

2024 Stakeholder sentiment research



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Background

Background

The New Zealand Superannuation Fund (NZSF) was established over 20 years ago to help pay for increasing superannuation costs. It is **managed by the Guardians**, an autonomous Crown Agency operating at 'double-arm's-length' from political stakeholders, ensuring purely commercial decision making.

Under the Act*, **the Guardians must invest on a prudent, commercial basis**, consistent with...

- Best-practice portfolio management
- Maximising return without undue risk
- Avoiding prejudice to New Zealand's reputation as a responsible member of the global community.

* The New Zealand Superannuation and Retirement Income Act 2001

The Guardians has a range of political, business and supplier stakeholder relationships locally and overseas. It is crucial to maintain strong partnerships and to do so, the Guardians aims to understand stakeholder perceptions, satisfaction, needs and wants. Assessing the health of stakeholder relationships will help the Guardians with future decision making and making improvements.

This research aims to understand stakeholders' perceptions by tracking how this has changed over time when compared with 2015 and 2018 results.

To do this, the research covered a range of topics:

- General perceptions of the Guardians
- Satisfaction with the Guardians' performance and management of the Fund
- Satisfaction with the Guardians' communication with stakeholders
- The nature of interactions between the Guardians and stakeholders (frequency and type)
- Satisfaction with the SF Super Fund website
- Satisfaction with the Guardians' service quality
- Stakeholders' satisfaction with their relationship with the Guardians
- Perceptions of the Board and senior leadership team
- Stakeholder perceptions of the importance of the Guardians board operating independently from the New Zealand Government.

This report presents results from a two-phase approach.

1

Quantitative survey

10-minute online survey
September-October 2024
116 local/overseas stakeholders from a range of sectors
Provides quantifiable data on perceptions

2

Qualitative interviews

Individual online interviews
November 2024
22 senior stakeholders
Provides more depth on specifics

Approach
The survey was sent to a list of stakeholders provided by the Guardians. Pre-notification emails (sent by the Guardians), survey invitations, and three reminders were sent to help maximise the response rates.

	Sent to	Responded	Response rate
2015	812	262	32%
2018	1,161	269	23%
2024	372	116	31%

Significance
The maximum margin of error on a sample of 116 is 5.22% at the 95% confidence level. Statistically significant changes year-on-year have been denoted on charts throughout with triangles. Significance has been calculated at the 95% confidence level.

Approach
The Guardians collated a list of senior stakeholders to invite to take part in online interviews. A pre-notification email explaining the qualitative phase was sent by the Guardians. Our recruitment partners randomly selected a sample and invited them to take part in an individual online interview.

Sample composition

Stakeholder type	Number
Investment or asset manager	6
Industry organisation, association, or body	5
Peer fund/co-investor	4
Company in which the Guardians has investments	3
Government/political	2
Other	2
New Zealand	9
Overseas	13

Stakeholders who took part in an online qualitative interview are referred to as senior stakeholders throughout this report.

Notes on reading quantitative results

Compared with previous years, the 2024 survey was distributed to a somewhat different audience, focusing on a smaller number of stakeholders who have more interaction with, and knowledge of, the Guardians. This delivers more reliable insights from a more informed audience. However, when comparing results over time, the reader should bear in mind that the 2024 results are based on a somewhat smaller and different audience.

Sample size

Base sizes (i.e. the number of responses a result is based on) are provided throughout. Some results are based on a smaller number of stakeholders because:

- A slightly smaller pool of stakeholders was provided in 2024
- Some questions are not asked of all stakeholders
- Some analysis looks at sub-groups.

Results based on a smaller number of stakeholders provide an indication of sentiment but must be treated with caution, e.g. some results may appear higher or lower than a previous wave of surveying, or when comparing a subgroup with the average, but this may not be statistically significant.

Where possible (when base sizes allow), significant sub-group differences are noted throughout.

Results based on less than 30 stakeholders should be treated with caution and are indicated with a blue dot: ●

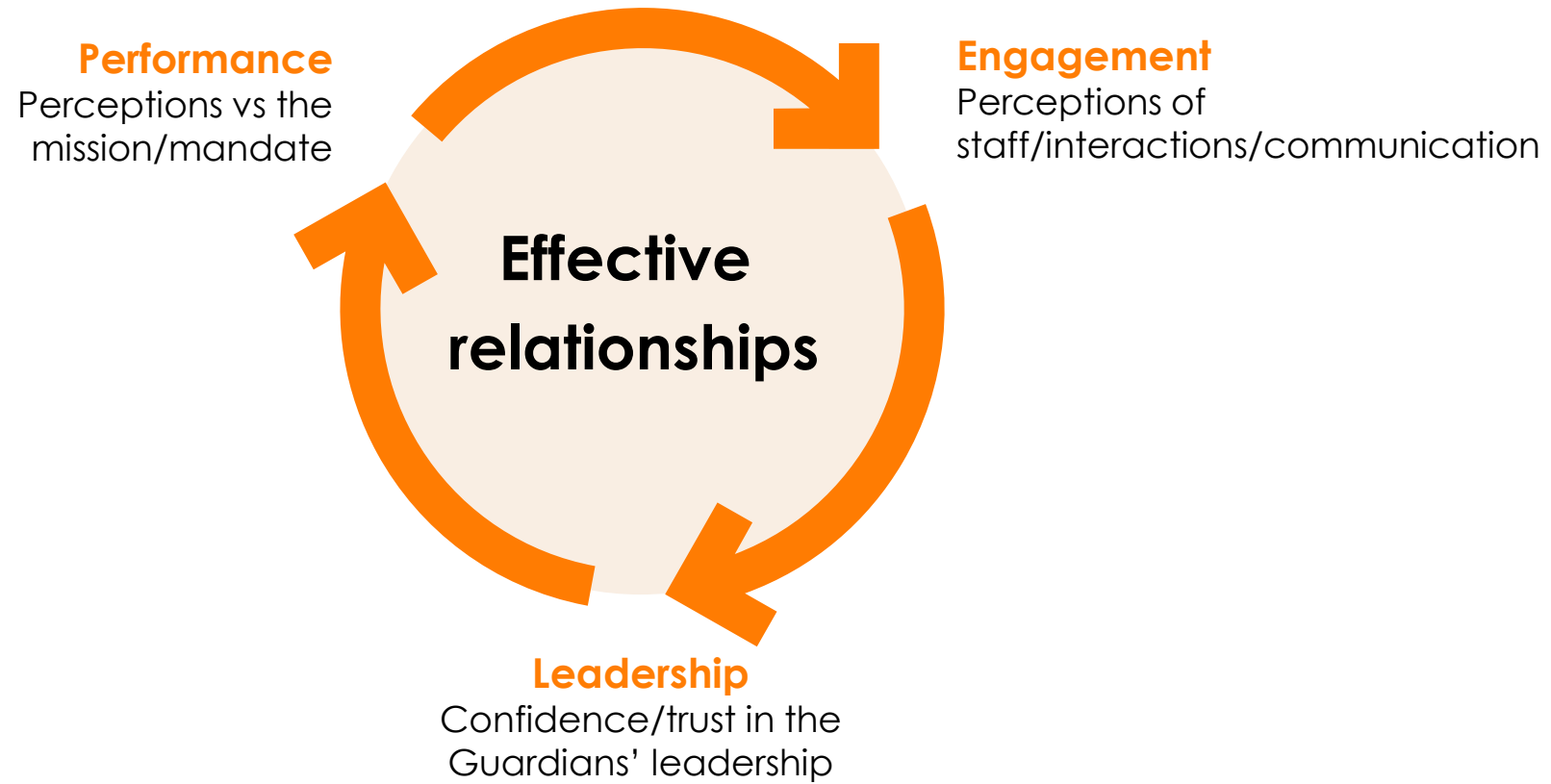
Sample makeup

There are also some differences in the types of stakeholders surveyed this year. Compared to 2018, the stakeholders in 2024 tend to be:

- More senior
- More long-term stakeholders (more have dealt with the Fund for 10+ years)
- More based in New Zealand
- Fewer suppliers of investment services.

This may have resulted in some changes to the results in 2024, for example, long-term senior stakeholders may be more likely to have a better understanding of processes, or to interact with the Fund in different ways or for different reasons, which could have affected results.

Successful stakeholder relationships are exemplified by success in three key, interconnected areas which are the focus of this stakeholder sentiment research.



An aerial photograph of a coastal residential area. The left side of the image shows a dark, deep ocean with some lighter patches of seabed visible. A narrow strip of land separates the ocean from a larger area of green grass and trees. Along this strip, several houses with bright turquoise roofs are visible. The houses are of various sizes and are surrounded by lush greenery. A paved road or path runs along the edge of the houses, separating them from the ocean. The overall scene is a peaceful coastal setting.

Key findings



Stakeholders continue to see the Guardians as a high-performing organisation.

1

Stakeholders hold **mostly positive perceptions** of the Guardians, with almost all associating positive characteristics with the organisation. Indeed, senior stakeholders hold up the Guardians as **an exemplar** sovereign wealth fund.

2

Satisfaction with the Fund's performance remains high. Most stakeholders say the Guardians make **smart investment decisions, achieving excellent returns** as forward-thinking industry leaders. Going forward, stakeholders want to see a continued focus on alignment with the long-term strategy.

3

Since 2018, **stakeholders from the survey increasingly view the Guardians as a responsible representative for New Zealand on the world stage.**

4

In the survey, we see **decreasing comfort with the mix of NZ and global investments.** This sentiment is reflected by some NZ-based senior stakeholders who caution against reducing the level of NZ investment as they believe NZSF has a responsibility to NZ business.

5

Although we have seen a small decline in perceptions of risk vs returns within the survey, **individual ratings of returns and risk management processes remain high.** Similarly, amongst senior stakeholders, we heard considerable support for the overall risk profile of the investments.



**Stakeholders
value their
relationship,
seeing the
Guardians as
professional and
competent.**

6

Stakeholders across the board identify the **Guardians' level of openness and transparency as what makes it stand out** from other Sovereign Wealth Funds. Those who have close working relationships see this as a highly collaborative partnership.

7

While stakeholders are **highly appreciative of the Guardians willingness to share** with the industry, some would like to see **even more broad industry engagement and best practice sharing** to enable more opportunities to learn from the Fund's strategies and successes.

8

As in 2018, stakeholders seek a better balance with the New Zealand Government. Stakeholders value the Guardians' independence but feel NZSF could do more to foster greater understanding and open dialogue with government.

9

Individual staff and senior leadership continue to be a key asset, viewed as competent, helpful and collaborative, with the positive sentiment towards individual staff strengthening since 2018.

10

Moving forward, **the Guardians' ability to attract and maintain high quality staff will be a key driver of satisfaction**, with several stakeholders seeing staff retention as a key risk for the fund.



NZSF is a strong industry leader punching above its weight, with a new, untested leadership team

11

While **senior stakeholders have confidence that the new Leadership Team** is well placed to continue driving the Guardians forward in a positive direction, they **would like to see them to proactively build stakeholder relationships**, generating visibility of the team and sharing its strategic direction.

12

Through the survey, we see **lower familiarity and weaker sentiment towards the Board** than the Leadership Team. However, we also see less influence of the Board on satisfaction, suggesting that not all stakeholders want or need to know more about the Board.

13

Senior stakeholders consider the Guardians to be an industry leader and innovator, especially given its ability to align ESG* investing values with strong returns. They caution NZSF to stay on top of future trends to ensure it has the foresight and ability to adapt.

14

The Guardians are **seen as a role model** for many sovereign wealth funds. Stakeholders at other sovereign wealth funds see the Guardians as **a source of best practice** and **appreciate their willingness to share**.

15

Stakeholders in the global investment community feel that the Guardians have significant convening power and **could do more to bring together stakeholders, foster connections and lead thinking on important issues**.

*Environmental, Social and Governance

With high levels of satisfaction, stakeholders don't expect major changes.

Instead, they want to see the Guardians continue to make tweaks to get the right balance between...



*By connecting other organisations, listening to outside advice and being more transparent about risks successes and lessons learned.



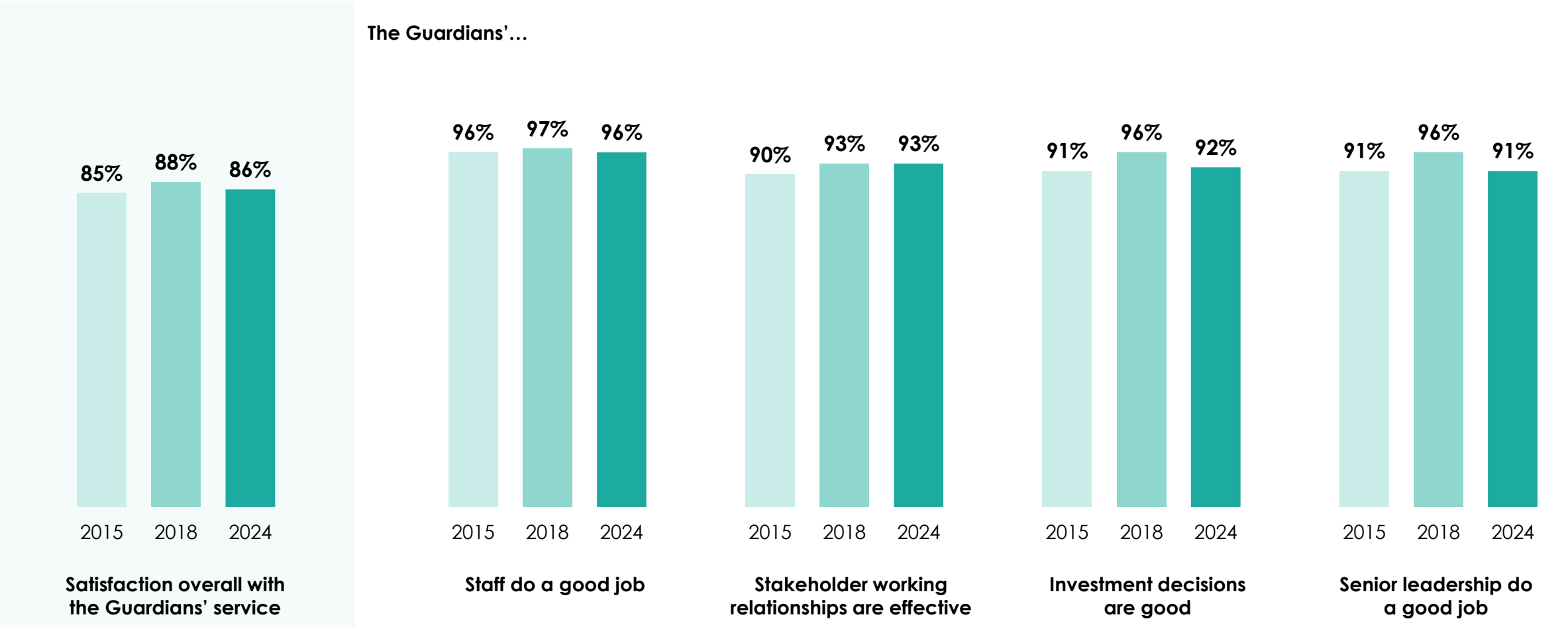
Sentiment towards the Guardians

“ I always want to do more work with them which isn't always the case for other funds. **They're bold and brave, punch well above their weight, are highly regarded and lead the space forward...** Unlike some others, they don't approach a situation with a bunch of egos in the room trying to outsmart each other, they are grounded and enable real, genuine conversation. ”

Investment or asset manager. Overseas

The Guardians are seen as a consistently high-performing organisation.

More than eight in ten stakeholders are satisfied overall. More than nine in ten feel the Guardians perform well, have good quality people and effective relationships, all of which remain broadly stable over time.



Source: Q13. Q12. Q14. Q4. Q18.
Base: All stakeholders excluding "Don't know" responses, 2024 n=116-96, 2018 n= 257-214, 2015 n=244-206

Significantly **higher** than previous survey at ▲95%/△90% confidence
Significantly **lower** than previous survey at ▼95%/▽90% confidence

Senior stakeholders also see the Guardians as consistently high-performing.

A constant theme among senior stakeholders is that **the Guardians are an exemplar sovereign wealth fund**.



It's been hugely successful and has been a marquee organisation for other sovereign funds around the world.

Investment or asset manager including transition manager. Overseas

Staff are highly-regarded, well-networked, and considered experts in their field.



The analysis I've seen from them has been very thorough and comprehensive. There's plenty of smart people. They also network extremely well, not just in New Zealand, not just in this part of the world, but right around the world. They are well connected.

[Government/political. NZ-based]

The Guardians maintain **effective relationships**



I feel like what NZSuper does really well, is they make everybody feel like they're a partner.

Investment or asset manager including transition manager. Overseas

The Guardians make **good investment decisions**



It's one of the best performing sovereign wealth funds globally. So, I think their thinking is solid.

Company in which the Guardians has an investment. NZ-based

Senior stakeholders are unfamiliar with the relatively new senior leadership, but they have faith the good work of the previous leadership team will continue.



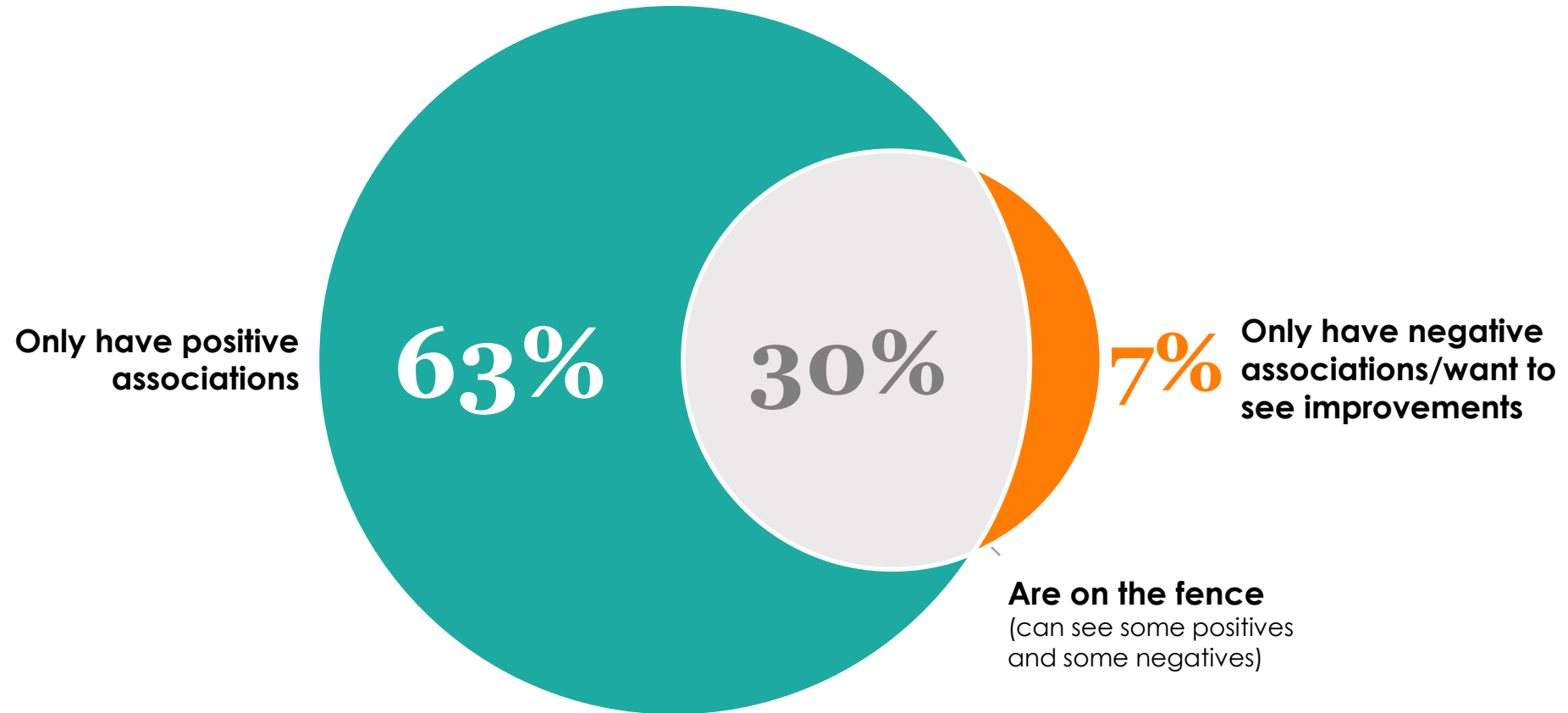
I had high levels of confidence in [NZSF senior team]. I'm yet to better get to know better the new CIO's, and it's a dual structure. I would say they have been good in cultivating this positive culture. A very thorough, thought driven or intellectually driven approach to going about things. And so, from what I see, it's been very positive. There are signs of managerial decision-making ability to get stuff done. That get stuff done mentality is probably something that is well developed.

Industry organisation, association, or body. Overseas

Almost all stakeholders associate positive attributes with the Guardians.

About six in ten are completely positive towards them, and three in ten are positive but can also see some areas they would like improved. This leaves the minority (7%) who focus only on negatives or improvements.

When asked which attributes best describe the Guardians
(prompted with a list of attributes)...



Source: Q19. Now, please think about the Guardians and imagine it were a person with its own personality. Below are a series of words. Please indicate which words you associate with the Guardian's personality.

Base: All stakeholders. 2024 n=116.

The Guardians are most often seen as professional, trustworthy and competent. Negative perceptions are less common and tend to centre around processes and difficulty navigating them, including perceptions that the organisation can be slow, complicated or inflexible.

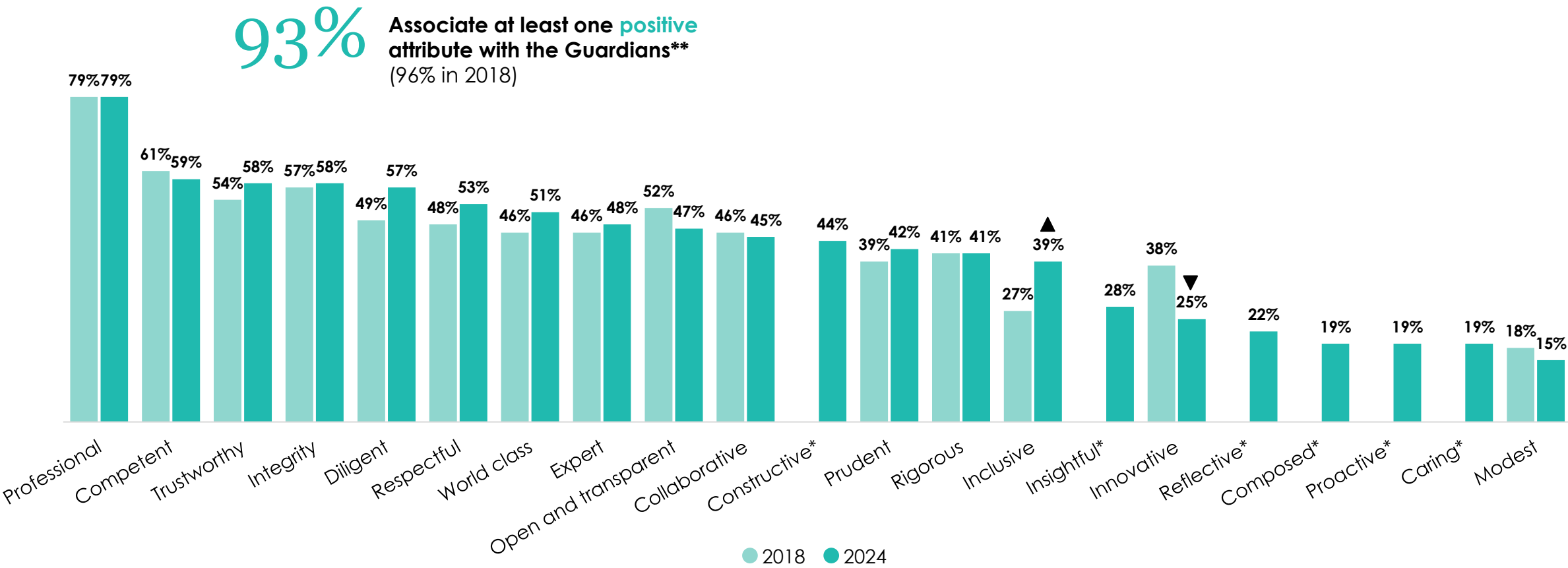
Attribute association with the Guardians



Source: Q19. Now, please think about the Guardians and imagine it were a person with its own personality. Below are a series of words. Please indicate which words you associate with the Guardian's personality.
Base: All stakeholders. 2024 n=116. Note: Multiple can be selected, so totals do not add to 100%

Almost all stakeholders associate at least one positive attribute with the Guardians.

Perceptions of the Guardians' inclusivity have improved since 2018, however perceived innovation has declined.



Source: Q19. Now, please think about the Guardians and imagine it were a person with its own personality. Below are a series of words. Please indicate which words you associate with the Guardian's personality. Base: All stakeholders. 2024 n=116, 2018 n=269. Note: Multiple can be selected, so totals do not add to 100% *Asked for the first time in 2024 **Some of these stakeholders will have also mentioned improvements/negatives

Significantly higher than previous survey at ▲95%/△90% confidence
Significantly lower than previous survey at ▼95%/▽90% confidence

While the perception of the Guardians as innovative is decreasing amongst stakeholders in the survey, **senior stakeholders continue to rate them as innovative.**

Perceived innovation is often driven by the Guardians' ability to align ESG purposes with strong investment returns.



[NZSF has] been recognised, and they would still be right at the forefront of that now, and they've really led not only the Sovereign Wealth Fund sector, but I'd say even more widely than that, any one of the big asset owners, pension funds, for example, will also look to New Zealand as an example, because of how you can implement a carbon reduction in your portfolio at the same time as still generating stellar returns.

Industry organisation, association, or body. Overseas



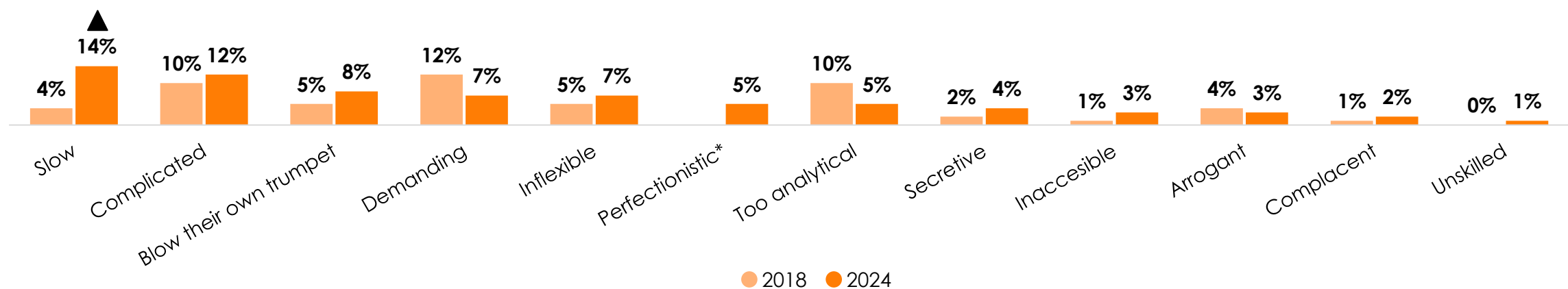
I think that because that level of delegation that has empowered the investment team to take more risk and test new ideas and try new things, that level of innovation has been really helpful.

Peer fund/co-investor. Overseas

Over a third of stakeholders recognise areas the Guardians could improve on.

Stakeholders increasingly find Guardians to be a slow-moving organisation, while it is also common to see them as overly complicated, suggesting the need to simplify and expedite processes.

37% Associate at least one **negative** attribute with the Guardians**
(29% in 2018)



Source: Q19. Now, please think about the Guardians and imagine it were a person with its own personality. Below are a series of words. Please indicate which words you associate with the Guardian's personality. Base: All stakeholders. 2024 n=116, 2018 n=269. Note: Multiple can be selected, so totals do not add to 100% *Asked for the first time in 2024 **Some of these stakeholders will have also mentioned positives

Significantly higher than previous survey at ▲95%/▲90% confidence
Significantly lower than previous survey at ▼95%/▼90% confidence

Even though stakeholders in the survey increasingly find the Guardians to be slow-moving, senior stakeholders haven't experienced this.

Instead, senior stakeholders feel the Guardians provide exceptional levels of service.



They really try to keep their relationships strong... The dialogue [from them] sets you up to be able to tease out different issues and get to the bottom of them really quickly.

Government/political, NZ-based



I've found all of my dealings incredibly professional and trustworthy... and they've done it in a way which is collaborative partnership orientated.

Company in which the Guardians has an investment, NZ-based



The team that we deal with are very responsive and I'm sure they're very busy, but they, you know, they're very quick and very thoughtful in how they respond.

Investment or asset manager including transition manager. NZ-based

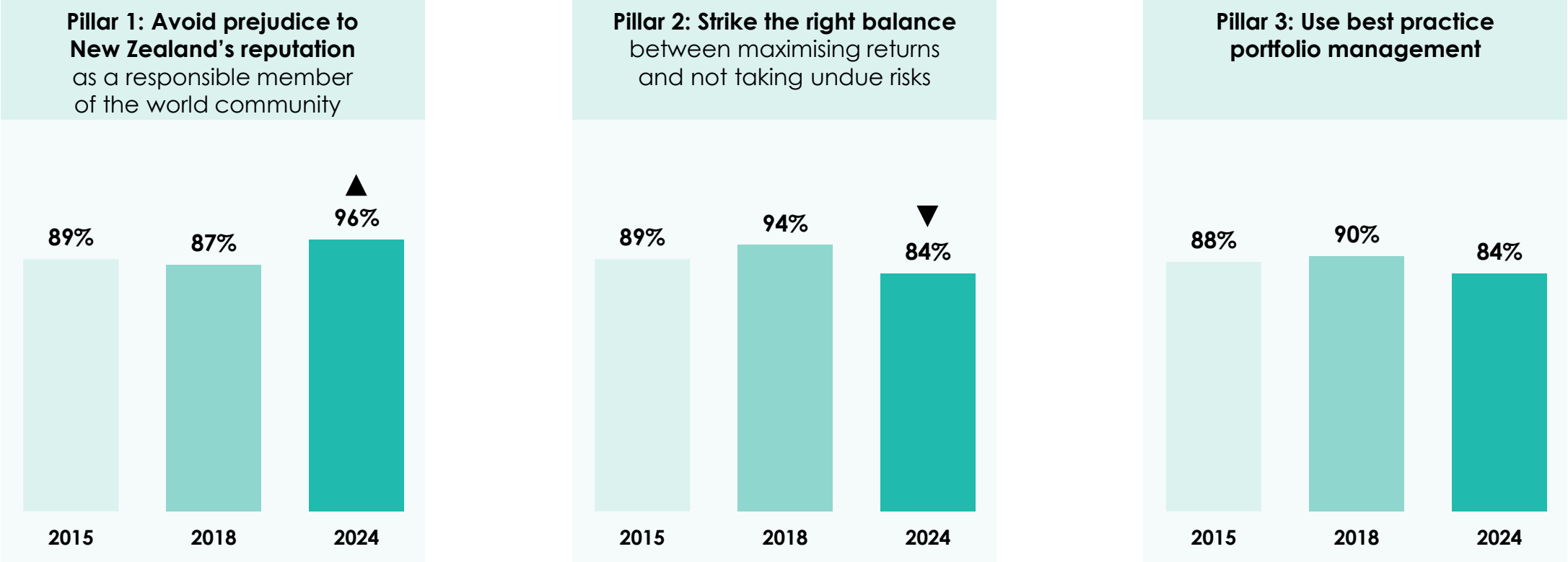


Perceptions of performance

Stakeholders increasingly feel the Guardians act responsibly on the world stage...

...whereas confidence in whether the Guardians are appropriately balancing returns and risk is fading somewhat, returning to levels slightly below what was seen in 2015.

Perceived performance against the Guardians' mandate

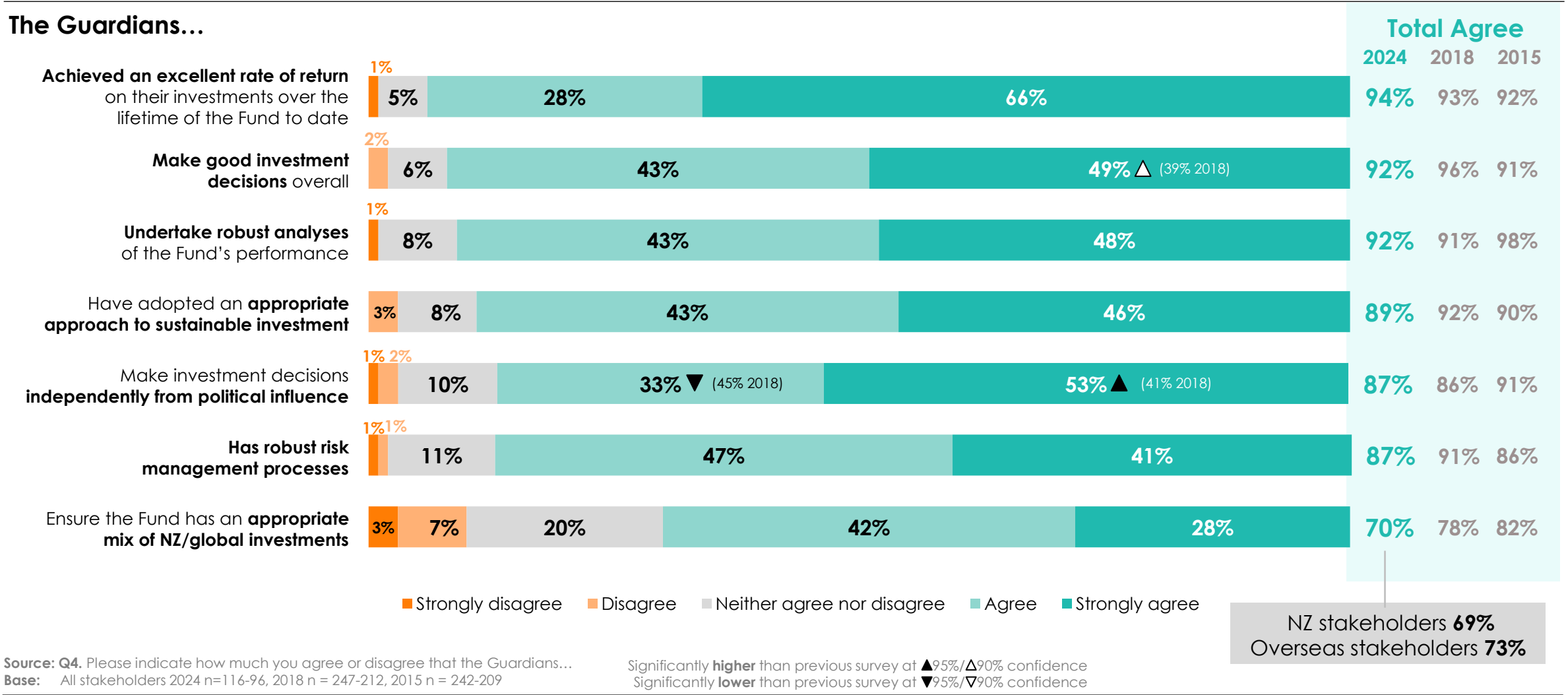


Source: Q3. How much do you agree or disagree that the Guardians...
Q4. Please indicate how much you agree or disagree that the Guardians...
Base: All stakeholders excluding "Don't know" responses, 2024 n=116-96, 2018 n= 257-214, 2015 n=244-206

▲ Significantly higher than previous survey
▼ Significantly lower than previous survey

Almost all stakeholders continue to think the Fund achieves excellent returns.

While happy with the returns, stakeholders are least positive about the mix of local and overseas investments.



Across our qualitative interviews with senior stakeholders, we heard a lot of praise and respect for the Guardian's investment decisions and fund performance.

“ I would call it the world's most successful sovereign fund... it's been an organisation that has a very clear investment philosophy type, [with] relatively high risk... it's true to who it is.

Industry organisation, association, or body. Overseas

“ They've got some really good people... and you know their performance speaks for themselves.

Company in which the Guardians has an investment. NZ-based

“ I'll always think New Zealand Super is a highly successful institutional investor. I learned a lot from them. And, I highly respect how the Fund is being run and its success to date.

Peer fund/co-investor. Overseas

“ Certainly, when the results get published... they look like they're obviously delivering good results and that's against global comparisons.

Other. NZ-based

“ You only have to look at their track record over the last 10 years that I've been aware of and dealing with them, I mean absolutely top top tier.

Of course, they do have the advantage that they've got a very long-term investing horizon, but even against other sovereign wealth funds and big pension funds, they seem to have outperformed on a fairly regular basis.

So, I think they are the one of the jewels in New Zealand's crown, to be honest.

Investment or asset manager including transition manager. NZ-based

“ I think what's made them really good is by being very disciplined around the strategic asset allocation. And about re rebalancing when equities fall, they're not scared to take the risk.

So rather than act like sheep, they're very systematic in their approach and they don't let the emotions of the market get to it. So, they try and be disciplined in the investment approach.

Investment or asset manager including transition manager. Overseas

“ It's almost cliché to say NZSF punches about its weight in the geo-financial system. There's no question that that's the case... One of the things that of course gives New Zealand Superannuation Fund a lot of credibility is its great performance."

Industry organisation, association, or body. Overseas

Senior stakeholders feel the Guardians take great care in managing the reputation of the fund and New Zealand more generally.

The Guardians are known for being thoughtful and careful with their approach to media and communications.

Senior stakeholders feel that this level of conservatism is appropriate and helps to ensure that the Fund helps to positively influence New Zealand's reputation on the global stage.

They also point to prudent investment decisions that minimise exposure to potentially reputationally harmful investments.



I think [the guardians] keep a low profile. And they let the professional management of the fund front. But for any media stuff or stuff like that, they keep to their line, which is governance. Which I think that's a really good thing.

Company in which the Guardians has an investment. NZ-based



It's a conservative organisation from reputational perspective and a risk management perspective. So, I think they err on the side of prudence and caution in terms of media management. Which I'm fine with.

They have often been very helpful in helping us think through 'what would happen if this had gone to the media?' Who says what here? Who's role is it to deal with the media? Is it Guardians or is it us? And they've been really constructive. For such a small part of their overall mandate, I feel we get really good access.

Investment or asset manager including transition manager. NZ-based



They've got very strict criteria around the impact of their investments on their reputation. I think they've taken steps to do it better because I think before they had a much broader benchmark and they try to reduce the number of securities because if you invest in a very broad universe, then you're more subject to being caught up in controversies... I think they're very strict around trying to exclude stocks that are subject to controversies.

Investment or asset manager including transition manager. Overseas

Senior stakeholders feel the Fund punches above its weight.

There is a sense this has been achieved with intentionality from the outset, acknowledging the Fund is different to its overseas counterparts, using its unique size, perspective and location to its advantage.



"The frameworks they adopt are leading edge. This is why they get the larger players to talk to them. They're very plugged into the top ten sovereign wealth funds globally... [Given] the remoteness of NZ, they really work hard to ensure they remain in good contact with their peers."

Government/political. NZ-based



"It's a 'stand on the shoulders of giants' strategy. 'We're small when we're in Auckland, but we can interact with peers and learn from them about co-investing and stuff like that' - I think that's very successful."

Investment or asset manager. Overseas



"They're not seen as a natural competitor to these big sovereign wealth funds. They're seen as offering a point of difference in terms of sustainability."

Government/political. NZ-based

Amongst senior stakeholders based in NZ, there is a feeling that the Guardians could do more to stimulate the economy in NZ and support business.

For senior stakeholders that have a vested interest in the NZ economy, the NZ stock market and NZ business, there is a feeling that the Guardians are uniquely placed to support growth in NZ with its investment decisions.

From a 'self-interest' perspective, many of these stakeholders would like to see more domestic investment from the Guardians. However, there is broad acknowledgement that overseas investment is critical to achieve the level of return the Fund is targeting.

Overall, most senior stakeholders feel that the mix of domestic/international investment seems reasonable. However, NZ-based senior stakeholders caution against allowing the level of NZ investment to drop. They feel the Guardians has a responsibility to NZ business.



Maybe there is an opportunity to do a little more in New Zealand. But again, superannuation for future retirement savings, you know you've got to have that diversification of exposures, don't you really? But it's just making sure they get that balance right... you know, how much are we feathering the nests of international citizens versus how much we're feathering the nests of New Zealand citizens? Because other countries are doing that, they are looking after themselves... We've got, we've got big capital investment programmes that are required around infrastructure, improving productivity, all that sort of thing. And the question is, can and should big institutions with big balance sheets like ACC and NZ Super play a big role on it. *Other. NZ-based*



The reality, and I'm sympathetic to this reality, is it's hard to get good quality assets in New Zealand of a scale. So, you know the broader objective is to be able to, you know, participate and contribute to the pension liabilities. They have to do that by a balanced portfolio between domestic and international. Yeah, I don't envy them the task. It's hard.

Company in which the Guardians has an investment. NZ-based

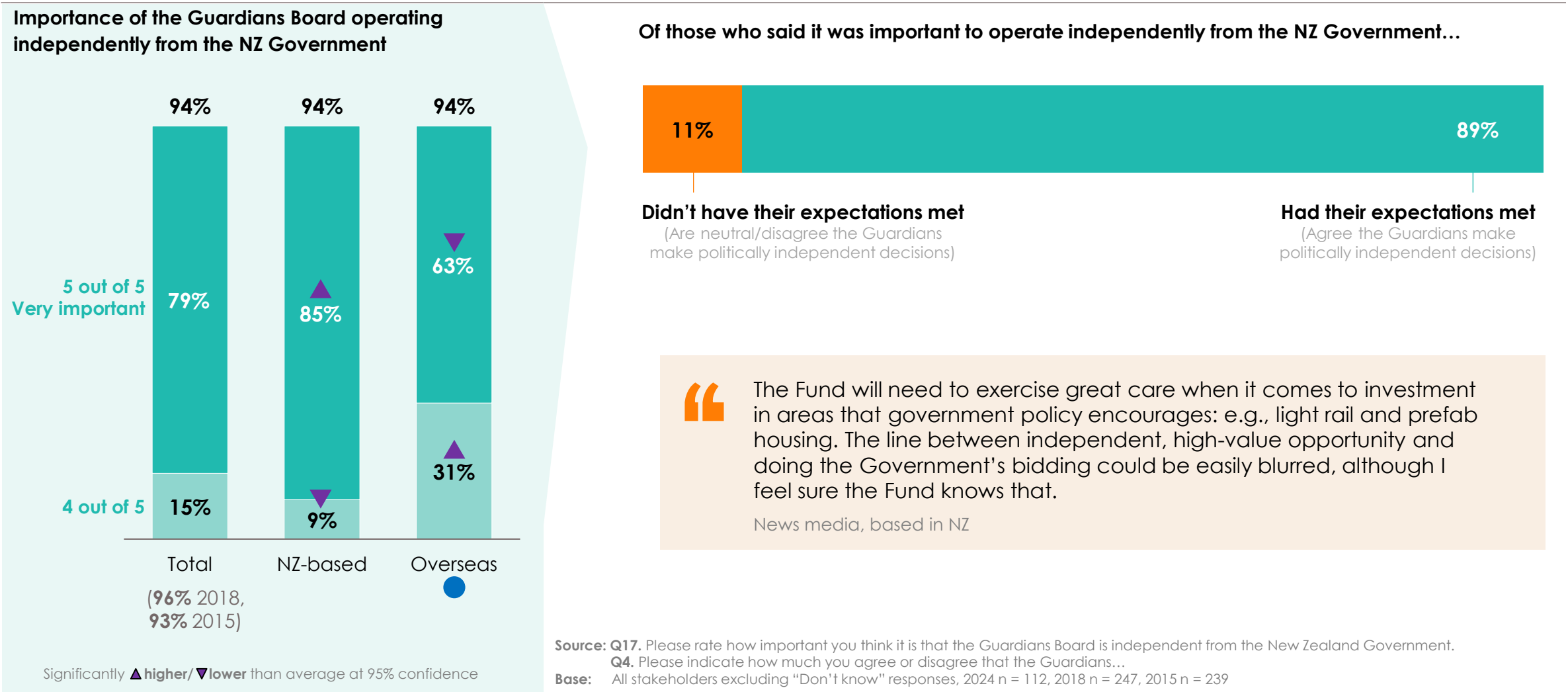


I probably feel that at the moment they're towards the minimum end of what they should be doing [in NZ]. And so, if they withdrew further from here, I would regard that as a massive missed opportunity for New Zealand. But I do understand that they're answerable to the Minister of Finance, so it's easy for me to say.

Investment or asset manager including transition manager. NZ-based

94% feel the Guardians should make decisions independently from the Government.

This belief is much stronger among New Zealand-based stakeholders. In reality, this falls somewhat short, with one in ten who think this independence is important, but feel the Guardians did not meet this expectation.



NZ-based senior stakeholders believe the Guardians maintain good independence from the Government, although some see an opportunity to strengthen this connection without jeopardising this.

There are some comment from NZ-based senior stakeholders that the Guardians could do more to help create even stronger government connections for stakeholders.

“ We have had a frustrating period over the last couple of years trying to get some decision making out of government. And this is possibly unfair because in the scheme of things, this issue is existential for my organisation and probably a blip on the radar for their organisation. But they have been a little bit reluctant to use their muscle. So, where we have been frustrated by lack of action in government in a couple of places, I think the Guardians really could have forced the door open. But they have taken the view it's not their role to do that. So, they have been more passive than I think they might have been.

Investment or asset manager including transition manager. NZ-based

“ I think they think very carefully about the separation between policy making within government and execution of policy, which sits in organisations like theirs, and I respect that. But just occasionally we've been a little bit frustrated that they haven't been more willing to be forceful when their voice carries a huge amount of weight.

Investment or asset manager including transition manager. NZ-based

Some feel that strengthening government connections could help the Guardians to deliver its mandate even better.

“ Going back a few years, I think [the relationship with the government] was a bit tentative... the Guardians aren't one step, but two steps removed from government and there's a high degree of respect and sensitivity for that independence...

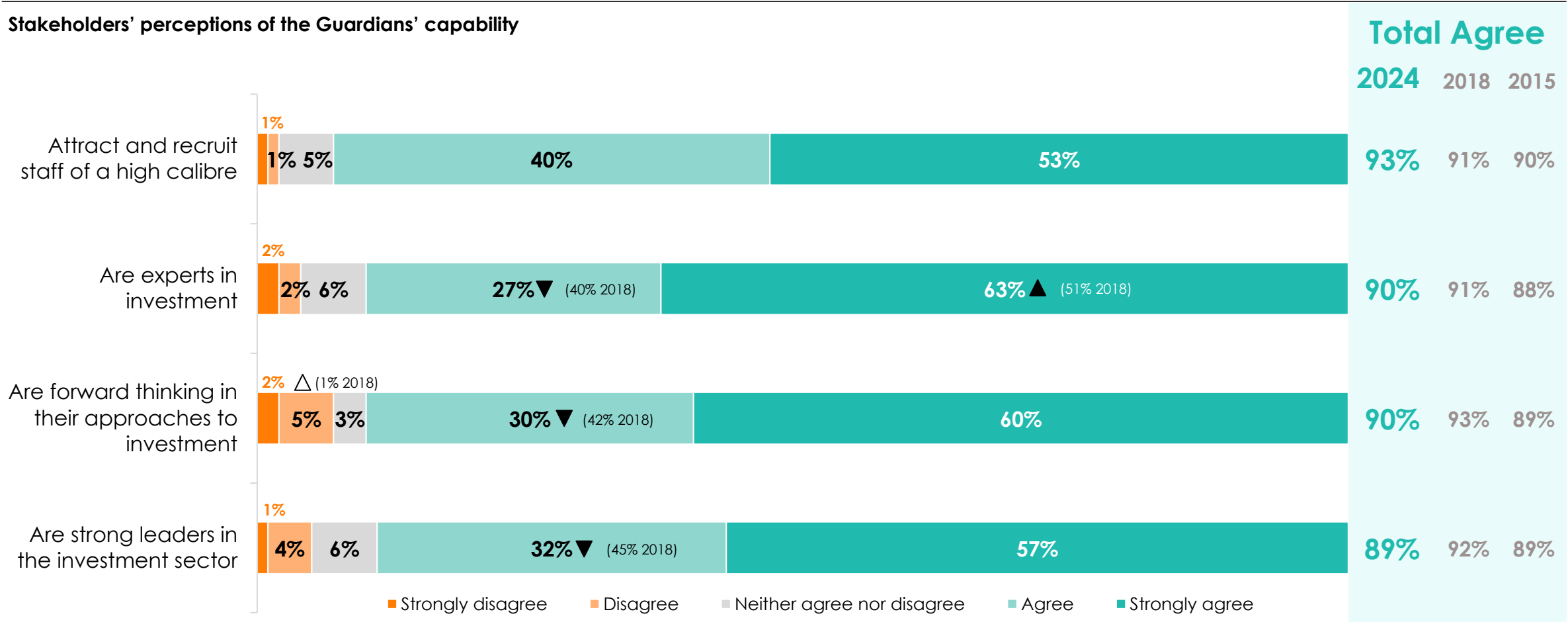
But, if I was advising the Guardians, I would not take it for granted. I think being independent is good, but you have more chance of being independent when you're closer to the government. Funny enough, it sounds counterintuitive, but that's my experience. If you want to be independent, make sure they know and understand you, and know what pushes your buttons...

They need to have a relationship in place so everybody understands and there's no surprises. I think they've got a great story to tell. I would just have an ongoing programme of education and awareness.

Company in which the Guardians has an investment. NZ-based

The Guardians continue to be seen as capable industry leaders.

About nine in ten feel the Guardians have a forward-thinking approach as leaders in the investment sector, reflected in the high-quality staff and investment expertise.



Source: Q3. How much do you agree or disagree that the Guardians...
Base: All stakeholders excluding "Don't know" responses, 2024 n=115-113, 2018 n=264-257, 2015 n=254-245

Significantly higher than previous survey at ▲95%/△90% confidence
Significantly lower than previous survey at ▼95%/▽90% confidence

Senior stakeholders widely see the Guardians as a global leader on ESG investing.

Most senior stakeholders, across geographies and roles, feel the Guardians play a significant role in driving ESG standards in the sector:



If you're asking someone about their responsible investment policy and things like that, they're all going to say, 'well, we looked at the Guardians and if it's good enough for the Guardians, it's good enough for us'. And we've certainly done that with rafts of our stuff.

Investment or asset manager including transition manager, NZ-based

I think they're seen as leaders in sustainable investing around the world. Them and the Nordics.

Investment or asset manager including transition manager, Overseas based

For the majority...

This is seen as a major positive and an example of the Guardians using their position to drive the sector forwards in a positive direction.



I know that they've taken the [ESG] investment approach and actually put it out into their policy mix. So, a lot of firms still use MSCI world as a benchmark, but they've actually adopted MSCI Paris aligned benchmark. So, that just shows the commitment at the Board level... But secondly, that they publish statements, they're on Boards, and they're active and vocal.

Investment or asset manager including transition manager, Overseas



I think New Zealand Super has played a fairly important role in terms of incorporation of sustainability into the portfolio strategy, the policy and implementation... New Zealand Super has been an early mover and has taken a very prominent role in leading a lot of the industry engagement in terms of how to better integrate that into different asset classes. I thought that was a really great example.

Peer fund/co-investor. Overseas

But for a minority...

There are words of caution about ensuring this doesn't overly constrain businesses/become a distraction.



They've become the poster child for ESG in the market. And, at times, one feels that it's perhaps just a little bit more academic rather than being based in the real world. That would be the only very slight criticism, and don't over read it... But, at the end of the day, there are other competing things that you've got to take into account as well.

Company in which the Guardians has an investment, NZ-based

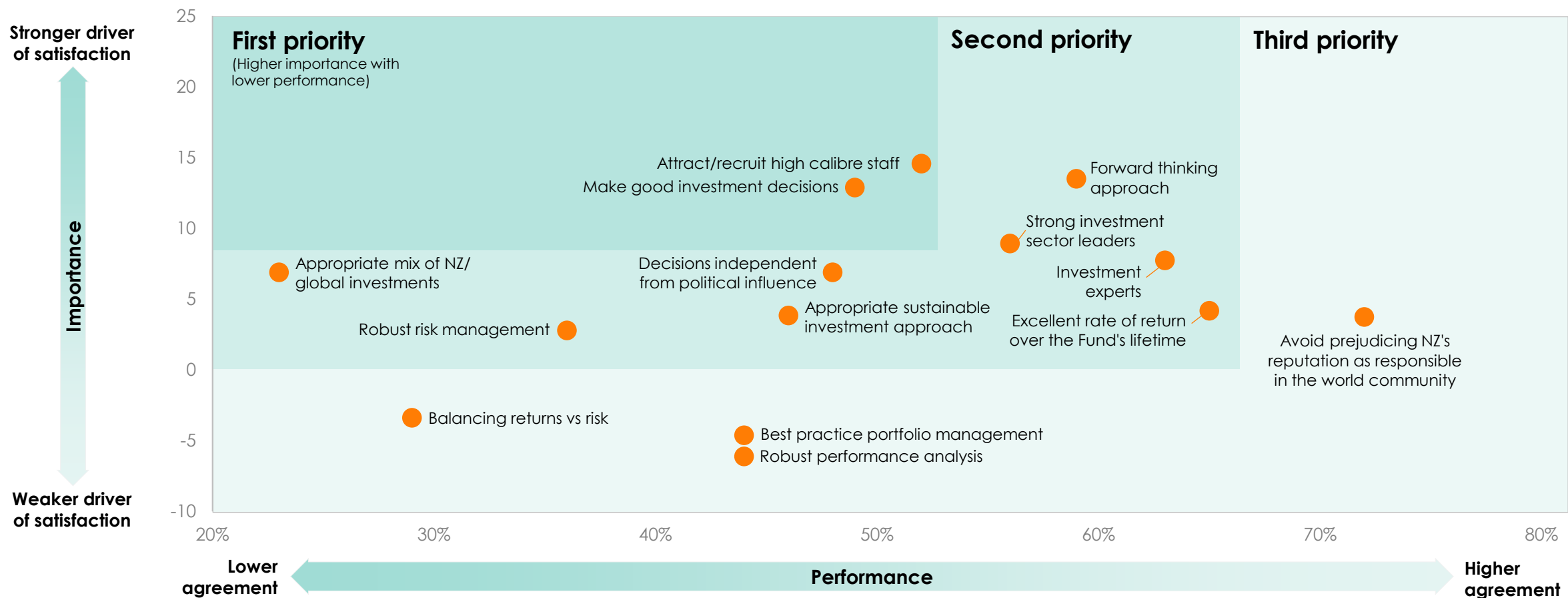


You know disclosures and reporting and all the rest of it. We've got to make sure that the obligations that are on industry are fair. If we get out of step, we create this compliance arbitrage, and that is unhelpful.

Other, NZ-based

Moving forward, quality staff and decision making are key areas to focus on. Both of these are important to stakeholders, and improvement in these areas would help to drive up satisfaction. Secondary focus areas include the mix of local/global investments and risk management.

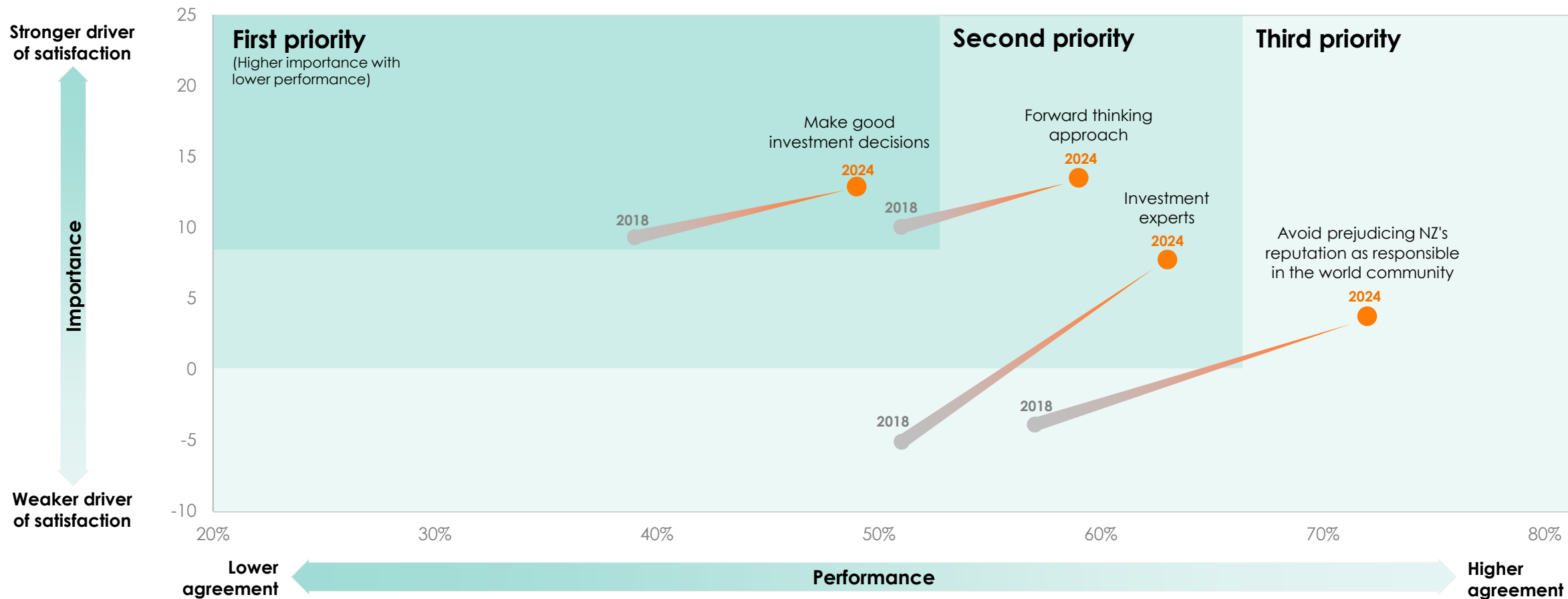
How performance perceptions drive satisfaction




Since 2018, perceived performance has been moving in the right direction.

As stakeholders place more importance on the Guardians' investment ability, approach and expertise, their experience of this has also improved.

Changes in performance-based satisfaction drivers





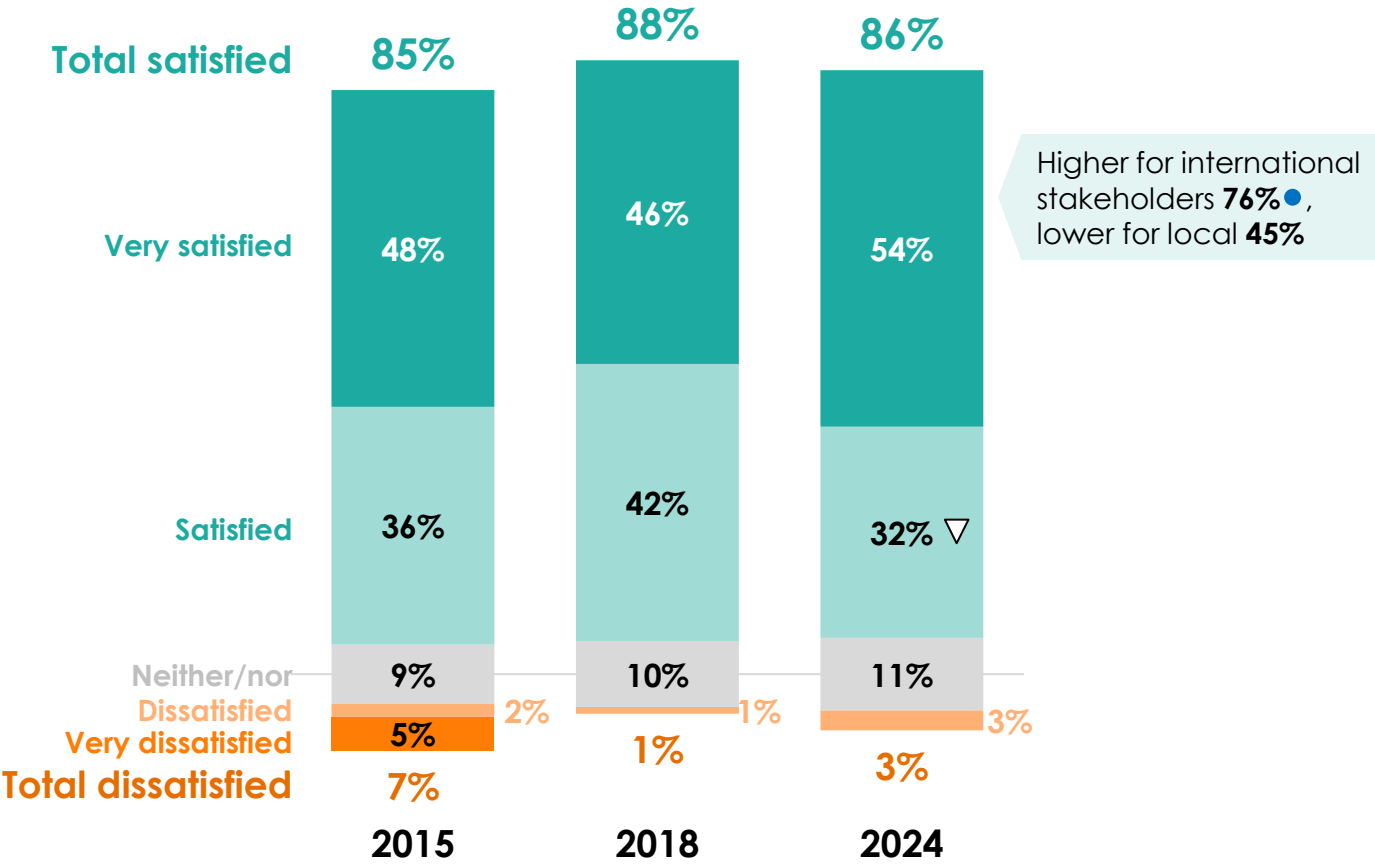
Perceptions of service

86% are satisfied to some extent with the Guardians' service

The Guardians continues to out-perform the average score achieved by New Zealand public services overall (80%)*

*This is the average satisfaction score from the September 2024 Kiwis Count survey which measures trust, satisfaction and confidence across NZ's public services.

Satisfaction with the Guardians' overall quality of service

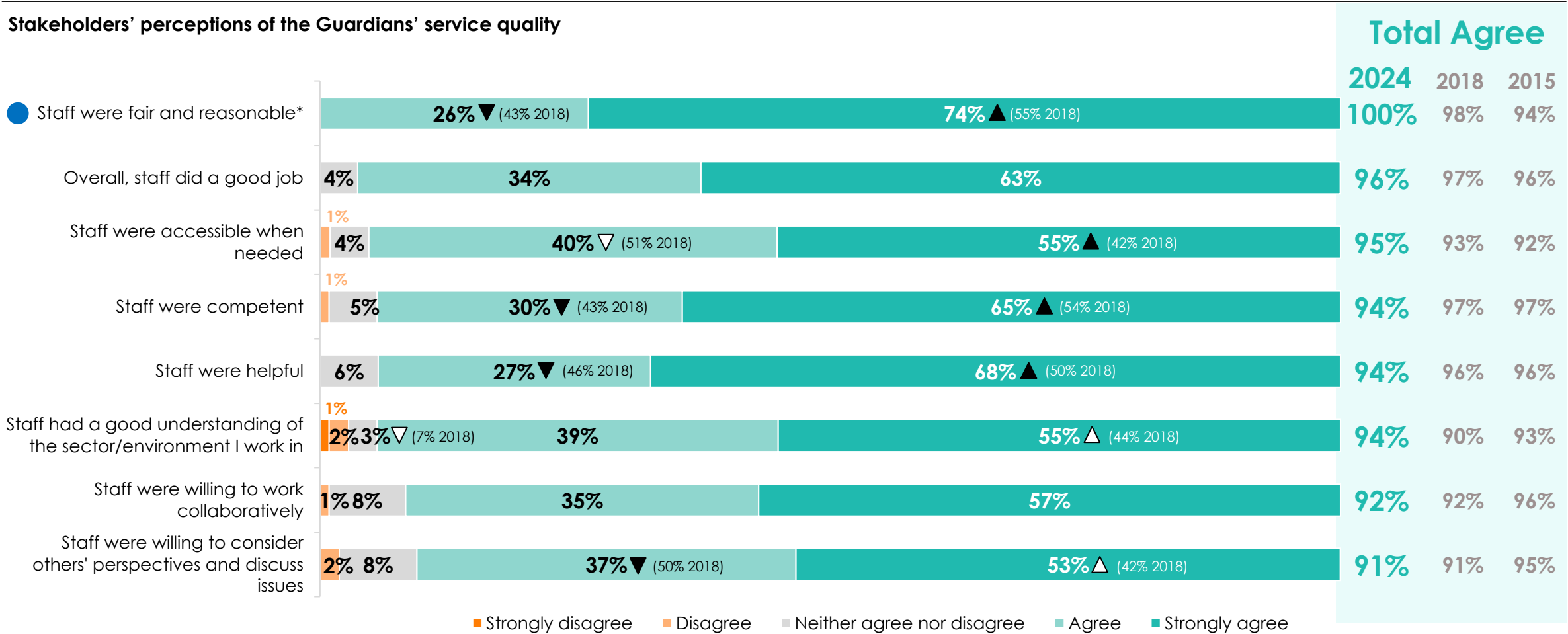


Significantly higher than previous survey at ▲95%/▲90% confidence
Significantly lower than previous survey at ▼95%/▼90% confidence

Source: Q13. Still thinking about your contact with the Guardians in the last 12 months, how satisfied were you with their overall quality of service? Base: All stakeholders. 2024 n=116, 2018 n=269, 2015 n=262. ● = Treat with caution due to smaller sample size.

Staff remain an asset to the Fund, with positive sentiment strengthening since 2018.

Almost all stakeholders think staff do a good job, reflected in stakeholders' day-to-day dealings, with more than nine in ten finding staff helpful or competent. Stakeholders also feel staff are collaborative and listen to others.



Source: Q12. How much do you agree or disagree with each statement below?
Base: All stakeholders excluding "Don't know" and "Not applicable" responses, 2024 n=107-105, 2018 n=243-234, 2015 n=231-219
*Asked of suppliers only, 2024 n=21, 2018 n=56, 2015 n=36 ● = Treat with caution due to smaller sample size

Significantly higher than previous survey at ▲95%/▲90% confidence
Significantly lower than previous survey at ▼95%/▼90% confidence

Senior stakeholders are particularly impressed by the open, collaborative style of staff.

A recurring theme amongst senior stakeholders is the positive feedback about staff openness and collaboration.

Suppliers express feeling like true partners, which enhance trust and sharing in the relationship, ultimately improving the quality of work delivered.

Board members from direct investment companies highlight the exemplary nature of the Board representatives, who consistently offer constructive input and are transparent about their plans and intentions.

Stakeholders from **other sovereign wealth funds** praise the Guardians for its responsiveness, collaboration, and openness in sharing their insights and best practices, enabling other wealth funds to learn from the Guardians' experience and success.

Government stakeholders also consider the Guardians to openly share its knowledge and information. They believe this is appropriate as a public organisation.



I feel like what New Zealand Super does really well is they make everybody feel like you're a partner... I don't want to speak for other firms, but I think they get the best of our team because when our team works for them, they genuinely feel like they're trying to work with them... So, I think the transparency and the desire to say what they're trying to do, allows us to feel like we can really try and work with them to help meet it.

Investment or asset manager. Overseas



[My experience working with NZSF is] very, very positive. I think part of that is built on the long relationship and the trust between the Funds. So, we can usually engage in very open and robust discussions and conversations, and usually walk away with a lot to think about.

Peer fund/co-investor. Overseas



I think just an openness and a trust. You don't feel as though you're going to get blindsided, or you get told one thing and they do something else... So, it's no surprises, and I have experienced when you get hidden agendas and tensions, particularly between the shareholders, and they don't trust each other, then you're in a world of pain. There's just nothing like that.

Company in which the Guardians has an investment. NZ-based



They're always very generous in terms of being prepared to share and help those other less mature, less experienced, less capable folks.

Industry organisation, association or body. Overseas



It's always free and frank... They welcome a challenge. I basically have free range to go into different parts of their business to help me understand them better... I feel they're always keen to develop their relationship with the government.

Government/political. NZ-based



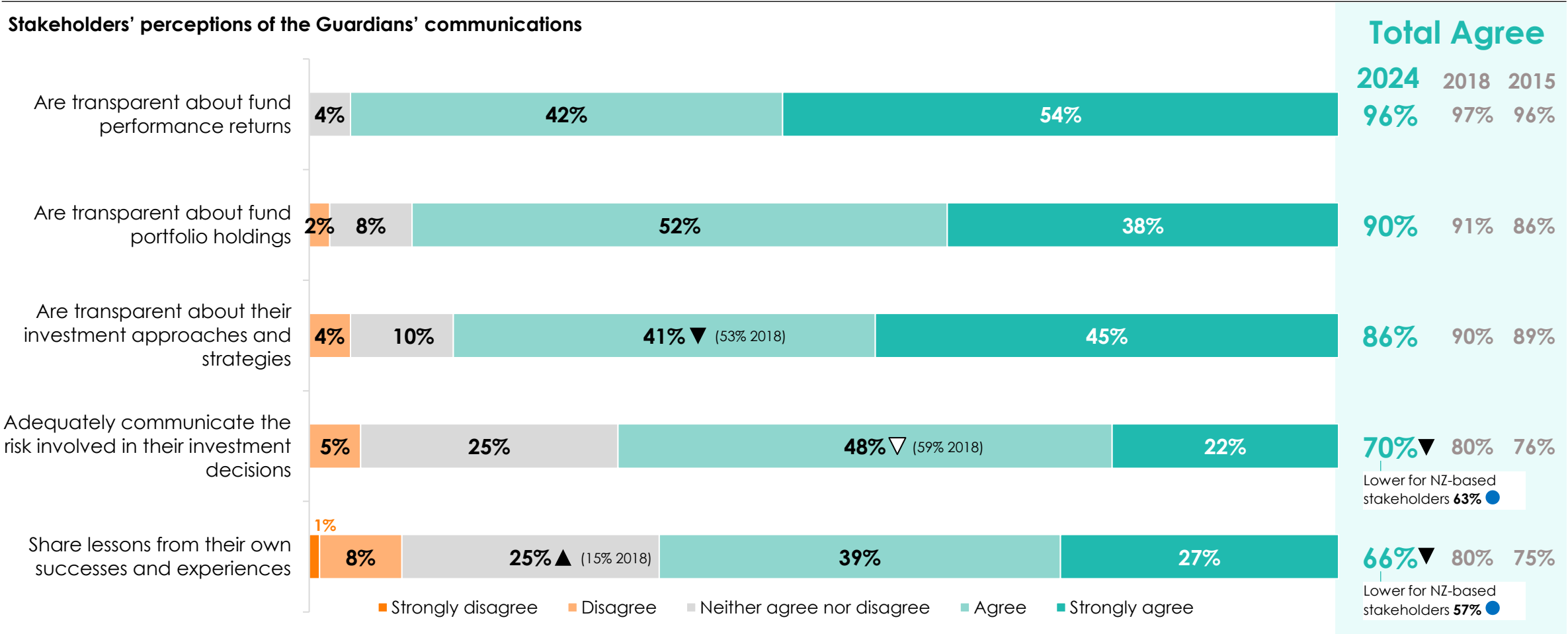
Engagement

“ The Guardians are good communicators. Improvements could be made in simplifying their communications, reducing jargon and complexity and telling more stories of real investments and outcomes they've delivered.”

Supplier of non-investment services, NZ-based

Ratings for the Guardians' communication of risks and learnings are declining.

This is especially low for local stakeholders. However, stakeholders remain positive about the Guardians' transparency in other areas such as their performance, holdings and investment strategies more generally.



Source: Q5. Now, thinking about all the different ways the Guardians communicates, how strongly do you agree or disagree that the Guardians team...
Base: All stakeholders 2024 n=115-100, 2018 n=247-201, 2015 n=237-205. ● = Treat with caution due to smaller sample size

Significantly **higher** than previous survey at ▲95%/▲90% confidence
Significantly **lower** than previous survey at ▼95%/▼90% confidence

The Guardians have a strong reputation amongst senior stakeholders for transparency and openness.

Stakeholders value the Guardians' openness and willingness to share their wisdom and insight.



You're getting to hear from people who do have access to tools and skill sets and data that the rest of us don't. And their willingness to share that and to make their senior people available and honestly answer difficult questions about why a superfund is investing in X and why it is investing in Y. That transparency and the willingness to provide time from senior staff is absolute gold.

Investment or asset manager including transition manager. NZ-based

Stakeholders feel that staff demonstrate high levels of transparency and openness in their ways of working and interactions with external stakeholders.



I will say the culture at NZ Super is excellent. There is a lot of transparency.

Peer fund/co-investor. Overseas

The transparent way in which the Guardians publishes and shares information about their objectives and investment approaches is valued.

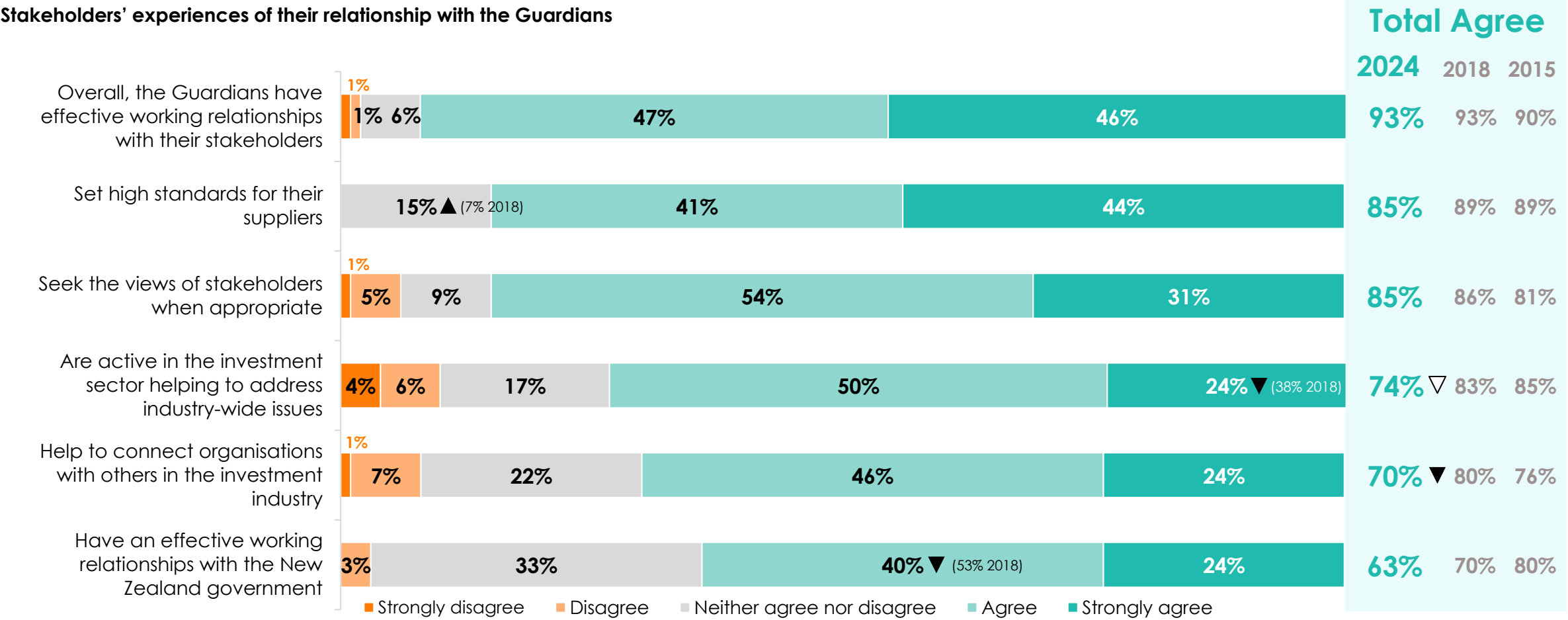


I think the information they share is very transparent. And I think they try to be very clear. It's really nice that they're trying to demystify and really try to put things in a very clear, simple way, outlining what they're trying to do.

Investment or asset manager including transition manager. Overseas

Stakeholders are least positive about the Guardians as industry facilitators.

Perceptions are lowest for the Guardians' ability to work with the New Zealand government and declining for their ability to facilitate connections between organisations or address industry-wide issues.



Source: Q14. How strongly do you agree or disagree that the Guardians...

Base: All stakeholders excluding "Don't know" responses, 2024 n=109-63, 2018 n=240-150, 2015 n=209-143

Significantly higher than previous survey at ▲95%/▲90% confidence

Significantly lower than previous survey at ▼95%/▼90% confidence

Senior stakeholders identify the Guardians as a key connector in its industry.

The Guardians' strong reputation and high transparency makes it an ideal organisation to facilitate connections across the industry. Overall, senior stakeholders praise the Guardians for its role as a connector, and would welcome even more opportunities to bring industry together so that they can learn from their expertise.

Many senior stakeholders, particularly international organisations and associations, appreciate and acknowledge the lengths the Guardians go to in connecting, networking, and sharing expertise.

“ Sharing their expertise with other investors around the globe, other sovereign wealth funds, but also help us articulate areas where the investment industry needs to up their game and improve practices. Given that we are standard setting body so they're very constructive participants in our ecosystem... and, their willingness to engage and connect in a way that is transparent.

Industry organisation, association, or body. Overseas

Senior stakeholders believe the Guardians have a strong reputation within the global investment industry as an organisation that makes smart investment decisions that drive exceptional performance while maintaining high standards of governance and investment responsibility.

Yet, some senior stakeholders (particularly investment/asset managers and peer funds) express a desire for even more opportunities to learn from the Guardians' wisdom and experience.

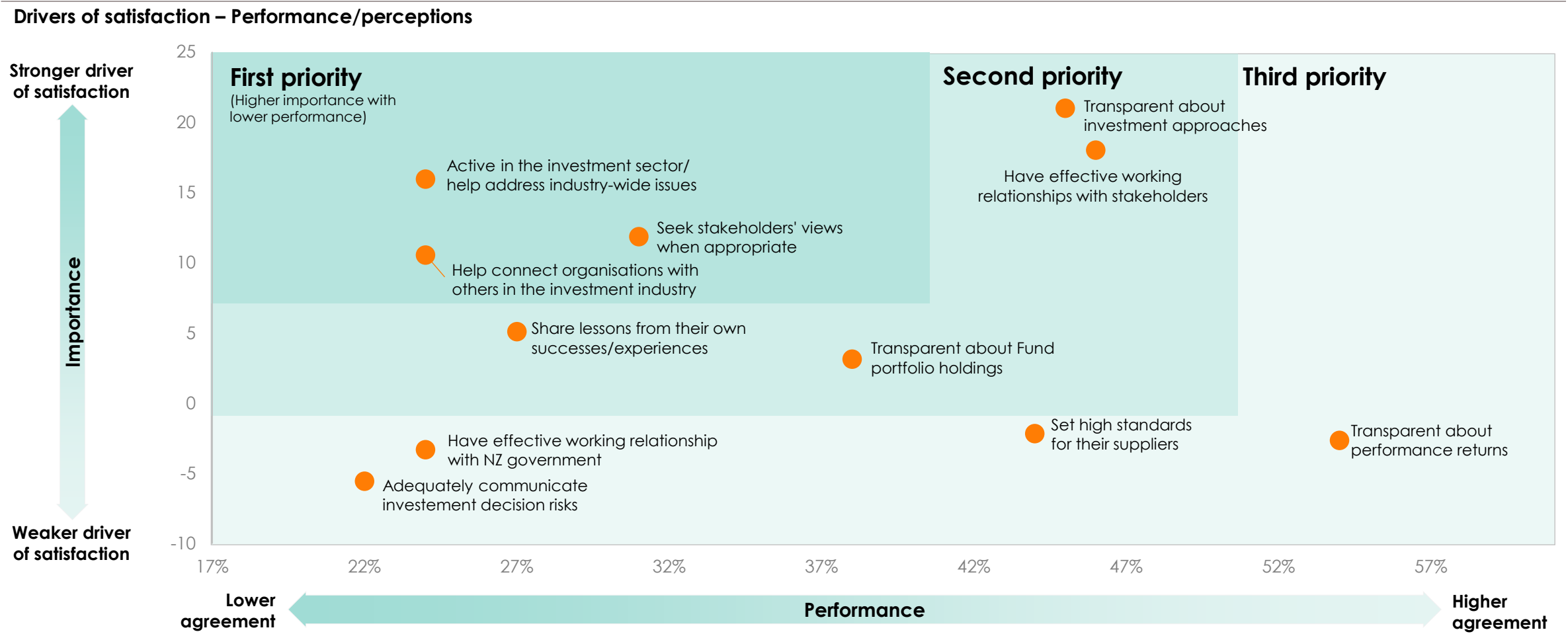
They feel the Guardians could do even more to use their position to bring together industry stakeholders to share and learn.

“ NZ Super Fund has a very strong governance and a clear objective and delegation framework. So, in terms of industry, [there] is probably a lot that can be shared and to improve how the institutional investor and asset owners best practise globally. I think [our organisation] has benefited a lot from that conversation. Maybe more funds could benefit from those direct interactions with the NZ Super.

Peer fund/co-investor. Overseas

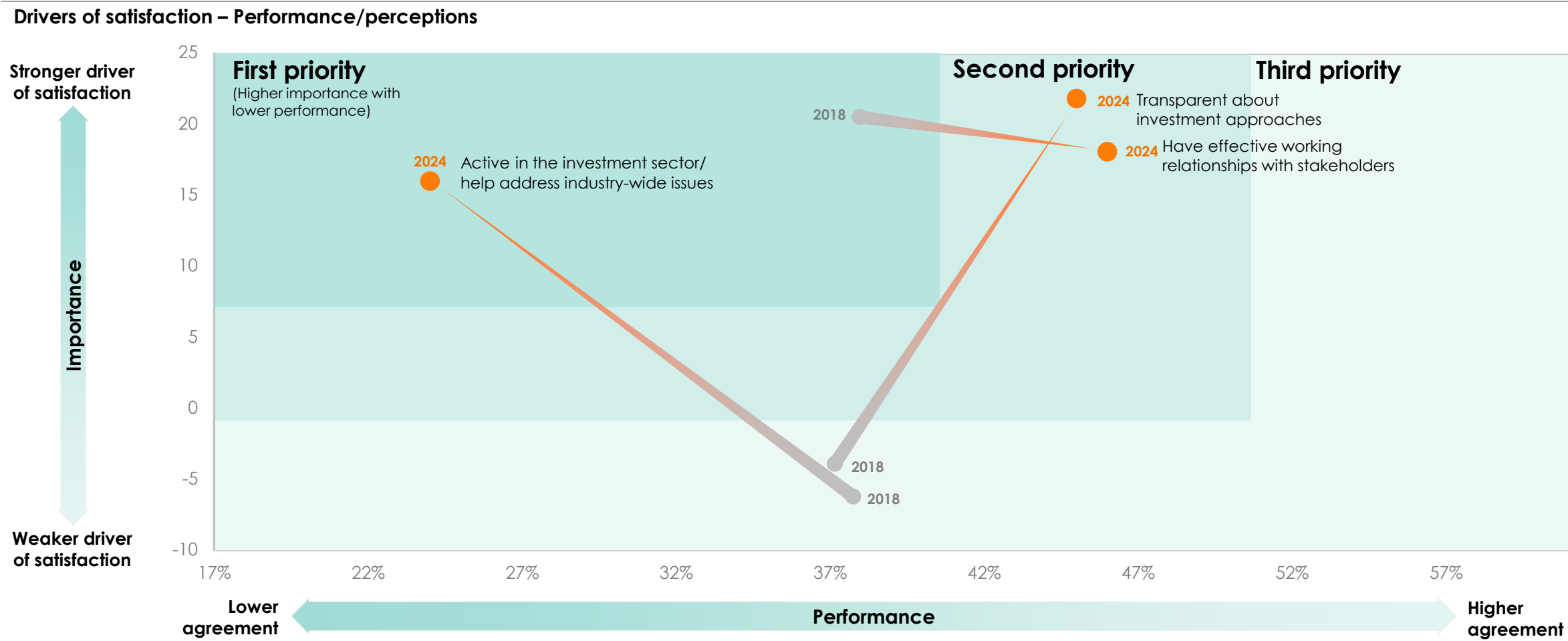
Stakeholders want the Guardians to be more active in the investment sector.

This includes being more active in addressing issues, seeking advice and helping to connect others. Improvements here would help to drive up satisfaction overall.



Seeing action in the sector is increasingly important to stakeholders.

Improvements here would help to drive up satisfaction. Whereas, perceived transparency about investment approaches is moving in the right direction as performance is improving alongside increased importance.

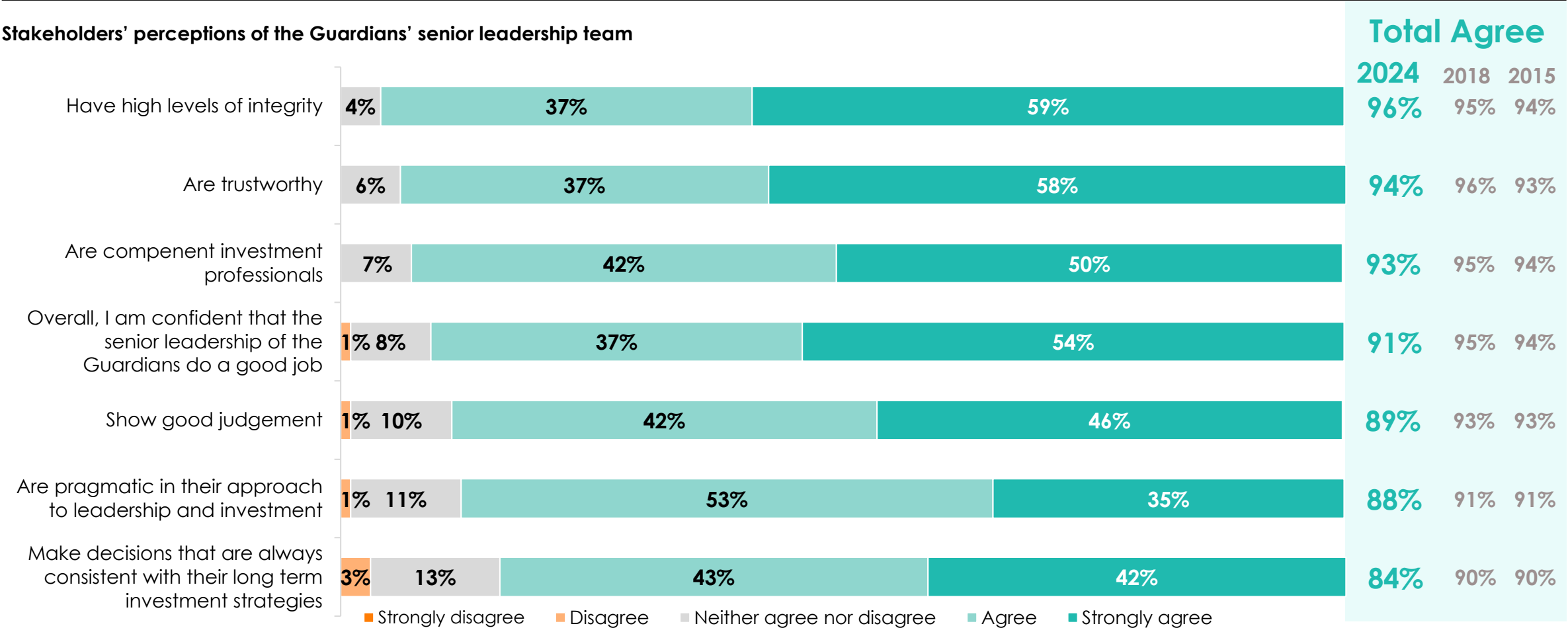




Leadership

Stakeholders have a lot of faith in senior leadership...

...particularly their levels of integrity, trustworthiness and competence. While still rated relatively high, stakeholders are less positive that decision making is consistent with long-term investment strategies.

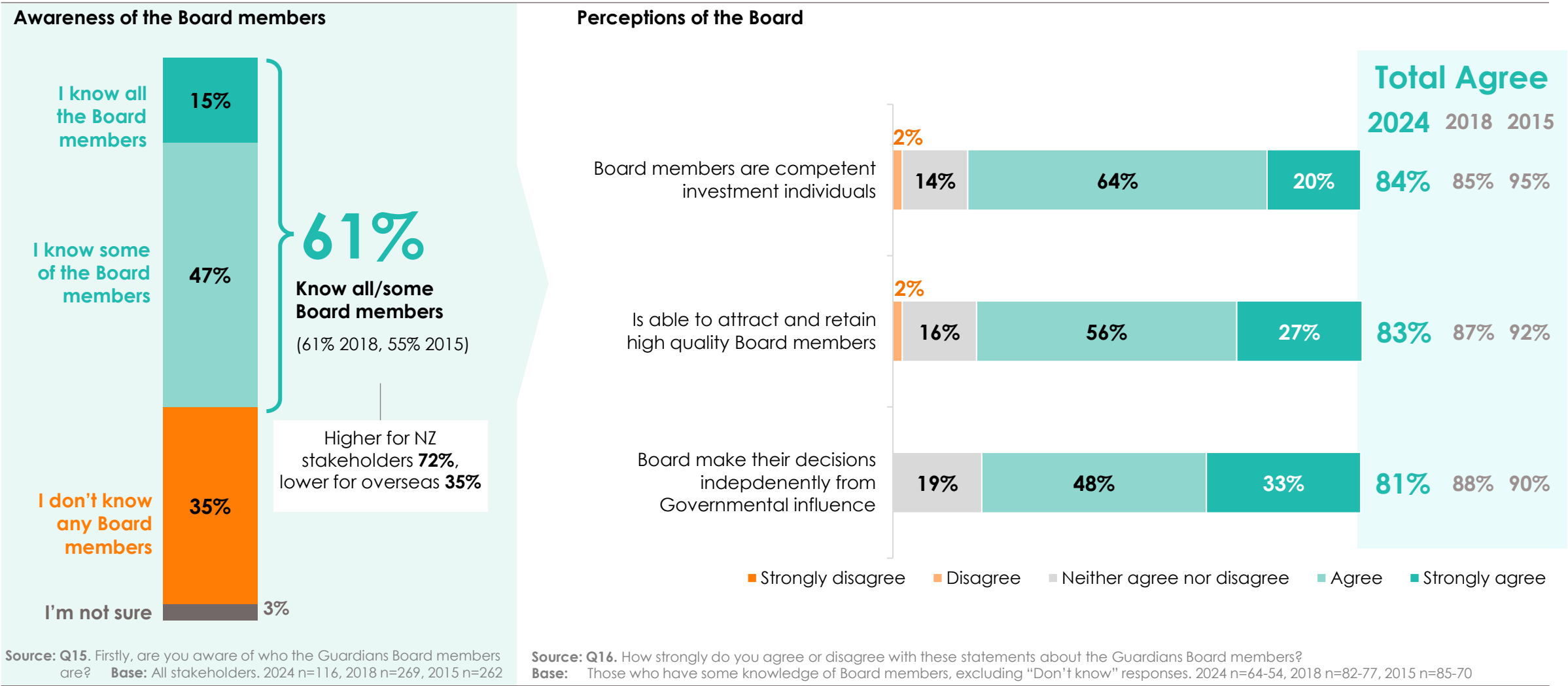


Source: Q18. How strongly do you agree or disagree that the senior leadership of the Guardians...
Base: All stakeholders excluding "Don't know" responses, 2024 n=103-87, 2018 n=248-207, 2015 n=235-203

Significantly higher than previous survey at ▲95%/△90% confidence
Significantly lower than previous survey at ▼95%/▽90% confidence

Three in five know of at least some Board members.

Over four in five stakeholders who know the Board think the Fund attracts quality members who are competent and remain impartial. While still a positive result, this lags slightly behind perceptions of other staff/leadership.



Amongst senior stakeholders there is a desire to get to know the new leadership team members.

Based on initial experience and meetings, most stakeholders have confidence that the new leadership is well placed to continue driving the organisation forward in a positive direction.

However, we often heard senior stakeholders mention that the new leadership was 'untested' and still needs to establish itself.

Amongst most senior stakeholders, there is an expectation that the new leadership, especially the CEO, should be making an effort to build personal relationships.



I think it's too early to tell [about the new leadership]. We've put the meetings in the diaries for a good reason. Maybe if there was reason to cancel at that time, it's the right time to look for the next slot as opposed to just sort of let it drift. And that's probably on us just as much as it might be on [the CEO's] office, but we don't want to let that drift.

Other. NZ-based



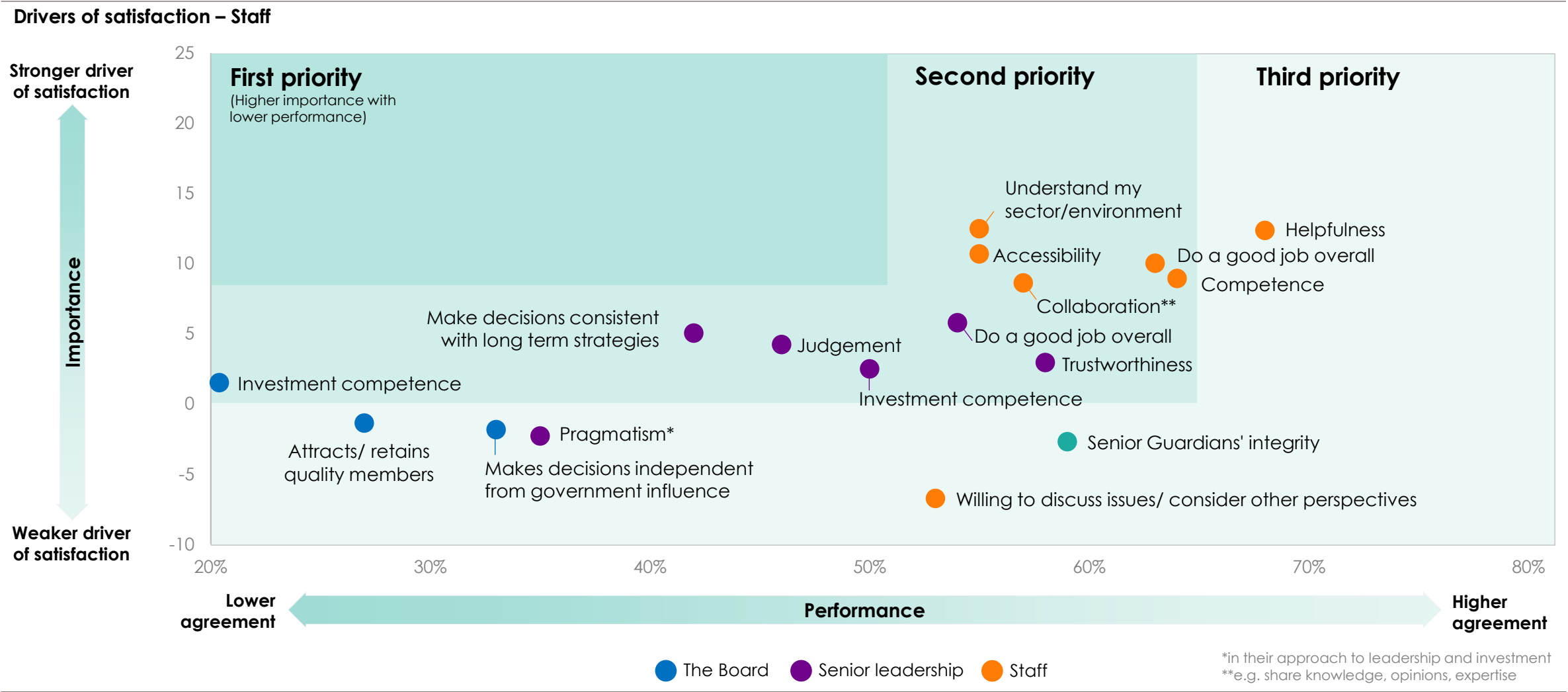
They've obviously had a few changes, so I think [the leadership] is possibly a little untested in terms of the recent changes. But, over the time I've been dealing with them again. Uniformly excellent, and surprisingly humble with it.

But obviously they've got the new CEO who I've met and seems great. And they've got Co-CIOs now, which is a recent change which I think most people are interested to see how that works.

Investment or asset manager including transition manager. NZ-based

Senior leadership and staff have more of an impact on satisfaction than the Board.

Improvements to perceptions of senior leadership have the most room to drive satisfaction up, particularly their investment decision making, judgement and competence.



Making decisions in line with the long-term strategy is increasingly important.

Drivers of satisfaction – Staff



Looking ahead

Half of stakeholders pointed out positives when asked for improvements.

In their own words, stakeholders most often see the Guardians as professional, with good communication and collaboration.

When asked for improvements,
51% said something
positive about
the Guardians
(53% 2018)

Positives mentioned



Source: Q20. The Guardians team is interested in hearing any other thoughts you may have on how they can improve their external communications and relationships with stakeholders including yourself. **Base:** All stakeholders, excluding "Don't know" responses. 2024 n=47.

In their own words, stakeholders who mentioned positives talk about...



We are currently blessed with great directors from NZSF who are strategic thinkers, financially savvy, value relationships and don't sweat every single detail - this hasn't always been the case and so I am thankful for the current state.

Investment/asset manager.
New Zealand based



We really value your collaboration and transparency and believe that those elements lead to the most successful partnerships for both parties. We think NZ Super does an excellent job at this and would encourage them to continue to do so.

Investment/asset manager.
Overseas based



The Guardians are one of our favourite clients. They are extremely rigorous and professional but never forget there is a person behind the service and engage appropriately and respectfully.

Supplier. Overseas based



I am very happy with the close relationship and access I have with the team, so I look forward to that continuing. I would suggest considering a second Directors Day through the year.

Investee company.
Overseas based

Source: Q20. The Guardians team is interested in hearing any other thoughts you may have on how they can improve their external communications and relationships with stakeholders including yourself. Please type in your answer below or select 'don't know'.

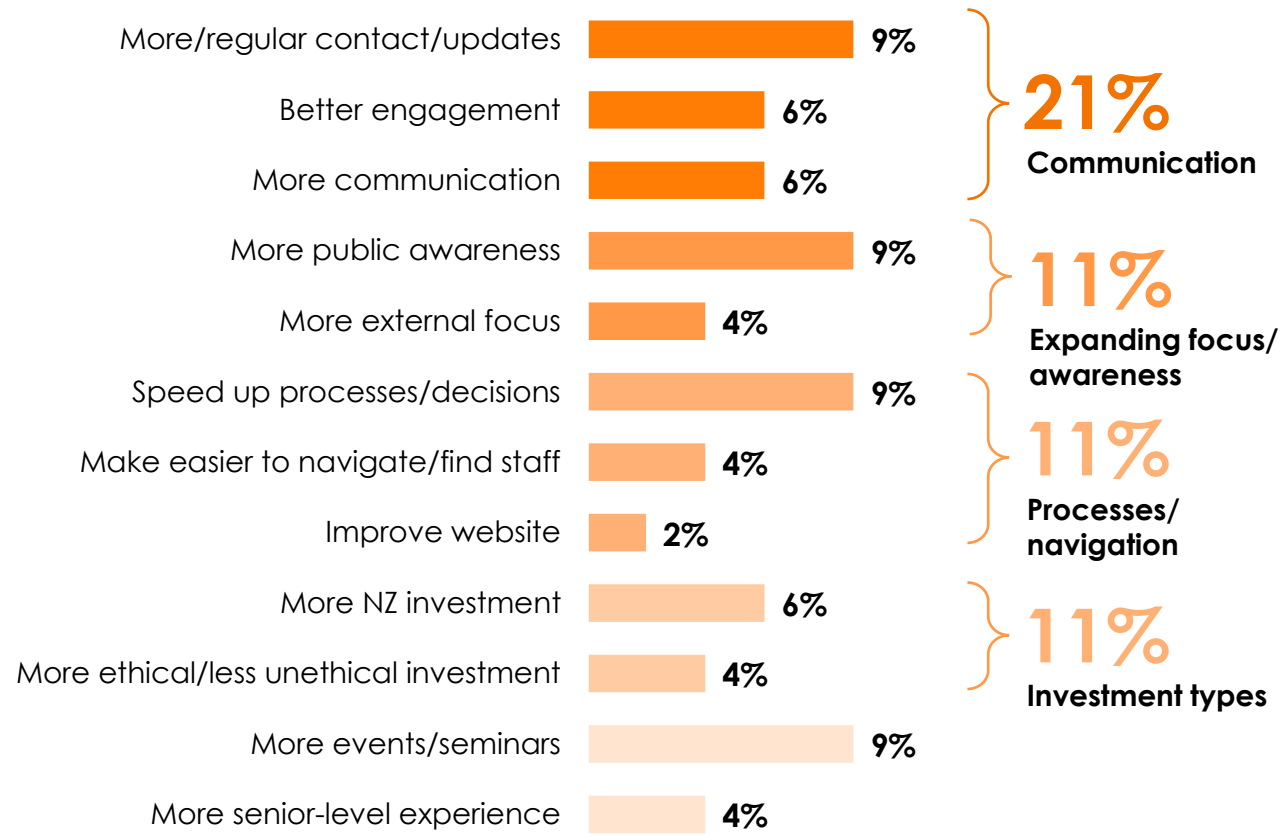
Base: All stakeholders, excluding "Don't know" responses. 2024 n = 47

Almost two thirds identified something the Guardians could improve on.

Improvements often centre around communication, including engagement, updates and promoting awareness.





64% identified areas for improvement
(71% 2018)

Improvements mentioned



Source: Q20. The Guardians team is interested in hearing any other thoughts you may have on how they can improve their external communications and relationships with stakeholders including yourself. **Base:** All stakeholders, excluding "Don't know" responses. 2024 n=47.

In their own words, stakeholders who cited improvements talk about...

 <p>Staff turnover remains very high in the areas I interact with, making it hard to form good partnerships and for NZ Super to gain access to the best information. Seem very slow to make decisions about opportunities.</p> <p>Investment/asset manager. Overseas based</p>	 <p>It can be difficult to understand clear roles and responsibilities, which can slow down decisions and lead to re-litigation. In some cases, it appears decision accountability and process isn't clear for NZ Super staff either.</p> <p>Supplier. New Zealand based</p>	 <p>[...]Given the scale of the fund now, it surprises me that the Guardians don't have a stronger brand with everyday Kiwis (vs KiwiSaver which has a very strong brand with NZers).[...]</p> <p>Peer fund/co-investor/ limited company. New Zealand based</p>	 <p>Invest more in New Zealand and tell the public what they are doing so. Tell their investments partners of their visions and expectations of them. They indicate that they are “in it for the long haul” yet have a short-term vision/perspective on some things, and are typically driven by an IRR from the current market rather than looking at it from a long term.</p> <p>Peer fund/co-investor/ limited company. New Zealand based</p>
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Source: Q20. The Guardians team is interested in hearing any other thoughts you may have on how they can improve their external communications and relationships with stakeholders including yourself. Please type in your answer below or select 'don't know'.

Base: All stakeholders, excluding "Don't know" responses. 2024 n = 47

Senior stakeholders hold the Guardians in high regard, making it challenging to pinpoint specific improvement areas.

They are pleased with the current direction and encourage the Guardians to maintain their course.

Suggestions offered are more considerations than critiques.



The best thing NZSF could do is to continue what it's doing.

Industry organisation, association, or body. Overseas

Four key areas senior stakeholders suggest the Guardians consider when looking forward:

Sharing expertise

1

The Guardians could do more to share their wisdom and use their respected position to connect and convene the industry on important topics.

New leadership team's presence.

2

Acknowledging the Guardians' leadership team is relatively new, senior stakeholders would like to see greater visibility of the leadership team, and for it to share its future direction and strategy.

Embed adaptability and foresight.

3

Some identified future trends that will require the Guardians to ensure it has foresight and adapts. These trends include technology shifts such as AI, and other external pressures such as climate change and government debt.

Strengthen support from government.

4

The Guardians could capitalise on this period of strong performance by strengthening its relationships and backing from government.

In senior stakeholders' own words...

Sharing expertise.

“ I just wonder if [NZSF] should host events. I don't know if that is something they'd want to do, but I think they'd be surprised at how willing people would be to come in and spend a day sharing ideas and best practices... I would suspect people would make an effort to attend.

Investment or asset manager including transition manager. Overseas

New leadership team's presence.

“ It's early days. I've met with [NZSF CEO] and I was impressed on a personal level. The core of the organisation is stable, consistent, skilled. I'm sure [NZSF CEO's] plans will be made clear to us with time, but it remains to be seen... That's not unexpected though. I don't expect that much detail so early on.

Investment/asset manager. Overseas

Embed adaptability and foresight.

“ “You're the best in class that we ever saw... But there are advances happening rapidly. And I would say as others are catching up, AI now is becoming the game changer for the whole system... one area where it's really critical for NZSF to come up to speed quickly is all the components of AI, which are like how do you equip yourself rapidly to evolve with AI? How do you invest in the data centres? How you can assure that it doesn't increase your carbon footprint? How does AI then impact all your portfolio companies? How do you want to lead on AI? It's really important that you move rapidly with an AI strategy in my view.

Industry organisation, association, or body. Overseas

Strengthen support from government.

“ Part of me would encourage them to demystify the entity. Keep people informed so no one's against them. I'm not saying they have to do this as a defensive thing, but take advantage of the fact that they're sailing and really calm waters, and with a very high level of support.

But don't take it for granted... when you're in trouble, all that relationship stuff is really, really important... We all know how these things work, sometimes when it's not so good, you need to have access and you don't want to be educating people at that time about who you are and what you do....I don't see that as lobbying. I see that as like 'We're a very big entity. We have a very big impact on New Zealand. This is who we are. This is what we do.'... you would expect an agency of this size to have those networks.

Company in which the Guardians has an investment. NZ-based

Senior stakeholders have a lot of faith in the Guardians.

They assume there is clear strategy going forward, often based on perceived stability and abilities of non-leadership staff.

None foresee issues, but they would like to see...

- Confirmation of the assumption that the Guardians have a clear strategy
- Clarity around how the Guardians will remain at the cutting edge as industry leaders
- Reassurance that the Guardians will continue to find ways to be innovative, avoiding complacency.

Despite leadership changes, there's still confidence based on the competence and culture at the core of the organisation



The change in leadership has raised a bit of uncertainty... [and] people want to know what they're thinking... But I think the culture of the organisation is so strong, with a strong approach and they're passionate about the place, progressive and innovative in their thinking, that I'm not expecting any issues.

Industry organisation, association, or body. Overseas

Some mentioned additional strategies they would like to see



I'd love to see [NZSF CEO] embrace the ideals of diversity and sustainability and be even more bold and brave.

Investment or asset manager. Overseas



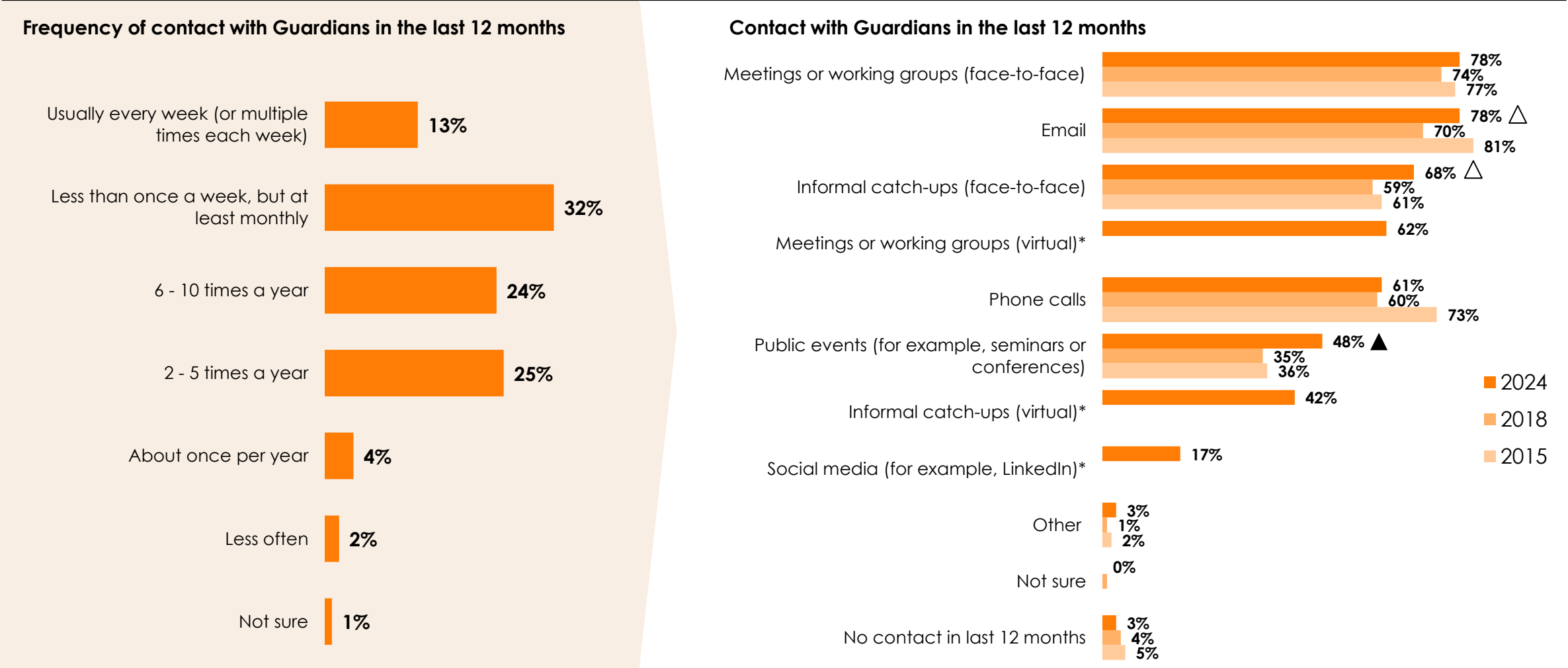
I say this as a leader of an investment organisation, if you've got an investment organisation that's been successful with a very strong approach and culture, don't change it unless it's broken.

Investment or asset manager. Overseas

Appendix

Most stakeholders interact with the Guardians at least once every 6 months.

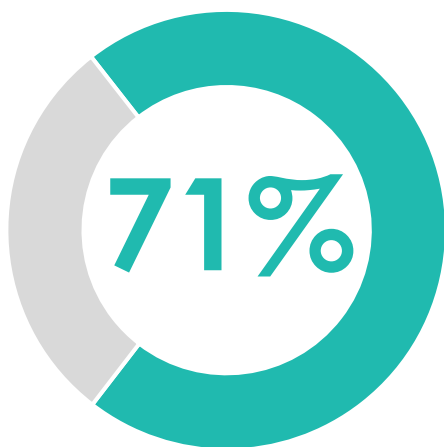
Face-to-face contact makes up the majority of contact, as well as email and phone.



Source: Q6. What types of interactions (if any) have you had with the Guardians in the past 12 months? Q11. Thinking about your current role, how often do you have contact with the Guardians? Examples of contact include meetings, emails, telephone calls, visiting the NZ Super Fund website or LinkedIn etc.
Base: All stakeholders, 2024 n=116, 2018 n=269, 2015 n=262 *Note: This selection was not available in the 2018 and 2015 survey questionnaires.

Seven in ten have visited the website and most had a positive experience.

Stakeholder website use

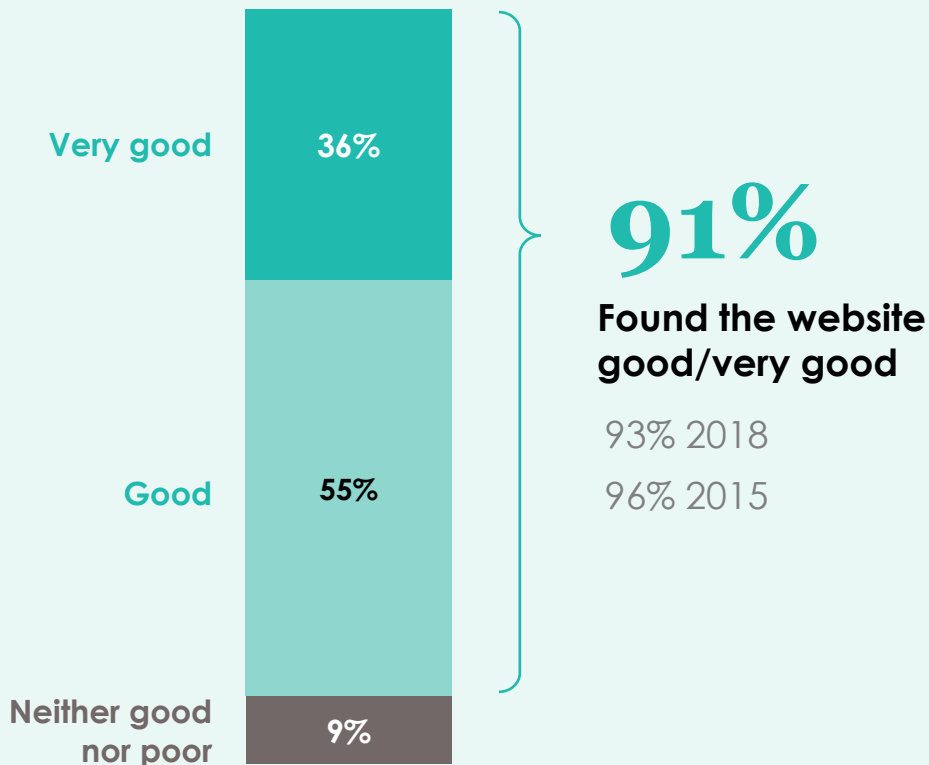


had visited the website in the last 12 months

65% 2018
66% 2015

Source: NZ Super Website visits: Q7. Have you visited the NZ Super Fund website in the last 12 months?
Base: All stakeholders, excluding "Don't know" responses. 2024 n=116, 2018 n=269, 2015 n=262

Experience of the website



Source: Q8. Overall, how would you rate the NZ Super Fund Website?
Base: Those who visited the NZ Super Fund website in the last 12 months. Excluding those who can't recall
2024 n=75, 2018 n=164, 2015 n=160

Profile of stakeholders surveyed

	Total	New Zealand Stakeholders	International Stakeholders
Total	n=116	n=82	n=34
Peer fund or investee company	34%	35%	29%
Custodian or supplier of non-investment services	16%	20%	6%
Investment, asset or transition manager	24%	18%	38%
Supplier of investment services	3%	0%	12%
Industry body or political representative	20%	23%	12%
Other (including Iwi or Māori entity)	3%	4%	3%
High level of contact with Guardians (weekly or monthly)	45%	40%	50%
Medium level of contact with Guardians (every few months)	49%	50%	41%
Low level of contact with Guardians (a few times a year or less)	5%	6%	6%
Stakeholder relationship of six years or more	61%	59%	68%
Stakeholder relationship of three to five years	27%	26%	26%
Stakeholder relationship of two years or less	12%	15%	6%