



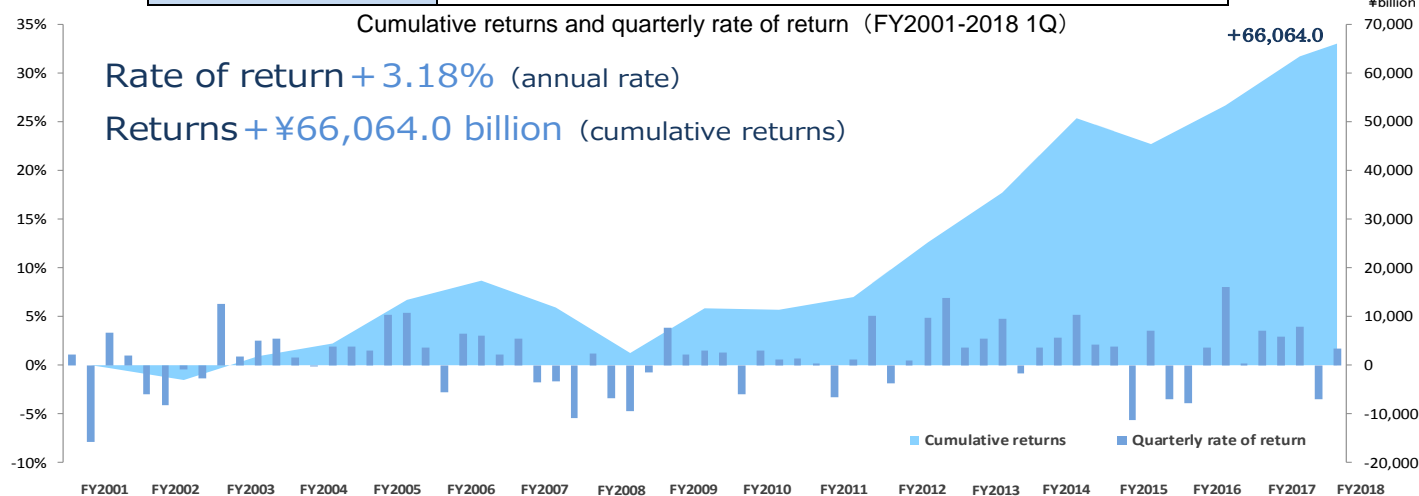
Investment results for 1Q of fiscal 2018(update report)

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

	2018 1Q	From fiscal 2001 to 1Q of fiscal 2018
Rate of investment return (Investment income/loss (¥billion))	+1.68%(Not annualized) (+2,622.7 (Interest and dividend income 1,004.2))	+3.18%(Annualized) (+66,064.0 (Interest and dividend income 31,863.9))
Total assets (¥billion)	158,580.0 (End of 1Q of fiscal 2018)	



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 return and periodic investment income are compared from the previous quarter.

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 income indicates the total investment income/loss so far (from FY2001 to this quarter).

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

Reference index : 1Q of fiscal 2018

○Market Information

		2018/3	2018/4	2018/5	2018/6
Domestic bonds	JGB 10-year yield (%)	0.05	0.06	0.04	0.03
Domestic equities	TOPIX (points)	1,716.30	1,777.23	1,747.45	1,730.89
	Nikkei225 (¥)	21,454.30	22,467.87	22,201.82	22,304.51
Foreign bonds	U.S. Treasury 10-year yield (%)	2.74	2.96	2.86	2.86
	German Government Bond 10-year yield (%)	0.50	0.56	0.34	0.31
Foreign equities	NY Dow (\$)	24,103.11	24,163.15	24,415.84	24,271.41
	DAX (points)	12,096.73	12,612.11	12,604.89	12,306.00
	SSEC (points)	3,168.90	3,082.23	3,095.47	2,847.42
FX	¥/\$	106.35	109.43	108.65	110.77
	¥/€	130.79	132.21	126.82	129.32

○Benchmarks

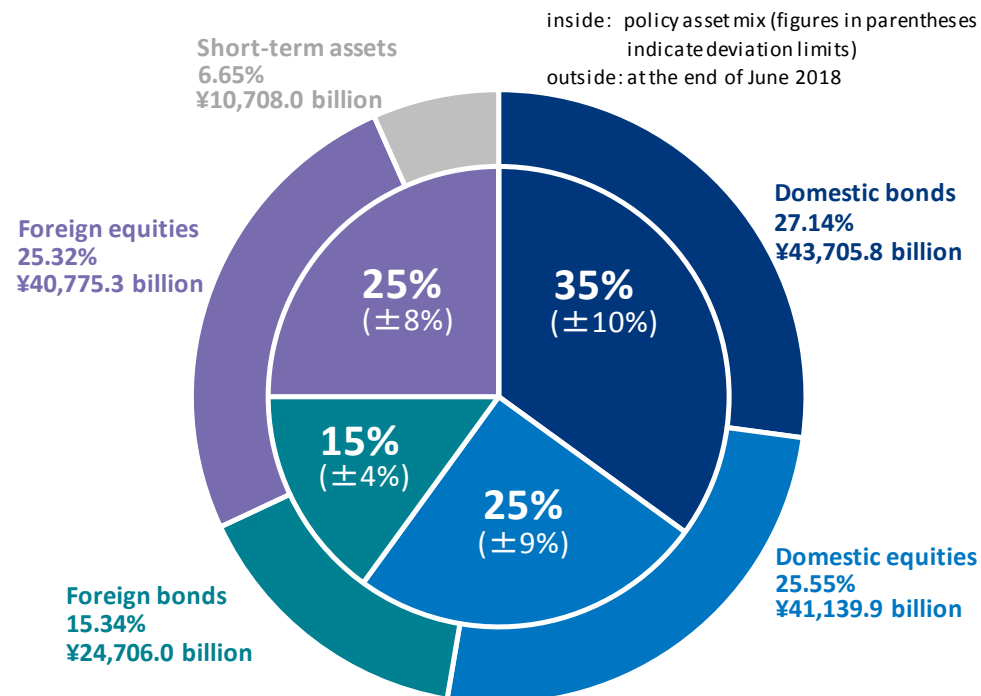
	2018 1Q
Domestic bonds	
Composite Benchmark	0.13%
NOMURA-BPI non-ABS	0.20%
Domestic equities	
TOPIX (incl. dividends)	1.05%
Foreign bonds	
FTSE World Government Bond Index (not incl. JPY, no hedge/JPY basis)	0.76%
cf. FTSE World Government Bond Index (not incl. JPY, Local currency basis)	-0.29%
Foreign equities	
MSCI ACWI (not incl. JPY, JPY basis, incl. dividends, after taking into account our dividend tax factors)	5.16%
cf. MSCI ACWI (not incl. JPY, Local currency basis, incl. dividends, after taking into account our dividend tax factors)	2.99%

Investment assets and portfolio allocation

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

End of June 2018

	Market value (¥ billion)	Allocation of Reserve Funds
Domestic bonds	43,705.8	27.14%
Domestic equities	41,139.9	25.55%
Foreign bonds	24,706.0	15.34%
Foreign equities	40,775.3	25.32%
Short-term assets	10,708.0	6.65%
Total	161,035.1	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 : 0.17% (within maximum 5% of total portfolio)

Investment results for 1Q of fiscal 2018

«Total investments (market investments+FILP bonds) »

Fiscal year	2017					2018				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Rate of investment return (%)	3.54	2.97	3.92	-3.49	6.90	1.68				1.68
Investment income/loss (¥ billion)	5,115.3	4,451.7	6,054.9	-5,540.8	10,081.0	2,622.7				2,622.7
Total assets (¥ billion)	149,198.7	156,817.7	162,672.3	156,383.2	156,383.2	158,580.0				158,580.0

«Reference»

(Market investments)

Fiscal year	2017	2018
		1Q
Modified total return (%) (Time-weighted return)	6.94 (6.99)	1.68 (1.68)
Investment income/loss (¥ billion)	10,057.8	2,618.4
Total assets (¥ billion)	155,486.8	157,684.2

(FILP bonds)

Fiscal year	2017	2018
		1Q
Rate of investment return (%)	1.82	0.48
Investment income/loss (¥ billion)	23.2	4.3
Total assets (¥ billion)	896.4	895.8

Note1: Fiscal year ends on March 31.

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

Investment return

«Total investments»

(unit : %)

Fiscal year	2017	2018				Total
		1Q	2Q	3Q	4Q	
Rate of investment return	6.90	1.68				1.68

«Reference»

(Market investments)

(unit : %)

Fiscal year	2017	2018				Total
		1Q	2Q	3Q	4Q	
Modified total return	6.94	1.68				1.68

(unit : %)

Fiscal year	2017	2018				Total
		1Q	2Q	3Q	4Q	
Time-weighted return	6.99	1.68				1.68
Domestic bonds	0.80	0.14				0.14
Domestic equities	15.66	1.03				1.03
Foreign bonds	3.71	0.56				0.56
Foreign equities	10.15	5.17				5.17
Short-term assets	-0.00	0.00				0.00

(FILP bonds)

(unit : %)

Fiscal year	2017	2018				Total
		1Q	2Q	3Q	4Q	
Rate of investment return	1.82	0.48				0.48

Investment income/loss

«Total investments»

(unit : ¥ billion)

Fiscal year	2017	2018				Total
		1Q	2Q	3Q	4Q	
Investment income/loss	10,081.0	2,622.7				2,622.7

«Reference»

(Market investments)

(unit : ¥ billion)

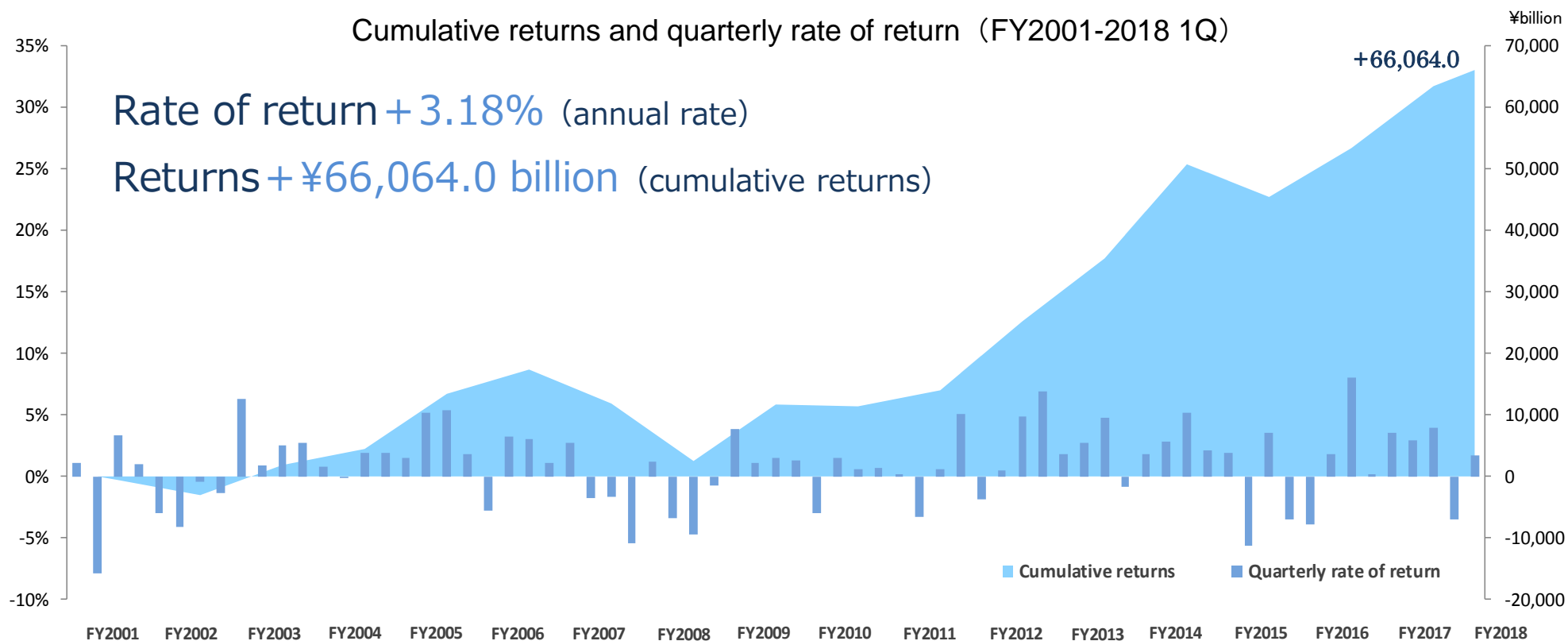
Fiscal year	2017	2018				Total
		1Q	2Q	3Q	4Q	
Investment income/loss	10,057.8	2,618.4				2,618.4
Domestic bonds	362.2	61.4				61.4
Domestic equities	5,507.6	419.9				419.9
Foreign bonds	674.0	134.0				134.0
Foreign equities	3,514.0	2,003.0				2,003.0
Short-term assets	-0.0	0.1				0.1

(FILP bonds)

(unit : ¥ billion)

Fiscal year	2017	2018				Total
		1Q	2Q	3Q	4Q	
Investment income/loss	23.2	4.3				4.3

Historical data on investment income and investment return



	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018 Apr to Jun	FY2006-2018 1Q	FY2001-2018 1Q
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	10,081.0	2,622.7	52,638.3	66,064.0
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%	1.68%	3.36%	3.18%

Note: Fiscal year ends on March 31.