November 2nd 2004

FOUNDER MEMBERS OF ENHANCED ANALYTICS INITIATIVE EXPLAIN PERFORMANCE CRITERIA

The founder members of the Enhanced Analytics Initiative (EAI) today explained the criteria they will use to evaluate the performance of brokers who are participating in the Initiative. In a meeting in London with senior representatives of global & regional brokers to explain how the Initiative will work, the EAI members set out five baseline criteria which they will use to evaluate broker performance:

- The *comprehensiveness* of the range of extra-financial issues analysed
- The ability of brokers to make company-specific assessments which permit *comparison between companies*
- Whether there is *integration* of the results of both financial and extra-financial analysis
- Whether brokers have succeeded in providing the r*esearch universe required to* match the broad investable universes of the members
- The *responsiveness* of the service especially given the front-loaded commitments of the EAI members

The EAI has been established by a group of institutional investors to address one of the key obstacles to investors taking a longer-term and more rounded assessment of corporate performance – namely the current focus of much sell-side research. Collectively, the founding members of the EAI manage approximately €364 billion (£254 or $465 billion) and anticipate allocating in the order of €4-5 million during to 2005 to brokers who excel at integrating extra-financial analysis into their mainstream research process. This figure represents 5% of their combined total broker commissions.

The founding members include:

- BNP Paribas Asset Management (FR)
- PGGM (NL)
- RCM (UK), AGF Asset Management (France), Deutscher Investment Trust (dit) and dresdnerbank investment management (dbi) (Germany)
- Universities Superannuation Scheme (UK)

At the meeting, the fund managers also told brokers how allocations for 2005 will be informed by a baseline evaluation being undertaken by an independent consultant, Ivo Knoepfel of onValues Ltd. The assessment will include a retrospective evaluation of relevant research reports looking at coverage of sectors, issues and companies and past service quality, as well as an evaluation of the specific forward-looking commitments that brokers are able to make on doing research and gearing up.

Brokers present at the meeting included: ABN Amro, Arbuthnot, Bank of America, Bank of New York, Bear Stearns International, CAI Cheuvreux, Cazenove & Co, CIC Securities, CLSA, Citigroup Smith Barney, Danske Equities, Deutsche Bank, Dresdner Kleinwort Wasserstein, Exane BNP Paribas, Friedman Billings & Ramsey, Goldman Sachs, HSBC, ING Financial Markets, Instinet, JP Morgan, Lehman Brothers, Merrill Lynch, Morgan Stanley, Nomura International, Numis Securities Ltd, Oddo Securities, Oriel Securities, UBS and West LB.

Peter Moon, CIO of the Universities Superannuation Scheme said today:
"We have seen some very interesting examples of brokers doing this sort of work but it's clear that they lack a case for doing it systematically. They need a transparent commitment, something they could hold us accountable to. And above all they need us to break the chicken and egg dilemma that currently exists, so they can start gearing up. Because we're serious about this development, we've done that. But in the same way, we'll also be looking to get our money's worth."

Neil Dwane, CIO of RCM commented:
"This is not about getting a few more brokers to produce some more bespoke SRI research. This is the start of a process to create a business case for brokers to want to integrate analysis of intangibles into their mainstream process. We will have succeeded when all brokers integrate analysis of all material investment issues into all of their notes. But in the medium term, we will be happy with 5-10 brokers doing this more systematically than is currently the case, so that we can promote transparent accountability of managements and meet the fiduciary duties to our investors."

Philippe Lespinard, CIO of BNP Paribas said:
"We thought about just doing this project by ourselves but although we are a big client, we concluded we would still have a bigger impact by doing this jointly. Probably the biggest factor was hearing from brokers that the more we could send coordinated signals about our priorities, the more likely it was they would gear up in the short-term. It is in our interests that they put their development plans on a secure footing because we are in this for the long-term."

Måns Lönnroth, CEO of Mistra
"On the basis of what we have learned from our research into sustainable development, we believe that there is an urgent need to understand and incorporate non-financial issues into the investment process much more broadly than is currently common practice. Brokers can be a big part of the way forward and we hope this initiative will ultimately improve the way assets are managed."

Roderick Munsters, CIO of PGGM
"Some people say why only six founding funds? Well, when something is common sense but not common practice, there are always some tricky roadblocks. We have been able to make a decision to do this, but the really important people are our colleagues in the industry. The only importance of the founder group is that we have got the stone moving, but it is the avalanche we need."

Notes to editors:

About AGF Asset Management
AGF Asset Management (AGF AM) is the Asset Management company of the AGF Group, itself a subsidiary of Allianz AG. As such, AGF AM is associate member of AGI (Allianz Global Investors), the Allianz Group's asset management business line. AGI is one of the biggest asset managers in the world and manages €753bn (of witch 599bn for third party distribution). With €64 bn of assets under management and 210 employees (including 60 analysts and portfolio managers), AGF AM is one of the leading players on the French market.

About BNP Paribas Asset Management
BNP Paribas Asset Management is one of the leading players in European fund management, with EUR 195.6* billion of assets under management (as of June 30th, 2004). The asset management business employs over 1,300 staff in 20 countries. Its fund management teams are active in all of the world's major financial markets, including Paris, London, New York, Philadelphia and Tokyo and Hong Kong. They are specialised by asset class, investment style and geographical area.
** All figures include BNP PAM's affiliates and BNP Paribas Group assets we advise on our affiliates*

About Mistra
Mistra is a foundation that supports research of strategic importance for a good living environment, solving major environmental problems and contribute to the development of a sustainable society. It distributes about SEK 250 million a year to environmental research. At the beginning of 2004, the foundation's capital amounted to SEK 3.3 billion.

About PGGM
With a total pension capital of around EUR 57 billion, PGGM provides former and current employees in the healthcare and social work sector with a comprehensive and broad-ranging pension package at as low a price as possible. The fund spreads its investments – both in the Netherlands and in the rest of the world – over equities, fixed-interest securities, real estate, private equity and commodities. Its investment policies focus specifically on sustainability and careful application of Asset Liability Management. PGGM is based in Zeist and has over 1,200 employees.

About RCM
RCM is part of Allianz Global Investors, the asset management arm of Allianz AG. RCM has investment offices in Frankfurt, London, Hong Kong, Tokyo, San Francisco and Sydney with over 270 investment professionals worldwide. RCM's investment philosophy is based on fundamental research. RCM's German operations are integrated with dit and dbi the retail and institutional German businesses of Allianz Dresdner Global Investors. Allianz AG has combined

assets of EUR 1,066 billion as at 30/06/04 of which Allianz Global Investors has third party assets under management of EUR 599 billion.

About USS

USS Ltd, with nearly 200,000 members and assets of approximately EUR 28.5 billion, is one of the largest pension funds in the UK and Europe. USS's Directors believe that companies which manage corporate responsibility well, and which have good standards of corporate governance, will - all else being equal - prove to be better long-term investments. The fund also believes that it is in the fund's interests to encourage companies that perform poorly on these issues to improve their performance, as this too is likely to add value to the fund over the long term.

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