



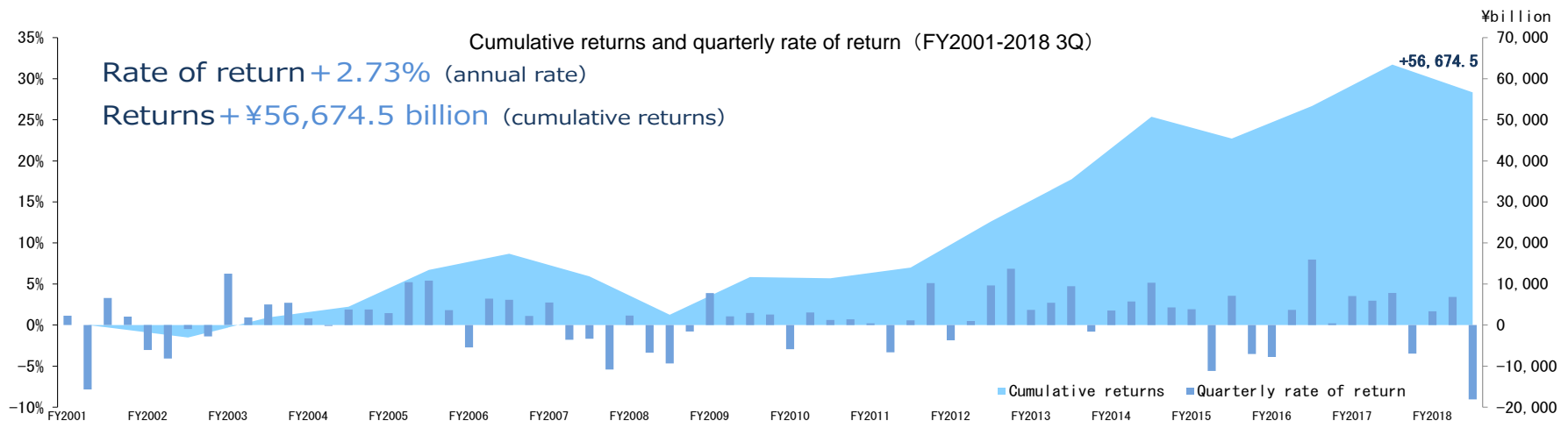
Investment results for 3Q of fiscal 2018(update report)

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 3Q	From fiscal 2001 to 3Q of fiscal 2018
Rate of investment return (Investment returns (¥billion))	-9.06%(Not annualized) (-14,803.9 (Interest and dividend income 846.2))	+2.73%(Annualized) (+56,674.5 (Interest and dividend income 33,319.5))
Total assets (¥billion)	150,663.0 (End of 3Q 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 returns 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 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.

Reference index: 3Q of fiscal 2018

○Market Information

		2018/3	2018/9	2018/10	2018/11	2018/12
Domestic bonds	JGB 10-year yield (%)	0.05	0.13	0.13	0.09	0.00
	Domestic equities	TOPIX (points)	1,716.30	1,817.25	1,646.12	1,667.45
	Nikkei225 (¥)	21,454.30	24,120.04	21,920.46	22,351.06	20,014.77
Foreign bonds	U.S. Treasury 10-year yield (%)	2.74	3.06	3.15	2.99	2.69
	German Government Bond 10-year yield (%)	0.50	0.47	0.38	0.31	0.25
Foreign equities	NY Dow (\$)	24,103.11	26,458.31	25,115.76	25,538.46	23,327.46
	DAX (points)	12,096.73	12,246.73	11,447.51	11,257.24	10,558.96
	SSEC (points)	3,168.90	2,821.35	2,602.78	2,588.19	2,493.90
FX	¥/\$	106.35	113.59	112.86	113.55	109.72
	¥/€	130.79	131.93	127.87	128.57	125.42

○Benchmarks

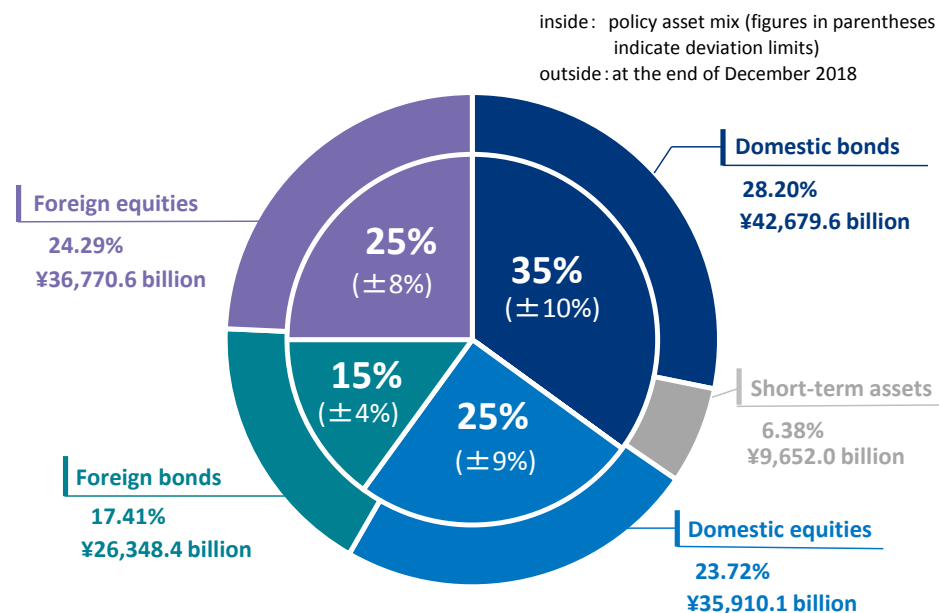
	2018 3Q	2018 1Q-3Q
Domestic bonds		
Composite Benchmark	1.02%	0.35%
NOMURA-BPI non-ABS	1.36%	0.58%
Domestic equities		
TOPIX (incl. dividends)	-17.60%	-11.86%
Foreign bonds		
FTSE World Government Bond Index (not incl. JPY, no hedge/JPY basis)	-2.49%	-0.38%
cf. FTSE World Government Bond Index (not incl. JPY, Local currency basis)	2.03%	0.87%
Foreign equities		
MSCI ACWI (not incl. JPY, JPY basis, incl. dividends, after taking into account our dividend tax factors)	-15.52%	-4.88%
cf. MSCI ACWI (not incl. JPY, Local currency basis, incl. dividends, after taking into account our dividend tax factors)	-12.02%	-5.19%

Investment assets and portfolio allocation

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

End of December 2018

	Market value (¥ billion)	Allocation of Pension Reserve
Domestic bonds	42,679.6	28.20%
Domestic equities	35,910.1	23.72%
Foreign bonds	26,348.4	17.41%
Foreign equities	36,770.6	24.29%
Short-term assets	9,652.0	6.38%
Total	151,360.7	100.00%



Note 1: Policy Asset Mix is as follows: Domestic bonds 35% (±10%), Domestic equities 25% (±9%), Foreign bonds 15% (±4%), Foreign equities 25% (±8%). Based on the current market trends, deviation limits for domestic bonds are flexibly managed as an interim measure. Specifically, short-term assets can be added to domestic bonds within the range allocated for domestic bonds.

Note 2: The percentage of the alternative investments : 0.21% (within maximum 5% of total portfolio)

Investment results for 3Q 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	3.42	-9.06		-4.31
Investment returns (¥ billion)	5,115.3	4,451.7	6,054.9	-5,540.8	10,081.0	2,622.7	5,414.3	-14,803.9		-6,766.8
Total assets (¥ billion)	149,198.7	156,817.7	162,672.3	156,383.2	156,383.2	158,580.0	165,610.4	150,663.0		150,663.0

◀Reference▶

(Market investments)

Fiscal year	2017	2018		
		1Q	2Q	3Q
Modified total return (%) (Time-weighted return)	6.94 (6.99)	1.68 (1.68)	3.43 (3.41)	-9.11 (-8.99)
Investment returns (¥ billion)	10,057.8	2,618.4	5,410.0	-14,808.2
Total assets (¥ billion)	155,486.8	157,684.2	164,714.1	149,767.2

Note1: Fiscal year ends on March 31.

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

(FILP bonds)

Fiscal year	2017	2018		
		1Q	2Q	3Q
Rate of investment return (%)	1.82	0.48	0.48	0.49
Investment returns (¥ billion)	23.2	4.3	4.3	4.3
Total assets (¥ billion)	896.4	895.8	896.3	895.8

Rate of investment return

«Total investments»

(unit : %)

Fiscal year	2017	2018				
		1Q	2Q	3Q	4Q	Total
Rate of investment return	6.90	1.68	3.42	-9.06		-4.31

«Reference»

(Market investments)

(unit : %)

Fiscal year	2017	2018				
		1Q	2Q	3Q	4Q	Total
Modified total return	6.94	1.68	3.43	-9.11		-4.34

(unit : %)

Fiscal year	2017	2018				
		1Q	2Q	3Q	4Q	Total
Time-weighted return	6.99	1.68	3.41	-8.99		-4.31
Domestic bonds	0.80	0.14	-0.79	1.01		0.36
Domestic equities	15.66	1.03	5.89	-17.57		-11.82
Foreign bonds	3.71	0.56	1.79	-2.74		-0.45
Foreign equities	10.15	5.17	7.07	-15.71		-5.08
Short-term assets	-0.00	0.00	-0.00	-0.00		-0.00

(FILP bonds)

(unit : %)

Fiscal year	2017	2018				
		1Q	2Q	3Q	4Q	Total
Rate of investment return	1.82	0.48	0.48	0.49		1.45

Investment returns

«Total investments»

(unit : ¥ billion)

Fiscal year	2017	2018				
		1Q	2Q	3Q	4Q	Total
Investment returns	10,081.0	2,622.7	5,414.3	-14,803.9		-6,766.8

«Reference»

(Market investments)

(unit : ¥ billion)

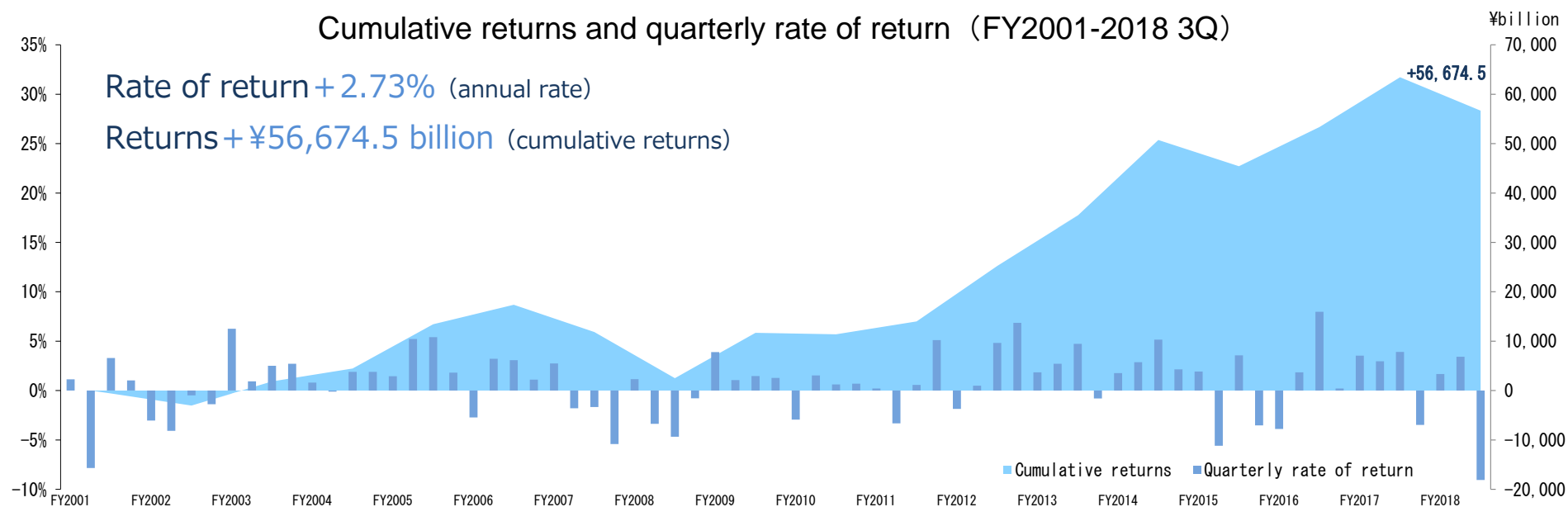
Fiscal year	2017	2018				
		1Q	2Q	3Q	4Q	Total
Investment returns	10,057.8	2,618.4	5,410.0	-14,808.2		-6,779.7
Domestic bonds	362.2	61.4	-336.5	424.2		149.1
Domestic equities	5,507.6	419.9	2,423.0	-7,655.6		-4,812.6
Foreign bonds	674.0	134.0	441.2	-718.2		-142.9
Foreign equities	3,514.0	2,003.0	2,882.3	-6,858.2		-1,972.8
Short-term assets	-0.0	0.1	-0.1	-0.4		-0.4

(FILP bonds)

(unit : ¥ billion)

Fiscal year	2017	2018				
		1Q	2Q	3Q	4Q	Total
Investment returns	23.2	4.3	4.3	4.3		12.9

Historical data on investment returns



	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018 Apr to Dec	FY2006-2018 3Q	FY2001-2018 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	-6,766.8	43,248.7	56,674.5
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%	-4.31%	2.73%	2.73%

Note: Fiscal year ends on March 31.