

Investment Principles

The Board of Governors of Government Pension Investment Fund (“GPIF”) has established “Investment Principles”.

These principles reflect our commitment to the public, and executives and staff are committed to acting with the highest professional ethics and integrity.

GPIF is committed to further strengthening investment management, continuing to be fully accountable, and earning the trust of the public.

- 1. Our overarching goal should be to achieve the investment returns required for the public pension system with minimal risks, solely for the benefit of pension recipients from a long-term perspective, thereby contributing to the stability of the system.**
- 2. Our primary investment strategy should be diversification by asset class, region, and timeframe. While acknowledging fluctuations of market prices in the short term, we shall achieve investment returns in a more stable and efficient manner by taking full advantage of our long-term investment horizon. At the same time, we shall secure sufficient liquidity to pay pension benefits.**
- 3. We formulate the policy asset mix and manage and control risks at the levels of the overall asset portfolio, each asset class, and each investment manager. We employ both passive and active investments to attain benchmark returns (i.e., average market returns) set for each asset class, while seeking untapped profitable investment opportunities.**

4. **By fulfilling our stewardship responsibilities (including the consideration of ESG (Environmental, Social, and Governance) factors), we shall continue to maximize medium- to long-term investment returns for the benefit of pension recipients.**