



# Investment results for 3Q of fiscal 2020(update report)

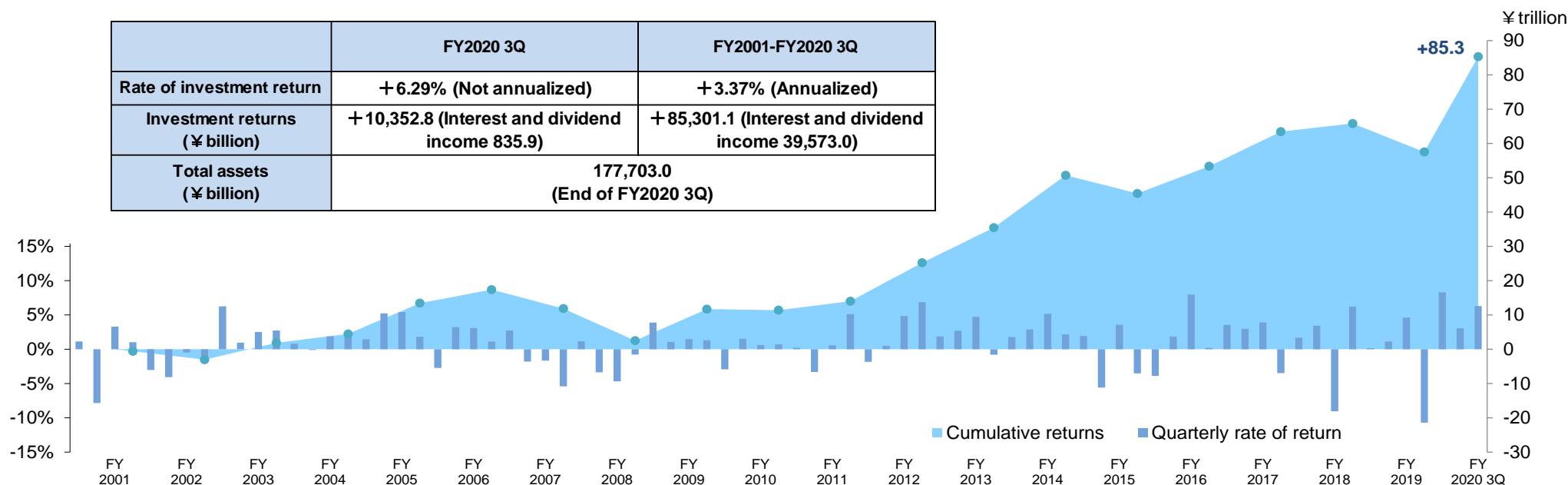
Government Pension Investment Fund

Government Pension Investment Fund (GPIF) manages the public pension fund in the long term and its investment results should be assessed in the same manner. In addition to the annual report, which is legally required, GPIF publishes the quarterly update report to enhance the transparency to the public.

Please note that returns, which are marked to market as of the end of each quarter, include unrealized gains and losses and are influenced by the market trends.

Cumulative returns and quarterly rate of return (FY2001-FY2020 3Q)

	FY2020 3Q	FY2001-FY2020 3Q
Rate of investment return	+6.29% (Not annualized)	+3.37% (Annualized)
Investment returns (¥ billion)	+10,352.8 (Interest and dividend income 835.9)	+85,301.1 (Interest and dividend income 39,573.0)
Total assets (¥ billion)	177,703.0 (End of FY2020 3Q)	



Note1: The GPIF's portfolio consists of the funds invested in the markets (hereinafter "market investment," which is marked to market) and FILP bonds (Fiscal Investment and Loan Program bonds), which are held to maturity and valued at amortized costs.

Note2: Return figures are the average of returns of market investment and FILP bonds weighted with investment principal, and are gross of fees.

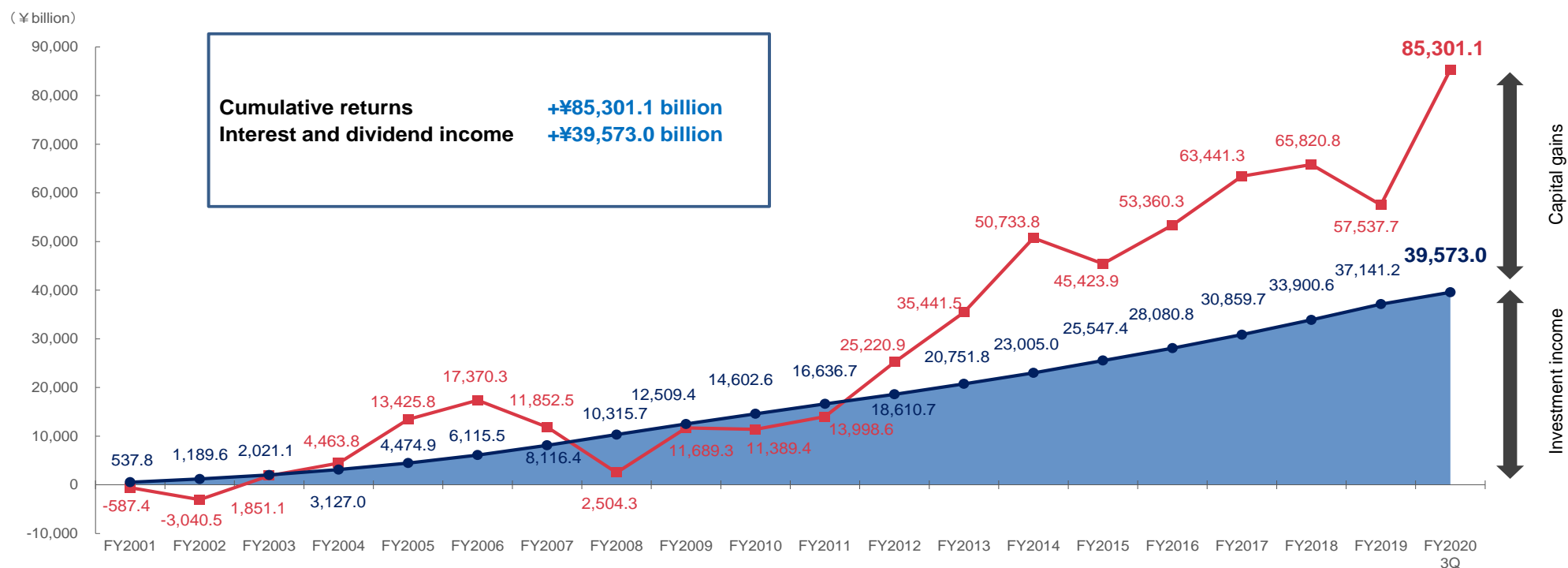
Note3: Periodic rate of investment return and periodic investment returns are compared from the end of the previous quarter. The same applies hereinafter.

Note4: Rate of investment return (annualized) is calculated as a geometric mean of the annual rate of return from FY2001 to this quarter.

Note5: Cumulative returns indicate the total investment returns so far (from FY2001 to this quarter).

Note6: As these figures are preliminary, they may be subject to change in the Annual Report, etc. The same applies hereinafter.

## Cumulative returns since fiscal 2001



## Investment returns and rate of investment return for individual fiscal years

	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 1Q-3Q	FY2006-FY2020 3Q	FY2001-FY2020 3Q
Investment returns (¥ billion)	-587.4	-2,453.0	4,891.6	2,612.7	8,961.9	3,944.5	-5,517.8	-9,348.1	9,185.0	-299.9	2,609.2	11,222.2	10,220.7	15,292.2	-5,309.8	7,936.3	10,081.0	2,379.5	-8,283.1	27,763.4	71,875.3	85,301.1
Investment income (¥ billion)	537.8	651.8	831.4	1,106.0	1,347.9	1,640.7	2,000.8	2,199.4	2,193.7	2,093.2	2,034.1	1,973.9	2,141.1	2,253.2	2,542.4	2,533.4	2,778.9	3,040.9	3,240.6	2,431.8	35,098.1	39,573.0
Rate of investment return	-1.80%	-5.36%	8.40%	3.39%	9.88%	3.70%	-4.59%	-7.57%	7.91%	-0.25%	2.32%	10.23%	8.64%	12.27%	-3.81%	5.86%	6.90%	1.52%	-5.20%	18.49%	3.58%	3.37%

Note1: Investment returns and rate of investment return are gross of fees.

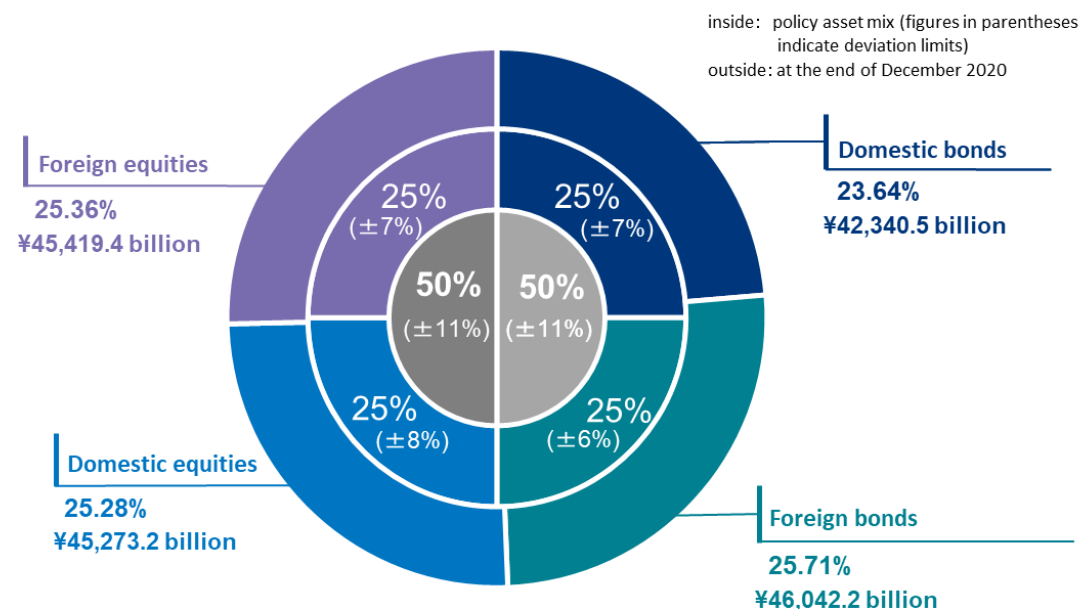
Note2: The figures above are rounded off, so the sum of each item does not necessarily match the total number.

## Investment assets and portfolio allocation

(Pension reserves managed by GPIF and the pension special account)

End of December 2020

	Market value (¥ billion)	Allocation of Pension Reserve (1)	Allocation of Pension Reserve (2)
Domestic bonds	42,340.5	23.64%	49.36%
Foreign bonds	46,042.2	25.71%	
Domestic equities	45,273.2	25.28%	50.64%
Foreign equities	45,419.4	25.36%	
Total	179,075.4	100.00%	100.00%



Note1: The figures above are rounded off, so the sum of each item does not necessarily match the total number.

Note2: The pension reserves as a whole include reserves managed under the pension special account (about ¥1.4 trillion as of the end of December 2020).

Note3: Policy Asset Mix is as follows: Domestic bonds 25% (±7%), Foreign bonds 25% (±6%), Domestic equities 25% (±8%), Foreign equities 25% (±7%), Bonds 50% (±11%), Equities 50% (±11%).

Note4: JPY hedged foreign bonds and yen-denominated short-term assets are classified as Domestic bonds, and foreign currency-denominated short-term assets are classified as Foreign bonds.

Note5: The percentage of the alternative investments: 0.67% (within maximum 5% of total portfolio)

## Investment results for 3Q of fiscal 2020

### «Total investments (market investments+FILP bonds)»

Fiscal year	2019	2020				
	Total	1Q	2Q	3Q	4Q	Total
Rate of investment return (%)	-5.20	8.30	3.05	6.29		18.49
Investment returns (¥ billion)	-8,283.1	12,486.8	4,923.7	10,352.8		27,763.4
Total assets (¥ billion)	150,633.2	162,092.6	167,535.8	177,703.0		177,703.0

### «Reference»

#### (Market investments)

Fiscal year	2019	2020		
		1Q	2Q	3Q
Modified total return (%) (Time-weighted return)	-5.24 (-5.26)	8.35 (8.34)	3.06 (3.05)	6.32 (6.21)
Investment returns (¥ billion)	-8,300.3	12,482.6	4,919.5	10,348.5
Total assets (¥ billion)	149,737.0	161,196.9	166,639.6	176,807.4

#### (FILP bonds)

Fiscal year	2019	2020		
		1Q	2Q	3Q
Rate of investment return (%)	1.93	0.48	0.48	0.49
Investment returns (¥ billion)	17.2	4.3	4.3	4.3
Total assets (¥ billion)	896.2	895.6	896.2	895.6

Note1: Market investments are marked to market. FILP bonds are valued at amortized costs and include accrued income.

Note2: Return figures are gross of fees. While rate of investment return for FY2019 is annualized, return figures for each quarter and FY2020 (total) are period rate.

## Rate of investment return

### «Total investments»

(unit : %)

Fiscal year	2019	2020				
		1Q	2Q	3Q	4Q	Total
Rate of investment return	-5.20	8.30	3.05	6.29		<b>18.49</b>

### «Reference»

#### (Market investments)

(unit : %)

Fiscal year	2019	2020				
		1Q	2Q	3Q	4Q	Total
Modified total return	-5.24	8.35	3.06	6.32		<b>18.59</b>

(unit : %)

Fiscal year	2019	2020				
		1Q	2Q	3Q	4Q	Total
Time-weighted return	-5.26	8.34	3.05	6.21		<b>18.58</b>
Domestic bonds	-0.36	-0.46	0.19	0.02		<b>-0.25</b>
Foreign bonds	3.55	3.45	0.64	1.21		<b>5.37</b>
Domestic equities	-9.71	10.95	4.93	11.27		<b>29.54</b>
Foreign equities	-13.08	19.99	5.99	11.88		<b>42.29</b>
Short-term assets	-0.04	—	—	—		<b>—</b>

#### (FILP bonds)

(unit : %)

Fiscal year	2019	2020				
		1Q	2Q	3Q	4Q	Total
Rate of investment return	1.93	0.48	0.48	0.49		<b>1.44</b>

Note1: Yen-denominated short-term assets are classified as Domestic bonds, and foreign currency-denominated short-term assets are classified as Foreign bonds in FY2020.

Note2: Return figures are gross of fees. Rate of investment return in FY2019 is annualized and others are period rate.

## Investment returns

### «Total investments»

(unit : ¥ billion)

Fiscal year	2019	2020				
		1Q	2Q	3Q	4Q	Total
Investment returns	-8,283.1	12,486.8	4,923.7	10,352.8		<b>27,763.4</b>

### «Reference»

#### (Market investments)

(unit : ¥ billion)

Fiscal year	2019	2020				
		1Q	2Q	3Q	4Q	Total
Investment returns	-8,300.3	12,482.6	4,919.5	10,348.5		<b>27,750.6</b>
Domestic bonds	-122.1	-137.1	75.3	7.2		<b>-54.6</b>
Foreign bonds	1,015.4	1,136.4	208.0	524.0		<b>1,868.4</b>
Domestic equities	-3,701.5	3,968.9	1,959.9	4,651.7		<b>10,580.5</b>
Foreign equities	-5,488.7	7,514.4	2,676.3	5,165.6		<b>15,356.3</b>
Short-term assets	-3.4	—	—	—		<b>—</b>

#### (FILP bonds)

(unit : ¥ billion)

Fiscal year	2019	2020				
		1Q	2Q	3Q	4Q	Total
Investment returns	17.2	4.3	4.3	4.3		<b>12.9</b>

Note1: Yen-denominated short-term assets are classified as Domestic bonds, and foreign currency-denominated short-term assets are classified as Foreign bonds in FY2020.

Note2: The figures above are rounded off, so the sum of each item does not necessarily match the total number.

Note3: Return figures are gross of fees.

## Reference index: 3Q of fiscal 2020

### ○Market Information

		2020/3	2020/9	2020/10	2020/11	2020/12
Domestic bonds	JGB 10-year yield (%)	0.02	0.02	0.04	0.03	0.02
	Foreign bonds	U.S. Treasury 10-year yield (%)	0.67	0.68	0.87	0.84
	German Government Bond 10-year yield (%)	-0.47	-0.52	-0.63	-0.57	-0.57
Domestic equities	TOPIX (points)	1,403.04	1,625.49	1,579.33	1,754.92	1,804.68
	Nikkei225 (¥)	18,917.01	23,185.12	22,977.13	26,433.62	27,444.17
Foreign equities	NY Dow (\$)	21,917.16	27,781.70	26,501.60	29,638.64	30,606.48
	DAX (points)	9,935.84	12,760.73	11,556.48	13,291.16	13,718.78
	SSEC (points)	2,750.30	3,218.05	3,224.53	3,391.76	3,473.07
FX	¥/\$	107.96	105.53	104.54	104.28	103.25
	¥/€	118.45	123.75	121.77	124.73	126.33

### ○Benchmarks

	2020 3Q	2020 1Q-3Q
Domestic bonds NOMURA-BPI non-ABS	0.00%	-0.32%
Foreign bonds FTSE World Government Bond Index (not incl. JPY, no hedge/JPY basis)	0.67%	4.12%
Domestic equities TOPIX (incl. dividends)	11.19%	30.09%
Foreign equities MSCI ACWI (not incl. JPY, JPY basis, incl. dividends, before deducting taxes)	12.27%	42.70%