



**Minimum Transparency Requirements
for Fund-of-Fund Hedge Funds:**

ABP & PGGM Pension Fund's Perspective

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Minimum Information Requirements

– Monthly (I)

- **Equity Exposures from Cash Instruments and Equity Derivatives:**
Per style, per country, per sector, per currency, split between long and short positions:
 - » Gross exposure
 - » Weighted Average Market Capitalization
- **Fixed Income Exposures from Cash Instruments and FI Derivatives**
Per style, per country, per currency, split between long and short positions:
 - » Gross exposure
 - » Effective duration (term structure risk)
 - » Spread duration (credit risk)
- **Currency Exposures from Cash Positions and FX Derivatives:**
Per currency:
 - » Net exposure

Minimum Information Requirements

– Monthly (II)

- Breakdown of gross long and gross short exposures into styles and managers
- Amount of leverage, per manager, per style and for the portfolio as a whole, using relevant measures
- NAV of total portfolio and weights of each style and manager
- Total return (after fees) per manager, per style as well as for the total portfolio + breakdown into relevant return sources
- Results of regular stress tests and liquidity analysis
- Total risk of the portfolio (both ex-ante as ex-post) as well as per style and per manager (using applicable risk measures)

Minimum Information Requirements

– Quarterly

- **Management report, covering the issues mentioned before, especially focusing on risk and performance for the total portfolio, per manager and per style**
- **Review on portfolio allocation as well as proposed changes in the allocation**
- **Review and outlook on style and sector developments**
- **Reports on systematic data collection**
- **Un-audited financial statements (incl. P&L) on the FOF portfolio from the investment manager**

Minimum Information Requirements

– Annually

- **Gross and net amount of derivatives in the total portfolio, specified into the various categories (swaps, futures, etc); number of positions, % of total long and % of total short market value**
- **Confirmation of valuation principles (or changes herein)**
- **Audited financial statements for the underlying hedge fund managers**
- **Audited financial statements (incl. P&L) on the FOF portfolio from the external auditors**