



Government Pension Investment Fund

(Jul. 2, 2021)

Overview of Fiscal 2020



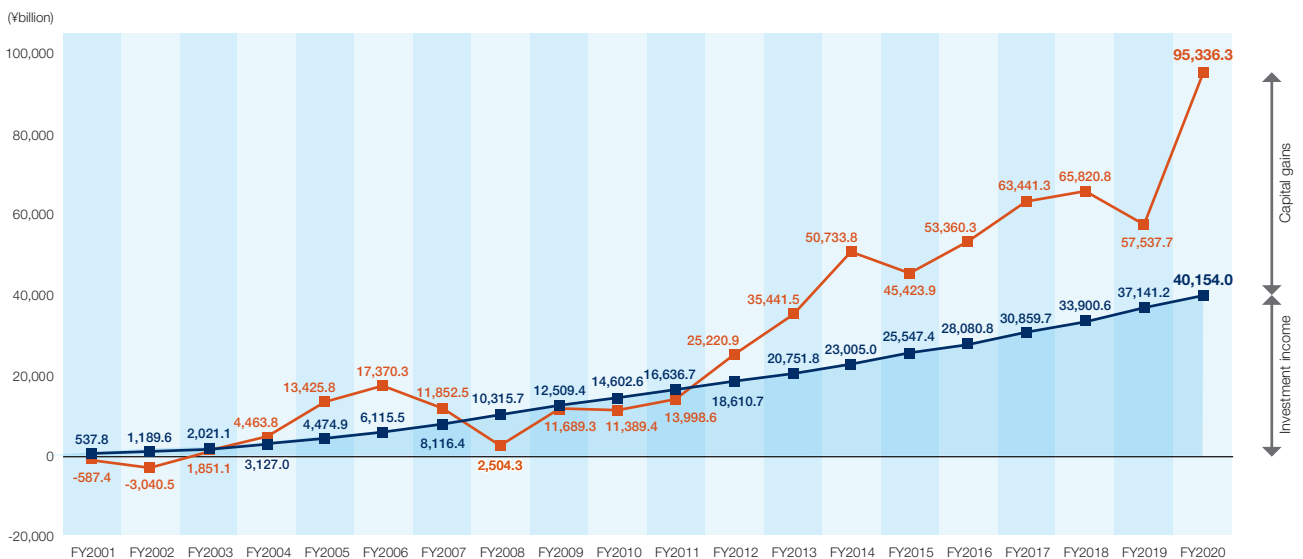
Investment Results



Returns are marked to market as of the end of fiscal 2020, and include unrealized gains and losses. GPIF manages pension reserve fund with long-term perspective. While short-term portfolio returns are influenced by the current market trends, investment results should be monitored with long-term horizon.

Regarding investment of pension reserves, while market fluctuations may cause capital losses (realized and unrealized losses due to price fluctuations) in the short term, investment income (interest and dividend income), which has increased steadily since fiscal 2001, is relatively immune to such volatility.

Cumulative returns since fiscal 2001



Investment Results in Fiscal 2020

[1] Investment results

① Rate of investment return / Amount of investment returns

The rate of investment return for fiscal 2020 is

+25.15%

The amount of investment returns for fiscal 2020 is

+¥37,798.6 billion.

	1Q	2Q	3Q	4Q	Total
Total	8.29%	3.03%	6.18%	5.65%	25.15%
	¥12,486.8 billion	¥4,923.7 billion	¥10,352.8 billion	¥10,035.2 billion	¥37,798.6 billion
Domestic bonds	-0.45%	0.18%	0.02%	-0.44%	-0.68%
	-¥183.0 billion	¥79.6 billion	¥11.5 billion	-¥147.9 billion	-¥239.8 billion
Foreign bonds	3.45%	0.64%	1.21%	1.60%	7.06%
	¥1,186.5 billion	¥208.0 billion	¥524.0 billion	¥755.3 billion	¥2,673.8 billion
Domestic equities	10.95%	4.93%	11.27%	9.26%	41.55%
	¥3,968.9 billion	¥1,959.9 billion	¥4,651.7 billion	¥4,118.4 billion	¥14,698.9 billion
Foreign equities	19.99%	5.99%	11.88%	12.04%	59.42%
	¥7,514.4 billion	¥2,676.3 billion	¥5,165.6 billion	¥5,309.5 billion	¥20,665.8 billion

(Note 1) Calculating the rate of investment return

① The rate of return within total assets and each asset class is time-weighted, and is gross of fees (the same shall apply hereinafter).

(Note 2) Classification of FILP bonds

① FILP bonds are government bonds issued to finance the Fiscal Investment and Loan Program (FILP).

② Total and Domestic bonds include FILP bonds. 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.

③ FILP bonds were reclassified as trading securities from held-to-maturity securities as of the end of January 2021. However, the rate of investment return on FILP bonds has been calculated as time-weighted on a market value basis since April 2020, as is the case with other asset classes.

④ The amount of investment returns was evaluated, pursuant to the accounting standards for incorporated administrative agencies, on a purchase price basis (or a price calculated using an amortized cost method when there is a gap between the subscription price and the face value) until the end of January 2021, by which FILP bonds had been classified as held-to-maturity securities. Since the reclassification to trading securities in February 2021, it has been evaluated on a market value basis until disposal.

(Note 3) Calculating investment returns

① Investment returns are gross of fees.

(Note 4) Alternative assets

① Alternative asset funds contain a mixture of asset classes, and the 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).

② The rate of time-weighted investment return on total alternative assets for fiscal 2020 is 6.55% (infrastructure at 5.71%, private equity at 4.44%, and real estate at 7.95%).

(Note 5) Other

① Due to rounding off, the sum of each item in individual quarters does not necessarily match the total number for the fiscal year.

② Fiscal 2020 runs from April 1, 2020 to March 31, 2021.

② Cumulative returns and asset size since fiscal 2001

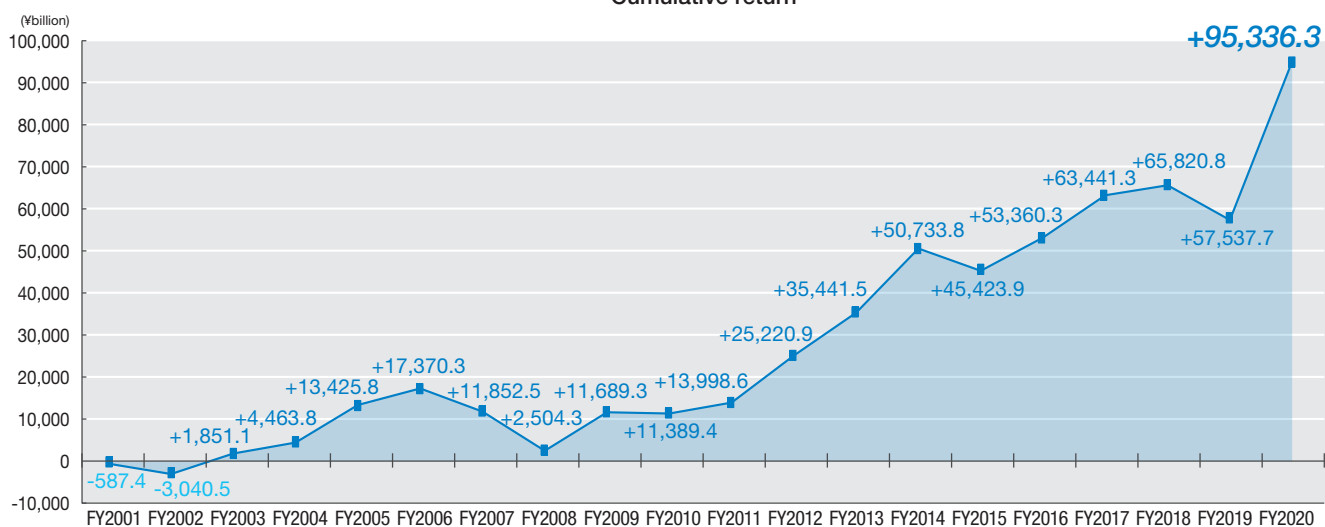
Cumulative returns from fiscal 2001 to fiscal 2020 are

+¥95,336.3 billion

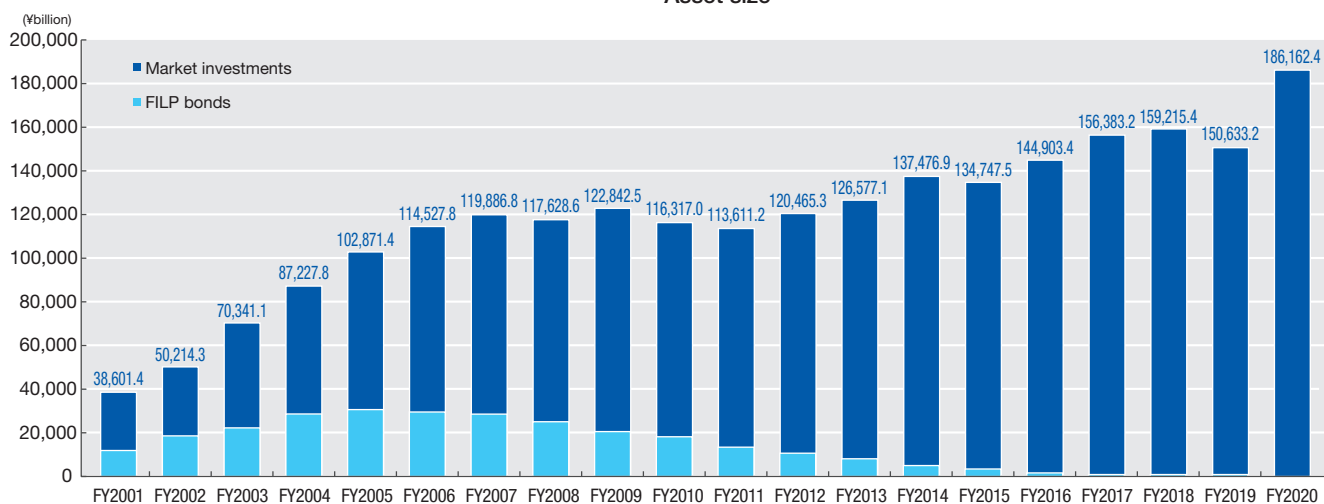
and the value of investment assets at the end of fiscal 2020 is

¥186,162.4 billion.

Cumulative return



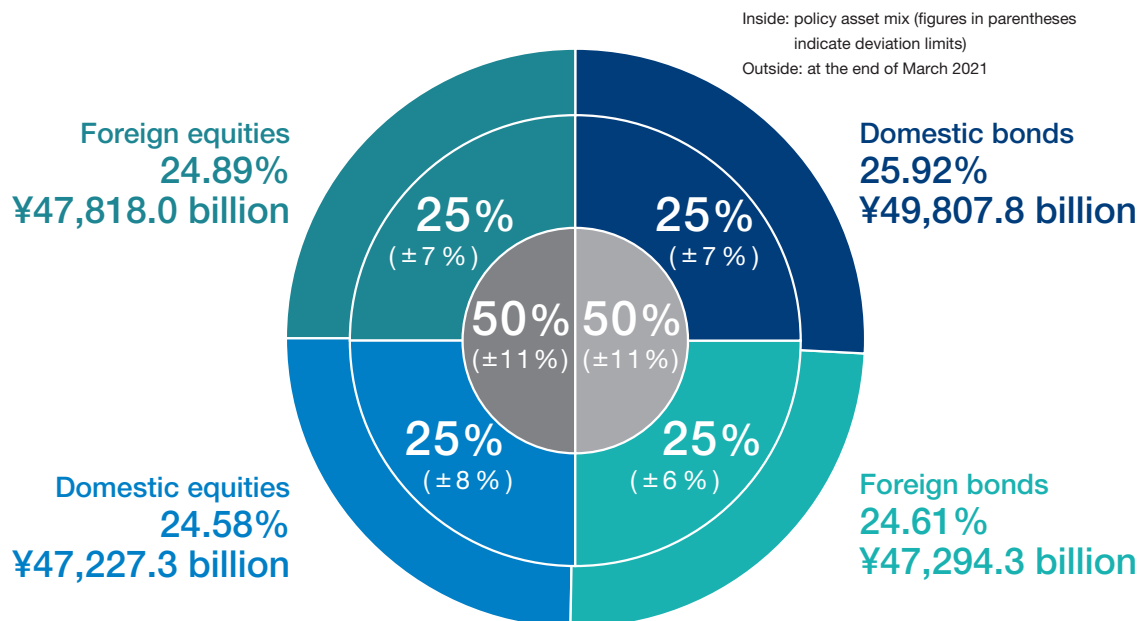
Asset size



(Note) The balance of FILP bonds increased from fiscal 2001 to fiscal 2007 due to underwriting. There were no outstanding FILP bonds as of the end of fiscal 2020 due to redemption on maturity since fiscal 2008.

③ Investment assets and portfolio allocation

(Pension reserves managed by GPIF and the Pension Special Account)



	Market value (¥billion)	Allocation of Pension Reserve (1)	Allocation of Pension Reserve (2)
Domestic bonds	49,807.8	25.92%	50.54%
Foreign bonds	47,294.3	24.61%	
Domestic equities	47,227.3	24.58%	49.46%
Foreign equities	47,818.0	24.89%	
Total	192,147.3	100.00%	100.00%

(Note 1) The figures above are rounded off, so the sum of each item does not necessarily match the total number.

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

(Note 3) While the pension reserve as a whole includes reserves managed under the pension special account as of the end of fiscal 2020 (about ¥6.0 trillion), this amount is prior to the adjustment for revenues and expenditures and differs from the amount in the final settlement of accounts.

(Note 4) 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.

(Note 5) The percentage of the alternative investments: 0.70% (within maximum 5% of total portfolio)

④ Allocation changes for each asset class due to rebalancing

(Unit: ¥billion)

	Domestic bonds	Foreign bonds	Domestic equities	Foreign equities
Allocated/withdrawn	+3,716.0	+9,837.1	-3,002.4	-10,009.1

(Note) Each figure shows the net rebalancing amount.