

TITLE:

# Monthly Performance and Portfolio Report – May 2013

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EVENT | PRESENTATION:

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# Overview

The Fund returned 3.38% in May 2013, reaching a month-end high of \$23.17 billion.

	As at 31 May 2013 (unaudited)
Fund size	\$23.17 billion
Value of NZ investments	\$3.3 billion or 20.8% of investments*
Return since inception (30 September 2003)	8.99% p.a.
Last 5 years	6.71% p.a.
Last 3 years	16.42% p.a.
Last 12 months	29.67%
May 2013	3.38%

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 rate; and
  - relative to a passive [Reference Portfolio](#) benchmark.

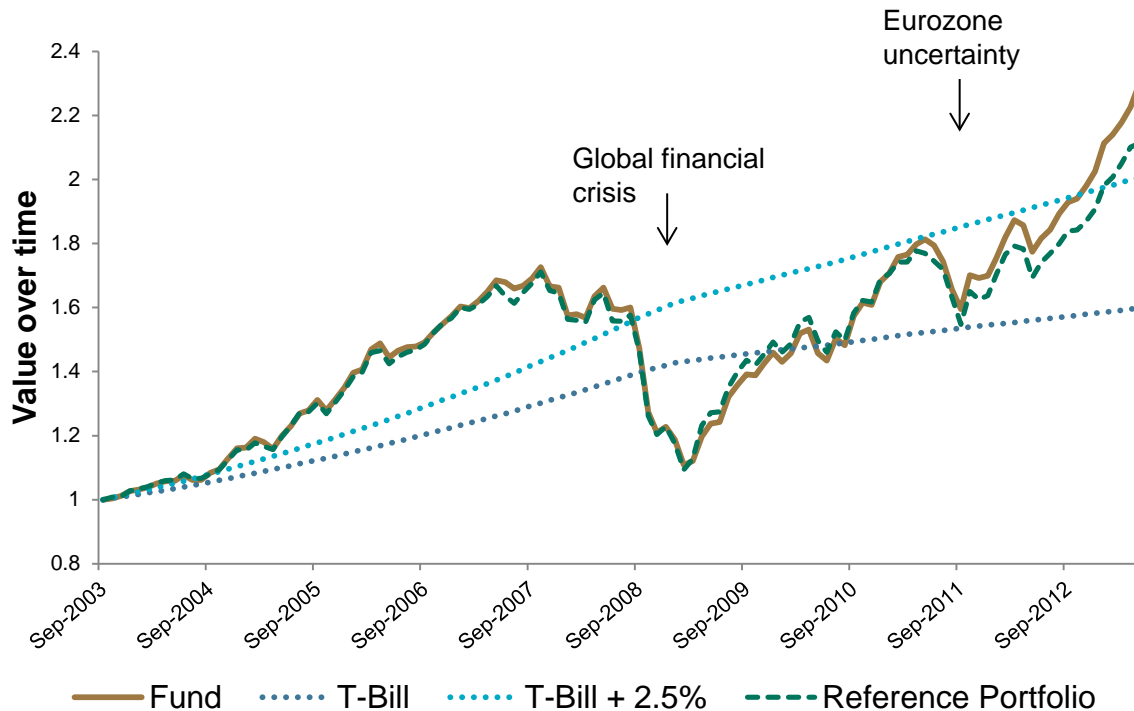
Given the investment risk of the Fund, over the long-term (rolling 20 year periods) we expect to exceed the New Zealand Treasury Bill rate by at least 2.5% p.a.

Performance as at 31 May 2013	May 2013	Last 12 months	Last 3 years	Last 5 years	Since inception
Actual Returns	3.38%	29.67%	16.42%	6.71%	8.99%
Reference Portfolio Return	0.56%	24.82%	12.19%	5.13%	8.04%
Treasury Bill rate	0.19%	2.42%	2.59%	3.25%	4.96%
Treasury Bill rate + 2.5%	0.39%	4.92%	5.09%	5.75%	7.46%

- 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 \$6.8 billion to the Fund, compared to the Treasury Bill rate.

Over the same period, as illustrated by the gap between the brown and green lines, the Guardians' active investment strategies have added an estimated \$2.1 billion in value to the Fund, compared to the Reference Portfolio benchmark.

# Performance since inception

The Fund's long-term performance expectation is that it will beat the Treasury Bill rate by at least 2.5% (over rolling 20 year periods). Since inception, the Fund has exceeded the Treasury Bill rate by 4.03%.

Performance as at 31 May 2013	Since inception (30 September 2003)
Actual Fund return	8.99%
NZ Treasury Bill return	4.96%
Net Return (actual Fund return minus NZ Treasury Bill return)	4.03%
Estimated \$ earned relative to NZ Treasury Bills	\$6.807 billion
Reference Portfolio return	8.04%
Value added by active investment (actual Fund return minus Reference Portfolio return)	0.95%
Estimated \$ earned relative to Reference Portfolio	\$2.145 billion

# Fund size breakdown

	May 2013	Last 12 months	Last 3 years	Last 5 years	Since inception
Contributions received	\$0 billion	\$0 billion	\$0 billion	\$2.65 billion	\$14.88 billion
Returns (after fees and foreign tax, and before NZ tax)	\$0.69 billion	\$5.51 billion	\$8.88 billion	\$7.38 billion	\$11.30 billion
NZ tax (paid) / received*	\$(0.09) billion	\$(0.68) billion	\$(1.57) billion	\$(1.60) billion	\$(3.00) billion
Other movements**	\$0.01 billion	\$0.00 billion	\$(0.00) billion	\$0.03 billion	\$(0.01) billion
Closing Fund balance as at 31 May 2013	<b>\$23.17 billion</b>				

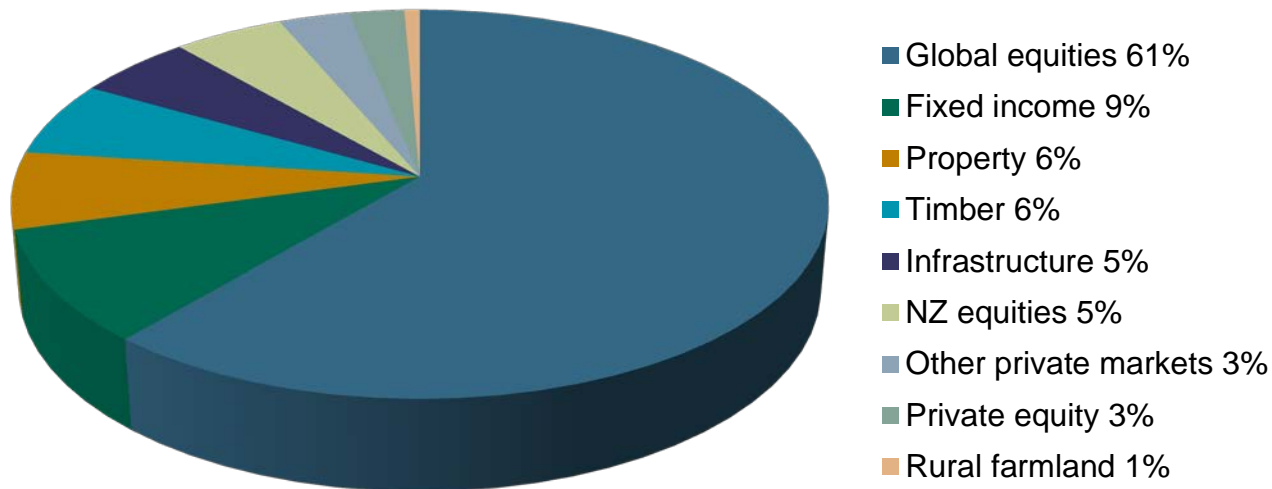
\* Tax 'received' covers any instances of refunds for overpayment of tax

\*\* 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 % 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 [How we Invest](#).

## Asset class exposures as at 31/05/13

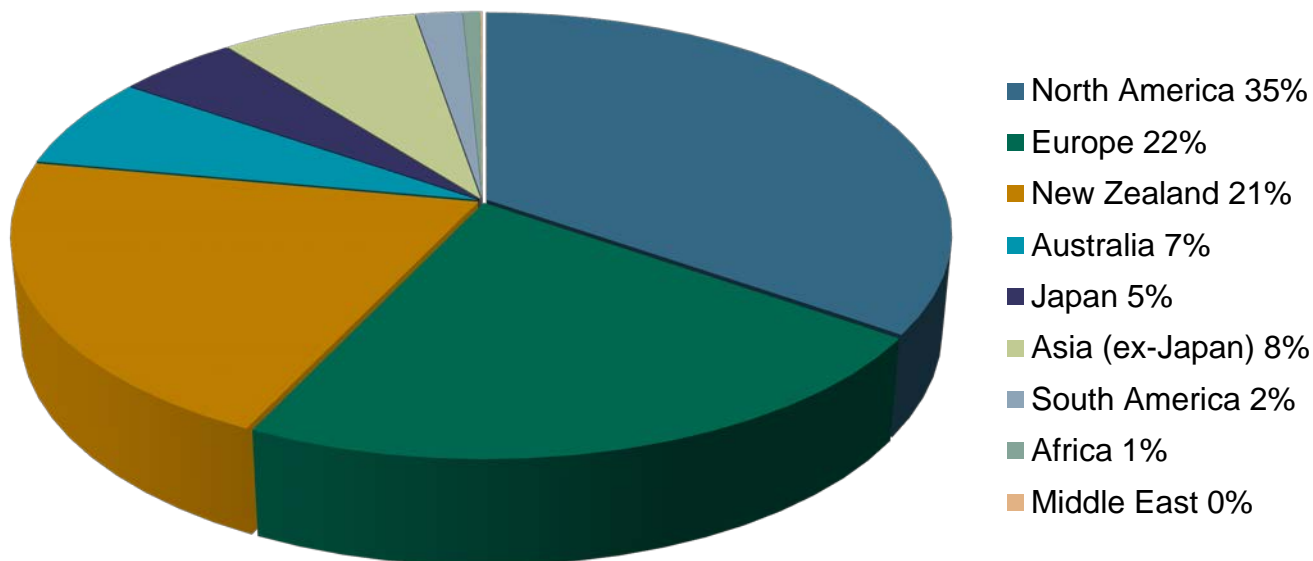




# Where we invest

This graph shows the value of the Fund's investments by geographic region, excluding cash and foreign exchange hedging instruments.

**Investments by geography as at  
31/05/13**



# Top 10 holdings as at 31 May 2013\*

NZ listed equities	Value \$NZm	% of Fund	International listed equities	Value \$NZm	% of Fund	Unlisted investments***	Value \$NZm	% of Fund
Fletcher Building	143.7	0.6%	Transurban Group	125.6	0.5%	Kaingaroa	956.4	4.1%
Telecom	107.2	0.5%	Zurich Airport	69.5	0.3%	Z Energy****	525.1	2.3%
Auckland International Airport	77.3	0.3%	Simon Property Group	55.1	0.2%	Horizon Roads	265.7	1.1%
SKYCITY Entertainment	60.0	0.3%	Samsung Electronics	45.4	0.2%	AMP NZ Property Fund	230.9	1.0%
Contact Energy	58.9	0.3%	Copenhagen Airport	42.5	0.2%	AIF Properties Ltd (Australian Timber)	154.7	0.7%
NZ Refining Company**	54.6	0.2%	Mitsubishi Estate Co	34.4	0.1%	NZSF Rural Investments Limited	153.2	0.7%
Ryman Healthcare	51.0	0.2%	Vodafone Group	32.4	0.1%	Datacom Group	149.5	0.6%
Fisher & Paykel Healthcare	49.5	0.2%	Apple Inc	30.7	0.1%	Canyon Distressed Opportunity Fund	116.6	0.5%
Infratil	41.4	0.2%	Exxon Mobil Corp	30.1	0.1%	Global Timber Investors 8 (GFP)	102.9	0.4%
Sky Network TV	40.3	0.2%	Westpac	29.0	0.1%	NZ Timber – TI3	85.7	0.4%

\* A full list of the Fund's equity holdings is published annually: see the [2012 list](#).

\*\* Represents both our direct holdings in NZ Refining and shares owned through our 50% ownership of Z Energy.

\*\*\* Latest available value as at 31 May 2013. See [www.nzsuperfund.co.nz](http://www.nzsuperfund.co.nz) for a list of current investment managers.

\*\*\*\* Value of investment is as at December 2012.

# 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 was a SSH as at 31 May 2013.

Date last SSH filing made	Security name	Percentage holding at date of filing	Exchange
26-Mar-2010	NZ Refining Company	17.34	New Zealand
15-Apr-2013	Skellerup Holdings	5.15	New Zealand
19-Apr-2013	A2 Corporation	5.21	New Zealand

# Other news

- NZSF appoints Leadenhall Capital Partners to US\$275m mandate
- NZSF excludes nuclear base operators
- NZSF 2011/12 Annual Report wins best first-time entry at the 2013 Australasian Reporting Awards
- NZSF 2011/12 Annual Report named as finalist in global 2013 Responsible Investment Reporting Awards

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