

TITLE:

Monthly Performance and Portfolio Report – April 2015

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EVENT | PRESENTATION:

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Overview

- The Fund returned 1.23% in April 2015. As at 30 April 2015 the Fund was worth \$29.32 billion.

| | As at 30 April 2015 (unaudited) |
|--|--|
| Fund size | \$29.32 billion |
| Value of NZ investments | \$3.9 billion or 14.8% of investments* |
| Return since inception (30 September 2003) | 10.24% p.a. |
| Last 5 years | 15.28% p.a. |
| Last 3 years | 18.87% p.a. |
| Last 12 months | 18.64% |
| April 2015 | 1.23% |

Because of its weighting to growth assets, the Fund can experience large short-term movements. As a long-term investor we have a greater-than-average ability to withstand this volatility. Shifts in value from month to month must be seen in the context of the Fund's long-term purpose and performance.

Fund returns are unaudited and calculated before NZ tax and after costs. We consider tax paid as a return to the Crown.

* The value given for NZ investments excludes cash and foreign exchange hedging instruments.

Performance summary

- The Fund measures its performance in two ways:
 - relative to the NZ 90 day Treasury Bill return; and
 - relative to a passive [Reference Portfolio](#) benchmark.

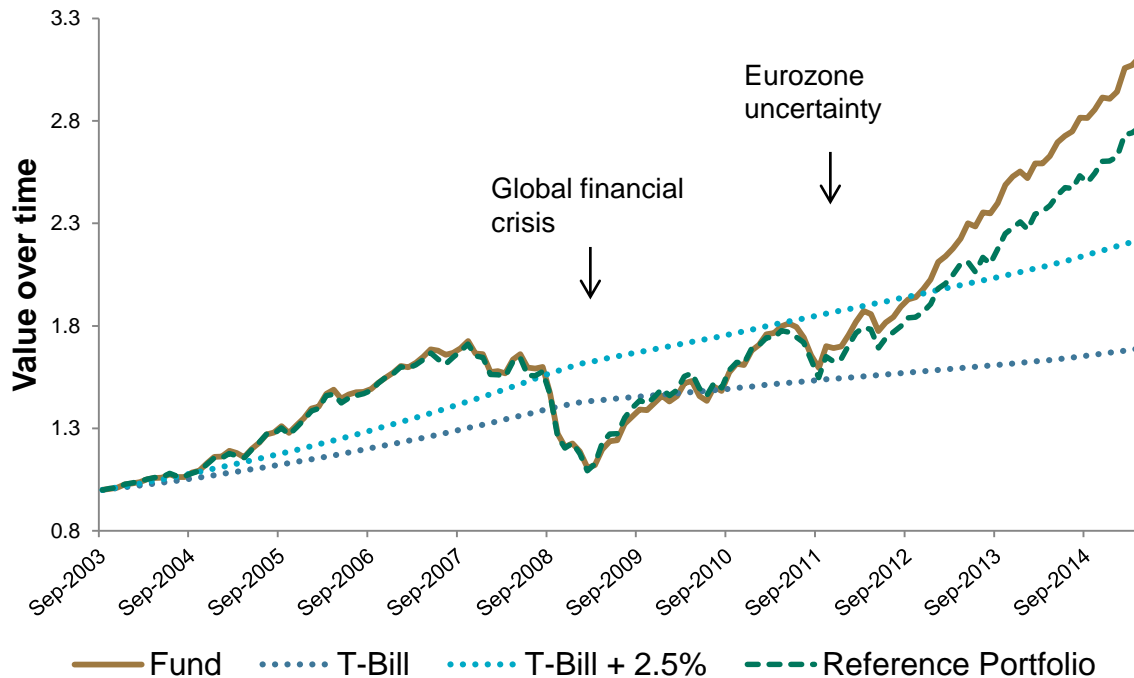
Given the investment risk of the Fund, over the long-term (rolling 20 year periods) we expect to exceed the New Zealand Treasury Bill return by at least 2.5% p.a.

| Performance as at 30 April 2015 | April 2015 | Last 12 months | Last 3 years p.a. | Last 5 years p.a. | Since inception p.a. |
|---------------------------------|------------|----------------|-------------------|-------------------|----------------------|
| Actual Returns | 1.23% | 18.64% | 18.87% | 15.28% | 10.24% |
| Reference Portfolio Return | 1.00% | 15.96% | 15.65% | 11.93% | 9.08% |
| Treasury Bill return | 0.28% | 3.39% | 2.75% | 2.72% | 4.59% |
| Treasury Bill return + 2.5% | 0.48% | 5.89% | 5.25% | 5.22% | 7.07% |

- For further information:
 - [Full list of monthly Fund returns since inception](#)
 - [Previous monthly reports](#)

Performance since inception

- This graph shows what has happened to the first dollar invested in the Fund over time.



Since inception the Guardians have added \$13.2 billion to the Fund, compared to the [Treasury Bill return](#).

Over the same period, as illustrated by the gap between the brown and green lines, the Guardians' active investment strategies have added an estimated \$3.6 billion in value to the Fund, compared to the passive [Reference Portfolio](#) benchmark.

Performance since inception

- The Fund's long-term performance expectation is that it will beat the Treasury Bill return by at least 2.5% (over rolling 20 year periods). Since inception, the Fund has exceeded the Treasury Bill return by 5.64%.

| Performance as at 30 April 2015 | Since inception (30 September 2003) |
|--|-------------------------------------|
| Actual Fund return | 10.24% p.a. |
| NZ Treasury Bill return | 4.59% p.a. |
| Net Return (actual Fund return minus NZ Treasury Bill return) | 5.64% p.a. |
| Estimated \$ earned relative to NZ Treasury Bills | \$13.188 billion |
| Reference Portfolio return | 9.08% p.a. |
| Value added by active investment (actual Fund return minus Reference Portfolio return) | 1.16% p.a. |
| Estimated \$ earned relative to Reference Portfolio | \$ 3.586 billion |

Fund size breakdown

| | April 2015 | Last 12 months | Last 3 years | Last 5 years | Since inception |
|---|------------------------|------------------|------------------|------------------|------------------|
| Contributions received | \$0 billion | \$0 billion | \$0 billion | \$0 billion | \$14.88 billion |
| Returns (after fees and foreign tax, and before NZ tax) | \$0.37 billion | \$4.50 billion | \$12.31 billion | \$15.81 billion | \$19.04 billion |
| NZ tax (paid) / received* | \$(0.00) billion | \$(0.72) billion | \$(2.24) billion | \$(3.18) billion | \$(4.61) billion |
| Other movements** | \$0 billion | \$0.04 billion | \$0.03 billion | \$(0.02) billion | \$0.01 billion |
| Closing Fund balance as at 30 April 2015 | \$29.32 billion | | | | |

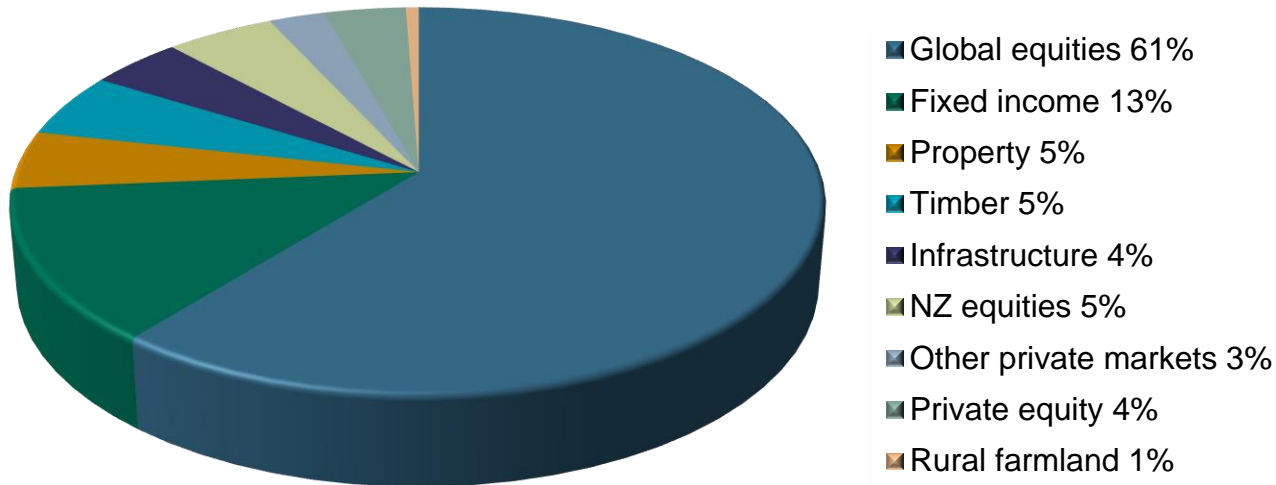
* Tax 'received' covers any instances of refunds for overpayment of tax

** Other movements relate to transactions other than tax paid or received e.g. tax expense, movements in reserves.

Asset class exposures

- This graph shows the Fund's economic exposures as a percentage of Fund value (prior to the impact of any strategic tilting positions). For further information on how the Fund's capital is allocated and our strategic tilting activities see <https://www.nzsuperfund.co.nz/how-we-invest>.

Asset class exposures as at 30/04/15



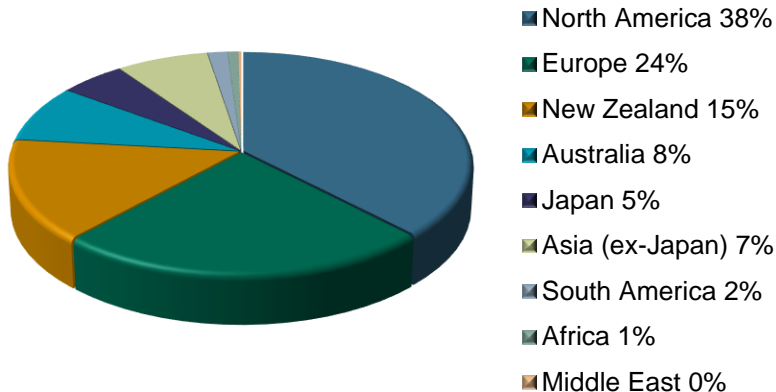
Where we invest

- These graphs illustrate the Fund’s investments by geographic region.

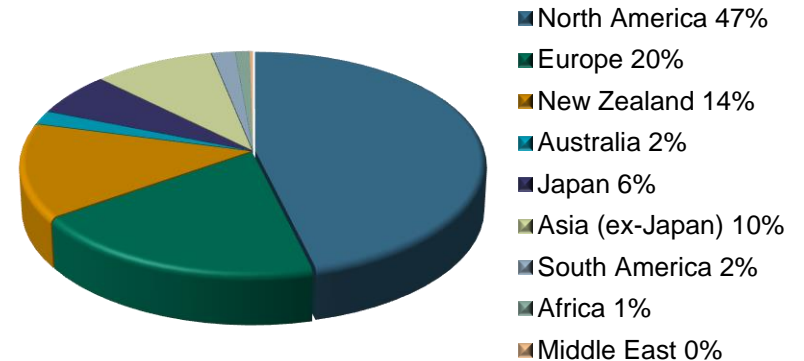
The left-hand analysis breaks down ‘investments’, as categorised in the statutory accounts, by their **value**, excluding foreign exchange hedging instruments such as FX contracts and cross currency swaps, plus investments in rural and forest land.

The right-hand analysis breaks down the Fund as a whole by economic **exposure**, again, excluding hedging instruments, as well as cash; collateral held to back derivative positions; and market neutral investments (e.g. arbitrage trades or hedge funds).

Investments by value as at 30/4/15



Investments by economic exposure as at 30/4/15



Largest equity holdings as at 30/04/2015

| NZ listed equities | Value \$NZm | % of Fund | International listed equities | Value \$NZm | % of Fund |
|---------------------------------------|------------------------|------------------|--------------------------------------|------------------------|------------------|
| Z Energy | 380.0 | 1.3% | Apple | 166.9 | 0.6% |
| Metlifecare | 204.7 | 0.7% | Zurich Airport | 117.3 | 0.4% |
| Fletcher Building | 141.2 | 0.5% | Microsoft | 86.4 | 0.3% |
| Fisher & Paykel Healthcare | 113.3 | 0.4% | Exxon Mobil | 84.4 | 0.3% |
| Spark New Zealand | 109.1 | 0.4% | Samsung Electronics | 77.8 | 0.3% |
| Auckland Airport | 97.3 | 0.3% | Simon Property Group | 63.8 | 0.2% |
| Meridian Energy | 89.3 | 0.3% | Johnson & Johnson | 63.6 | 0.2% |
| Summerset Group Holdings | 63.4 | 0.2% | Copenhagen Airport | 63.0 | 0.2% |
| Contact Energy | 58.3 | 0.2% | Wells Fargo & Co | 62.4 | 0.2% |
| Ryman Healthcare | 58.2 | 0.2% | General Electric | 62.0 | 0.2% |

* A full list of the Fund's equity holdings is published annually: see <https://www.nzsuperfund.co.nz/publications/annual-equity-listings>.

Substantial Security Holdings

- A Substantial Security Holder (SSH) is a person with a relevant interest in 5% or more of the total voting securities of a public issuer. This table sets out the companies in which the Fund or related entities were Substantial Security Holders as at 30 April 2015.

| Date last SSH filing made | Security name | Percentage holding at date of filing | Exchange |
|---------------------------|---|--------------------------------------|-------------|
| 28-Feb-2014 | Z Energy | 20.00 | New Zealand |
| 25-Oct-2013 | Metlifecare | 19.90 | New Zealand |
| 29-Jul-2014 | Scales Corporation. Note: our effective stake is 7.67%, comprising 6.25% held directly and 1.42% via Direct Capital IV Fund. (The filing includes other relevant interests held by Direct Capital). | 18.05 | New Zealand |
| 2-Apr-2015 | Summerset Group Holdings | 8.37 | New Zealand |
| 2-Apr-2015 | Skellerup Holdings | 8.11 | New Zealand |
| 2-Apr-2015 | Metro Performance Glass | 7.92 | New Zealand |
| 2-Apr-2015 | Restaurant Brands | 7.59 | New Zealand |
| 2-Apr-2015 | Kathmandu Holdings | 5.73 | New Zealand |
| 2-Apr-2015 | A2 Milk Co | 5.59 | New Zealand |