by Area

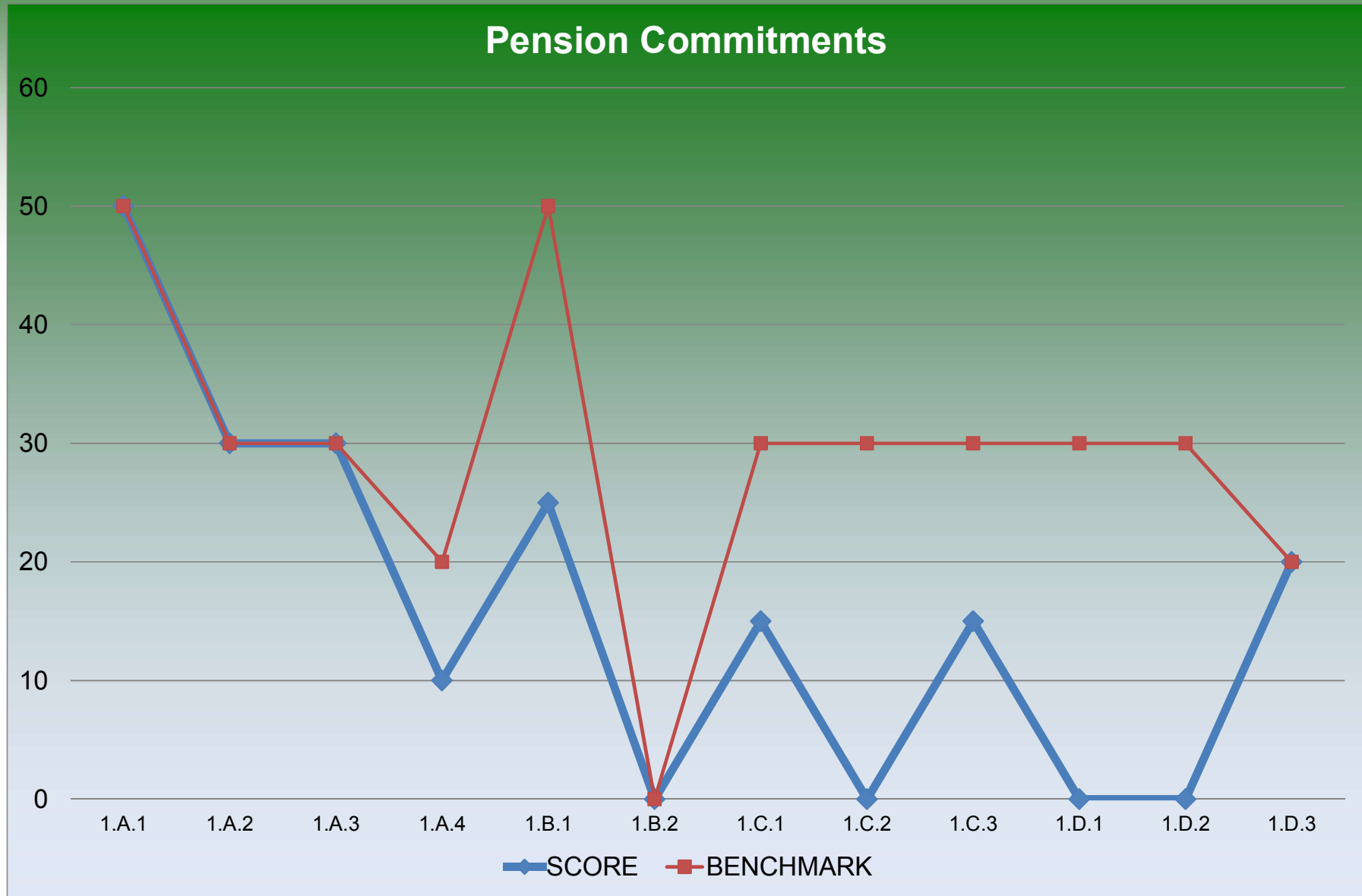


8. GOVERNANCE

| SUMMARY BY AREA | Score | Benchmark | Level of fulfilment | Weighted level of fulfilment |
|-------------------------------------|-------------|-------------|---------------------|------------------------------|
| Area 1 - Pension Commitments | 195 | 350 | 56% | 58% |
| Area 2 - Pension Plan | 780 | 1370 | 57% | 53% |
| Area 3 - Pension Fund | 495 | 750 | 66% | 66% |
| Area 4 - Administrative Supervision | 230 | 350 | 66% | 68% |
| TOTAL PENSION SCHEME | 1700 | 2820 | 60% | 58% |

| AREA 1 - PENSION COMMITMENTS | Score | Benchmark | Level of fulfilment | Weighted level of fulfilment |
|----------------------------------|------------|------------|---------------------|------------------------------|
| Target A. Operating Processes | 120 | 130 | 92% | 96% |
| Target B. Risk Control | 25 | 50 | 50% | 50% |
| Target C. Supervision | 30 | 90 | 33% | 33% |
| Target D. Transparency | 20 | 80 | 25% | 18% |
| TOTAL PENSION COMMITMENTS | 195 | 350 | 56% | 58% |

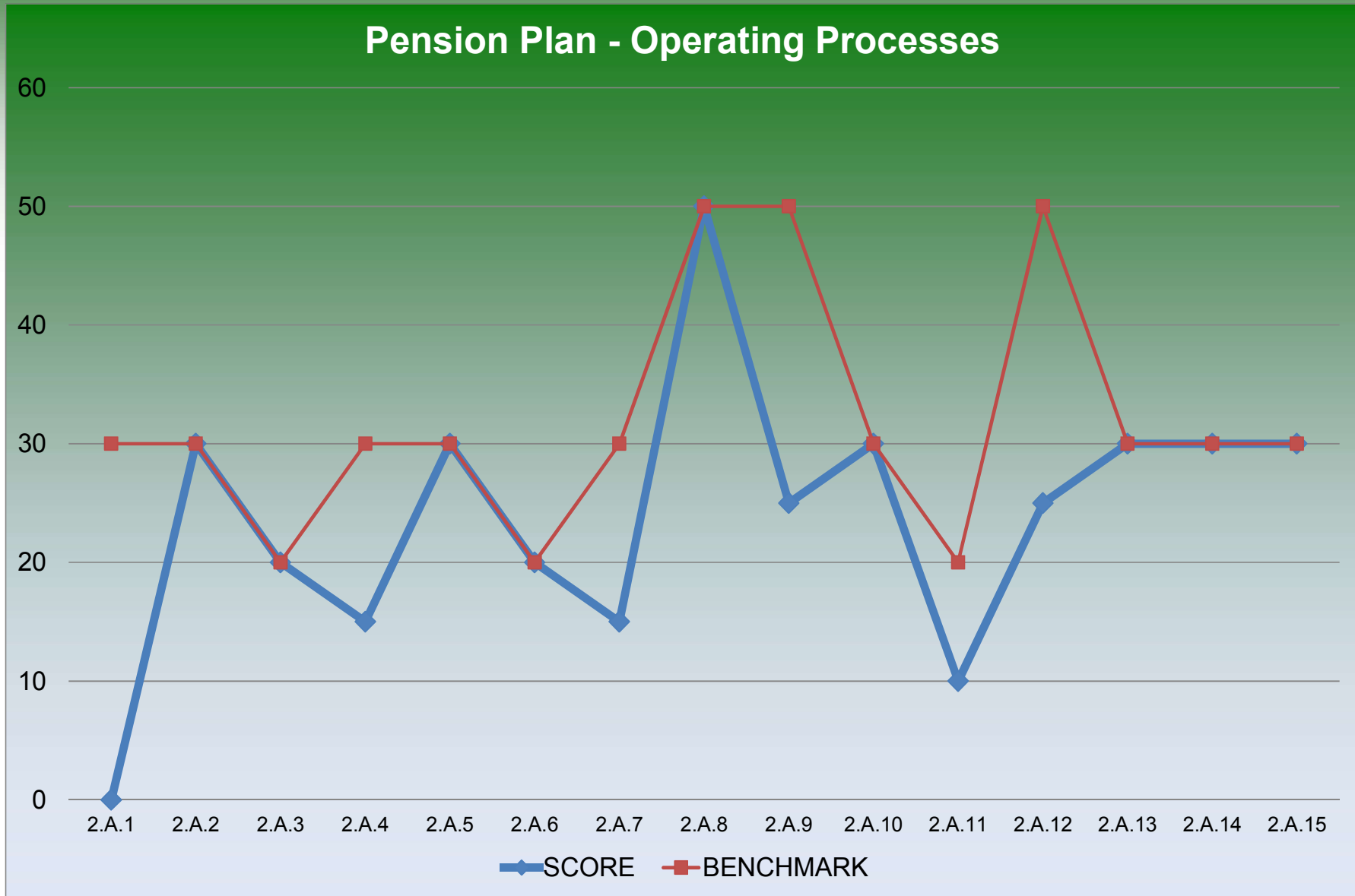
8. GOVERNANCE



8. GOVERNANCE

| AREA 2 – PENSION PLAN | Score | Benchmark | Level of fulfilment | Weighted level of fulfilment |
|------------------------------------|------------|-------------|---------------------|------------------------------|
| Target A. Operating Processes | 360 | 480 | 75% | 73% |
| Target B. Risk Control | 115 | 310 | 37% | 32% |
| Target C. Supervision | 225 | 430 | 52% | 47% |
| Target D. Transparency | 80 | 150 | 53% | 56% |
| TOTAL AREA 2 – PENSION PLAN | 780 | 1370 | 57% | 53% |

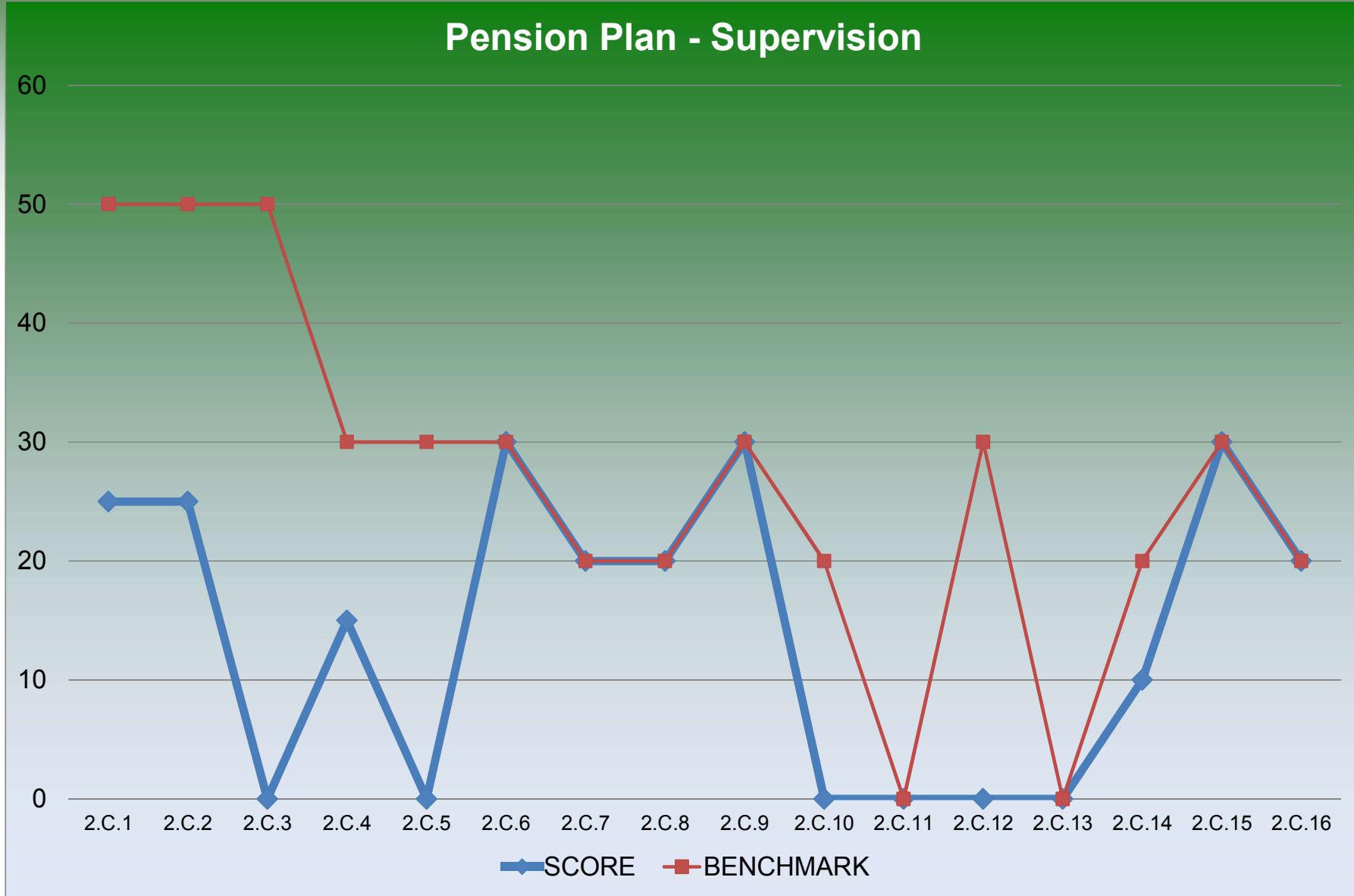
8. GOVERNANCE



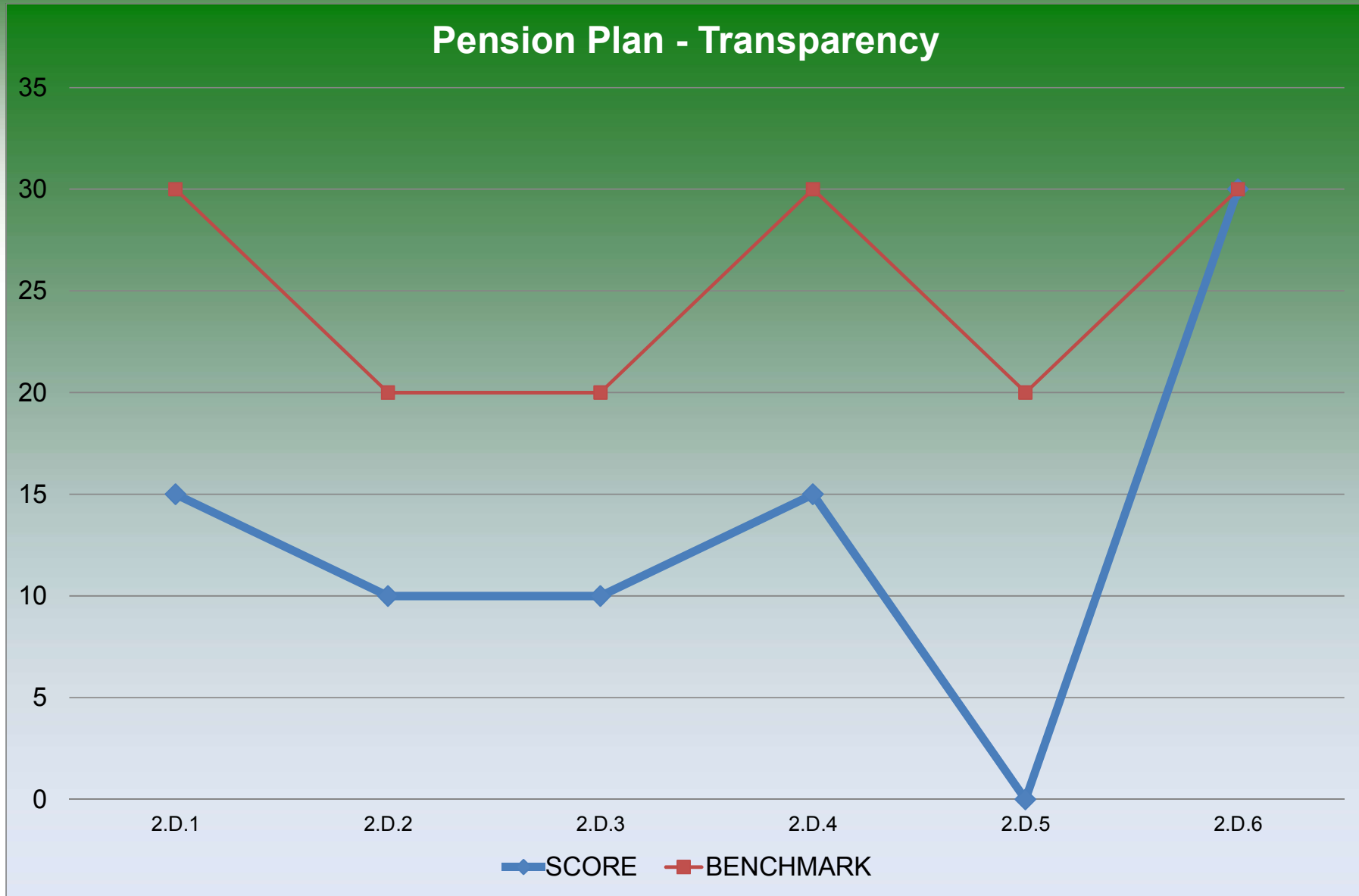
8. GOVERNANCE



8. GOVERNANCE



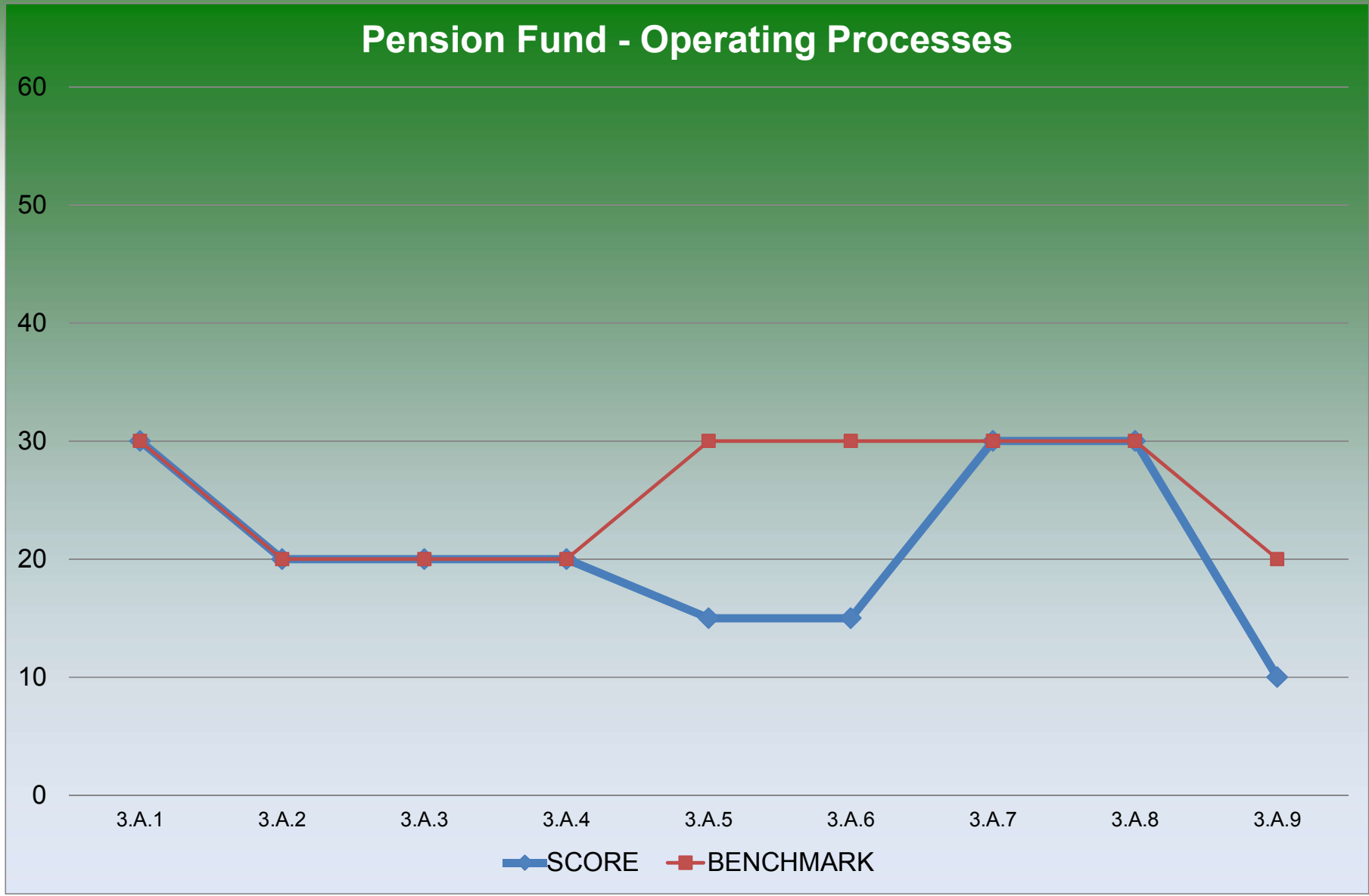
8. GOVERNANCE



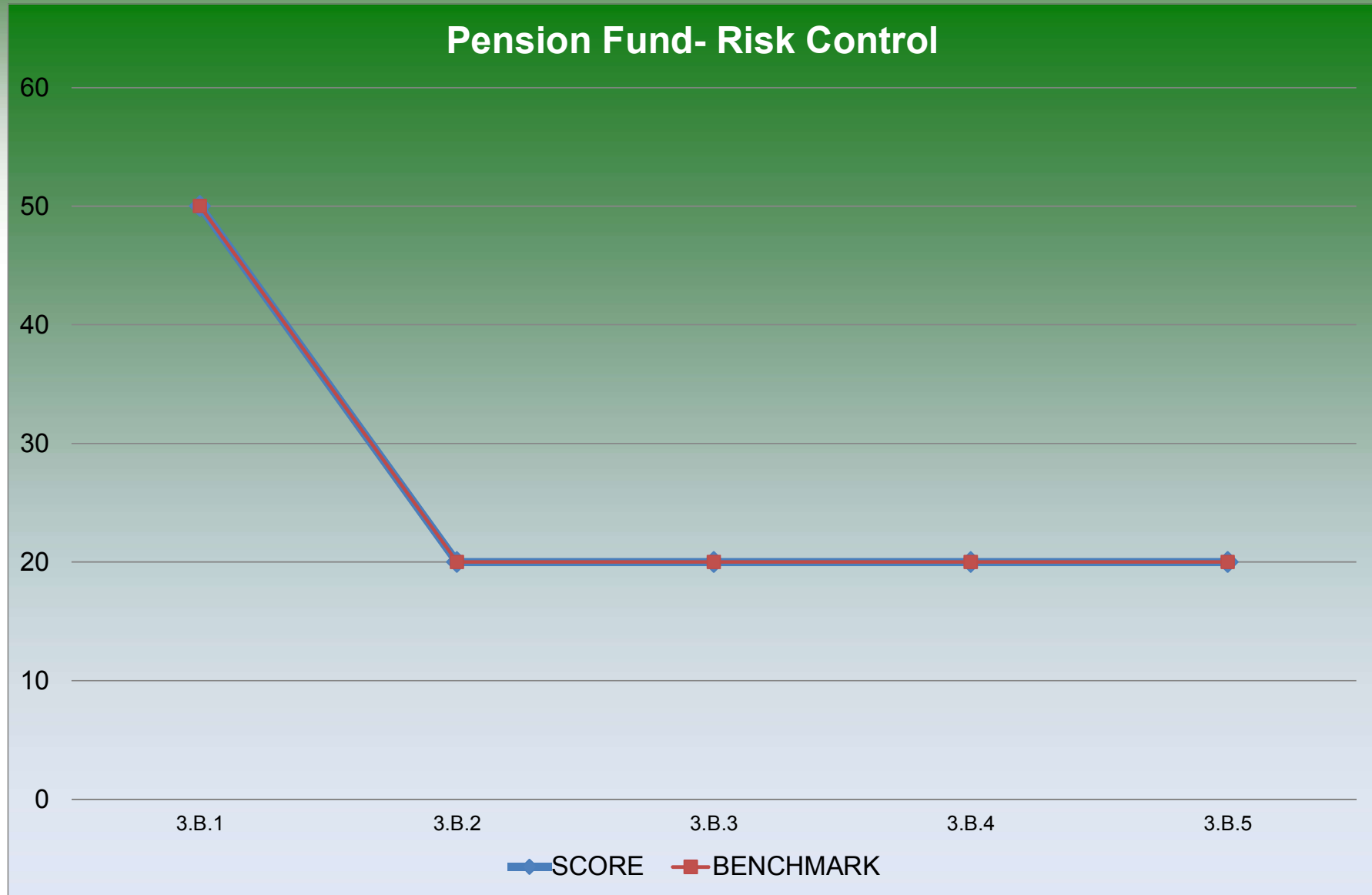
8. GOVERNANCE

| AREA 3 – PENSION FUND | Score | Benchmark | Level of fulfilment | Weighted level of fulfilment |
|--------------------------------------|--------------|------------------|----------------------------|-------------------------------------|
| Target A. Operating Processes | 190 | 230 | 83% | 82% |
| Target B. Risk Control | 130 | 130 | 100% | 100% |
| Target C. Supervision | 140 | 290 | 48% | 47% |
| Target D. Transparency | 35 | 100 | 35% | 33% |
| TOTAL AREA 3 – PENSION FUND | 495 | 750 | 66% | 66% |

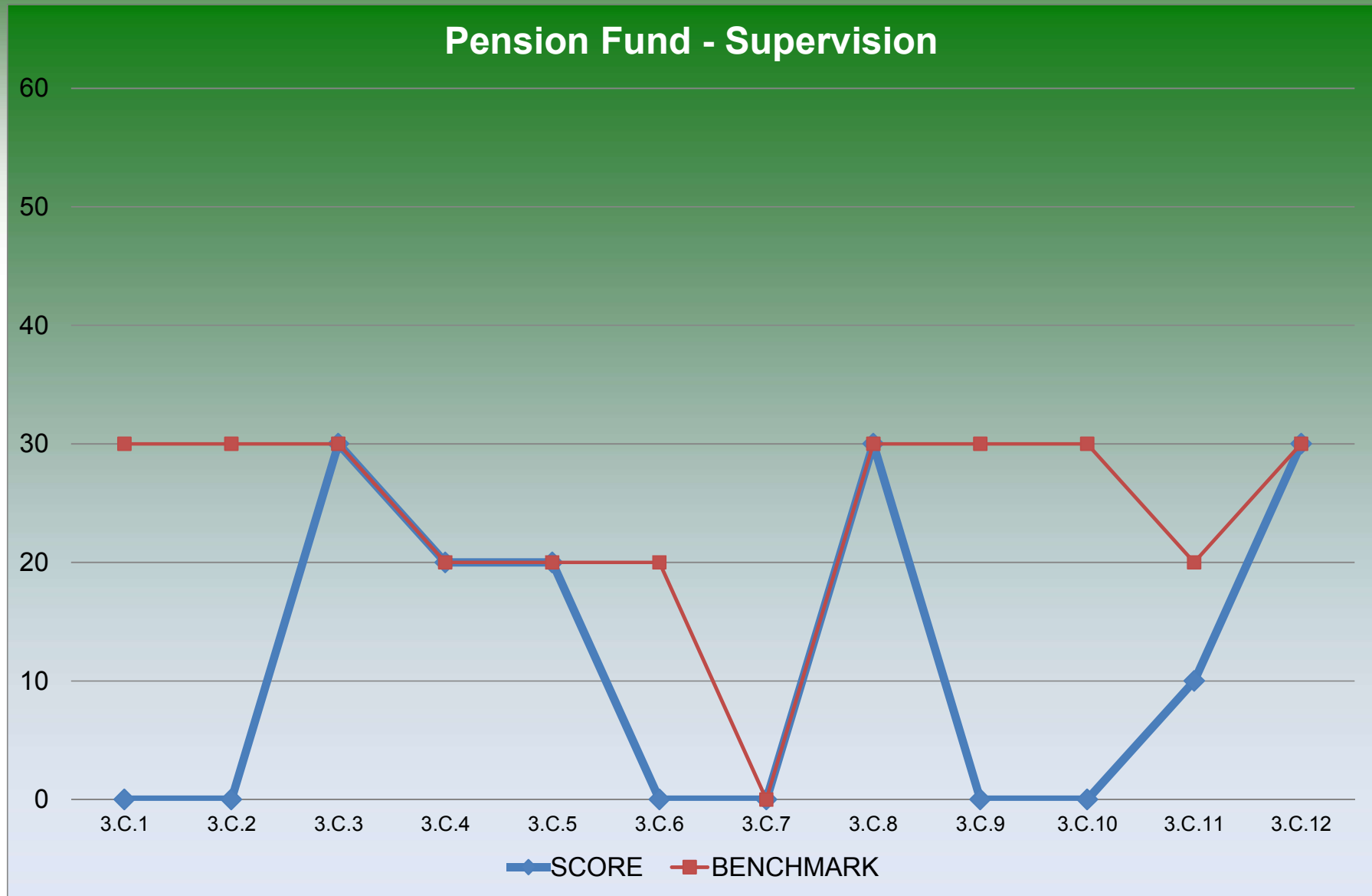
8. GOVERNANCE



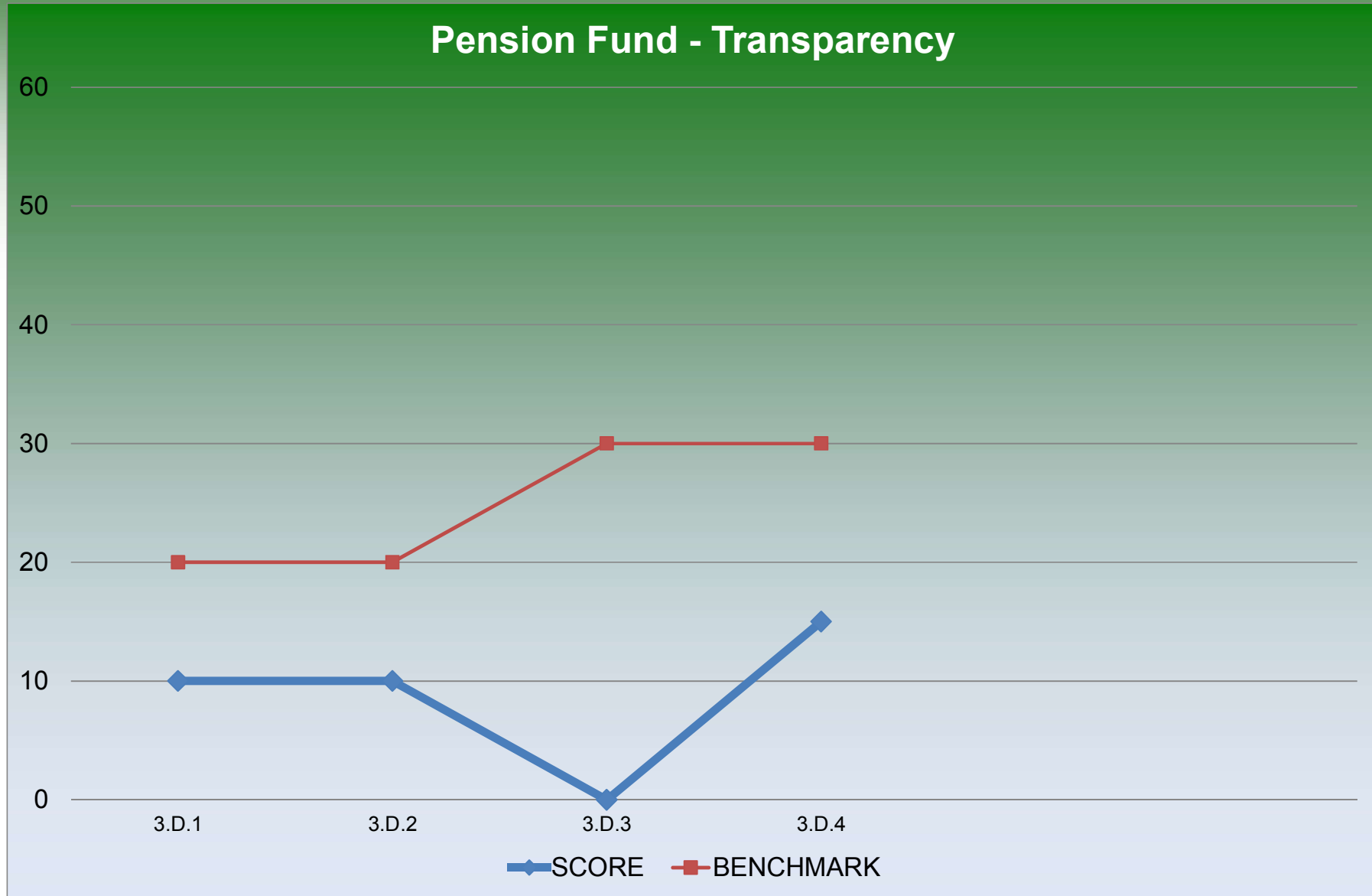
8. GOVERNANCE



8. GOVERNANCE



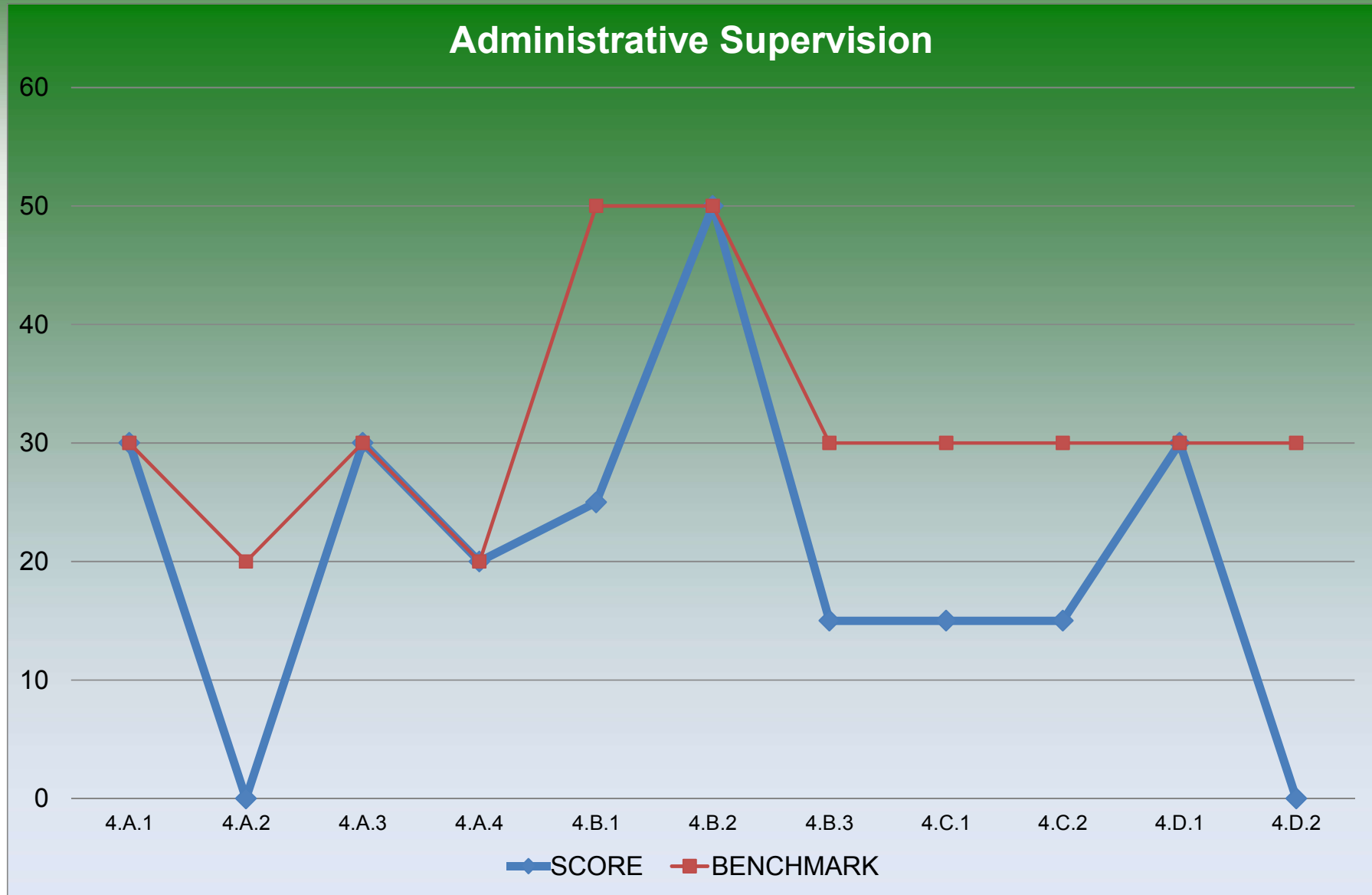
8. GOVERNANCE



8. GOVERNANCE

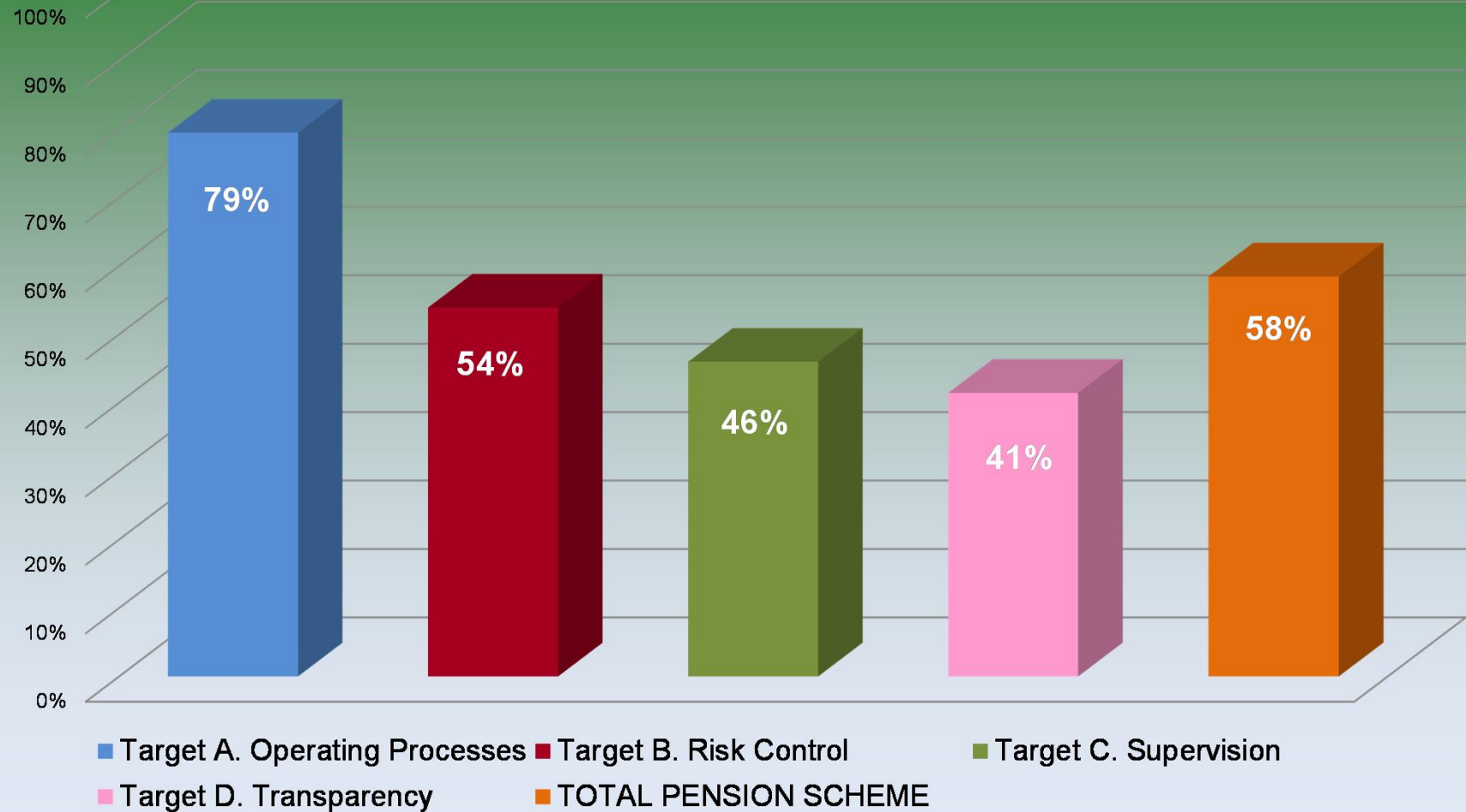
| AREA 4 – ADMINISTRATIVE SUPERVISION | Score | Benchmark | Level of fulfilment | Weighted level of fulfilment |
|--|--------------|------------------|----------------------------|-------------------------------------|
| Target A. Operating Processes | 80 | 100 | 80% | 85% |
| Target B. Risk Control | 90 | 130 | 69% | 71% |
| Target C. Supervision | 30 | 60 | 50% | 50% |
| Target D. Transparency | 30 | 60 | 50% | 50% |
| TOTAL AREA 4 – ADMINISTRATIVE SUPERVISION | 230 | 350 | 66% | 68% |

8. GOVERNANCE



8. GOVERNANCE

Level of fulfilment by Target

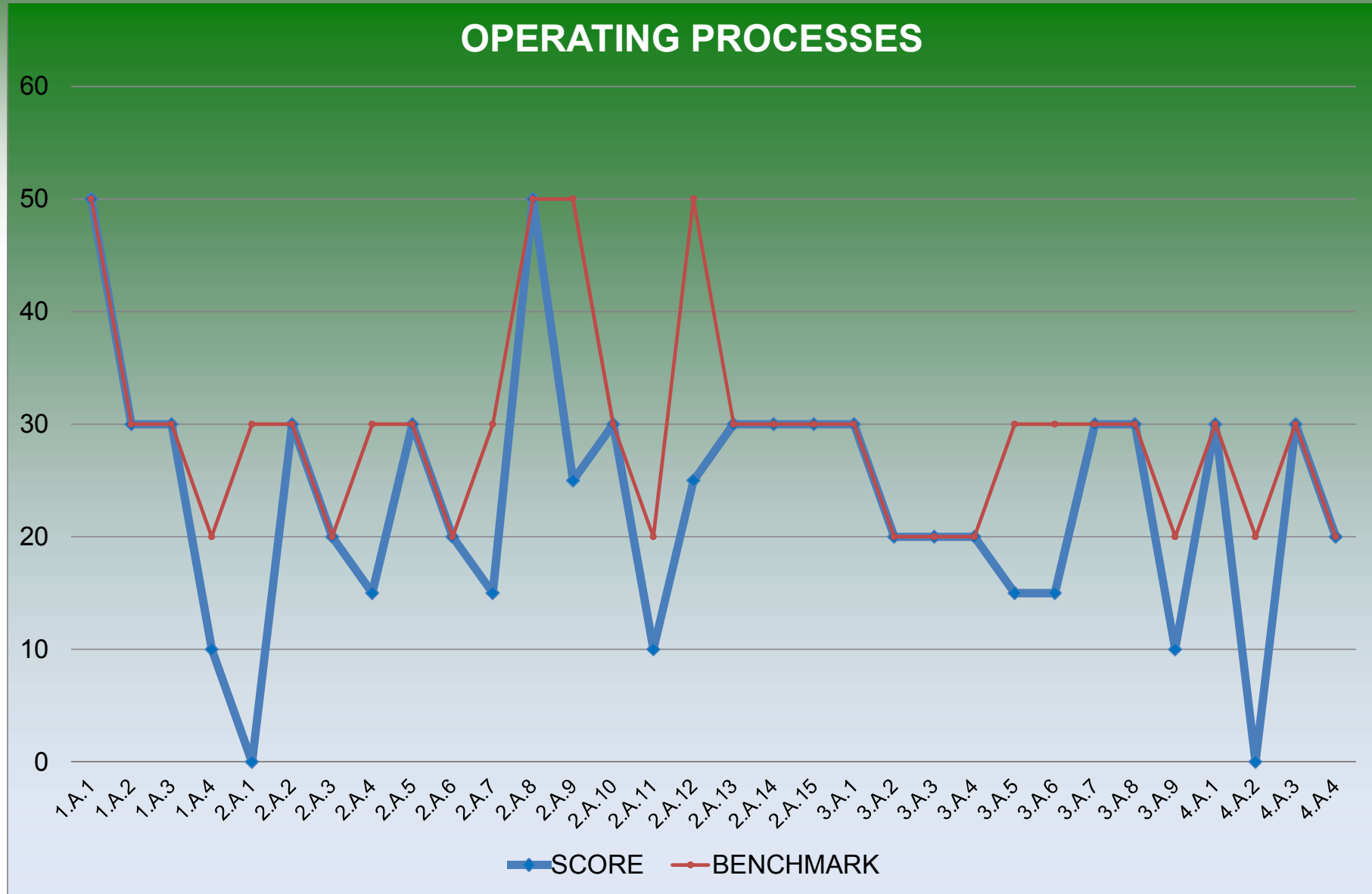


8. GOVERNANCE

| SUMMARY BY TARGET | Score | Benchmark | Level of fulfilment | Weighted level of fulfilment |
|-------------------------------|-------------|-------------|---------------------|------------------------------|
| Target A. Operating Processes | 750 | 940 | 80% | 79% |
| Target B. Risk Control | 360 | 620 | 58% | 54% |
| Target C. Supervision | 425 | 870 | 49% | 46% |
| Target D. Transparency | 165 | 390 | 42% | 41% |
| TOTAL PENSION SCHEME | 1700 | 2820 | 60% | 58% |

| TARGET A – OPERATING PROCESSES | Score | Benchmark | Level of fulfilment | Weighted level of fulfilment |
|---|------------|------------|---------------------|------------------------------|
| Area 1 - Pension Commitments | 120 | 130 | 92% | 96% |
| Area 2 - Pension Plan | 360 | 480 | 75% | 73% |
| Area 3 - Pension Fund | 190 | 230 | 83% | 82% |
| Area 4 - Administrative Supervision | 80 | 100 | 80% | 85% |
| TOTAL TARGET A – OPERATING PROCESSES | 750 | 940 | 80% | 79% |

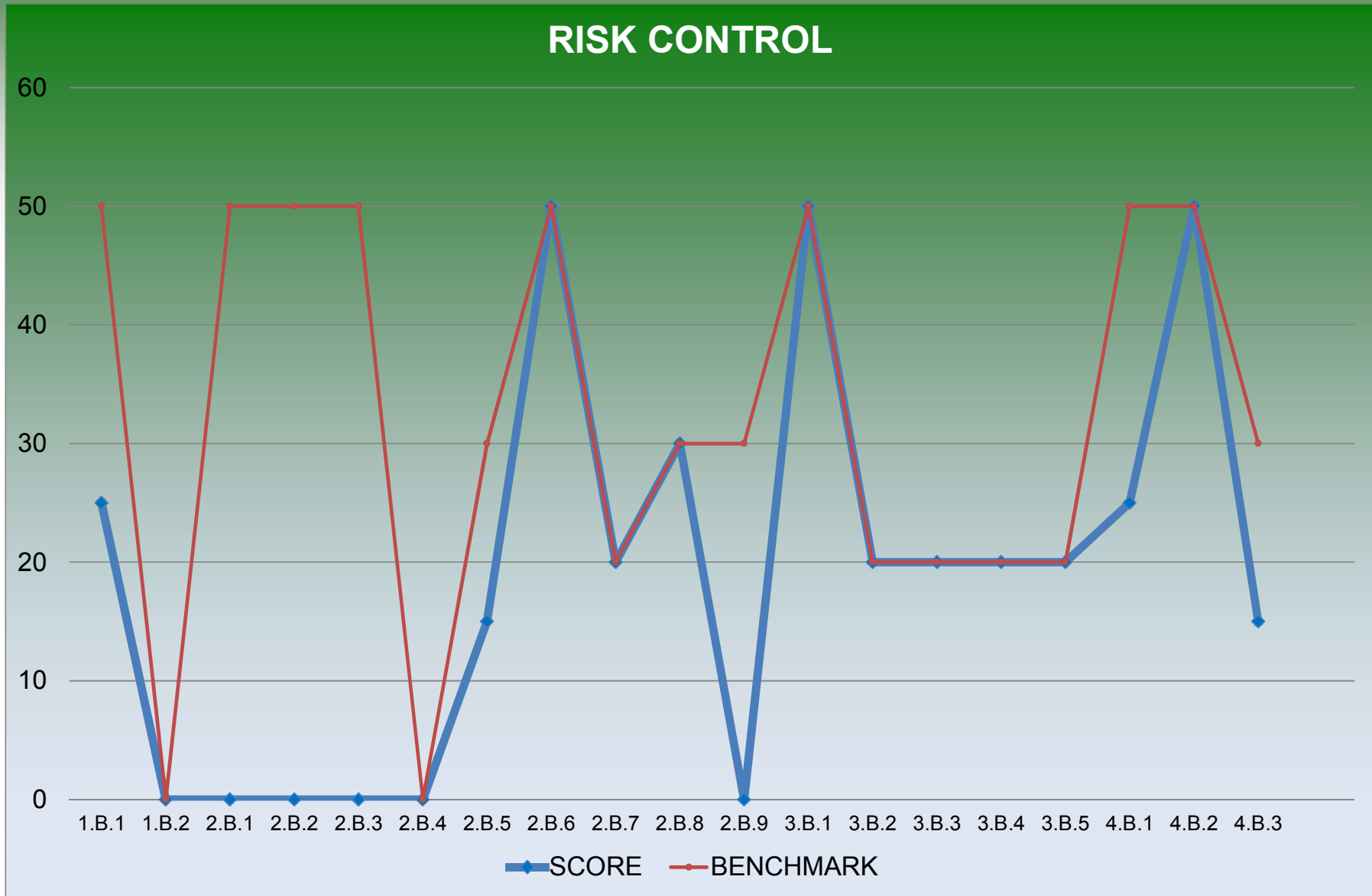
8. GOVERNANCE



8. GOVERNANCE

| TARGET B - RISK CONTROL | Score | Benchmark | Level of fulfilment | Weighted level of fulfilment |
|--------------------------------------|------------|------------|---------------------|------------------------------|
| Area 1 - Pension Commitments | 25 | 50 | 50% | 50% |
| Area 2 - Pension Plan | 115 | 310 | 37% | 32% |
| Area 3 - Pension Fund | 130 | 130 | 100% | 100% |
| Area 4 - Administrative Supervision | 90 | 130 | 69% | 71% |
| TOTAL TARGET B - RISK CONTROL | 360 | 620 | 58% | 54% |

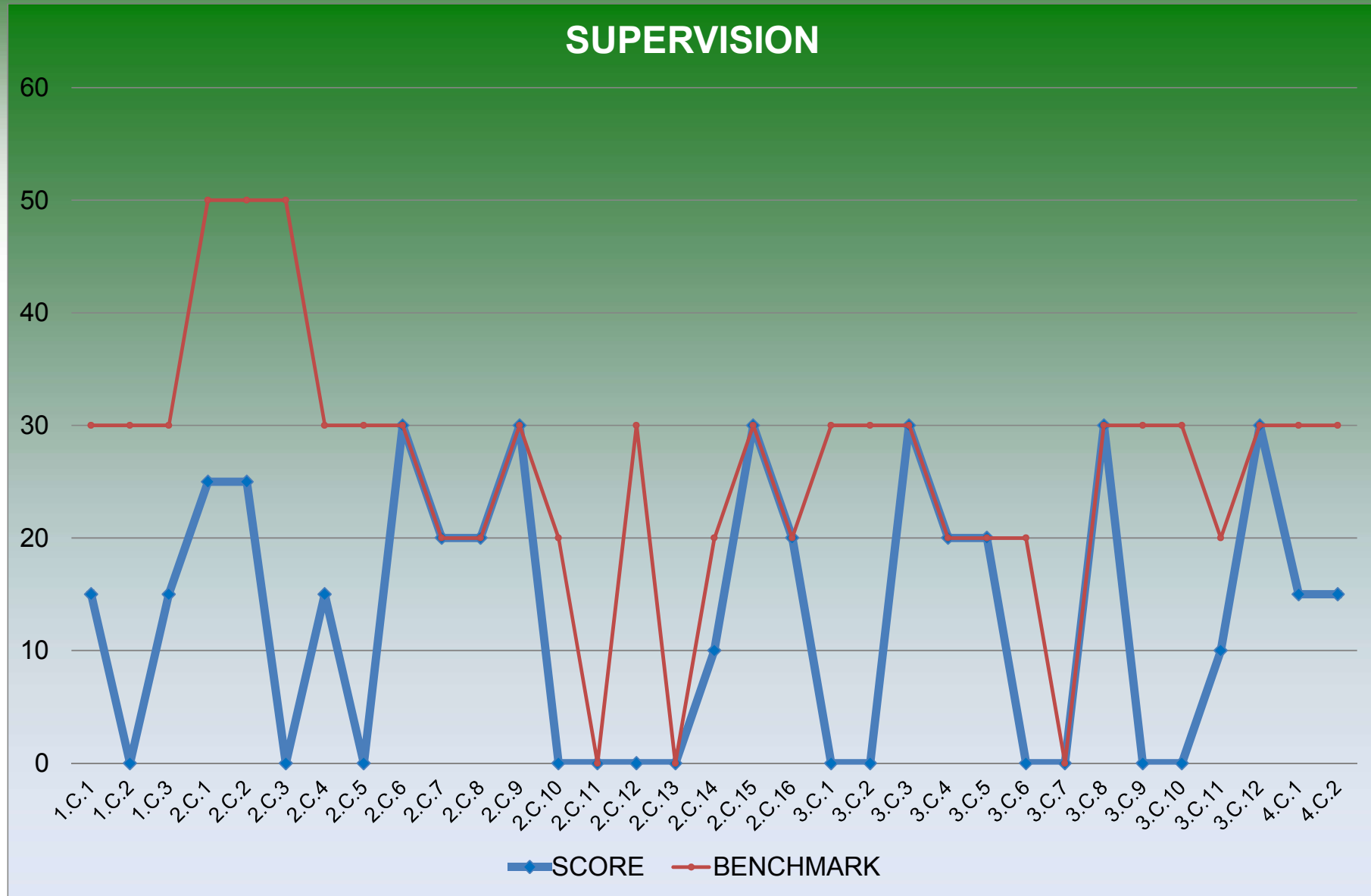
8. GOVERNANCE



8. GOVERNANCE

| TARGET C – SUPERVISION | Score | Benchmark | Level of fulfilment | Weighted level of fulfilment |
|-------------------------------------|------------|------------|---------------------|------------------------------|
| Area 1 - Pension Commitments | 30 | 90 | 33% | 33% |
| Area 2 - Pension Plan | 225 | 430 | 52% | 47% |
| Area 3 - Pension Fund | 140 | 290 | 48% | 47% |
| Area 4 - Administrative Supervision | 30 | 60 | 50% | 50% |
| TOTAL TARGET C – SUPERVISION | 425 | 870 | 49% | 46% |

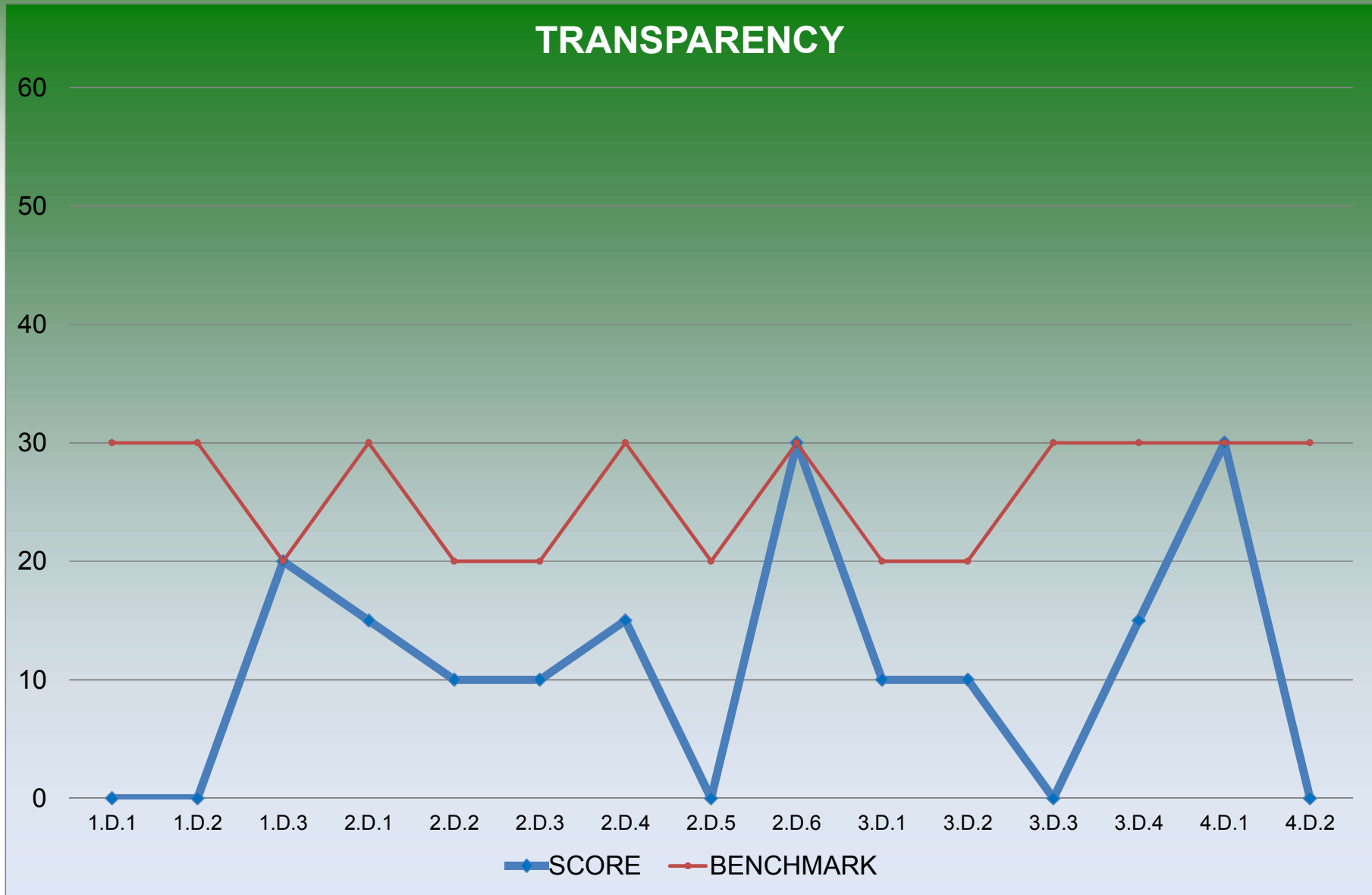
8. GOVERNANCE



8. GOVERNANCE

| TARGET D – TRANSPARENCY | Score | Benchmark | Level of fulfilment | Weighted level of fulfilment |
|--------------------------------------|------------|------------|---------------------|------------------------------|
| Area 1 - Pension Commitments | 20 | 80 | 25% | 18% |
| Area 2 - Pension Plan | 80 | 150 | 53% | 56% |
| Area 3 - Pension Fund | 35 | 100 | 35% | 33% |
| Area 4 - Administrative Supervision | 30 | 60 | 50% | 50% |
| TOTAL TARGET D – TRANSPARENCY | 165 | 390 | 42% | 41% |

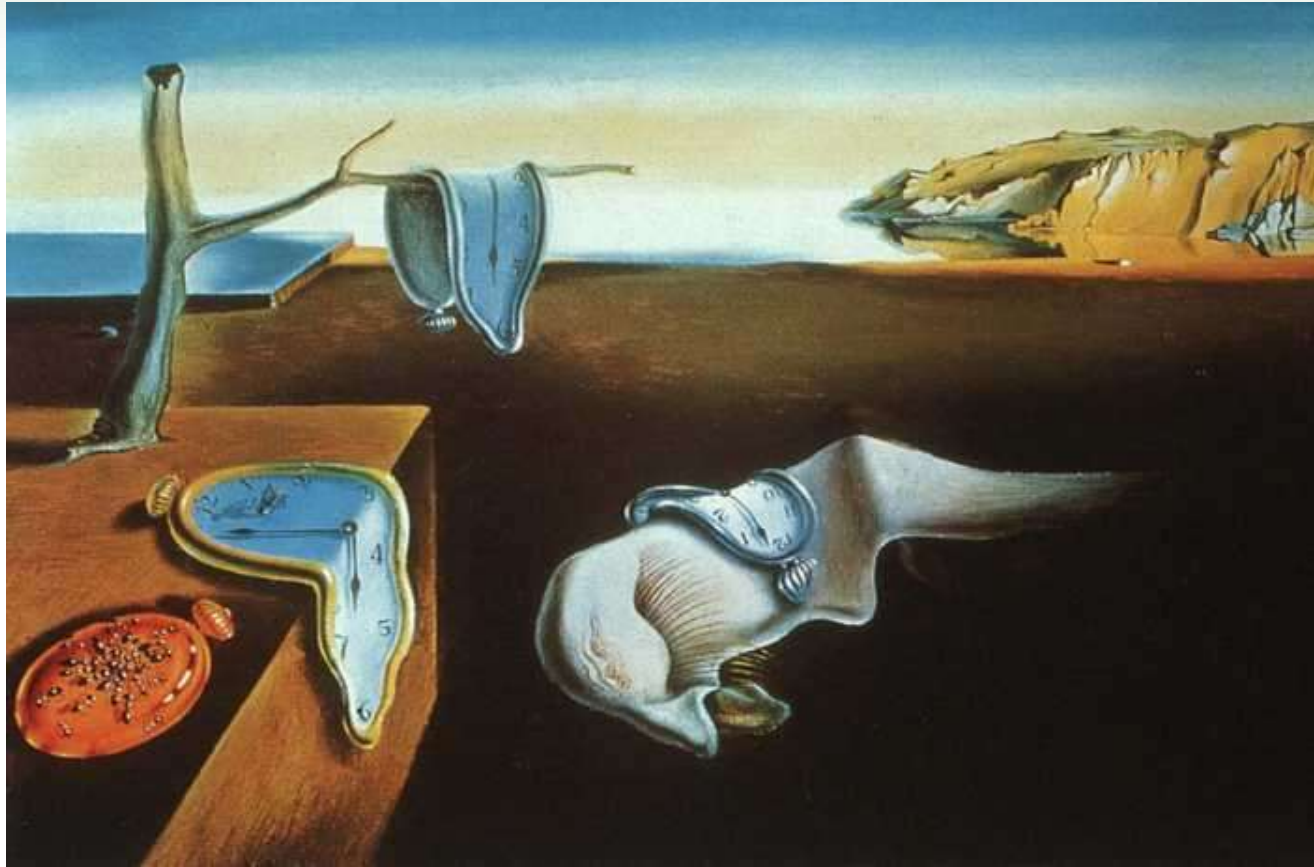
8. GOVERNANCE



8. GOVERNANCE

| | | TOTAL | PARTIAL | NIL |
|--|-----------|-------|---------|-------|
| L E V E L O F N E C E S S I T Y | ESSENTIAL | 5/15 | 6/15 | 4/15 |
| | IMPORTANT | 22/49 | 14/49 | 13/49 |
| | ADVISABLE | 17/30 | 9/30 | 4/30 |
| | TOTAL | 44/94 | 29/94 | 21/94 |

Gracias, Merçi, どうもありがとうございます
した, Thank you very much



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