



NZSUPERFUND

*Te Kaitiaki Tahua Penihana
Kaumātua o Aotearoa*

Stakeholder Engagement Research

Guardians Of New Zealand Superannuation

Quantitative report

8th November 2018



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Key findings



- 88% of stakeholders are satisfied with the Guardians' overall service quality. This overall service quality rating is significantly higher than the average service quality rating (76%) among the general public across all public services in 2017 (as measured in the State Services Commission's KiwisCount survey).
 - Fewer stakeholders are *dissatisfied* with the Guardians' service quality in 2018 (1%) compared to in 2015 (6%).
 - International stakeholders (92%) continue to be more satisfied with service quality than NZ based stakeholders (85%).
- Over 5 in 6 stakeholders agree the Guardians is performing in accordance with their mandate.
 - International stakeholders' perceptions have improved since 2015 of the Guardians avoiding prejudice to NZ's reputation as a responsible member of the world community.
- More than 9 in 10 stakeholders hold positive perceptions of the Guardians' forward thinking approach to investment, strong leadership in the investment sector, high-calibre staff and expertise.
- At least 9 in 10 stakeholders favourably rate the Guardians across 6 of 8 performance measures (good investment decisions, excellent return rate over the Fund's lifetime, appropriate approach to responsible investment, high quality staff, robust performance analyses and robust risk management). Further, over 9 in 10 stakeholders rate the Guardians' staff positively across all 8 measures of service quality.
- Stakeholders are particularly positive regarding the transparency of the Guardians' communications. More than 9 in 10 favourably rate the transparency of performance returns, portfolio holdings and investment strategies. 8 in 10 agree that risk associated with investment decisions is adequately communicated and that lessons are shared from successes and experiences.
 - Perceptions of the transparency of Fund portfolio holdings have improved among international stakeholders since 2015.
- Most stakeholders that have visited the NZ Super Fund website or read an annual report rate these communications favourably.
- In terms of stakeholders' relationship with the Guardians, over 5 in 6 say the working relationship is effective, the Guardians set high standards of their suppliers and seek stakeholders' views when appropriate.
 - NZ stakeholders perceive the Guardians' working relationship with the NZ Government to be less effective than in 2015 (possibly influenced by a change in Government)
- Almost all stakeholders consider it to be important that the Guardians' board operates independently from Government.
- 6 in 10 stakeholders are aware who is on the Guardians' board. Among these stakeholders, over 8 in 10 agree they are competent investment professionals, attract and retain high quality staff and make decisions independently from Governmental influence.
- 9 in 10 stakeholders positively rate the Guardians' senior leadership team across all 7 measures (trustworthy, have integrity, are competent investment professionals, do a good job, show good judgement, are pragmatic and make decisions in line with long-term strategies).

Priority areas for improvement to improve stakeholder satisfaction

Stakeholders continue to be satisfied with the Guardians' performance, engagement and leadership. The following suggestions for improvement should be interpreted in this high-performance context. There is opportunity to improve on the following areas which are *strong drivers* of stakeholder satisfaction, but the Guardians are performing *relatively* less well on. Across all areas, NZ stakeholders tend to rate the Guardians relatively less highly than international stakeholders. Focussing on improving the below measures among NZ stakeholders would, therefore, deliver a bigger return on improving overall stakeholder satisfaction.

Improve stakeholder satisfaction with the Guardians' performance by improving perceptions of:

- Whether the Guardians make 'good' investment decisions,
- Returns being maximised without undue risk,
- Robust risk-management processes,
- The Guardians attracting, recruiting and retaining high quality staff.

Improve stakeholder satisfaction with the Guardians' engagement by improving perceptions of:

- Effectiveness of working relationships with stakeholders,
- Effectiveness of working relationships with Government,
- Connecting organisations with others in the industry.

Improve stakeholder satisfaction with the Guardians' leadership by improving perceptions of:

- Staff doing a good job,
- Attracting and retaining high quality board members,
- Staff considering others' perspectives,
- Staff helpfulness, collaboration and pragmatism,
- Staff understanding of the sector/environment their stakeholders work in,
- Senior leadership pragmatism in their approach to investment and leadership.

The need for the research, objectives, and methodology



The New Zealand Superannuation Fund (the Fund) was established over 10 years ago to help pay for the increasing costs of superannuation entitlements in the future.

The Guardians of New Zealand Superannuation (the Guardians) is the Crown agency charged with managing the Fund. It is an autonomous Crown entity that operates at ‘double-arm’s-length’ from political stakeholders.

Its operational independence ensures it makes investment decisions on a purely commercial basis.

The Guardians invests the money the Government has contributed to the Fund. Since December 2017, the Government has resumed contributions to the Fund after ceasing these following the 2009 GFC.

Under the Act*, the Guardians must invest the Fund on a prudent, commercial basis, and in doing so, must manage and administer the Fund in a manner consistent with:

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

The Research Need

The Guardians has a range of political, business and supplier stakeholder relationships both within New Zealand and globally. Maintaining strong partnerships with these stakeholders is crucial.

The Guardians therefore sought to understand how effective it is in its engagement and communications with its stakeholders. The research will provide direction for communication strategy, insight into perceptions and knowledge of the organisation, and help provide an understanding of what stakeholders want, what drives their satisfaction, and how the Guardians measures up to this.

The baseline for this research was first conducted in 2015, and has been repeated in 2018 to examine any changes in stakeholders’ perceptions and experiences. Since 2015, the political landscape the Guardians operates in has changed. The Guardians also has a longer track-record of high performance, have had a new CEO appointed in June 2018 and have a stronger position on responsible investment. These factors may result in changes to stakeholders’ perceptions and experiences.

This document reports on the findings from the quantitative stage of the 2018 research, and makes comparisons with 2015 where relevant. A qualitative research phase with stakeholders will be conducted in early 2019 and combined with the quantitative survey findings.



An online survey with stakeholders was conducted between 12 October and 28 October 2018.



Before the survey, a pre-notification email was sent from the Chief Executive Officer of the Guardians. Colmar Brunton then emailed the survey invitation to a list of 1161 stakeholders. Two email reminders were sent during fieldwork in order to maximise the response rate.



269 stakeholders responded to the survey – a response rate of 23%.






The questionnaire took an average of 10 minutes to complete, covering the following topics¹:

- 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 NZ Super Fund website and annual reports
- 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.

Stakeholder profiles



Profile of stakeholders in this survey

	 TOTAL		 NEW ZEALAND STAKEHOLDERS		 INTERNATIONAL STAKEHOLDERS	
Total	n=269		n=142		n=127	
Peer fund or investee company	29%		20%		39%	
Custodian or supplier of non-investment services	20%		24%		15%	
Investment, asset or transition manager	18%		16%		20%	
Supplier of investment services	15%		15%		15%	▼ 2015 29%
Industry body or political representative	13%	▼ 2015 20%	17%	▼ 2015 28%	9%	
Iwi or Māori entity	3%	Not identified in 2015	6%		N/A	
High level of contact with Guardians (weekly or monthly)	37%		47%		26%	▼ 2015 40%
Medium level of contact with Guardians (every few months)	48%		40%		57%	
Low level of contact with Guardians (a few times a year or less)	14%	▲ 2015 6%	12%		16%	▲ 2015 4%
Stakeholder relationship of six years or more	50%	▲ 2015 31%	52%	▲ 2015 36%	48%	▲ 2015 24%
Stakeholder relationship of three to five years	26%	▼ 2015 45%	22%	▼ 2015 43%	31%	▼ 2015 47%
Stakeholder relationship of two years or less	23%		26%		20%	

Elements of effective stakeholder relationships with the Guardians



The Guardians' relationships with its stakeholders comprises three core elements



Stakeholders' perceptions of the Guardians' *performance*

Over 5 in 6 stakeholders agree the Guardians is performing in accordance with their mandate. International stakeholders' perceptions have improved since 2015 of the Guardians avoiding prejudice to NZ's reputation as a responsible member of the world community.

Key pillars of the Guardians' mandate

%

Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree

2018
Agree
(Nett)

2015
Agree
(Nett)

Stakeholder
differences in
agreement (nett)

The Guardians avoid prejudice to New Zealand's reputation as a responsible member of the world community
(n=257)



94%

89%

International stakeholders 2018
▲ (96%) up from 2015 (88%)

The Guardians use best practice portfolio management
(n=214)



90%

88%

International stakeholders
(96%) vs NZ stakeholders (85%)

The Guardians strike the right balance between maximising returns and not taking undue risks
(n=235)



87%

89%



“From an international perspective, the Guardians have a very high level of engagement with stakeholders and are superb ambassadors for New Zealand.”

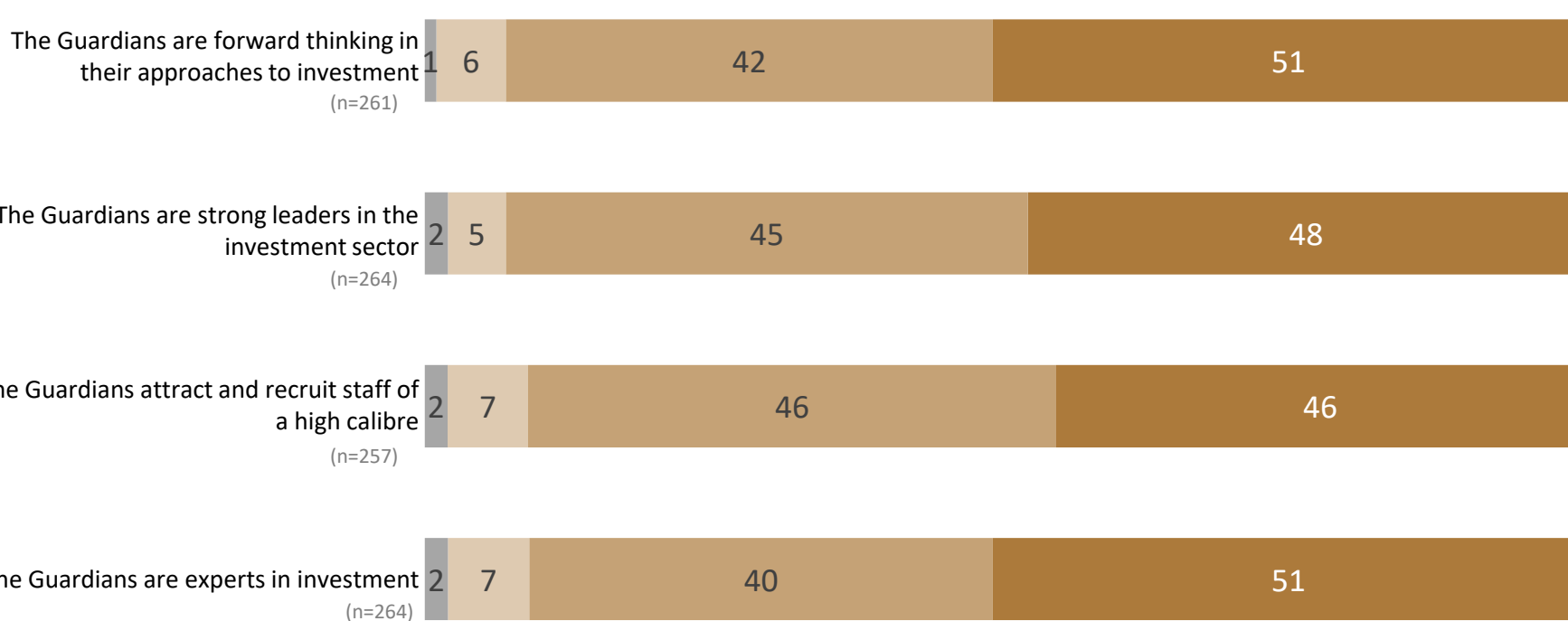
International stakeholder, Member of an industry organisation, association or body

Over 9 in 10 stakeholders hold positive perceptions of the Guardians' forward thinking approach to investment, strong leadership in the investment sector, high-calibre staff and expertise.

Stakeholders' perceptions of the Guardians

%

Legend: Strongly disagree (dark grey), Disagree (grey), Neither agree nor disagree (light tan), Agree (tan), Strongly agree (dark brown)



2018
Agree (Nett)

2015
Agree (Nett)

Stakeholder differences in agreement (nett)

93%

89%

International stakeholders (97%) vs NZ stakeholders (89%)

92%

89%

International stakeholders (97%) vs NZ stakeholders (89%)

91%

90%

International stakeholders (96%) vs NZ stakeholders (87%)

91%

88%

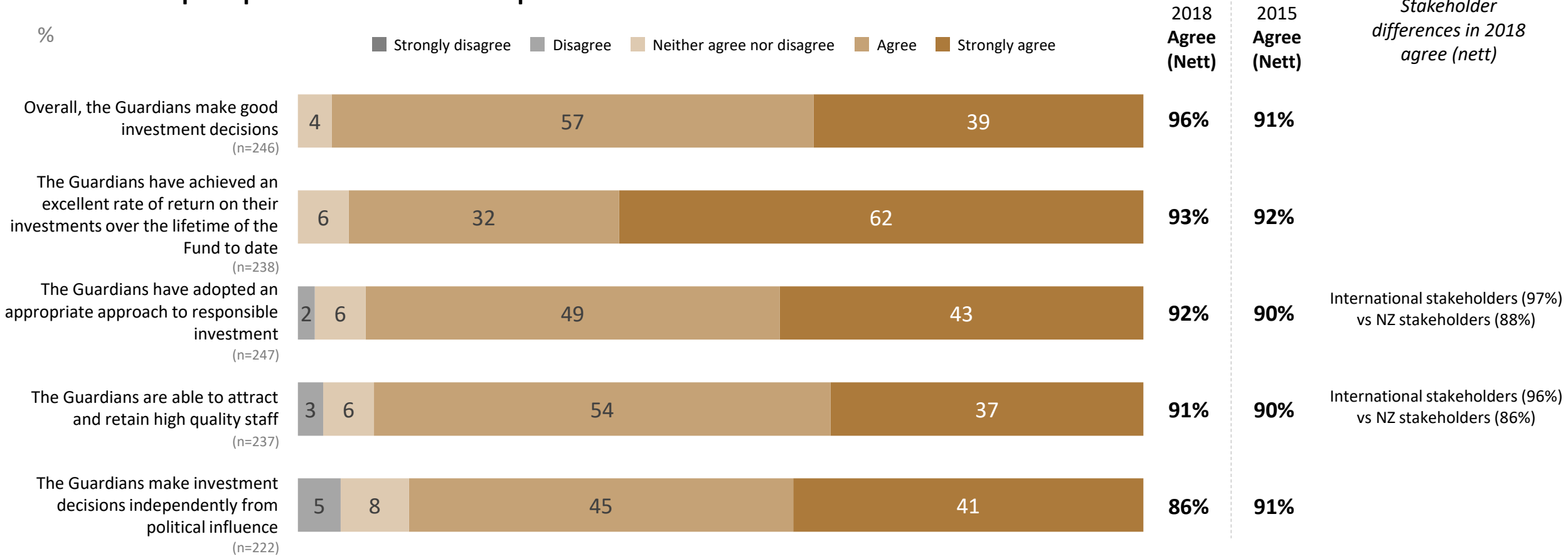


“Great that NZSF takes a leadership position on ESG issues, especially climate change. Important to maintain the link between this and investment outcomes.”

International stakeholder, Investment or asset manager

More than 5 in 6 stakeholders positively rate the Guardians' performance. In particular, over 6 in 10 stakeholders *strongly agree* that the Guardians have achieved an excellent return rate of the lifetime of the Fund.

Stakeholders' perceptions of the Guardians' performance

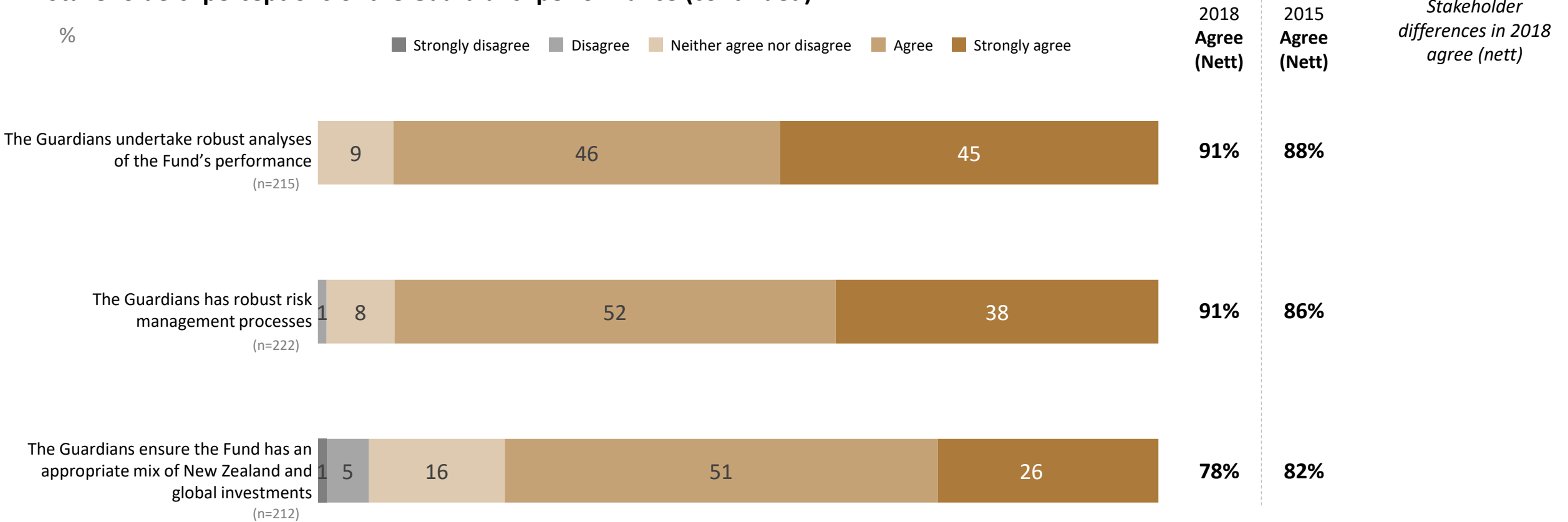


“Having had experience with other global investors, NZSF and the direct investing team are absolutely world class. They are a pleasure to work with, collaborate well, and get a great outcome for NZSF. That's the balance every investor needs to achieve - being a collaborator while achieving great results for themselves.”

International stakeholder, Investment or asset manager

9 in 10 stakeholders consider the Funds performance analyses and risk management processes to be robust. Just under 8 in 10 consider the Fund to have an appropriate mix of New Zealand and global investments.

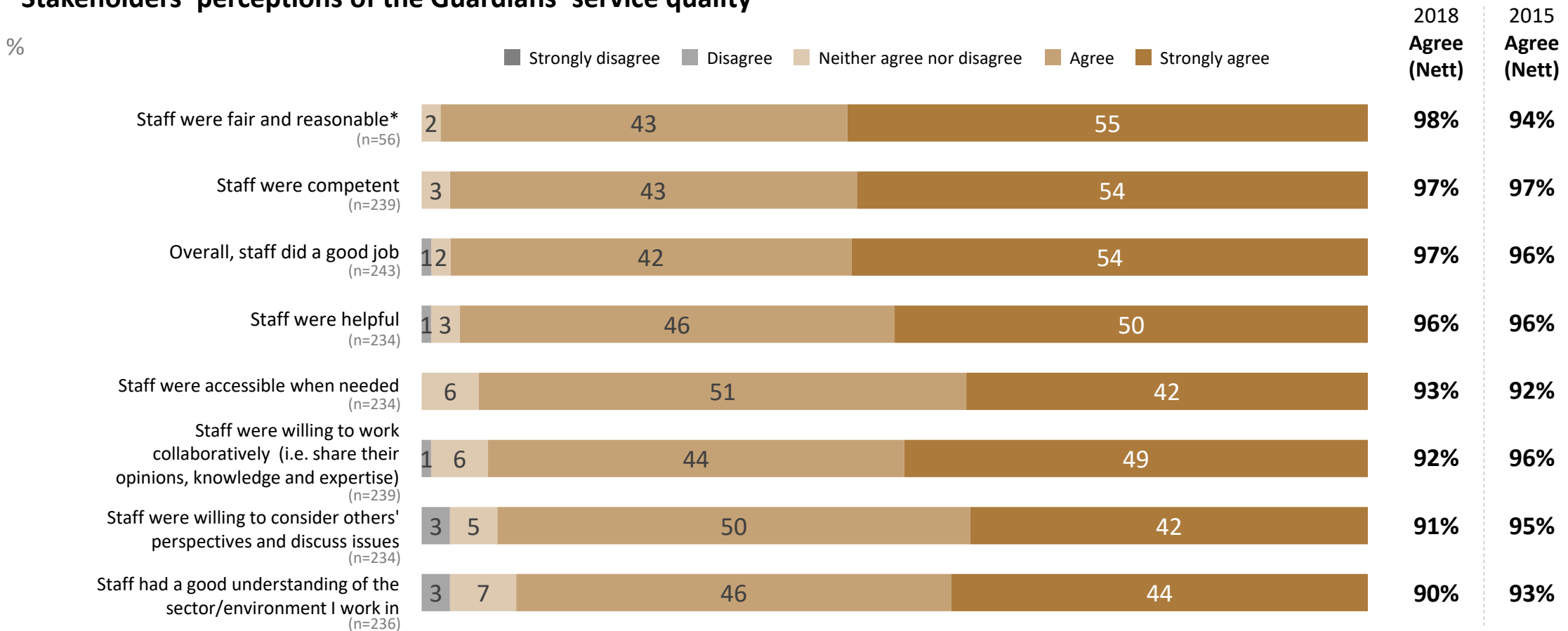
Stakeholders' perceptions of the Guardians' performance (continued)



“Their processes are robust and rigorous, but equally thorough and decisions are well explained through feedback.”
New Zealand stakeholder, Investment or asset manager

Stakeholders continue to favourably rate staff across all measures of service quality. Almost all stakeholders agree that staff did a good job. More than half of stakeholders *strongly agree* that staff are fair, competent, helpful and do a good job.

Stakeholders' perceptions of the Guardians' service quality

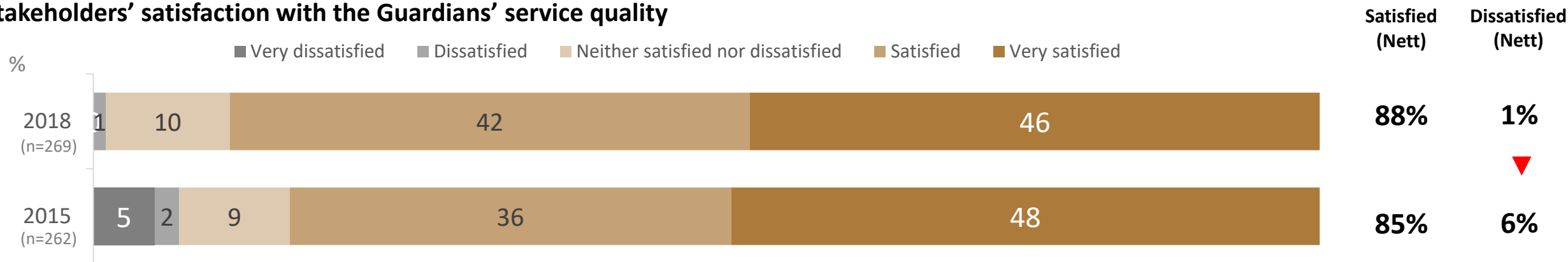


“A very prudent, expert organisation with energy that will see it have continued success. I think particularly on the global stage.”

International stakeholder, Supplier (Non-investment services)

Just under 9 in 10 stakeholders are *satisfied* or *very satisfied* with the Guardians' overall quality of service. Fewer stakeholders are dissatisfied in 2018 than in 2015. International stakeholders continue to rate the Guardians' service quality higher than NZ stakeholders.

Stakeholders' satisfaction with the Guardians' service quality



The Guardians overall service quality rating is *significantly higher* than the quality of service received by the general public across all public services in 2017.

According to the KiwisCount survey report of June 2017 by the State Services Commission, the overall quality of service score* for the general public was 76% whereas the quality of service score for the Guardians is 88%.

Satisfaction with service quality remains significantly higher among



INTERNATIONAL
STAKEHOLDERS

92%

than



NEW ZEALAND
STAKEHOLDERS

85%

Base: All stakeholders
Source: Q13

* The KiwisCount survey produces a quality of service score from 0 (the lowest score possible) to 100 (the highest score possible) for a number of government services. The quality of service score is not the same as the proportion who were satisfied (nett). Instead, it is a score derived by translating the answer given to the question 'how satisfied were you with the overall quality of service delivery, where 1 means very dissatisfied and 5 means very satisfied'. Respondents giving an answer of 1 are allocated a service quality score of 0, 2 are allocated a score of 25, 3 = 50, 4 = 75 and 5 = 100. An average score from 0 to 100 is then calculated across all respondents which translates the answers given to the question into an average score.

STAKEHOLDER COMMENTS

"Best in class."

International stakeholder, Investment or asset manager

"Staff availability and response times could be better; they appear thinly stretched."

New Zealand stakeholder, Member of a company in which the Guardians has an investment

"The team is always professional and easy to work with. We look forward to many more years of partnering with the Fund."

International stakeholder, Investment or asset manager

"[They should] use expertise from other, world-class global institutional investors."

International stakeholder, Peer fund, co-investor or limited partner.

"Good experience"

International stakeholder, Member of a company in which the Guardians has an investment

"Don't overburden smaller managers with "well-intentioned, best practise" reporting requirements that detract from their ability to execute the job. Also, don't squeeze them on fees in a way that detracts from their ability to assemble the right team and execute on the strategy."

New Zealand stakeholder, Investment or asset manager

“

"Big public Institutional investors in the Asia Pacific region more often than not remain, if not entirely black boxes, opaque. NZSuper sets the standard at the open and transparent end of the spectrum."

International stakeholder, News media

"In my opinion, NZSF are very effective in practicing the 'no surprises' policy for the Government."

New Zealand stakeholder, Parliamentary or political party representative

"Now resources in OD have been increased we are looking forward to improved coordination and communication around planning and design of future projects that is aligned to the long term direction of the Fund."

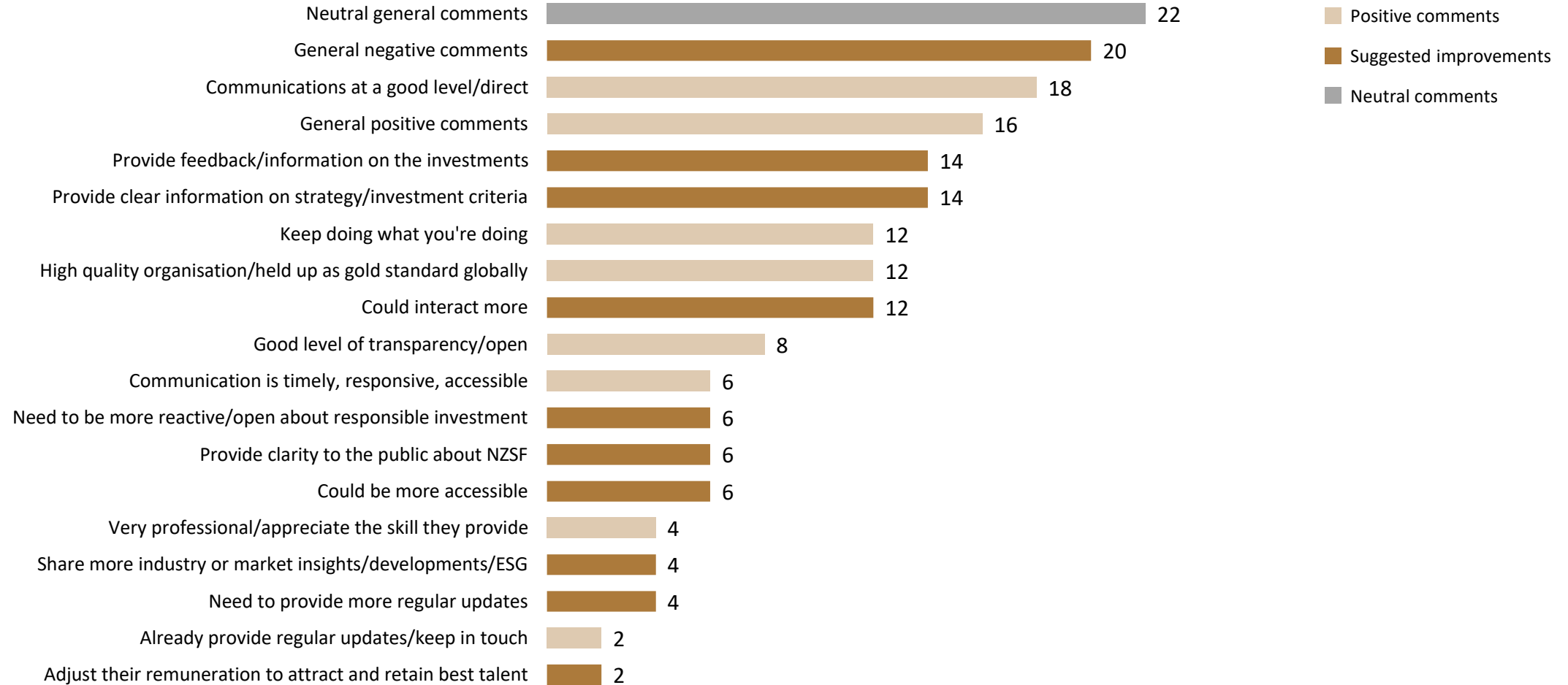
New Zealand stakeholder, Supplier of non-investment services

"As a listed entity in which the Guardians invest in, the lack of consultation and discussion is disappointing. The last set of reasoning is they have 6000 plus investments and it is not possible to meet each individually. This also falls over into taking independent advice on how to vote at AGM's. Had they taken more interest in their investments they don't need outside advice on how to vote."

New Zealand stakeholder, Member of a company in which the Guardians invest

Stakeholders' suggestions for improvement

%



Base: All stakeholders, excluding 'don't know' responses (n=51)
Source: Q20

Stakeholders most commonly describe the Guardians as professional and competent. Since 2015, the proportion of stakeholders who consider the Guardians as inclusive has risen to 27% from 18%.

Stakeholders were asked to imagine that the Guardians were a person with its own personality and select three attributes that they would associate with the Guardians' personality.

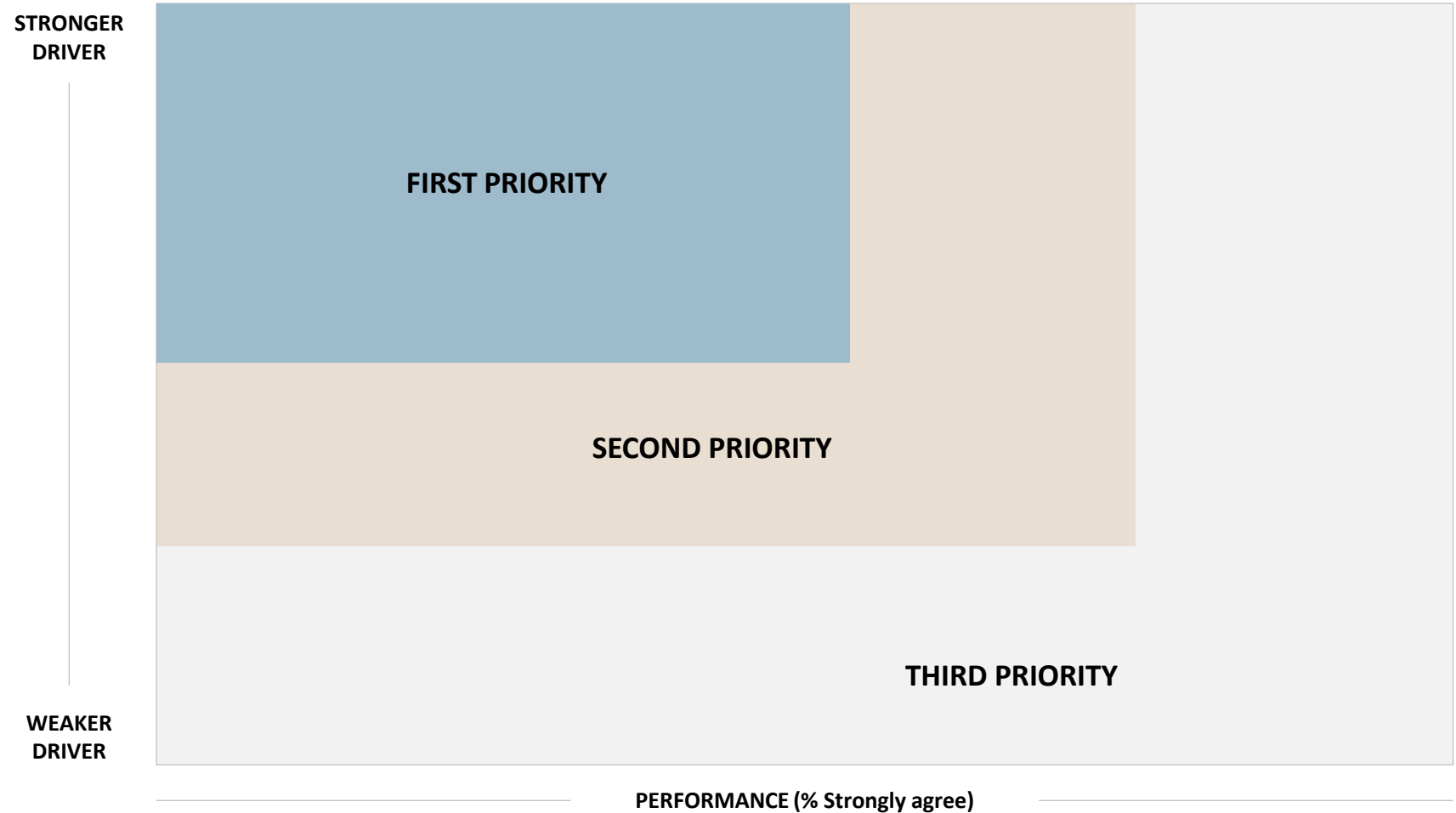
96% of stakeholders attributed positive personality traits to the Guardians.
29% attributed negative traits.

International stakeholders were more likely than New Zealand stakeholders to describe the Guardians positively (such as open and transparent, respectful, innovative and collaborative).



These charts indicate which attributes the Guardians should focus on to increase stakeholders' satisfaction. Attributes towards the top are important to stakeholders (they are strong drivers of overall satisfaction*).

Stakeholders think there is room to improve on attributes towards the left (relative to attributes towards the right). To lift stakeholders' satisfaction, the Guardians first priority should be to focus on improving attributes in the dark grey 'first priority' box followed by second, and then third, priority attributes. Due to the difference in satisfaction for New Zealand and international stakeholders, attributes are presented independently for each of these stakeholder groups.



Drivers of stakeholder satisfaction and priorities for improvement

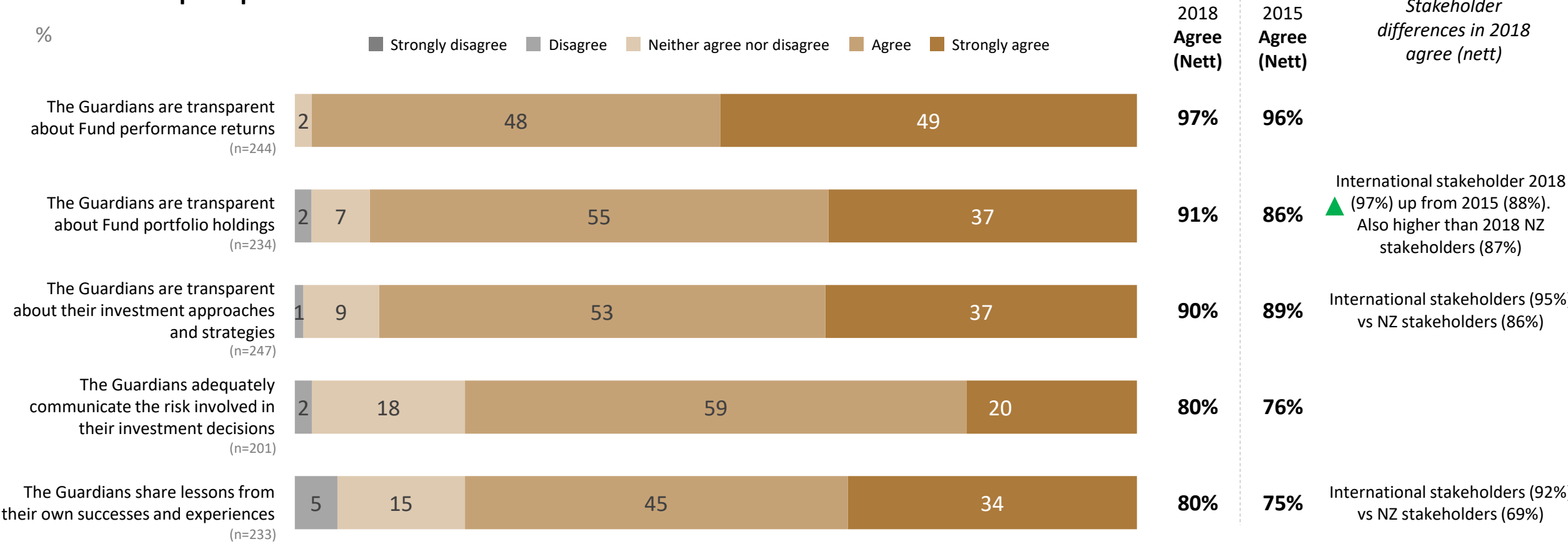
- NZ stakeholders
- International stakeholders



Stakeholders' perceptions of *engagement* with the Guardians

Almost all stakeholders agree the Guardians are transparent about Fund performance returns. The Guardians' communications are rated positively by at least 8 in 10 stakeholders across all measures. International stakeholders' ratings of the transparency of Fund portfolio holdings has improved since 2015.

Stakeholders' perceptions of the Guardians' communications



“Keep up the great communications work. World class in approach and encourages others in the industry to be open and cooperative. A true global leadership position.”
International stakeholder, Peer fund, co-investor or limited partner

Base: All stakeholders excluding 'don't know' responses
 Source: Q5

The Guardians are interested in hearing any other thoughts you may have on how they can improve their external communications and relationships with stakeholders including yourself.

“Very happy that they continue to do a good job communicating.”

New Zealand stakeholder, Other kind of relationship

“I sent an email to a PR person at the Super Fund and got a stupid answer. Then he refused to answer my following email.”

New Zealand stakeholder, News media

“I think the communications are clear, consistent and informative. I don't think you need to do more, the vast majority of your stakeholders are really only focused on the key areas which you already communicate well. If they want to dig, your website delivers plenty of fine print. The consistency in your communications is also reflected by the consistency in the staff and leadership teams relationships with stakeholders. Well done!”

International stakeholder, Peer fund, co-investor or limited partner

“Regular scheduled connection would ensure a continuity of information flowing.”

New Zealand stakeholder, Member of a company in which the guardians invest

“The Guardians do an excellent job of proactively managing their communications.”

New Zealand stakeholder, Local or central Government official

“They could engage more with some of their stakeholders to gain more insights and views as to investment decisions, opportunities and so forth.”

New Zealand stakeholder, Investment or asset manager



“I'm very happy with the communication level we have now. If we need anything we can call someone anytime and get an answer.”

New Zealand stakeholder, Supplier of other investment services

“Many staff are very busy and require quick responses to the questions that they ask of their external service providers. Often the responses provided by vendors are met with relative silence as there is no acknowledgement or confirmation that the providers response has been received or acted upon. An improvement in two way communication would help to ensure transparency and continuity in the engagement process.”

International stakeholder, Supplier of non-investment services

“[Would like] occasional informal briefings, not all based in Auckland, on investment trends, market conditions, challenges, local projections on pay outs, and industry standards and behaviour. That would be helpful.”

New Zealand stakeholder, News media

“Maybe more detailed information on internally-managed portfolios - performance versus some external benchmarks, for example.”

New Zealand stakeholder, News media

“Perhaps some lower-level information-sharing with key stakeholders and interested parties that goes beyond the high-level disclosures on the website and in media releases.”

New Zealand stakeholder, Supplier of other investment services

The Guardians are interested in hearing any other thoughts you may have on how they can improve their external communications and relationships with stakeholders including yourself

“Continued transparency of process and approach is very important.”

International stakeholder, Investment or asset manager

“I think many people find the NZ Super Fund vague at times and unable to clearly explain their investment strategy. They tend to want to be seen as different to other large funds and in doing so they can come across as aloof, and it can appear that they adopt strategies to make themselves and the organisation look smart. I think external parties would prefer them to be more direct about what they want to achieve and what they are really seeking from a external relationship.”

New Zealand stakeholder, Investment or asset manager

“I think they do a very good job. Briefings to help us understand certain issues are always helpful.”

New Zealand stakeholder, News media

“Sharing of specific teams, KPIs, team values etc. to understand their key drivers. Sometime this is confusing as to what is driving their thoughts.”

New Zealand stakeholder, Supplier of non-investment services

“Not sure how, but to lead and promote stronger investment in NZ-based businesses. Maybe a special division to lead some investment into start up businesses (high risk) but backing local is always a good thing! The Guardians could lead (with advisors) some of these businesses through their tough spots. It could be just a small fund dedicated to this type of investment / equity participation.”

New Zealand stakeholder, Supplier of non-investment services

“

“I believe there is still a need to tell more of the successes of the NZ SuperFund. The Fund needs to keep its stories and achievements in front of New Zealanders so that Kiwis understand the full scope, the success and the role the Fund is playing in creating a more financially secure New Zealand. These stories must be simple and accessible so that more New Zealanders understand how and why the Fund exists in our lives. Some of the information and coverage is too targeted to analysts and specialist audiences.”

New Zealand stakeholder, Supplier of non-investment services

“Better understanding of their investment decisions and the decisions behind the sectors they invest in.”

New Zealand stakeholder, Broker, counterparty or portfolio completion agent

“Some investment sector participants feel that the Guardians sometimes act as though they are trying to absorb know-how in order to “go it alone”, rather than supporting innovation through genuine collaboration. That this perception exists is a shame in itself, let alone the potential that in some cases this may be the case.”

New Zealand stakeholder, Investment or asset manager

“Consider a publication (e.g. a newsletter) to suppliers on developments within the Fund.”

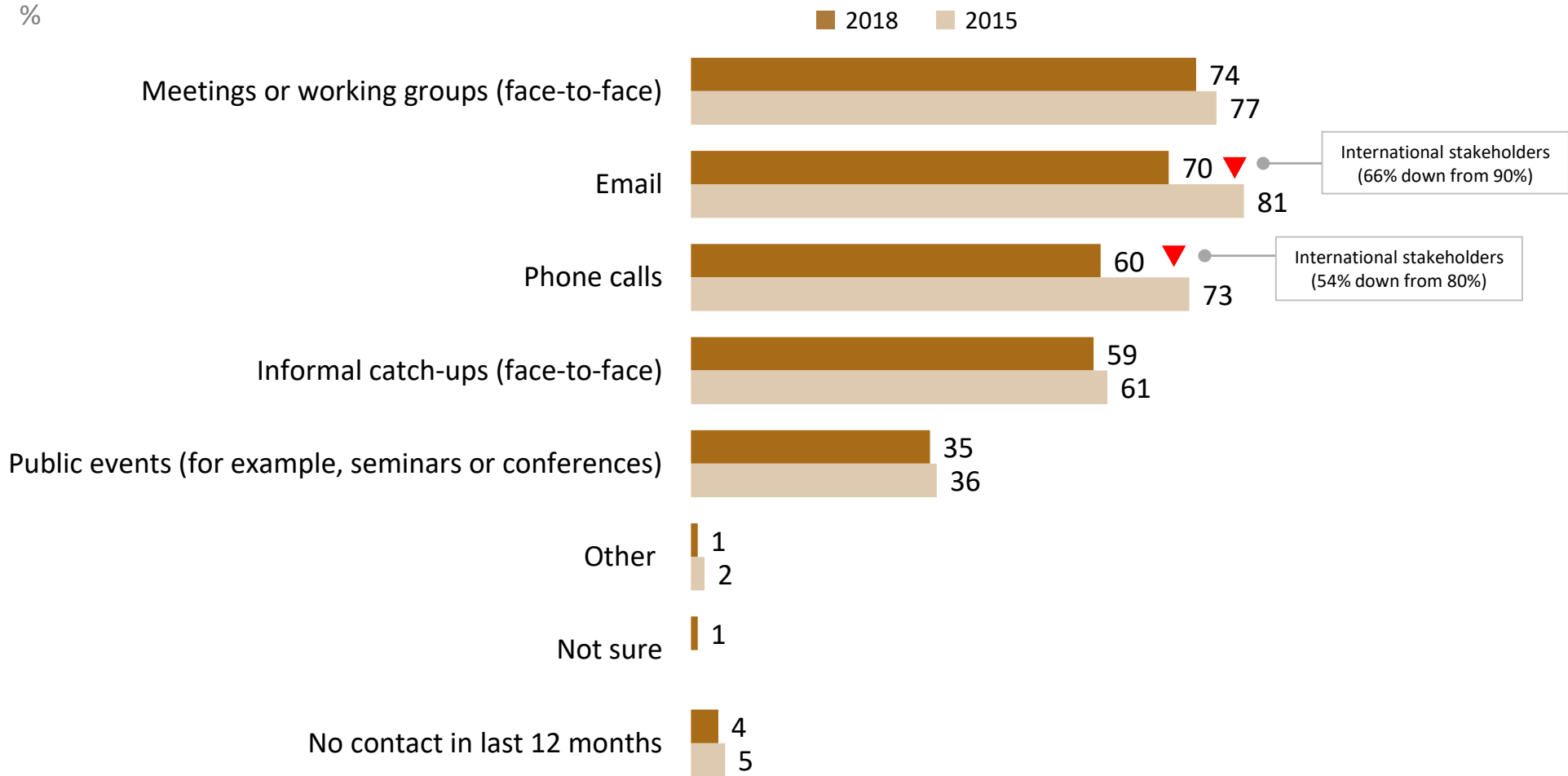
International stakeholder, Supplier of non-investment services

“The team is always professional and easy to work with. We look forward to many more years of partnering with the Fund.”

International stakeholder, Investment or asset manager

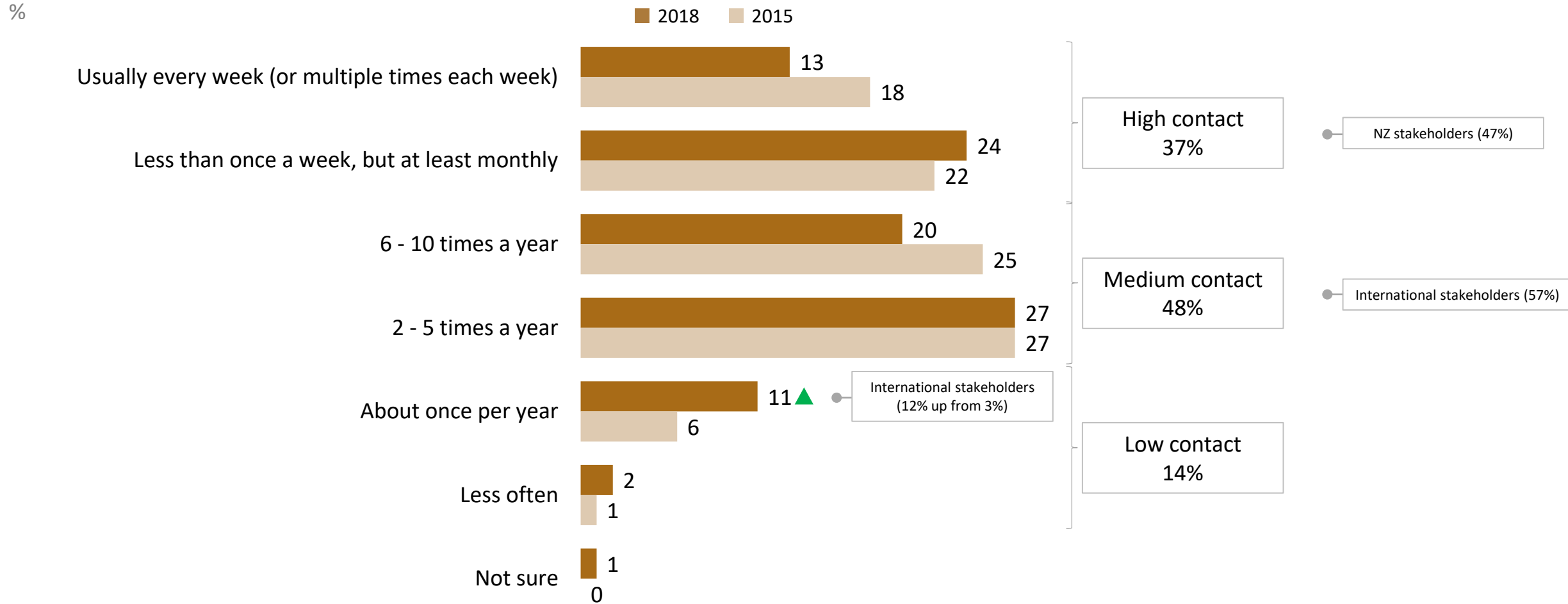
7 in 10 stakeholders have had contact with the Guardians in the last year via email or at meetings. Fewer stakeholders than in 2015 have contact with the Guardians by email or phone.

Contact with the Guardians in the last 12 months



Stakeholders' frequency of contact with the Guardians reflects the type of stakeholder relationship they have. Just under half of stakeholders based in New Zealand are likely to have contact with the Guardians at least monthly and over half of international stakeholders have contact between two to ten times a year.

Frequency of contact with the Guardians in the last 12 months



Base: All stakeholders who had had contact with the Guardians' staff in the last 12 months, n=259
Source: Q11

Most stakeholders that have visited the NZ Super Fund website or read an annual report rate these communications favourably.

65% of stakeholders have visited the NZ Super Fund website in the last 12 months (66% in 2015)



Base: All stakeholders (n=269) and those who recall having visited the NZ Super Fund website in the last 12 months (n=164)
Source: Q7 & Q8

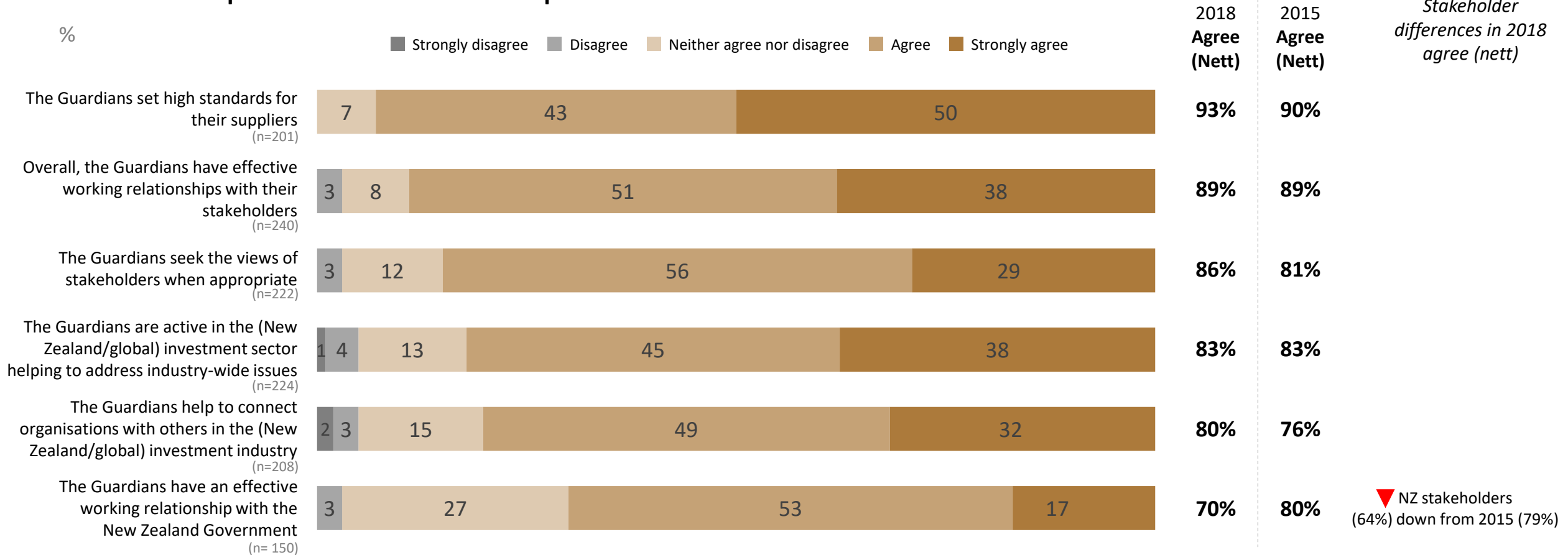
45% of stakeholders have read a NZ Super Fund annual report in the last 12 months (53% in 2015)



Base: All stakeholders (n=269) and those who recall reading a NZ Super Fund annual report in the last 12 months (n=122)
Source: Q9 & Q10

Most stakeholders agree that the Guardians set high standards of their suppliers and have effective working relationships with stakeholders. Fewer stakeholders agree that the Guardians has an effective relationship with Government, and this has declined among NZ stakeholders since 2015 (possibly influenced by a change in Government over this time).

Stakeholders' experiences of their relationship with the Guardians

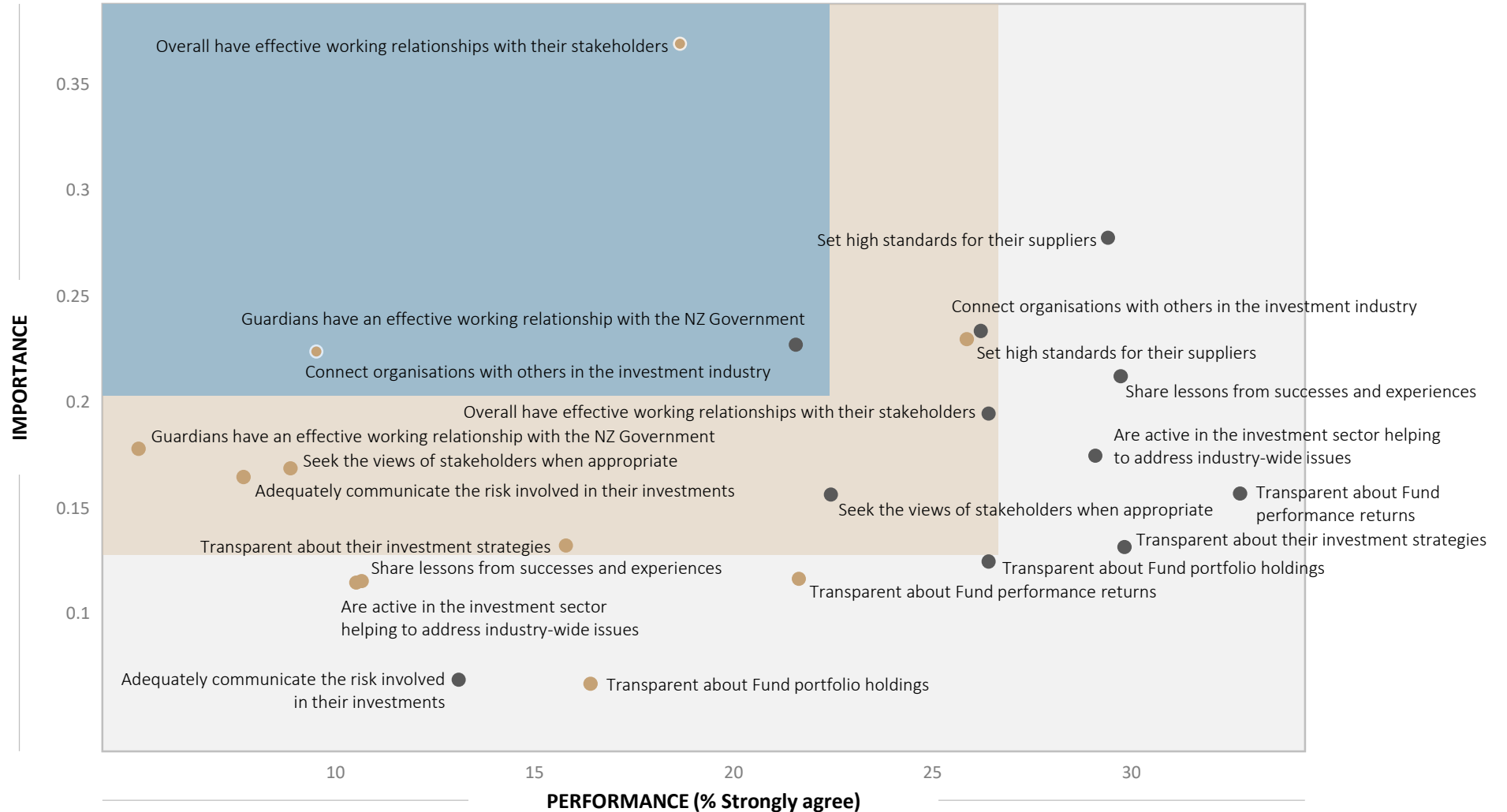


“The approach to engaging with managers via sharing a score card is both innovative and extremely helpful. This goes a long way to strengthening the relationship between the Fund and Managers.”

International stakeholder, Investment or asset manager

Drivers of stakeholder satisfaction – Communications

- NZ stakeholders
- International stakeholders



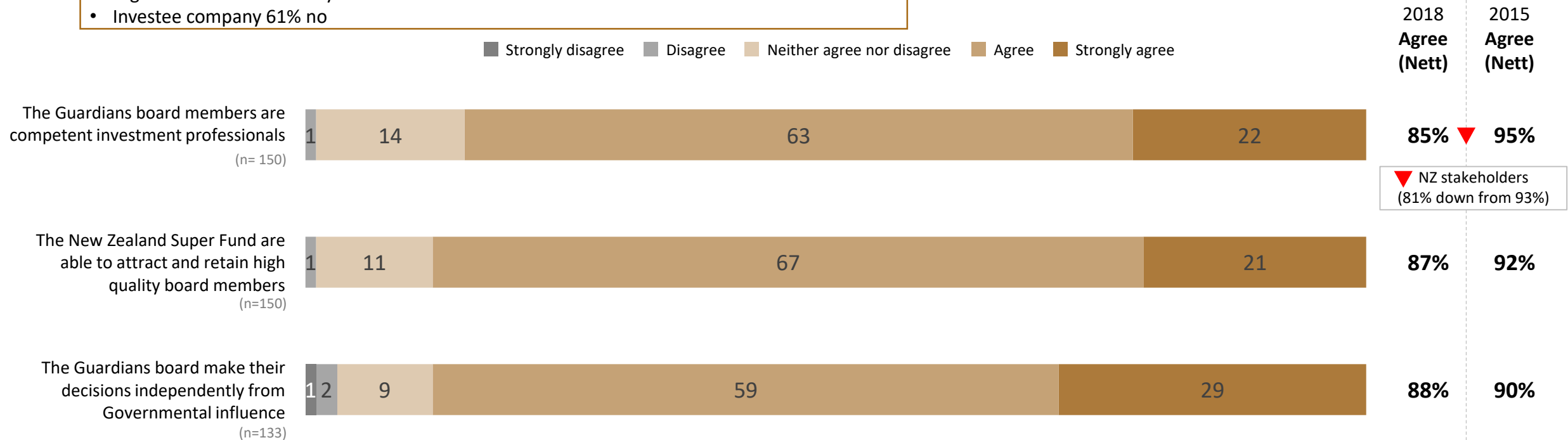
Stakeholders' perceptions of the Guardians' *leadership*

6 in 10 stakeholders have some awareness of the Guardians' board members (higher among NZ stakeholders). More than 5 in 6 stakeholders positively perceive the Board's competence, independence from Government and retention of quality staff. However, ratings of investment competency has fallen since 2015, driven by NZ stakeholders.

61% of stakeholders have some knowledge of who is on the Guardians' board (55% in 2015)

% Stakeholder groups more or less likely to have of knowledge of who is on the Guardians' board:

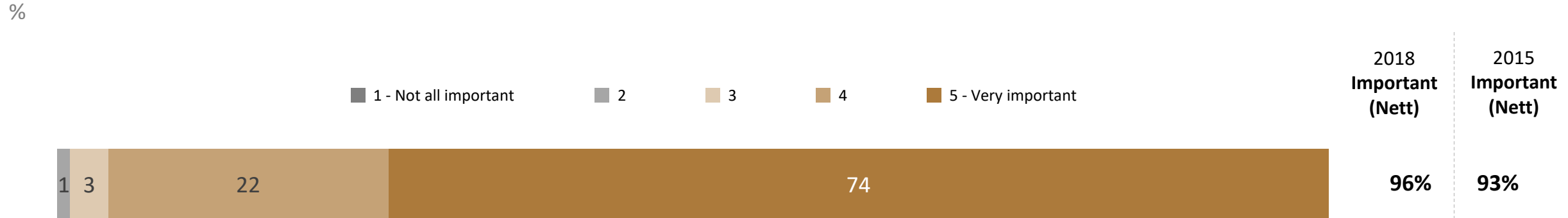
- New Zealand stakeholder 75% yes; International stakeholder 46% yes
- High level of contact 71% yes
- Investee company 61% no



“Continue to be rigorous in appointing professional and skilled Directors to the organisations that they acquire a shareholding in.”
New Zealand stakeholder, Member of a company in which the Guardians has an investment

Just below three quarters of stakeholders consider it *very important* that the Guardians' board operates independently from the New Zealand Government.

Stakeholders' perceptions of the importance of the Guardians' board being independent from the NZ Government



Stakeholder comments and suggestions on leadership of the Fund



“The Fund will need to exercise great care when it comes to investment in areas that Government policy encourages: e.g. light rail and housing. The line between independent, high-value opportunity and doing the Government’s bidding could be easily blurred, although I feel sure the Fund knows that.”

New Zealand stakeholder, News media

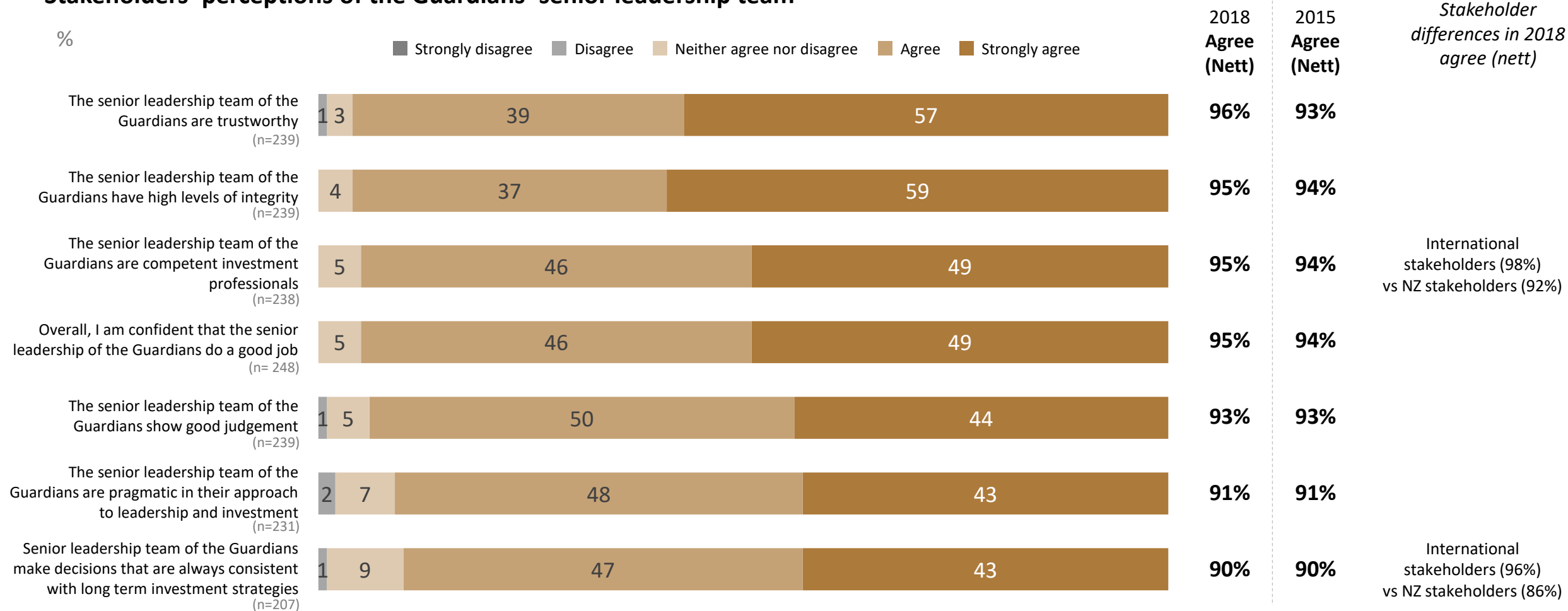
“My biggest concern with NZSF is that they have had a high rate of staff turnover - despite paying their staff generously. It will be interesting to see if this changes under the new CEO. I think this raises serious issues about the culture (i.e. how it 'feels' to work there), the size (number of staff) and the decision-making structure (or any other underlying causes of the high staff turnover).”

New Zealand stakeholder, Peer fund, co-investor or limited partner



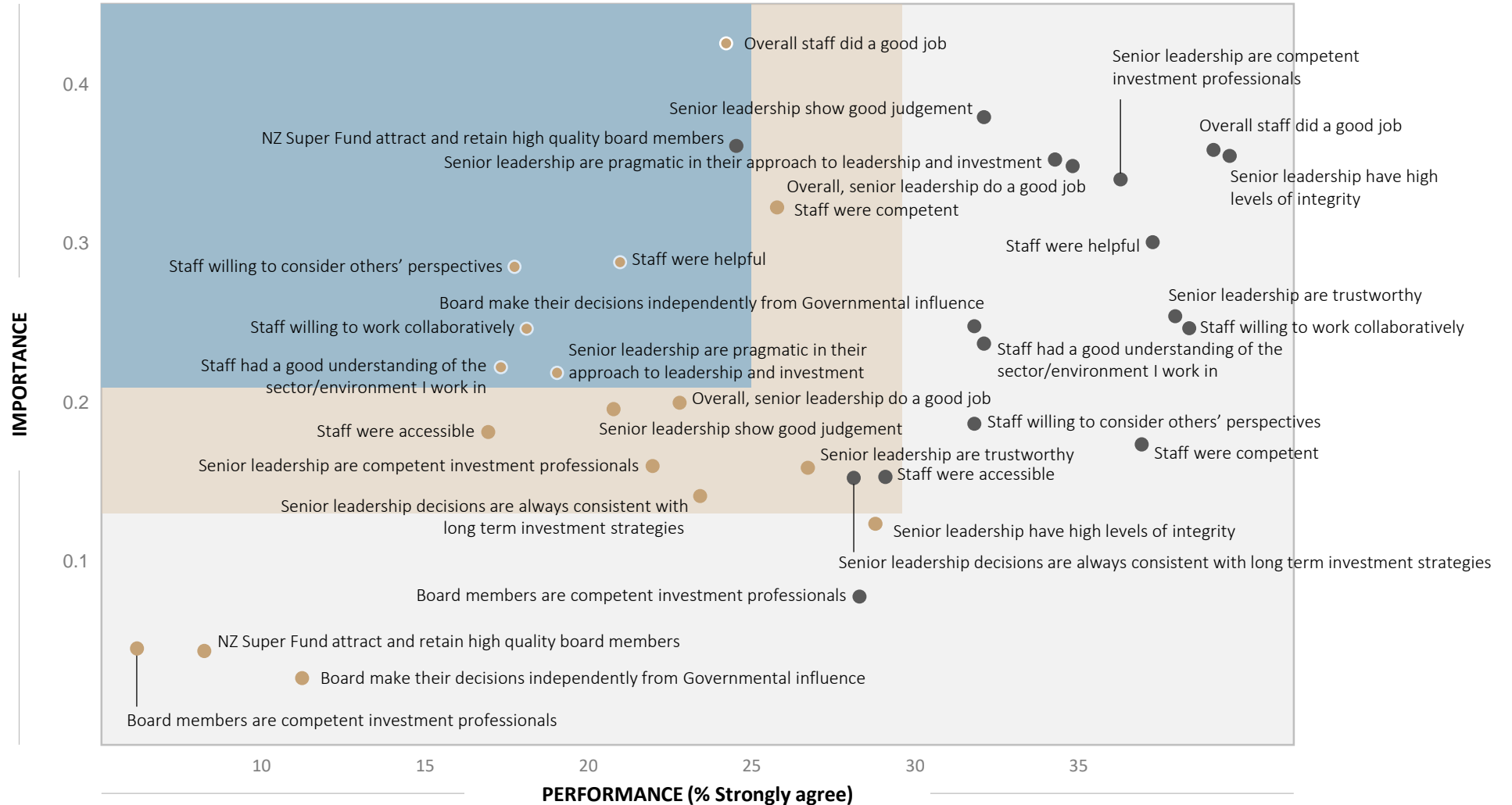
Stakeholders hold very positive perceptions of the Guardians’ senior leadership team. Around half of stakeholders *strongly agree* that the senior leadership team are trustworthy, have integrity, are competent investment professionals and do a good job.

Stakeholders’ perceptions of the Guardians’ senior leadership team



Drivers of stakeholder satisfaction – staff, board & senior leadership

- NZ stakeholders
- International stakeholders





Appendix A



Summary of statistically significant differences between New Zealand and international stakeholders (i)

Statistically significant differences in the proportion who agree (nett)	 NEW ZEALAND STAKEHOLDERS	 INTERNATIONAL STAKEHOLDERS
Total	n=142	n=119
Staff were helpful	93%	99%
Staff were willing to consider others' perspectives and discuss issues	85%	98%
Staff were willing to work collaboratively, i.e. Share their opinions, knowledge and expertise	86%	100%
Staff had a good understanding of the sector/environment I work in	83%	97%
Overall, the Guardians have effective working relationships with their stakeholders	84%	95%
The Guardians have an effective working relationship with the New Zealand Government	64%	82%
The Guardians help to connect organisations with others in the investment industry	67%	94%
The Guardians are active in the investment sector helping to address industry-wide issues	72%	94%
The Guardians seek the views of stakeholders when appropriate	79%	94%
Have at least some knowledge of who is on the board	75%	46%
The senior leadership team of the Guardians are competent investment professionals	92%	98%
The senior leadership team of the Guardians make decisions that are always consistent with their long term investment strategies	86%	96%

Summary of statistically significant differences between New Zealand and international stakeholders (ii)

Statistically significant differences in the proportion who agree (nett)	 NEW ZEALAND STAKEHOLDERS	 INTERNATIONAL STAKEHOLDERS
Total	n=142	n=119
The Guardians are strong leaders in the investment sector	89%	97%
The Guardians attract and recruit staff of a high calibre	87%	96%
The Guardians are forward thinking in their approaches to investment	89%	97%
The Guardians use best practice portfolio management	85%	96%
The Guardians have adopted an appropriate approach to responsible investment	88%	97%
The Guardians are able to attract and retain high quality staff	86%	96%
The Guardians are transparent about their investment approaches and strategies	86%	95%
The Guardians share lessons from their own successes and experiences	69%	92%
The Guardians are transparent about Fund portfolio holdings	87%	97%
High contact frequency	47%	26%
Medium contact frequency	40%	57%
Informal catch-ups (face-to-face)	68%	49%

Appendix B



To complete the sub-group analysis, stakeholder segments needed to be grouped into broader segments that included a minimum of 30 stakeholders in each segment. These groups are detailed below.

STAKEHOLDER SEGMENTS USED IN SUB-GROUP ANALYSIS	2018 STAKEHOLDER SEGMENTS FROM Q1
Peer fund or investee company	Peer Fund/co-investor/Limited Partner (n=48) and companies in which the Guardians has an investment (n=31)
Supplier of investment services	Broker/counterparty/portfolio completion agent (n=18) and suppliers of other investment services (e.g. investment advisor/investment bank) (n=22)
Industry body or political representative	Industry organisation, association or body (n=8), Local or Central Government official (n=8), Parliamentary or political party representative (n=1), Regulatory authority (n=2), News media (n=10), Non-governmental organisation (n=6)
Investment, asset or transition manager	Investment or asset manager, including transition manager (n=48)
Custodian or supplier of non-investment services	Custodian (n=6) and suppliers of non-investment services (e.g. legal, HR, tax, accounting, IT, communications) (n=47)
Iwi or Māori entity (not included in sub-group analysis)	Iwi/Māori entity (n=8)
Other (not included in sub-group analysis)	Other (n=6)

Appendix C



General questions and perceptions

Q1 Which of these best describes you, or your organisation, in the context of your current, past or potential relationship with the Guardians? *Select one only.*

Investment or asset manager including transition manager	1
Broker / counterparty / portfolio completion agent	2
Custodian	3
Supplier – other investment services (e.g. investment adviser/investment bank)	4
Supplier - non-investment services (e.g. legal, HR, tax, accounting, IT, communications)	5
Company in which the Guardians has an investment	6
Peer fund / co-investor / Limited Partner	7
Industry organisation, association or body	8
Local or Central Government official (NZ)	9
Parliamentary/Political Party representative	10
Regulatory authority	11
News media	12
Non-governmental organisation	13
Iwi / Māori entity	
Other (please type in)	14

Q2 Are you, or your organisation, primarily based in New Zealand?
Select one only.

Yes	1
No	2
Don't know	3

Q3 This question is about your general perceptions of the Guardians of New Zealand Superannuation, the organisation that manages the Fund. How much do you agree or disagree with the following?
Select one answer per row.

The Guardians...

RANDOMISE	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Do not know
...avoid prejudice to New Zealand's reputation as a responsible member of the world community	1	2	3	4	5	6

...are strong leaders in the investment sector	1	2	3	4	5	6
...attract and recruit staff of a high calibre	1	2	3	4	5	6
...are experts in investment	1	2	3	4	5	6
...are forward thinking in their approaches to investment	1	2	3	4	5	6

Q4 This next question is about the general performance of the Guardians.
Please indicate how much you agree or disagree with each statement below.
Select one answer per row.

The Guardians...

RANDOMISE	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Do not know
...use best practice portfolio management	1	2	3	4	5	6
...strike the right balance between maximising returns and not taking undue risks	1	2	3	4	5	6
... have adopted an appropriate approach to responsible investment	1	2	3	4	5	6
... has robust risk management processes	1	2	3	4	5	6
...make investment decisions independently from political influence	1	2	3	4	5	6
...ensure the Fund has an appropriate mix of New Zealand and global investments	1	2	3	4	5	6
...undertake robust analyses of the Fund's performance	1	2	3	4	5	6
...are able to attract and retain high quality staff	1	2	3	4	5	6
...have achieved an excellent rate of return on their investments over the lifetime of the Fund to date	1	2	3	4	5	6
ASK LAST: ...overall, make good investment decisions	1	2	3	4	5	6

Q5 Now, thinking about all the different ways the Guardians communicate, how would you rate the Guardians on the following measures?
Select one answer per row.

The Guardians...

RANDOMISE	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Do not know
...are transparent about their investment approaches and strategies	1	2	3	4	5	6
...adequately communicate the risk involved in their investment decisions	1	2	3	4	5	6
...share lessons from their own successes and experiences	1	2	3	4	5	6
...are transparent about Fund performance returns	1	2	3	4	5	6
...are transparent about Fund portfolio holdings	1	2	3	4	5	6

Engagement

Next are some questions about contact you may have had with the Guardians.

Q6 What types of contact (if any) have you had with the Guardians in the past 12 months?

Please select all that apply.

Meetings or working groups (face-to-face)	1
Informal catch-ups (face-to-face)	2
Public events (for example, seminars or conferences)	3
Email	4
Phone calls	5
Other (please tell us)	6
No contact in last 12 months	7
Not sure	8

Q7 Have you visited the New Zealand Super Fund website in the last 12 months?

Select one only.

Yes	1
No	2
Don't know	3

SKIP TO Q9
SKIP TO Q9

IF CODE 1 AT Q7:

Q8 Overall, how would you rate the New Zealand Super Fund website?

Please select one only.

Very poor	1
Poor	2
Neither poor nor good	3
Good	4
Very good	5
Can't recall	6

Q9 Have you read a New Zealander Super Fund annual report in the last 12 months?

Select one only.

Yes	1
No	2
Don't know	3

SKIP TO Q11
SKIP TO Q11

IF CODE 1 AT Q9:

Q10 Overall, how would you rate the New Zealand Super Fund annual report?

Please select one only.

Very poor	1
Poor	2
Neither poor nor good	3
Good	4
Very good	5
Can't recall	6

SKIP TO Q13 IF CODE 7 AT Q6

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 New Zealand Super Fund website etc.

Please select one only – an approximate would be fine

Usually every week (or multiple times each week)	1
Less than once a week, but at least monthly	2
6 - 10 times a year	3
2 - 5 times a year	4
About once per year	5
Less often	6
Not sure	7

Q12 For this question, please think about the quality of service you received from the Guardians during the last 12 months.

How much do you agree or disagree with each statement below?
If you cannot answer the question, please select 'don't know' or 'not applicable'.

Select one answer per row.

RANDOMISE	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Do not know	Not applicable
Staff were accessible when I needed them	1	2	3	4	5	6	7
Staff were competent	1	2	3	4	5	6	7
Staff were helpful	1	2	3	4	5	6	7
Staff were willing to consider others' perspectives and discuss issues	1	2	3	4	5	6	7
Staff were willing to work collaboratively, i.e. share their opinions, knowledge and expertise	1	2	3	4	5	6	7
Staff had a good understanding of the sector/environment I work in	1	2	3	4	5	6	7
ASK OF SUPPLIERS: Staff were fair and reasonable							
ASK LAST: Overall, staff did a good job	1	2	3	4	5	6	7

Q13 Still thinking about your contact with the Guardians in the last 12 months, how satisfied were you with their overall quality of service?

Please use a scale of 1 to 5, where 1 is very dissatisfied and 5 is very satisfied.

Select one only

Very dissatisfied	Dissatisfied	Neither satisfied nor dissatisfied	Satisfied	Very satisfied
1	2	3	4	5

Q14 The following set of statements are about the relationships that the Guardians have with their stakeholders.

Please indicate how much you agree or disagree with each statement below.
Select one answer per row.

The Guardians...

RANDOMISE	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Do not know
ASK FIRST: ...overall, have effective working relationships with their stakeholders	1	2	3	4	5	6
...have an effective working relationship with the New Zealand Government	1	2	3	4	5	6
...help to connect organisations with others in the (if code 1 at Q2= New Zealand OR if code 2 at Q2 = global) investment industry	1	2	3	4	5	6
...are active in the (if code 1 at Q2= New Zealand OR if code 2 at Q2 = global) investment sector helping to address industry-wide issues	1	2	3	4	5	6
...seek the views of stakeholders when appropriate	1	2	3	4	5	6
...set high standards for their suppliers	1	2	3	4	5	6

Q15 Now we have several questions about the Guardians Board members. By this, we are referring to only the Board members and not the CEO and his senior leadership team.

First, are you aware of who the Guardians Board members are?

Select one only.

Yes – I know who all of the Board members are	1
Yes – I know who some of the Board members are	2
No – I don't know who is on the Guardians Board	3
I'm not sure	4

Skip to Q17
Skip to Q17

Q16 Please indicate how much you agree or disagree with these statements about the Guardians Board members.
Select one answer per row.

RANDOMISE	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Do not know
The Guardians Board members are competent investment professionals	1	2	3	4	5	6

The New Zealand Super Fund are able to attract and retain high quality board members	1	2	3	4	5	6
The Guardians Board make their decisions independently from Governmental influence	1	2	3	4	5	6

Q17 This next question is about how important you think it is that the Guardians Board operates independently from the New Zealand Government.

Please rate how important you think it is that the Guardians Board is independent from the New Zealand Government.

Not at all important				Very important	Do not know
1	2	3	4	5	6

Q18 Next are a number of statements about the senior leadership of the Guardians. By this, we are referring to the CEO and his senior leadership team (not the board).

Please indicate how much you agree or disagree with each one.
Select one answer per row.

The senior leadership team of the Guardians...

RANDOMISE	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Do not know
...are competent investment professionals	1	2	3	4	5	6
...are trustworthy	1	2	3	4	5	6
...show good judgement	1	2	3	4	5	6
...make decisions that are always consistent with their long term investment strategies	1	2	3	4	5	6
...have high levels of integrity	1	2	3	4	5	6
...are pragmatic in their approach to leadership and investment	1	2	3	4	5	6
ASK LAST: Overall, I am confident that the senior leadership of the Guardians do a good job	1	2	3	4	5	6

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. Please just select the first words that come to mind.
Select as many as you think apply.

RANDOMISE	
Open and transparent	1
Collaborative	2
Trustworthy	3
Integrity	4
Respectful	5
Competent	6
Modest	7
Professional	8
World class	9
Prudent	10
Rigorous	11
Diligent	12
Expert	13
Innovative	14
Inclusive	15
Arrogant	16
Blow their own trumpet	17
Inflexible	18
Slow	19
Complicated	20
Demanding	21
Inaccessible	22
Unskilled	23
Secretive	24
Dismissive	25
Too analytical	26
Complacent	27
Don't know	99

Q20 The Guardians are 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'.

Demographic questions

Q21 Now a final classification question to ensure that we have spoken to a broad cross section of the Guardians stakeholders.

In the context of your current stakeholder relationship, how long have you been dealing with the Guardians for?

Select one only. Just an approximate answer is fine.

Less than a year	1
1 – 2 years	2
3 – 5 years	3
6 – 9 years	4
10 years or longer	5

That is the end of the survey. Thank you very much for your time. Your answers will be used to improve the way the Guardians interacts with its stakeholders.



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