



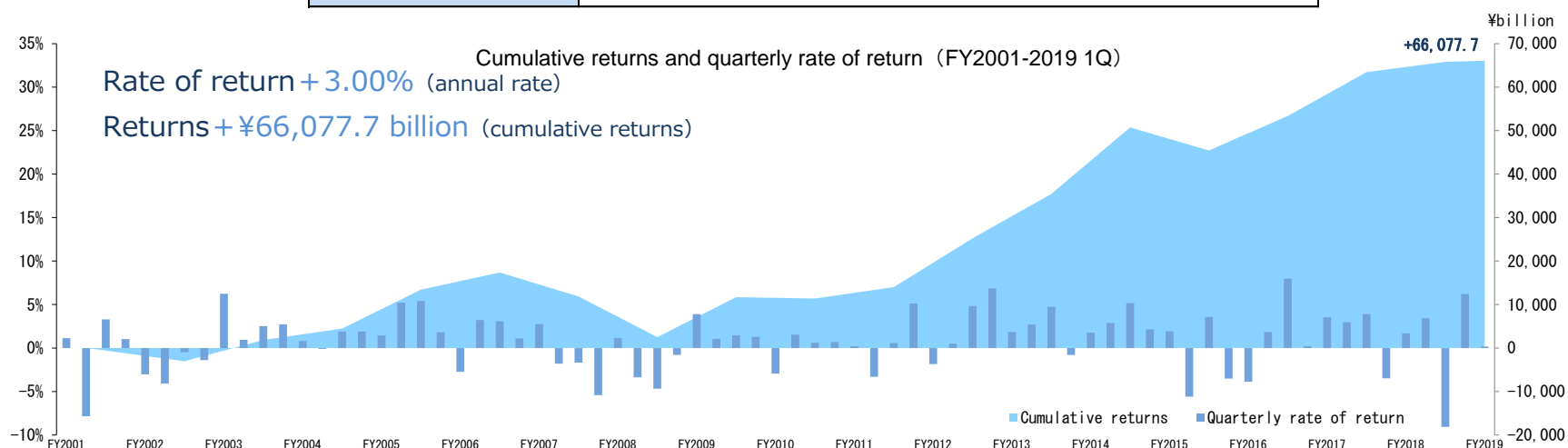
# Investment results for 1Q of fiscal 2019(update report)

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.

	2019 1Q	From fiscal 2001 to 1Q of fiscal 2019
Rate of investment return (Investment returns (¥ billion))	+0.16%(Not annualized) (+256.9 (Interest and dividend income 1,104.1))	+3.00%(Annualized) (+66,077.7 (Interest and dividend income 35,004.7))
Total assets (¥ billion)	159,213.3 (End of 1Q of fiscal 2019)	



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: 1Q of fiscal 2019

### ○Market Information

		2019/3	2019/4	2019/5	2019/6
Domestic bonds	JGB 10-year yield (%)	-0.09	-0.04	-0.10	-0.16
	Domestic equities				
Domestic equities	TOPIX (points)	1,591.64	1,617.93	1,512.28	1,551.14
	Nikkei225 (¥)	21,205.81	22,258.73	20,601.19	21,275.92
Foreign bonds	U.S. Treasury 10-year yield (%)	2.41	2.50	2.13	2.01
	German Government Bond 10-year yield (%)	-0.07	0.01	-0.20	-0.33
Foreign equities	NY Dow (\$)	25,928.68	26,592.91	24,815.04	26,599.96
	DAX (points)	11,526.04	12,344.08	11,726.84	12,398.80
	SSEC (points)	3,090.76	3,078.34	2,898.70	2,978.88
FX	¥/\$	110.69	111.38	108.58	107.74
	¥/€	124.28	124.82	120.99	122.69

### ○Benchmarks

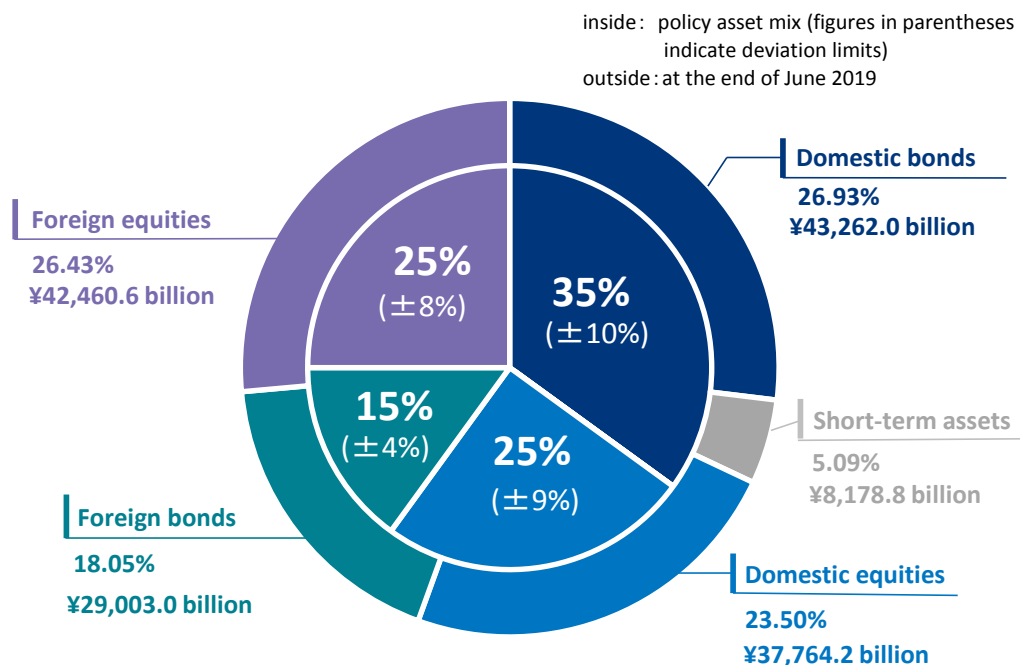
	2019 1Q
Domestic bonds	
Composite Benchmark	0.76%
NOMURA-BPI non-ABS	0.91%
Domestic equities	
TOPIX (incl. dividends)	-2.35%
Foreign bonds	
FTSE World Government Bond Index (not incl. JPY, no hedge/JPY basis)	0.73%
cf. FTSE World Government Bond Index (not incl. JPY, Local currency basis)	3.01%
Foreign equities	
MSCI ACWI (not incl. JPY, JPY basis, incl. dividends, after taking into account our dividend tax factors)	1.20%
cf. MSCI ACWI (not incl. JPY, Local currency basis, incl. dividends, after taking into account our dividend tax factors)	3.77%

## Investment assets and portfolio allocation

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

End of June 2019

	Market value (¥ billion)	Allocation of Pension Reserve
Domestic bonds	43,262.0	26.93%
Domestic equities	37,764.2	23.50%
Foreign bonds	29,003.0	18.05%
Foreign equities	42,460.6	26.43%
Short-term assets	8,178.8	5.09%
<b>Total</b>	<b>160,668.7</b>	<b>100.00%</b>



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 : 0.35% (within maximum 5% of total portfolio)

## Investment results for 1Q of fiscal 2019

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

Fiscal year	2018					2019				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Rate of investment return (%)	1.68	3.42	-9.06	6.21	1.52	0.16				0.16
Investment returns ( ¥ billion)	2,622.7	5,414.3	-14,803.8	9,146.3	2,379.5	256.9				256.9
Total assets ( ¥ billion)	158,580.0	165,610.4	150,663.1	159,215.4	159,215.4	159,213.3				159,213.3

### «Reference»

#### (Market investments)

Fiscal year	2018	2019		
		1Q	2Q	3Q
Modified total return (%) (Time-weighted return)	1.51 (1.54)	0.16 (0.16)		
Investment returns ( ¥ billion)	2,362.3	252.6		
Total assets ( ¥ billion)	158,319.1	158,317.6		

Note1: Fiscal year ends on March 31.

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

#### (FILP bonds)

Fiscal year	2018	2019		
		1Q	2Q	3Q
Rate of investment return (%)	1.93	0.48		
Investment returns ( ¥ billion)	17.2	4.3		
Total assets ( ¥ billion)	896.3	895.7		

## Rate of investment return

### «Total investments»

(unit : %)

Fiscal year	2018	2019				Total
		1Q	2Q	3Q	4Q	
Rate of investment return	1.52	0.16				<b>0.16</b>

### «Reference»

#### (Market investments)

(unit : %)

Fiscal year	2018	2019				Total
		1Q	2Q	3Q	4Q	
Modified total return	1.51	0.16				<b>0.16</b>

(unit : %)

Fiscal year	2018	2019				Total
		1Q	2Q	3Q	4Q	
Time-weighted return	1.54	0.16				<b>0.16</b>
Domestic bonds	1.43	0.81				<b>0.81</b>
Domestic equities	-5.09	-2.31				<b>-2.31</b>
Foreign bonds	2.70	0.94				<b>0.94</b>
Foreign equities	8.12	1.29				<b>1.29</b>
Short-term assets	0.02	-0.05				<b>-0.05</b>

#### (FILP bonds)

(unit : %)

Fiscal year	2018	2019				Total
		1Q	2Q	3Q	4Q	
Rate of investment return	1.93	0.48				<b>0.48</b>

## Investment returns

### «Total investments»

(unit : ¥ billion)

Fiscal year	2018	2019				Total
		1Q	2Q	3Q	4Q	
Investment returns	2,379.5	256.9				256.9

### «Reference»

#### (Market investments)

(unit : ¥ billion)

Fiscal year	2018	2019				Total
		1Q	2Q	3Q	4Q	
Investment returns	2,362.3	252.6				252.6
Domestic bonds	595.9	339.3				339.3
Domestic equities	-2,073.2	-892.6				-892.6
Foreign bonds	697.5	268.6				268.6
Foreign equities	3,141.1	541.3				541.3
Short-term assets	1.1	-3.9				-3.9

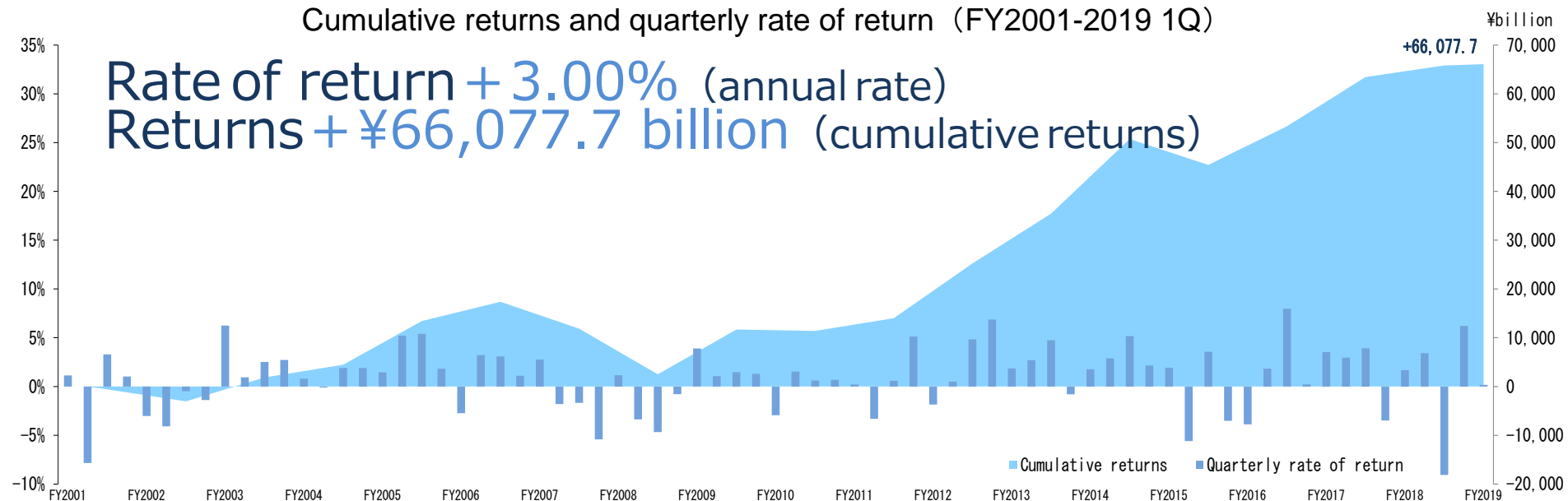
#### (FILP bonds)

(unit : ¥ billion)

Fiscal year	2018	2019				Total
		1Q	2Q	3Q	4Q	
Investment returns	17.2	4.3				4.3

## Historical data on investment returns

Cumulative returns and quarterly rate of return (FY2001-2019 1Q)



	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 1Q	FY2006-2019 1Q	FY2001-2019 1Q
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	256.9	52,652.0	66,077.7
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%	0.16%	3.10%	3.00%

Note: Fiscal year ends on March 31.