

Survey on the Experiences in the Application of the Santiago Principles (SP)

I. General questions on the experiences on SP and the value of transparency

1. Please comment on the value of transparency to your organization and to what extent your view on transparency is driven by the purpose, mandate and structure of your organization (and any other relevant factors)?

The transparency of the Guardians of New Zealand Superannuation ('we'), and the New Zealand Superannuation Fund ('Fund') is driven by mandatory requirements and voluntary additional efforts. The context for transparency is that we are an operationally autonomous agency of the New Zealand Government and that the Fund was established to smooth the cost of the retirement benefit paid to all New Zealanders aged over 65, between generations of New Zealanders. As such, all New Zealanders have an interest in the Fund's activities.

Mandatory transparency

The establishing legislation for the Guardians and Fund requires public disclosure of a number of aspects of how we manage the Fund, including:

- annually identifying all investment managers and their mandates;
- an annual list of all equity holdings;
- an Annual Report and an annual forecast called the Statement of Intent; and
- a statement of investment policies, standards and procedures.

In addition, as a Crown entity in New Zealand we are subject to:

- annual and public financial reviews by the New Zealand Parliament;
- the Official Information Act; and
- a five-yearly review of our governance of the Fund.

Voluntary transparency

Building on mandatory disclosure, we have adopted a basic approach of presumed disclosure unless there are good reasons (generally, commercial reasons) not to disclose. Consequent to this approach we also disclose a wide range of information including:

- monthly performance reporting
- our performance relative to a low-cost, passive benchmark (in order to assess the success or otherwise of our added-value investment activities)
- how we select investment managers (due diligence hurdles)
- individual investment case studies
- our Responsible Investment approach including specific case studies

- an annual list of all equity holdings
- our investment beliefs and investment strategies
- how we structure the Fund
- responsible Investment activity including proxy voting
- how we benchmark and against whom

The value of transparency

Our chosen approach to transparency has the following benefits.

Domestic and international legitimacy

In essence, this means the citizens – and their representatives – of New Zealand; and the citizens and their representatives of those other nations where we invest or wish to invest. In our view, if these audiences understand why we exist, who we are, what we do and that we do it professionally, they are less likely to be concerned about and attempt to prevent or limit our activities.

We believe it is commercially advantageous to be open about being operationally autonomous from the New Zealand Government, that have no explicit liabilities, and that we have significant latitude to invest and do so on a purely commercial basis. If these aspects are well and broadly understood by the global market and its participants, we believe we maximise our opportunities to make investments across the full scope of asset classes, access points and locations. We would prefer the global market and its participants to have clear, accurate information from us about our purpose, mandate, structure, endowments, experience and professionalism; rather than having to form their own views on guesswork.

2. In your organization's view, does transparency assist in generating domestic/international legitimacy?

(a) Yes

(b) No

Comments: See our answer to question 1, 'domestic and international legitimacy'.

3. Almost two years have passed since the adoption of the SP. Taking into account your response to the general question on transparency, do you agree with a view that the SP have been helpful in guiding SWFs' operational and investment practices?

- (a) Strongly agree
- (b) Agree**
- (c) Neutral
- (d) Disagree
- (e) Strongly disagree

Comments: We look to the general trend of improvement in how SWFs are being scored by third-party transparency surveys. This suggests that, regardless of how each SWF believes its operational and investment practices have changed, external observers believe that they have – and have done so for the better.

Instinctively, also, it makes sense: if an SWF has attributed value to some degree of transparency about its practices, the SWF will logically ensure that the practices on which it has chosen to shine some light are sufficiently robust to cope with it.

4. Has the SP been commercially advantageous to your SWF (e.g, has it assisted in establishing relationships, securing transactions, removing or avoiding commercial restrictions, in essence made it easier for your SWF to operate?).

- (a) Yes**
- (b) No

Comments: Our transparency allows us to be very open in person. We believe this is a major driver behind our active participation being so frequently sought in international forums of peer funds and other market participants. Such forums carry opportunities for commercial and otherwise advantageous discussions. We believe that we would not get so many such opportunities were we not so open – certainly they would not be offered based on the size of the Fund.

5. Has the SP assisted you in communicating with your SWF's stakeholders and/or the broader public?

- (a) Strongly agree
- (b) Agree**
- (c) Neutral
- (d) Disagree
- (e) Strongly disagree

Comments: To be frank, our chosen approach to transparency is consistent with what the SP seeks and pre-dates the SP. So it has not assisted with respect to improving our transparency and the related stakeholder benefits of being highly transparent.

Where the SP has assisted us, is in providing a greater level of formalised awareness, appreciation and appetite for the depth and breadth of transparency we have adopted.

6. Has the SP had a positive impact on your SWF's reputation e.g. has it helped your SWF to avoid or to deal with criticism?

- (a) Strongly agree
- (b) Agree**
- (c) Neutral
- (d) Disagree
- (e) Strongly disagree

Comments: This follows on from the second part of our answer to the preceding question. Since early in 2009 we have had on our website a public response to each of the Santiago Principles. We have found this document useful, as we have our ratings in the transparency surveys referred to at question 5, for front-footing transparency 'credentials' with our stakeholders. When we are criticized, it tends not to be for our transparency or our governance.

7. Have you conducted a self-assessment of your SWF with regards to SP implementation?

- (a) Yes**

Comments: It has been public on our website since early 2009 (see here <http://www.nzsuperfund.co.nz/files/Implementation%20of%20the%20Santiago%20Principles%20Sept%202009.pdf>)

8. Would it be useful to your SWF if some or all of the disclosure required of your SWF by the SP was also required of other parties (e.g. investment host countries)?

- (a) Strongly agree
- (b) Agree
- (c) Neutral
- (d) Disagree
- (e) Strongly disagree

If you agree, please be specific in your comments about what type and level of disclosure, from what other parties, would be useful to your SWF:

Our interest is in reciprocal responsibility¹ between home and host countries. We believe disclosure from investment-receiving countries is important to this. The disclosures we believe would be useful, either by the countries individually or via multilateral organisations such as the OECD or EU are:

- disclosure by investment-receiving countries of adherence to OECD Investment codes and practices and of their reasons for exceptions to adherence.
- disclosure by investment-receiving countries of limitations or other restrictions on foreign direct investment; and examples of where they have been applied

¹ As framed by Edwin Truman, *Sovereign Wealth Funds: Threat or Salvation?* p149

II. Questions on each principle

This section deals with the Santiago Principles as follows:

1. For each of the Principles there is a general question dealing with the implementation of the Principles.
2. For some Principles there are additional questions which are designed for IFSWF internal purposes and are voluntary
3. To eliminate repetition of effort, other than responding to the general question, some of the Principles can be dealt with in their entirety through the response SWFs gave to the IFSWF '2010 Survey of Institutional and Operational Practices' circulated ahead of the Sydney meeting

To assist in responding, the table below indicates how each Principle is dealt with

Principle	General question (as per 1 above)	Voluntary question (as per 2 above)	Comment
1	√		Survey response answers (as per 3 above)
2	√		Survey response answers (as per 3 above)
3	√	√	
4	√	√	
5	√	√	
6	√		Survey response answers (as per 3 above)
7	√		Survey response answers (as per 3 above)
8	√	√	
9	√		Survey response answers (as per 3 above)
10	√		Survey response answers (as per 3 above)
11	√	√	
12	√	√	

13	√	√	
14	√	√	
15	√	√	
16	√		Survey response answers (as per 3 above)
17	√	√	
18	√	√	
19	√	√	
20	√	√	
21	√	√	
22	√	√	
23	√	√	
24	√	√	

General question for each principle and sub-principle:

Since the inception of the SP, what is your experience of how the implementation of this principle has evolved?

- (a) We had implemented this principle before the inception of the SP
- (b) We have partially implemented this principle since the inception of the SP
- (c) We have fully implemented this principle since the inception of the SP
- (d) We have not implemented this principle.

Guidance for comments: Please explain how you have implemented this principle. What were the issues/problems encountered in implementing this principle? If this principle is not (fully) implemented, please explain what are the impediments for (full) implementation.

Answer only the general question for the following principles:

Our response is a) to all of the Principles in this section.

Our previous response to the Santiago Principles provides factual support for this and has been included as part of our response to this document.

GAPP 1. Principle

The legal framework for the SWF should be sound and support its effective operation and the achievement of its stated objective(s).

GAPP 2. Principle

The policy purpose of the SWF should be clearly defined and publicly disclosed.

GAPP 6. Principle

The governance framework for the SWF should be sound and establish a clear and effective division of roles and responsibilities in order to facilitate accountability and operational independence in the management of the SWF to pursue its objectives.

GAPP 7. Principle

The owner should set the objectives of the SWF, appoint the members of its governing body(ies) in accordance with clearly defined procedures, and exercise oversight over the SWF's operations.

GAPP 9. Principle

The operational management of the SWF should implement the SWF's strategies in independent manner and in accordance with clearly defined responsibilities.

GAPP 10. Principle

The accountability framework for the SWF's operations should be clearly defined in the relevant legislation, charter, other constitutive documents, or management agreement.

GAPP 16. Principle

The governance framework and objectives, as well as the manner in which the SWF's management is operationally independent from the owner, should be publicly disclosed.

Answer the general question AND, voluntarily, the following question(s) for the following principles

GAPP 3. Principle

Where the SWF's activities have significant direct domestic macroeconomic implications, those activities should be closely coordinated with the domestic fiscal and monetary authorities, so as to ensure consistency with the overall macroeconomic policies.

General question: This principle is not applicable to our organisation.

9. Do you have standard procedures and/or regular meetings for policy coordination with the monetary and fiscal authorities regarding overall macroeconomic policies?
- (a) Yes
(b) No

Comments: Not applicable

GAPP 4. Principle

There should be clear and publicly disclosed policies, rules, procedures, or arrangements in relation to the SWF's general approach to funding, withdrawal, and spending operations.

- *GAPP 4.1 Subprinciple The source of SWF funding should be publicly disclosed.*
- *GAPP 4.2 Subprinciple The general approach to withdrawals from the SWF and spending on behalf of the government should be publicly disclosed.*

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

10. Do you have regular meetings or an established framework for policy coordination with the fiscal authorities on funding/withdrawal operations?

(a) Yes

(b) No

Comments: The funding and withdrawal framework is established by our legislation and can only be varied by changing that legislation.

11. Does the nation's budget documentation explain the contribution made by the SWF to the government's fiscal and monetary objectives and are the amounts or rules for transfers and withdrawals determined within the government's annual budget?

(a) Yes

(b) No

Comments: The impact of contributions to the Fund; and of the Fund's returns, on New Zealand's balance sheet and financial position is discussed in its Budget documentation. In particular, its longer-term fiscal outlook. With respect to the 'amounts or rules' for transfers and withdrawals, see our response to the previous question.

GAPP 5. Principle

The relevant statistical data pertaining to the SWF should be reported on a timely basis to the owner, or as otherwise required, for inclusion where appropriate in macroeconomic data sets.

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

12. Please describe what type of data and at what frequency are reported to

- (a) Owner/Governing Body
- (b) National Statistical Agency (if applicable)

Comments: We report as follows:

What is reported	Frequency	Public?
Fund performance, Fund size, NZ tax paid, economic exposures by asset class, significant international and domestic equity holdings	Monthly	Yes
All equity holdings	Annually	Yes
Fund performance relative to risk-free rate of return (90-day Treasury Bills)	Monthly	Yes
Fund performance relative to a low-cost, passive alternative (our 'Reference Portfolio' – i.e. a benchmark of whether our added-value activity is actually adding value)	Annually	Yes

GAPP 8. Principle

The governing body(ies) should act in the best interests of the SWF, and have a clear mandate and adequate authority and competency to carry out its functions.

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

13. What are the arrangements for ensuring the adequate authority of the governing body(ies) and that they act in the best interest of the SWF?

Comments: Our legislation established double arm's length operational independence for the Guardians. By this we mean that the Board is nominated by an independent Nomination Committee, and appointed by the Governor General on the recommendation of the Minister of Finance; and the management of the Fund is done by an independent Crown agency.

14. Is there a clear policy of a minimum standard of competency for governing body members?

- (a) yes
- (b) no

Comments: Consistent with section 55 of our establishing legislation, board members are chosen for their experience, training and expertise in the management of financial investments.

GAPP 11. Principle

An annual report and accompanying financial statements on the SWF's operations and performance should be prepared in a timely fashion and in accordance with recognized international or national accounting standards in a consistent manner.

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

15. Does your SWF prepare an annual report and accompanying financial statements?

- (a) yes

Comments (could you please elaborate on what considerations/guidelines/restrictions determine what to include or not include in the Annual report): Section 68 of our establishing legislation requires the following content to be present in the Annual Report:

- a) Financial statements
- b) Statement of responsibility for the financial statements signed by the Board chair and Guardians CEO
- c) Audit report on financials
- d) Analysis and explanation of the Fund over the relevant financial year, including comparing its performance to what was forecast in the Statement of Intent (a disclosure document required to be produced by a Crown entity)
- e) Statement of investment policies, standards and procedures for the Fund
- f) Statement by Chair and CEO certifying whether e) has been complied with
- g) A schedule of the investment managers and custodians used by the Guardians during the relevant financial year and the classes of investments for which each was responsible

We voluntarily report a significant amount of information. Our 2010 Annual Report is the most recent proof point for this and can be accessed here

http://www.nzsuperfund.co.nz/files/NZSF_AR_Edit%202010.pdf

GAPP 12. Principle

The SWF's operations and financial statements should be audited annually in accordance with recognized international or national auditing standards in a consistent manner.

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

16. Since the inception of SP have you made significant changes to your audit process?

- (a) Yes, but such changes were not due to SP recommendations
- (b) Yes, and such changes were in view of SP recommendations
- (c) **No change**

Comments:

GAPP 13. Principle

Professional and ethical standards should be clearly defined and made known to the members of the SWF's governing bodies, management, and staff.

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

17. To what extent are professional and ethical standards clearly defined and known in your organisation?

Comments: They are embedded within the Board's Charter and within Codes of Conduct for staff and for contractors. The first two documents are both public, via our website.

18. Which of these areas (governing bodies, management, and staff) of your organization have clearly defined professional and ethical standards?

Comments: We have clearly framed our expectations of board, staff and contractors as per the above response.

19. Have you recently or are you planning to revise or develop the professional or ethical standards for any part of your organisation within the next year?

Comments: No.

GAPP 14. Principle

Dealing with third parties for the purpose of the SWF's operational management should be based on economic and financial grounds, and follow clear rules and procedures.

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

20. Do you have a set of policies for dealing with third parties?

- (a) yes (who is responsible for setting these policies and monitoring compliance?)
- (b) no (are you planning on developing this set of policies?)

Comments: We have various policies for dealing with third parties. These include policies for procurement, for selecting and monitoring investment managers and other investment counterparties, for how due diligence is conducted.

The Board is responsible for agreeing policies and is either responsible itself for monitoring compliance or has delegated that responsibility through clear delegations to the CEO.

GAPP 15. Principle

SWF operations and activities in host countries should be conducted in compliance with all applicable regulatory and disclosure requirements of the countries in which they operate.

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

21. Have you ever encountered difficulties in compliance with regulations or disclosure requirements of recipient countries?

- (a) yes
- (b) no

Comments: As per our previous response to the SP, the Guardians have no direct operations or activities in foreign countries. We monitor, via third parties, legislative developments in jurisdictions where we have significant investments. Our responses should be seen in this context.

22. If you answered "yes" to the previous question, what are main issues behind your difficulties?

- (a) Regulations and requirements are too strict and not business-friendly.
- (b) Regulatory bodies do not understand well SFW's specific purpose and background.

- (c) Recipient countries' requirement conflicts with regulations in home countries.
- (d) Others

Comments: not applicable as per the previous question.

GAPP 17. Principle

Relevant financial information regarding the SWF should be publicly disclosed to demonstrate its economic and financial orientation, so as to contribute to stability in international financial markets and enhance trust in recipient countries.

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

23. What financial information does your SWF disclose publicly, and through which means (annual report, web site, etc.)?

Audited financial accounts are

- published in our Annual Report which is provided to the New Zealand Parliament and made public via our website;
- published in our Statement of Intent, which is a forecasting document, and which is also provided to Parliament and to the public via our website.

Additional financial information is published regularly. See our response to GAPP 5

GAPP 18. Principle

The SWF's investment policy should be clear and consistent with its defined objectives, risk tolerance, and investment strategy, as set by the owner or the governing bodies, and be based on sound portfolio management principles.

- *GAPP 18.1 Subprinciple The investment policy should guide the SWF's financial risk exposures and the possible use of leverage.*
- *GAPP 18.2 Subprinciple The investment policy should address the extent to which internal and/or external investment managers are used, the range of their activities and authority, and the process by which they are selected and their performance monitored.*
- *GAPP 18.3 Subprinciple A description of the investment policy of the SWF should be publicly disclosed.*

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

24. What can bring you difficulties in maintaining investment policy's consistency with your organization's objectives, risk tolerance, and investment strategy?

- (a) Unexpected economic and financial event (e.g., global financial crisis)
- (b) Pressure on short-term performance
- (c) Pressure on disclosure of financial information
- (d) Relationship with other entities (e.g. regulatory bodies, asset owner)
- (e) Other (please explain)

Comment: The transparency around the performance of the Fund – particularly that it is disclosed monthly – does tend to focus our stakeholders and the general public on short-term performance. In particular, on short-term volatility.

This can pose challenges to retaining our focus on structuring a portfolio for a long-term purpose i.e. one which has a substantial weighting to growth assets and invests consistent with a high tolerance for illiquidity.

We deal with this by making sure that the linkages between our purpose, structure, investment horizon, risk appetite and investment approach are as clear as possible.

25. What elements of your investment policy do you disclose? (Include links to relevant documents).

- (√) Investment objectives
- (√) Risk tolerance
- (√) Investment horizon
- (√) Strategic asset allocation
- (√) Investment constraints
- (n/a) Use of leverage
- (√) Use of external managers
- (√) Performance relative to risk-free rate and to low-cost passive benchmark 'Reference Portfolio'
- (√) Cost structure and value-add relative to peer funds as assessed by third party (CEM)
- (√) Specific investment case studies
- (√) Responsible Investment policies (including engagements, exclusions and proxy voting)

Comments: (what information about the investment policy do you consider difficult to disclose, and why?): We do not consider that any of the information is difficult to disclose. There are some challenges around enabling a focus on short-term volatility as per our response to the immediately preceding question.

26. Do you have an explicit external manager selection and monitoring policy in place?

- (a) yes
- (b) no

Comments: We have published on our website our 'conviction analysis' approach to the selection and monitoring of investment managers. We are currently completing a revised policy in this regard and that, too, will be public when it is complete.

27. If you answered "yes" to the previous question, do you disclose how many external managers are selected and monitored?

- (a) yes (please indicate how and where it is disclosed or provide a link)
- (b) no

Comments: see above answer and the website link is here

http://www.nzsuperfund.co.nz/external_investment_managers.asp?pageID=2145846741

GAPP 19. Principle

The SWF's investment decisions should aim to maximize risk-adjusted financial returns in a manner consistent with its investment policy, and based on economic and financial grounds.

- *GAPP 19.1 Subprinciple If investment decisions are subject to other than economic and financial considerations, these should be clearly set out in the investment policy and be publicly disclosed.*
- *GAPP 19.2 Subprinciple The management of an SWF's assets should be consistent with what is generally accepted as sound asset management principles.*

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

28. Does the fund place any restrictions on investment decisions which are not based on economic or financial considerations?

- (a) yes
- (b) no

Comments: As per our previous SP response, our mandate makes clear that the Fund is to be invested on a prudent, commercial basis. This is characterised as follows:

- (a) Best-practice **portfolio** management;
- (b) Maximising **return** without undue **risk** to the Fund as a whole; and
- (c) Avoiding prejudice to New Zealand's reputation as a responsible member of the world community.

In respect of (c) the Fund does exclude some investments on the basis of Responsible Investment considerations. They are public here
<http://www.nzsuperfund.co.nz/index.asp?pageID=2145876631>

It is important to note that we believe including Responsible Investment considerations in our investment processes is entirely consistent with best-practice portfolio management and with avoiding undue risk.

29. If you answered yes, what are these and what do they seek to achieve (please include links to relevant documents) and to what extent are these measures clearly set out in the investment policy and publicly available.

See our Responsible Investment Statement of Policies, Standards and Procedures here
<http://www.nzsuperfund.co.nz/files/Responsible%20Investment%20Policies%20October%202009.pdf>

We report on our RI activities via our website here
<http://www.nzsuperfund.co.nz/index.asp?PageID=2145876631>

And in our Annual Report (a link to which is included in our response to Principle 11).

GAPP 20. Principle

The SWF should not seek or take advantage of privileged information or inappropriate influence by the broader government in competing with private entities.

General question: Because of our operational independence from the Government, we have no access to the type of information and are not impacted by the type of influence described.

30. Do you have any institutional arrangements/framework to prevent inappropriate use of privileged information or influence by the broader government?

- (a) yes
- (b) no

Comments: Our legislation which established us as operationally independent from the Government.

GAPP 21. Principle

SWFs view shareholder ownership rights as a fundamental element of their equity investments' value. If an SWF chooses to exercise its ownership rights, it should do so in a manner that is consistent with its investment policy and protects the financial value of its investments. The SWF should publicly disclose its general approach to voting securities of listed entities, including the key factors guiding its exercise of ownership rights.

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

31. Does the SWF have an overall strategy for how it will exercise its ownership?

(a) yes

(b) no (are there any plans to develop this?)

Comments: Exercise of our ownership rights is covered in our Statement of Investment Policies, Standards and Procedures which is available via the website. We also make public our proxy voting guidelines and how we have exercised our voting rights via the Responsible Investment section of the website.

32. Please describe the themes that overall strategy for the exercise of ownership rights covers (e.g., sustainability, corporate governance, environmental issues, and social issues).

- Corporate governance especially independence and remuneration
- Responsible investment especially environmental damage, human rights and bribery and corruption (for a full discussion of this see our Annual Report for 2010, previously linked in our response to Principle 11.

33. What are the main barriers to a more transparent exercise of ownership?

We do not see these as barriers; rather, they are limitations.

- Commercial confidence
- That confidentiality is sometimes a necessary element of successful Responsible Investment engagements.

GAPP 22. Principle

The SWF should have a framework that identifies, assesses, and manages the risks of its operations.

- *GAPP 22.1 Subprinciple The risk management framework should include reliable information and timely reporting systems, which should enable the adequate monitoring and management of relevant risks within acceptable parameters and*

levels, control and incentive mechanisms, codes of conduct, business continuity planning, and an independent audit function.

- *GAPP 22.2 Subprinciple The general approach to the SWF's risk management framework should be publicly disclosed*

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

34. What are the main aspects of your SWF's risk management framework?

This is outlined on our website here

<http://www.nzsuperfund.co.nz/index.asp?pageID=2145879232>

35. Who (or what body) is responsible for monitoring the effectiveness of the risk management framework?

- The management risk and portfolio monitoring committee
- The Board Audit Committee
- The Board

36. How often is this risk management framework reviewed (and updated)?

- Selected risks are reviewed and updated monthly
- The framework as a whole is reviewed annually.

GAPP 23. Principle

The assets and investment performance (absolute and relative to benchmarks, if any) of the SWF should be measured and reported to the owner according to clearly defined principles or standards.

General question: We had implemented this principle before the inception of the SP. For factual support see our previous response, attached as part of this response.

37. Do you calculate your performance according to any principles or standards (e.g., GIPS)?

- (a) **yes** (please indicate which principles or standards, and whether and how they are disclosed)
- (b) no

Comments: See our response to Principle 5. See also our disclosure of the relevant information in our 2010 Annual Report on pages 16-18 and 23 (the Report is linked to in our response to Principle 11).

38. Do you disclose the benchmarks you use to assess the performance of your SWF?

- (a) yes (what are the benchmarks, what purpose do they serve, and are they disclosed and if so how?)
- (b) no

Comments: See response to immediately preceding question.

GAPP 24. Principle

A process of regular review of the implementation of the GAPP should be engaged in by or on behalf of the SWF.

39. Have you defined a regular process to review the level of implementation of the SP?

- (a) yes (please describe the process)
- (b) no (are there plans to do this?)

Comments: We have undertaken to review our implementation at least biennially. This document represents our most recent action in this regard.