

TITLE:

Monthly Performance and Portfolio Report – January 2013

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Overview

The Fund returned 4.30% in January 2013, reaching a month-end high of \$21.81 billion.

	As at 31 January 2013 (unaudited)
Fund size	\$21.81 billion
Value of NZ investments	\$3.54 billion or 24.0% of investments*
Return since inception (30 September 2003)	8.33% p.a.
Last 5 years	6.04% p.a.
Last 3 years	13.87% p.a.
Last 12 months	20.37%
January 2013	4.30%

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.

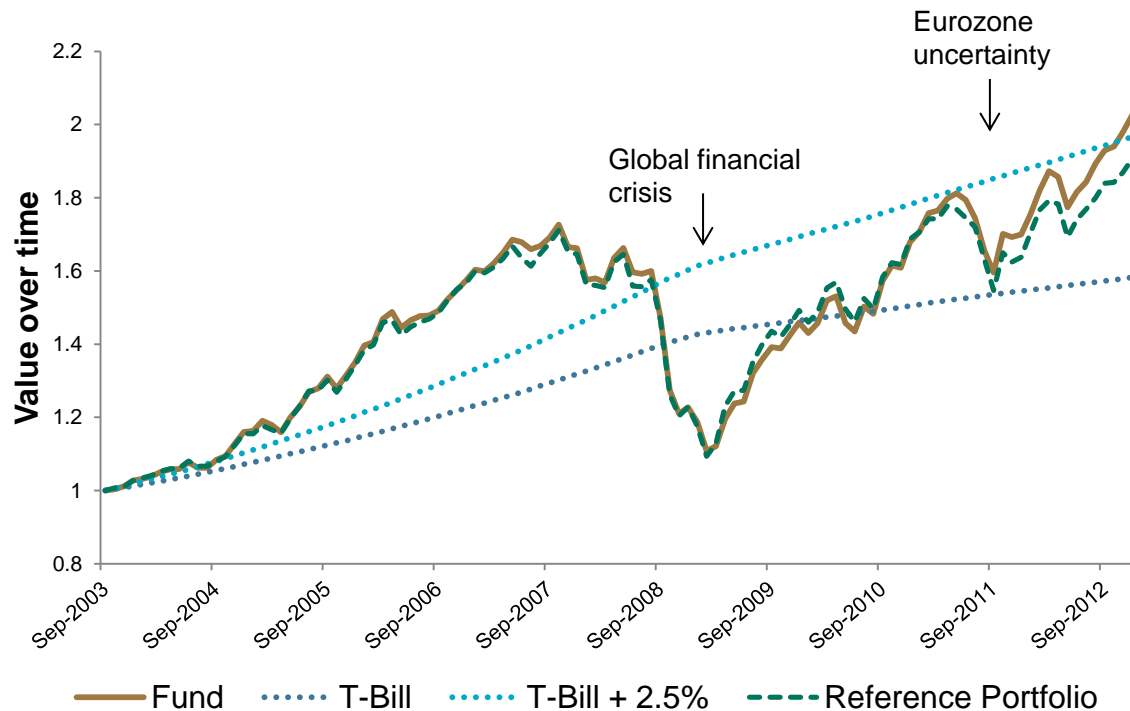
Given the investment risk of the Fund, over the long-term (rolling 20 year periods) we expect to exceed the New Zealand Treasury Bill rate by at least 2.5% p.a.

Performance as at 31 January 2013	January 2013	Last 12 months	Last 3 years	Last 5 years	Since inception
Actual Returns	4.30%	20.37%	13.87%	6.04%	8.33%
Reference Portfolio Return	3.87%	16.24%	10.69%	4.84%	7.59%
Treasury Bill rate	0.21%	2.43%	2.60%	3.63%	5.06%
Treasury Bill rate + 2.5%	0.41%	4.93%	5.10%	6.13%	7.55%

- 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 \$4.7 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 \$1.5 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 3.28%.

Performance as at 31 January 2013	Since inception (30 September 2003)
Actual Fund return	8.33%
NZ Treasury Bill return	5.06%
Net Return (actual Fund return minus NZ Treasury Bill return)	3.28%
Estimated \$ earned relative to NZ Treasury Bills	\$4.738 billion
Reference Portfolio return	7.59%
Value added by active investment (actual Fund return minus Reference Portfolio return)	0.74%
Estimated \$ earned relative to Reference Portfolio	\$1.491 billion

Fund size breakdown

	January 2013	Last 12 months	Last 3 years	Last 5 years	Since inception
Contributions received	\$0 billion	\$0 billion	\$0 billion	\$3.54 billion	\$14.88 billion
Returns (after fees and foreign tax, and before NZ tax)	\$0.91 billion	\$3.78 billion	\$7.30 billion	\$6.28 billion	\$9.44 billion
NZ tax (paid) / received*	\$(0.02) billion	\$(0.33) billion	\$(1.12) billion	\$(1.14) billion	\$(2.49) billion
Other movements**	\$0.00 billion	\$0.00 billion	\$(0.02) billion	\$0.10 billion	\$(0.02) billion
Closing Fund balance as at 31 January 2012	\$21.81 billion				

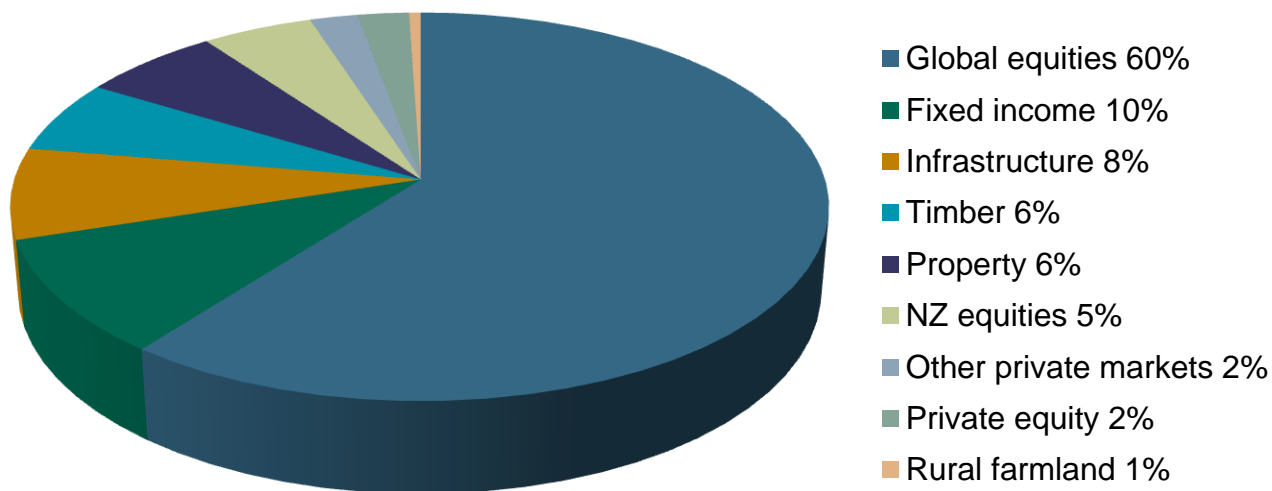
* Tax 'received' covers any instances of refunds for overpayment of tax

** 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](#).

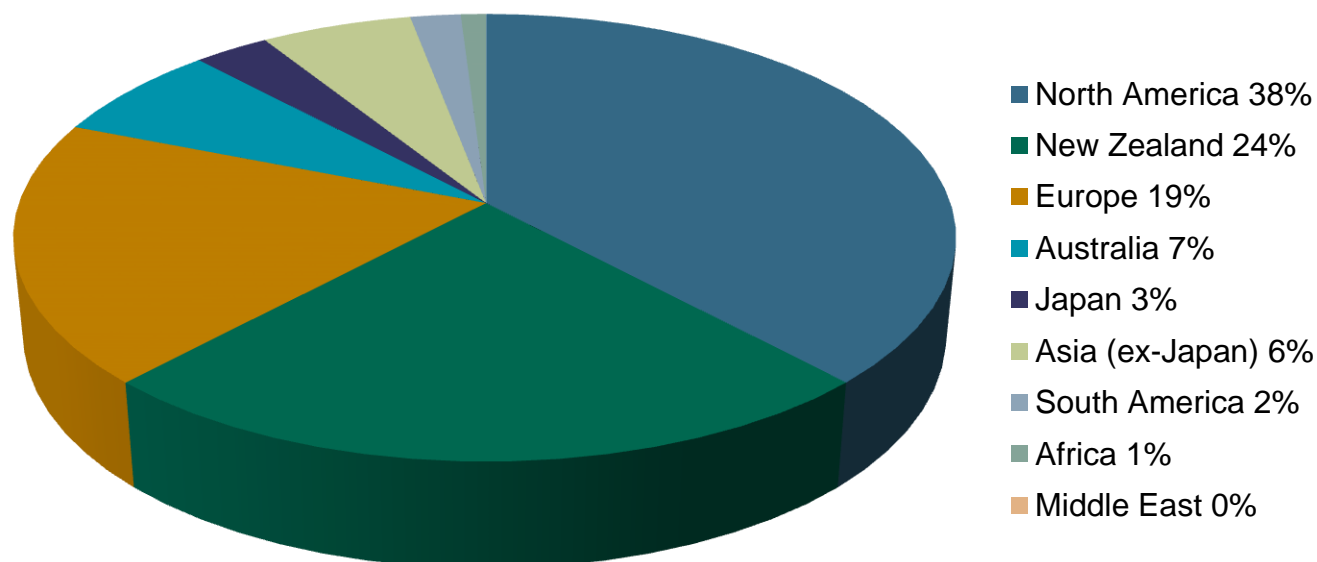
Asset class exposures as at 31/01/13



Where we invest

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

**Investments by geography as at
31/01/13**



Top 10 holdings as at 31 January 2013*

NZ listed equities	Value \$NZm	% of Fund	International listed equities	Value \$NZm	% of Fund	Unlisted investments***	Value \$NZm	% of Fund
AIAL****	354.5	1.6%	Transurban Group	333.9	1.5%	Kaingaroa	950.2	4.4%
Fletcher Building	165.2	0.8%	Zurich Airport	59.8	0.3%	Z Energy	525.0	2.4%
Telecom	104.2	0.5%	Simon Property Group	48.4	0.2%	Horizon Roads	276.1	1.3%
SKYCITY Entertainment	71.4	0.3%	Samsung Electronics	38.8	0.2%	AMP NZ Property Fund	224.0	1.0%
NZ Refining Company**	65.7	0.3%	Copenhagen Airport	37.4	0.2%	AIF Properties Ltd (Australian Timber)	131.8	0.6%
Contact Energy	56.8	0.3%	Sun Hung Kai Properties	31.1	0.1%	Canyon Distressed Opportunity Fund	118.8	0.5%
Fisher & Paykel Healthcare	43.8	0.2%	Vienna Airport	28.1	0.1%	NZSF Rural Investments Limited	115.9	0.5%
Ryman Healthcare	43.1	0.2%	Vodafone Group	26.2	0.1%	NZ Timber – TI3	93.1	0.4%
Infratil	42.0	0.2%	Westfield Group	25.8	0.1%	Life Settlements Swap	89.6	0.4%
Trademe	35.5	0.2%	Mitsubishi Estate Co	25.4	0.1%	Global Timber Investors 8 (GFP)	88.2	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 31 January 2013. See www.nzsuperfund.co.nz for a list of current investment managers.

**** The Fund has reduced its holding in AIA since 31 January 2013. See [NZSF reduces overweight position in Auckland International Airport](#) for more information.

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 was a SSH as at 31 January 2013.*

Date last SSH filing made	Security name	Percentage holding at date of filing	Exchange
19-Dec-2012	A2 Corporation	5.03	New Zealand
28-Jan-2010	Auckland International Airport	10.11	New Zealand
26-Mar-2010	NZ Refining Company	17.34	New Zealand

* Note: The Fund has reduced its holding in AIA since this date. See [NZSF reduces overweight position in Auckland International Airport](#) for more information.

Other news

- [NZSF presentation to Commerce Select Committee, 21 February 2013](#)
- [NZSF makes key appointments](#)
- [NZSF reduces overweight position in Auckland International Airport](#)
- [NZ Herald interview with new Guardians Board Member, Lindsay Wright](#)

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