

TITLE:

# **Monthly Performance and Portfolio Report – November 2012**

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EVENT | PRESENTATION:

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# Overview

The Fund returned 2.01% in November 2012, reaching a month-end high of \$20.45 billion.

	As at 30 November 2012 (unaudited)
Fund size	\$20.45 billion
Value of NZ investments	\$3.49 billion or 22.8% of investments*
Return since inception (30 September 2003)	7.72% p.a.
Last 5 years	3.50% p.a.
Last 3 years	11.56% p.a.
Last 12 months	16.96%
November 2012	2.01%

Because of its weighting to growth assets, the Fund can experience large short-term movements. As a long-term investor we have a greater-than-average ability to withstand this volatility. Shifts in value from month to month must be seen in the context of the Fund's long-term purpose and performance.

Fund returns are unaudited and calculated before NZ tax and after costs. We consider tax paid as a return to the Crown.

\* The value given for NZ investments excludes cash and foreign exchange hedging instruments.

# Performance summary

- The Fund measures its performance in two ways:
  - relative to the NZ 90 day Treasury Bill rate; and
  - relative to a passive [Reference Portfolio](#) benchmark.

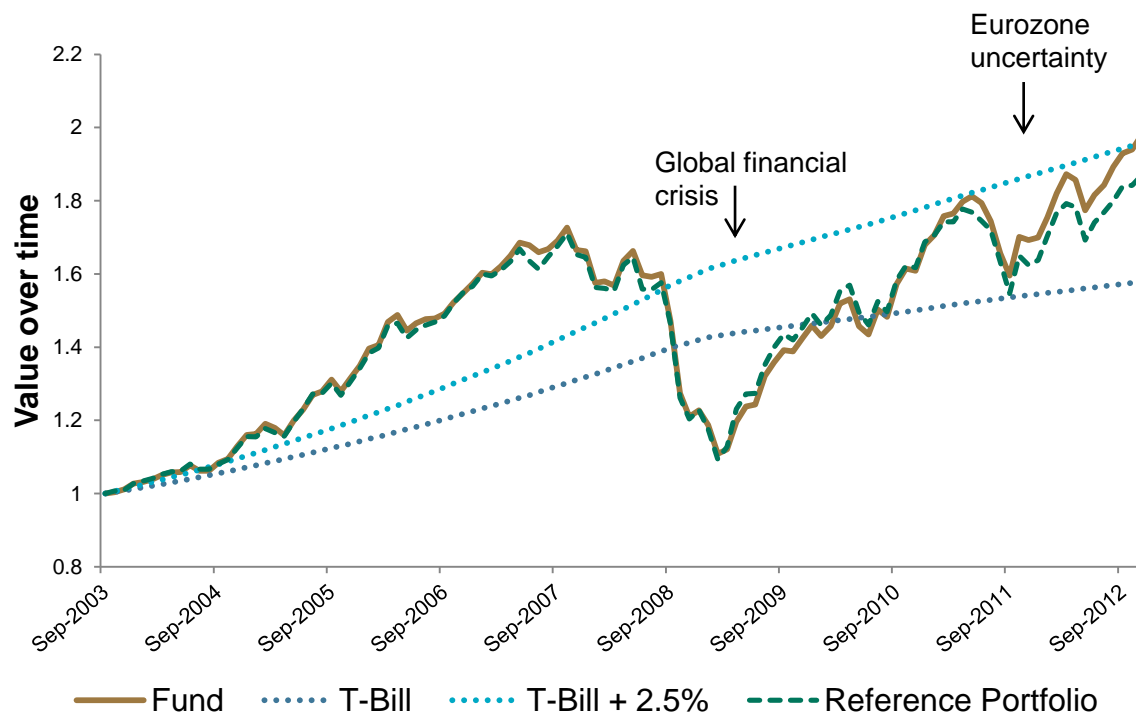
Given the investment risk of the Fund, over the long-term (rolling 20 year periods) we expect to exceed the New Zealand Treasury Bill rate by at least 2.5% p.a.

Performance as at 30 November 2012	November 2012	Last 12 months	Last 3 years	Last 5 years	Since inception
Actual Returns	2.01%	16.96%	11.56%	3.50%	7.72%
Reference Portfolio Return	1.47%	15.02%	8.72%	2.48%	7.05%
Treasury Bill rate	0.20%	2.40%	2.61%	3.80%	5.10%
Treasury Bill rate + 2.5%	0.40%	4.90%	5.11%	6.29%	7.60%

- For further information:
  - [Full list of monthly Fund returns since inception](#)
  - [Previous monthly reports](#)

# Performance since inception

This graph shows what has happened to the first dollar invested in the Fund over time.



Since inception the Guardians have added \$3.2 billion to the Fund, compared to the Treasury Bill rate.

Over the same period, as illustrated by the gap between the brown and green lines, the Guardians' active investment strategies have added an estimated \$1.2 billion in value to the Fund, compared to the passive Reference Portfolio benchmark.

# Performance since inception

The Fund's long-term performance expectation is that it will beat the Treasury Bill rate by at least 2.5% (over rolling 20 year periods). Since inception, the Fund has exceeded the Treasury Bill rate by 2.62%.

Performance as at 30 November 2012	Since inception (30 September 2003)
Actual Fund return	7.72%
NZ Treasury Bill return	5.10%
Net Return (actual Fund return minus NZ Treasury Bill return)	2.62%
Estimated \$ earned relative to NZ Treasury Bills	\$3.243 billion
Reference Portfolio return	7.05%
Value added by active investment (actual Fund return minus Reference Portfolio return)	0.67%
Estimated \$ earned relative to Reference Portfolio	\$1.242 billion

# Fund size breakdown

	November 2012	Last 12 months	Last 3 years	Last 5 years	Since inception
Contributions received	\$0 billion	\$0 billion	\$0 billion	\$3.71 billion	\$14.88 billion
Returns (after fees and foreign tax, and before NZ tax)	\$0.40 billion	\$3.09 billion	\$5.93 billion	\$4.12 billion	\$8.03 billion
NZ tax (paid) / received*	\$(0.13) billion	\$(0.28) billion	\$(1.07) billion	\$(1.10) billion	\$(2.45) billion
Other movements**	\$0.01 billion	\$0.00 billion	\$(0.01) billion	\$0.05 billion	\$(0.01) billion
Closing Fund balance as at 30 November 2012	<b>\$20.45 billion</b>				

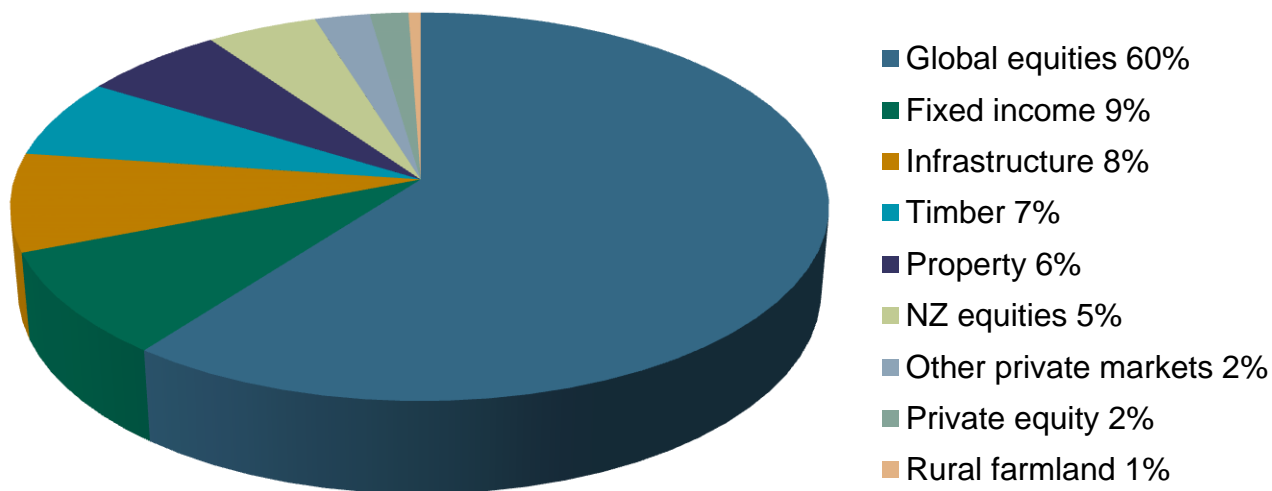
\* Tax 'received' covers any instances of refunds for overpayment of tax

\*\* Other movements relate to transactions other than tax paid or received e.g. tax expense, movements in reserves.

# Asset class exposures

This graph shows the Fund's economic exposures as a % of Fund value (prior to the impact of any strategic tilting positions). For further information on how the Fund's capital is allocated and our strategic tilting activities see [How we Invest](#).

## Asset class exposures as at 30/11/12

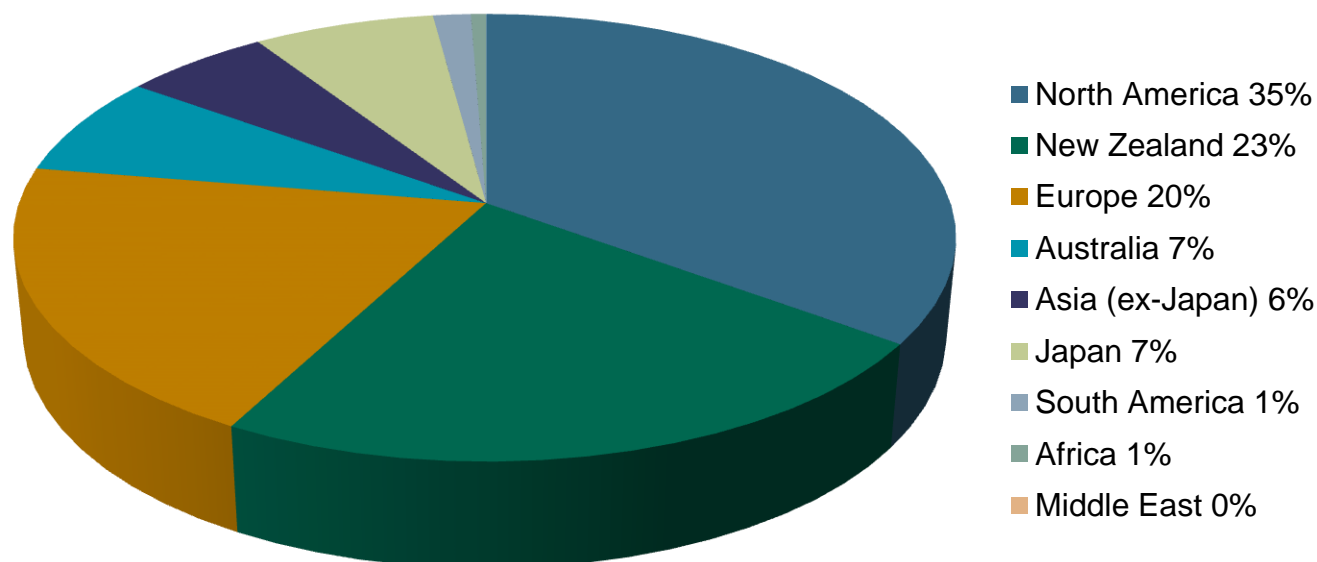




# Where we invest

This graph shows the Fund's investments by geographic region, excluding cash and foreign exchange hedging instruments.

**Investments by geography as at  
30/11/12**



# Top 10 holdings as at 30 November 2012\*

NZ listed equities	Value \$NZm	% of Fund	International listed equities	Value \$NZm	% of Fund	Unlisted investments***	Value \$NZm	% of Fund
AIAL	334.0	1.6%	Transurban Group	337.8	1.7%	Kaingaroa	958.9	4.7%
Fletcher Building	143.7	0.7%	Zurich Airport	60.5	0.3%	Z Energy	527.3	2.6%
Telecom	101.8	0.5%	Simon Property Group	47.7	0.2%	Horizon Roads	281.0	1.4%
NZ Refining Company**	69.1	0.3%	Samsung Electronics	38.8	0.2%	AMP NZ Property Fund	230.1	1.1%
SKYCITY Entertainment	62.4	0.3%	Copenhagen Airport	34.7	0.2%	AIF Properties Ltd (Australian Timber)	133.9	0.7%
Contact Energy	54.9	0.3%	Sun Hung Kai Properties	29.6	0.1%	Canyon Distressed Opportunity Fund	119.6	0.6%
Fisher & Paykel Healthcare	44.6	0.2%	Apple Inc	27.8	0.1%	NZSF Rural Investments Limited	112.2	0.5%
Ryman Healthcare	41.3	0.2%	Westfield Group	25.2	0.1%	NZ Timber – TI3	92.0	0.5%
Sky Network Television	37.9	0.2%	Vodafone Group	24.2	0.1%	Global Timber Investors 8 (GFP)	91.6	0.4%
Chorus Ltd	37.2	0.2%	Westpac Banking Corp	23.9	0.1%	Life Settlements Swap	88.1	0.4%

\* A full list of the Fund's equity holdings is published annually: see the [2012 list](#).

\*\* Represents both our direct holdings in NZ Refining and shares owned through our 50% ownership of Z Energy.

\*\*\* Latest available value as at 30 November 2012. See [www.nzsuperfund.co.nz](http://www.nzsuperfund.co.nz) for a list of current investment managers.

# Substantial Security Holdings

A Substantial Security Holder (SSH) is a person with a relevant interest in 5% or more of the total voting securities of a public issuer. This table sets out the companies in which the Fund is a SSH.

Date last SSH filing made	Security name	Percentage holding at date of filing	Exchange
18-Jun-2012	Skellerup Holdings	5.20	New Zealand
28-Jan-2010	Auckland International Airport	10.11	New Zealand
26-Mar-2010	NZ Refining Company	17.34	New Zealand

# Other news

- PSP Investments to become partner in Kaingaroa
- Lindsay Wright appointed to Guardians of New Zealand Superannuation Board
- NZSF purchases 35% stake in Datacom
- NZSF excludes three companies on responsible investment grounds
- NZSF named world's most innovative Sovereign Wealth Fund

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