



Government Pension Investment Fund

(Jul.6,2018)

Overview of Fiscal Year 2017

Investment results

Fiscal Year 2017

Since Fiscal Year 2001



+6.90% [annual rate]
 (+¥10,081.0 [annual returns] billion)

+3.12% [annual rate]
 (+¥63,441.3 [cumulative returns] billion)

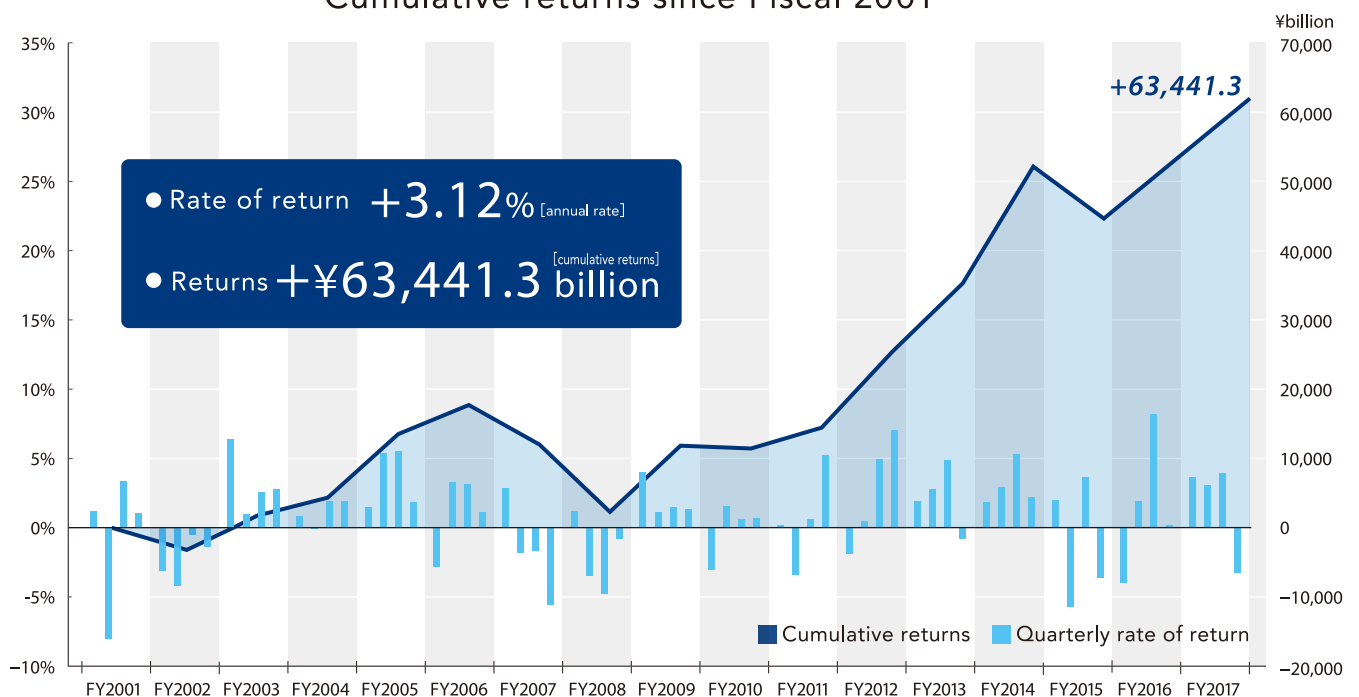


Asset size

¥156,383.2 billion [as of end of fiscal 2017]

Since returns are marked to market as of the end of fiscal 2017, they include unrealized gains and losses, and they are exposed to short-term market movements.

Cumulative returns since Fiscal 2001



Investment Result in Fiscal Year 2017

[1] Investment results

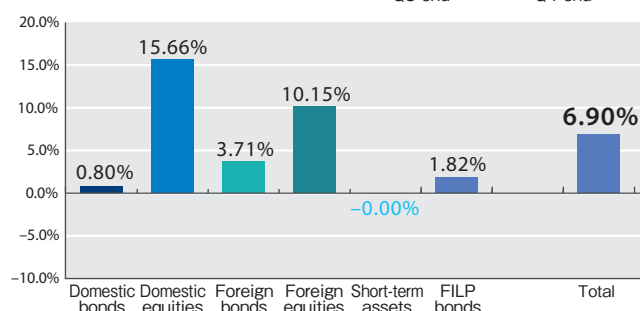
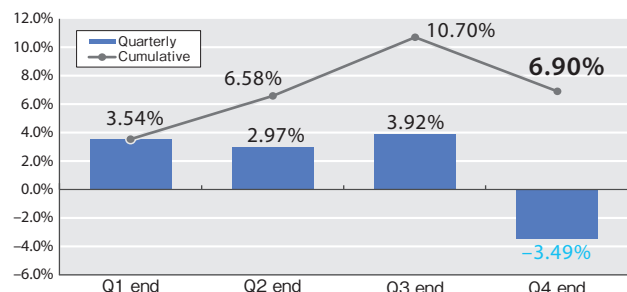
① Rate of investment return

The rate of investment return for Fiscal Year 2017 is

+6.90%

due to significant gains in returns on domestic and foreign equities.

	1stQ	2ndQ	3rdQ	4thQ	Total	
Total	3.54%	2.97%	3.92%	-3.49%	6.90%	
Market Investments	Domestic bonds	-0.01%	0.16%	0.39%	0.25%	0.80%
	Domestic equities	6.59%	4.79%	8.68%	-4.72%	15.66%
	Foreign bonds	4.45%	2.49%	1.21%	-4.28%	3.71%
	Foreign equities	5.48%	5.55%	5.65%	-6.35%	10.15%
	Short-term assets	0.00%	0.00%	0.00%	-0.00%	-0.00%
FILP bonds	0.45%	0.45%	0.46%	0.48%	1.82%	



(Note 1) Fiscal 2017 is the year ended March 31, 2018.

(Note 2) The GPIF's portfolio consists of funds invested in the markets (hereinafter "market investment" which is marked to market) and FILP bonds (See Note 5), which are held to maturity and valued at amortized costs.

(Note 3) In this annual report, return figures are the average of returns of market investment and FILP bonds weighted with investment principal, and are gross of fees. The rate of return on each asset class other than FILP bonds is time-weighted.

(Note 4) Alternative asset funds contain a mixture of asset classes, and investment returns of such funds are allocated to each asset on a pro-rata basis according to the targeted asset composition ratio in the investment plan at the start of investment of such funds (the same shall apply hereinafter).

(Note 5) The FILP bonds are government bonds issued to finance the Fiscal Investment and Loan Program (FILP).

② Amount of investment returns

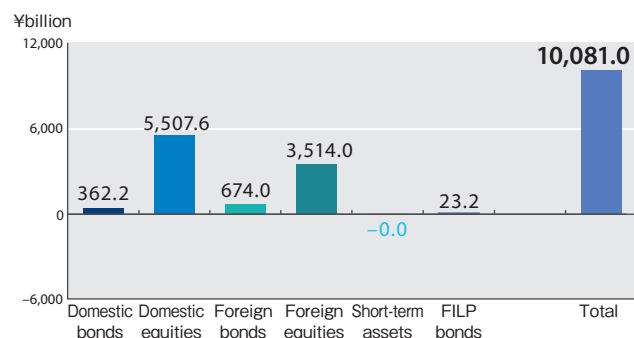
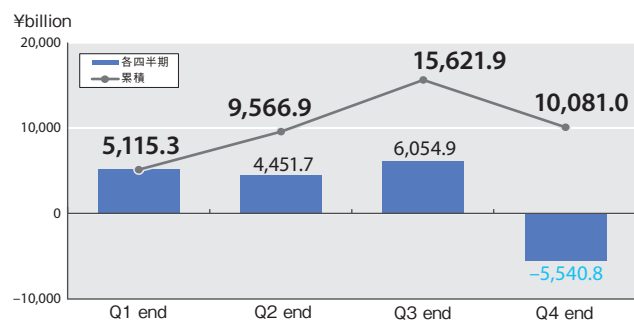
The amount of investment returns for Fiscal Year 2017 is

+¥10,081.0 billion

due to significant gains in returns on domestic and foreign equities.

(Unit: ¥billion)

	1stQ	2ndQ	3rdQ	4thQ	Total	
Total	5,115.3	4,451.7	6,054.9	-5,540.8	10,081.0	
Market Investments	Domestic bonds	-1.4	74.8	176.4	112.5	362.2
	Domestic equities	2,316.1	1,795.9	3,407.7	-2,012.1	5,507.6
	Foreign bonds	880.9	539.9	275.6	-1,022.4	674.0
	Foreign equities	1,912.4	2,034.9	2,189.9	-2,623.2	3,514.0
	Short-term assets	0.1	0.0	0.0	-0.1	-0.0
FILP bonds	7.2	6.2	5.3	4.5	23.2	



(Note 1) Investment returns are gross of fees.

(Note 2) Due to rounding, the total sum of figures in individual quarters does not necessarily match the total number.

③ Cumulative returns and asset size since fiscal year 2001

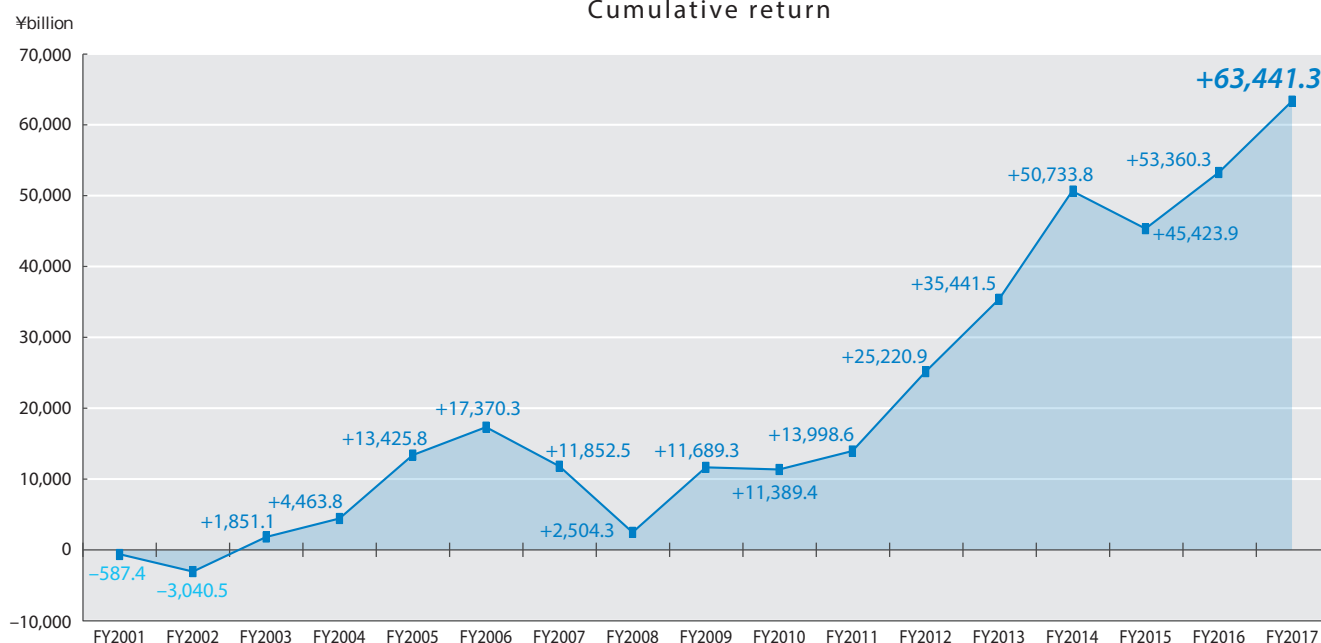
Cumulative returns from fiscal 2001 to fiscal 2017 are

+¥63,441.3 billion

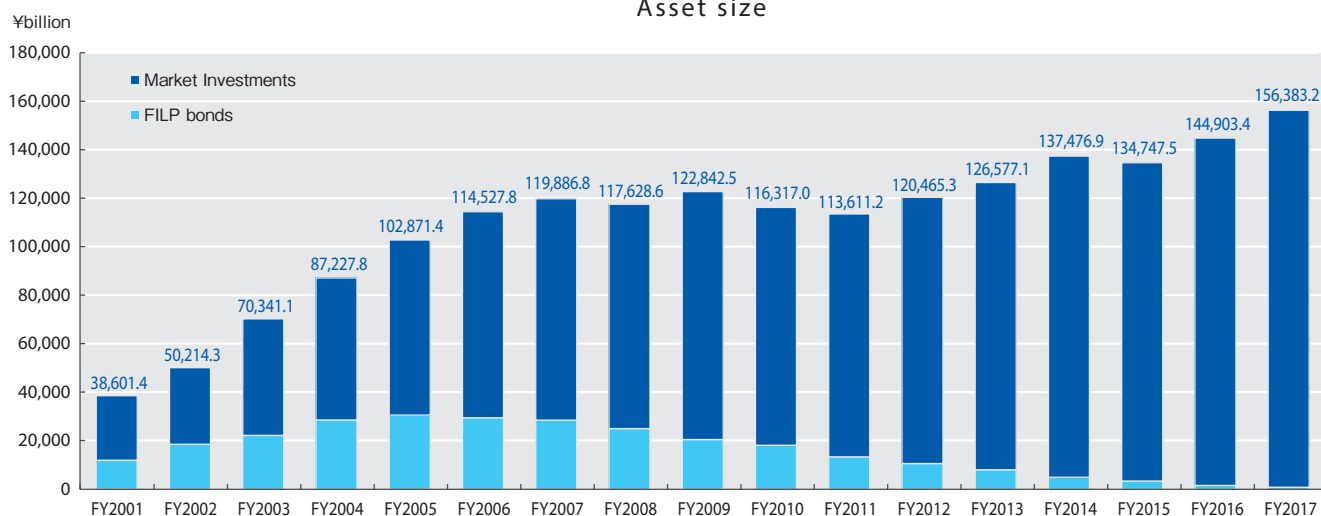
and the value of investment assets at the end of fiscal 2017 is

¥156,383.2 billion

Cumulative return

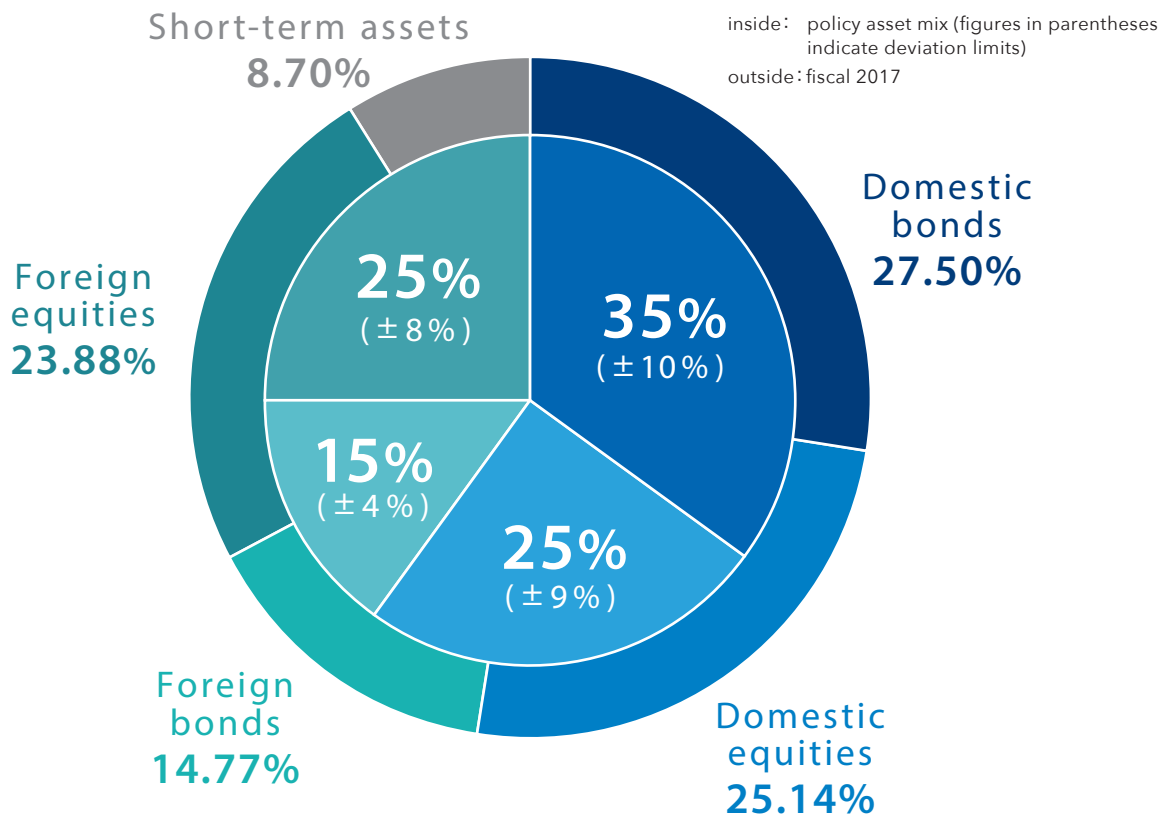


Asset size



(Note) The balance of FILP bonds increased from fiscal 2001 through fiscal 2007 due to increased underwriting and decreased since then due to redemption on maturity.

④ Investment assets and portfolio allocation
(Consolidated with GPIF and the Pension Special Account)



	Market value (¥billion)	Allocation of reserve fund (A)	Policy asset mix (B)	Deviation (A-B)
Domestic bonds	44,517.8	27.50%	35%(±10%)	-7.50%
Market investments	43,621.4	26.95%	-	-
FILP bonds (Book value)	896.4	0.55%	-	-
FILP bonds (Market value)	(972.7)	-	-	-
Domestic equities	40,699.5	25.14%	25%(±9%)	0.14%
Foreign bonds	23,910.9	14.77%	15%(±4%)	-0.23%
Foreign equities	38,662.9	23.88%	25%(±8%)	-1.12%
Short-term assets	14,084.4	8.70%	-	-
Total	161,875.5	100.00%	100.00%	-

(Note 1) The figures above are rounded, so the sums do not necessarily match the total number.

(Note 2) The amounts in the Market value column take account of accrued income and accrued expenses.

(Note 3) Book values of FILP bonds are book values by the amortized cost method plus accrued income.

(Note 4) While Reserve Funds as a whole include reserves managed under a special account as of the end of fiscal 2017 (about ¥5.5 trillion), this amount is prior to adjustment for revenues and expenditures and differs from the amount in final settlement of accounts.

(Note 5) Policy Asset Mix: Domestic bonds 35% (±10%), Domestic equities 25% (±9%), Foreign bonds 15% (±4%), Foreign equities 25% (±8%). The percentage of alternative investments is 0.13% (within a maximum of 5% of total portfolio).

The allocation changes of each asset class as a result of rebalancing, during fiscal 2017

	Domestic bonds	Domestic equities	Foreign bonds	Foreign equities
Allocated/withdrawn	-3,738.4	21.2	3,556.1	225.2

(Unit: ¥billion)

(Note 1) Each number shows the net rebalancing amount.

(Note 2) Redemptions and coupon revenue of the Special Fund for cash outflow were ¥3,225.4 billion. Redemptions and coupon revenue of the Special Fund for FLIP bonds were ¥774.0 billion.