

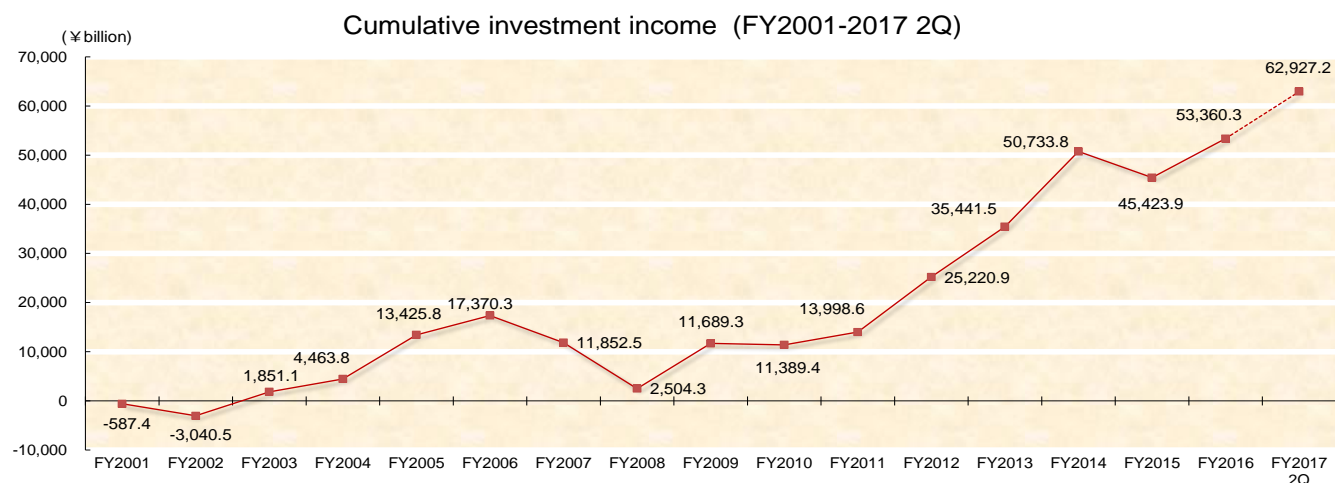
Investment results for 2Q of fiscal 2017

Government Pension Investment Fund, Japan

The 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, the GPIF publishes the quarterly report to enhance the transparency to the public.

Please note that the results include the change of the fair market value and that the results tend to fluctuate in accordance with the market movement.

	2017 2Q	From fiscal 2001 to 2Q of fiscal 2017
Rate of investment return (Investment income/loss (¥ billion))	+2.97%(Not annualized) (+4,451.7 (Income and dividend income 573.9))	+3.20%(Annualized) (+62,927.2 (Income and dividend income 29,556.4))
Total assets (¥ billion)	156,817.7 (End of the second quarter of fiscal 2017)	



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: Period rate of return and period investment income are compared from the previous quarter.

Note4: Rate of investment return (Annualized) is calculated as a geometric mean.

Note5: Cumulative Income adds Investment income/loss of each fiscal year until the previous fiscal year and Investment income/loss of until this quarter.

Reference index : 2Q of fiscal 2017

○Market Information

		2017/3	2017/6	2017/7	2017/8	2017/9
Domestic bonds	JGB 10-year yield (%)	0.07	0.09	0.08	0.01	0.06
	Domestic equities	TOPIX (points)	1,512.60	1,611.90	1,618.61	1,617.41
	Nikkei225 (¥)	18,909.26	20,033.43	19,925.18	19,646.24	20,356.28
Foreign bonds	U.S. Treasury 10-year yield (%)	2.39	2.30	2.30	2.12	2.34
	German Government Bond 10-year yield (%)	0.33	0.47	0.54	0.36	0.46
Foreign equities	NY Dow (\$)	20,663.22	21,349.63	21,891.12	21,948.10	22,405.09
	DAX (points)	12,312.87	12,325.12	12,118.25	12,055.84	12,828.86
	SSEC (points)	3,222.51	3,192.43	3,273.03	3,360.81	3,348.94
FX	¥/\$	111.43	112.36	110.50	110.06	112.57
	¥/€	119.18	128.15	130.27	130.85	133.07

○Benchmarks

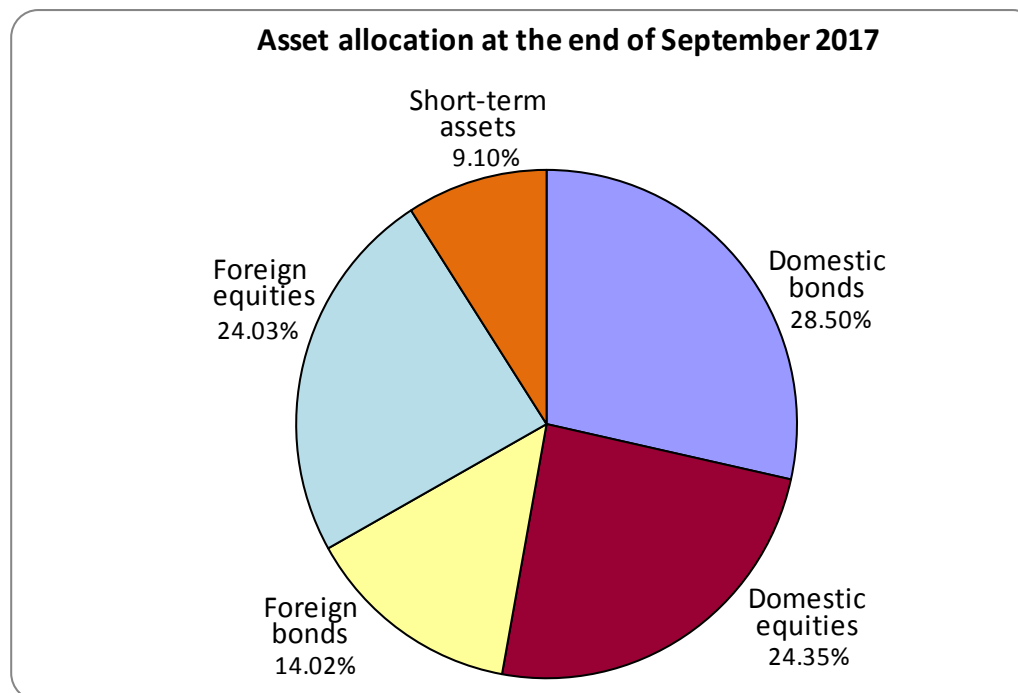
	2017 2Q	2017 1Q-2Q
Domestic bonds		
Composite Benchmark	0.15%	0.12%
NOMURA-BPI non-ABS	0.18%	0.20%
Domestic equities		
TOPIX (incl. dividends)	4.74%	11.82%
Foreign bonds		
Citi World Government Bond Index (not incl. JPY, no hedge/JPY basis)	2.46%	7.34%
cf. Citi World Government Bond Index (not incl. JPY, Local currency basis)	0.38%	1.10%
Foreign equities		
MSCI ACWI (not incl. JPY, JPY basis, incl. dividends, after taking into account our dividend tax factors)	5.58%	11.08%
cf. MSCI ACWI (not incl. JPY, Local currency basis, incl. dividends, after taking into account our dividend tax factors)	4.47%	7.60%

Investment assets and portfolio allocation

(Reserve Funds managed by GPIF and the Pension Special Account)

End of September 2017

	Allocation of Reserve Funds
Domestic bonds	28.50%
Domestic equities	24.35%
Foreign bonds	14.02%
Foreign equities	24.03%
Short-term assets	9.10%
Total	100.00%



Note 1 : Policy Asset Mix (Domestic bonds 35%(±10%), Domestic equities 25%(±9%), Foreign bonds 15%(±4%), Foreign equities 25%(±8%))

Note 2 : The percentage of the alternative investments : 0.10% (within maximum 5% of total portfolio)

Investment results for 2Q of fiscal 2017

«Total investments (market investments+FILP bonds) »

Fiscal year	2016					2017				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Rate of investment return (%)	-3.88	1.84	7.98	0.21	5.86	3.54	2.97			6.58
Investment income/loss (¥ billion)	-5,234.2	2,374.6	10,497.1	298.8	7,936.3	5,115.3	4,451.7			9,566.9
Total assets (¥ billion)	129,701.2	132,075.1	144,803.6	144,903.4	144,903.4	149,198.7	156,817.7			156,817.7

«Reference»

(Market investments)

Fiscal year	2016	2017	
		1Q	2Q
Modified total return (%) (Time-weighted return)	5.94 (5.93)	3.57 (3.58)	2.99 (2.96)
Investment income/loss (¥ billion)	7,889.9	5,108.1	4,445.5
Total assets (¥ billion)	143,256.2	147,777.7	155,620.8

(FILP bonds)

Fiscal year	2016	2017	
		1Q	2Q
Rate of investment return (%)	1.77	0.45	0.45
Investment income/loss (¥ billion)	46.4	7.2	6.2
Total assets (¥ billion)	1,647.2	1,421.0	1,196.9

Note1: Fiscal year ends on March 31.

Note2: FILP bonds; Fiscal Investment and Loan Program bonds.

Investment return

«Total investments»

(unit : %)

Fiscal year	2016	2017				Total
		1Q	2Q	3Q	4Q	
Rate of investment return	5.86	3.54	2.97			6.58

«Reference»

(Market investments)

(unit : %)

Fiscal year	2016	2017				Total
		1Q	2Q	3Q	4Q	
Modified total return	5.94	3.57	2.99			6.64

(unit : %)

Fiscal year	2016	2017				Total
		1Q	2Q	3Q	4Q	
Time-weighted return	5.93	3.58	2.96			6.64
Domestic bonds	-0.85	-0.01	0.16			0.15
Domestic equities	14.89	6.59	4.79			11.69
Foreign bonds	-3.22	4.45	2.49			7.05
Foreign equities	14.20	5.48	5.55			11.33

(FILP bonds)

(unit : %)

Fiscal year	2016	2017				Total
		1Q	2Q	3Q	4Q	
Rate of investment return	1.77	0.45	0.45			0.89

Investment income/loss

«Total investments»

(unit : ¥ billion)

Fiscal year	2016	2017				
		1Q	2Q	3Q	4Q	Total
Investment income/loss	7,936.3	5,115.3	4,451.7			9,566.9

«Reference»

(Market investments)

(unit : ¥ billion)

Fiscal year	2016	2017				
		1Q	2Q	3Q	4Q	Total
Investment income/loss	7,889.9	5,108.1	4,445.5			9,553.5
Domestic bonds	-395.8	-1.4	74.8			73.3
Domestic equities	4,554.6	2,316.1	1,795.9			4,112.0
Foreign bonds	-596.2	880.9	539.9			1,420.9
Foreign equities	4,327.3	1,912.4	2,034.9			3,947.3
Short-term assets	0.0	0.1	0.0			0.1

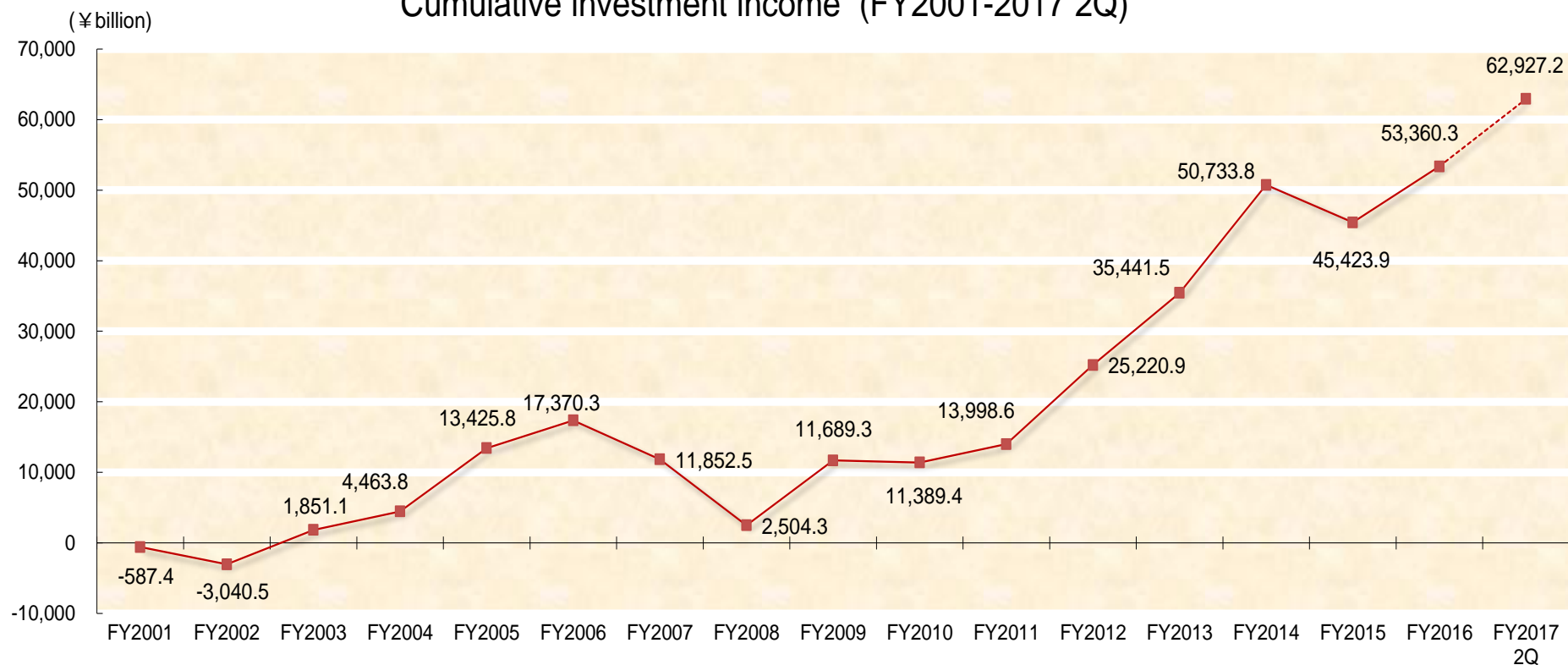
(FILP bonds)

(unit : ¥ billion)

Fiscal year	2016	2017				
		1Q	2Q	3Q	4Q	Total
Investment income/loss	46.4	7.2	6.2			13.4

Historical data on investment income and investment return

Cumulative investment income (FY2001-2017 2Q)



	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 Apr to Sep	FY2006-2017 2Q	FY2001-2017 2Q
Investment income (¥ 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	9,566.9	49,501.5	62,927.2
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%	6.58%	3.40%	3.20%

Note: Fiscal year ends on March 31.