

LEGISLATION AND FINANCIAL STRATEGY

GIORNATA NAZIONALE DELLA PREVIDENZA

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MAIN MESSAGES

1. Legislation has had a strong impact on the financial strategy of pension funds in the Netherlands
2. More diversification is better
3. Important “threat”: longevity

NEW LEGISLATION

1. Investment limits

until 1996: investments in the Netherlands
all in Fixed Income

from 1996: no limits

2. Valuation of pension liabilities

until 2007: valuation using fixed discount rate of 4%

from 2007: valuation based on market rates

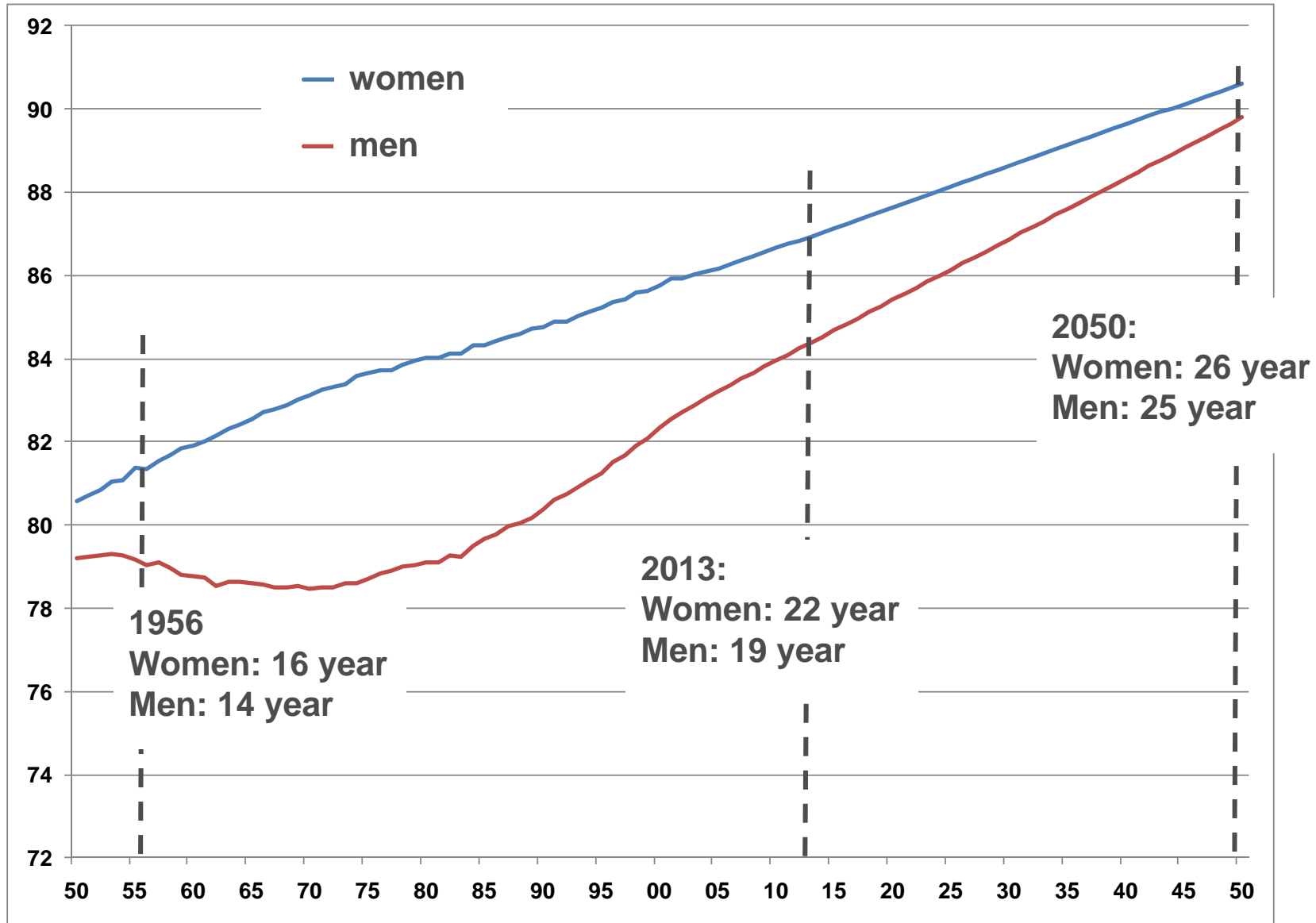
APG: INVESTMENT MIX 1970 – 2012

privatization ↓

new legislation ↓

	1970	1980	1990	2000	2005	2009	2013
Fixed Income	96%	95,5%	88%	50%	40%	33%	26%
Index loans	-	-	-	-	4%	7%	12%
Equity	0,5%	0,5%	5%	39%	37%	34%	29%
Real Estate	3,5%	4%	7%	10%	10%	9%	9%
Infrastructure	-	-	-	-	-	2%	3%
Private Equity	-	-	-	1%	3%	5%	6%
Commodities	-	-	-	-	3%	3%	4%
Hedge funds	-	-	-	-	3%	5%	8%
Liability hedging alt.	-	-	-	-	-	-	1%
Opportunities	-	-	-	-	-	2%	2%
Interest swap-overlay	-	-	-	-	-	25%	25%
Currency overlay	-	-	-	100%	80%	80%	80%
Total AuM (€bln)	10	37	67	149	190	200	300

LIFE EXPECTANCY 65-YEAR OLDS NL



Source: CBS (2012)