GNZS CHOOSES INTERNAL MANAGEMENT
FOR PASSIVE NZ EQUITIES MANDATE

Auckland (20 July 2009) – The Guardians of New Zealand Superannuation today announced their decision to manage a passive NZ equities mandate internally rather than to use an external manager.

The decision means that the Guardians' relationship with Smartshares Ltd has ended.

Smartshares Ltd was appointed in September 2005 to manage a passive NZ equities mandate.

The decision to manage the mandate internally has been made in order to have greater flexibility, utilize the internal management capabilities the Guardians have developed and to reduce costs. The Guardians have had a professional and productive relationship with Smartshares.

The decision does not affect the allocation of the New Zealand Superannuation Fund to NZ equities.

The Guardians work with investment managers around the world to execute the Fund's investment strategy. A list of the Guardians' external investment managers can be found on the Fund's website www.nzsuperfund.co.nz.

ENDS
For more information please contact:

Paul Gregory, Head of Communications,
pgregory@nzsuperfund.co.nz, 09 308 2041, 021 274 9994

Notes to Editors:

About the New Zealand Superannuation Fund:

The New Zealand Superannuation Fund, which commenced investing at the end of September 2003, is designed to partially provide for the future cost of New Zealand superannuation. An ageing population means the cost of providing New Zealand superannuation is expected to double over the next 50 years. To prepare for this, the Government has made contributions to the Fund while the cost of superannuation is relatively low. The Fund will invest the money on a prudent but commercial basis and the Government will begin to make withdrawals from 2031, when the cost of superannuation has increased. As at 31 May 2009 the value of the Fund was NZ$13.1 billion. For more information visit www.nzsuperfund.co.nz