

Principles
for Responsible
Investment

Individual Feedback Report 2010

New Zealand Superannuation Fund



UNEP **Finance Initiative**
Innovative financing for sustainability



United Nations Global Compact

The PRI is an investor initiative in partnership with UNEP Finance Initiative and the UN Global Compact

Contents

Signatories interested in key results should focus on the brief executive summary on p.4 and on the historical and scoring review on p. 7. Please also read an important caveat about disclosure on p.6.

Detail per Principle results by different peers and guidance can be viewed from p.8-p.14. For GPS, P1, P2 and P3, results are provided also exclusive of the fixed income sovereign and hedge funds, the asset classes showing the lowest level of implementation (see p.15-18).

Introduction	3
Executive summary	4
Overview of scoring and guidance	5-6
Scoring methodology	5
Scoring comparability	5
Peer groups	6
PRI implementation guidance	6
Scoring disclosure clause	6
Historical and asset class scoring	7
Peer review – including fixed income sovereign and hedge funds	8-14
GPS	8
Principle 1	9
Principle 2	10
Principle 3	11
Principle 4	12
Principle 5	13
Principle 6	14
Peer review - excluding fixed income sovereign and hedge funds	15-18
GPS	15
Principle 1	16
Principle 2	17
Principle 3	18
Breakdown of listed equity active ownership activities (if applicable)	19

List of abbreviations

AO	asset owner	AUM	assets under management
FIS	Fixed income sovereign	GPS	Governance, Policy and Strategy
HF	Hedge funds	IM	Investment manager
P1-6	Principle 1 – 6		

Introduction

Thank you for participating in the annual PRI Reporting and Assessment survey.

The survey is designed to evaluate the PRI's progress, as presented in this year's Report on Progress. Moreover, for those signatories that choose to publish their responses, it is a tool to disclose RI activities. The Report on Progress (covering over 430 signatories) and the individual online responses of over 160 signatories are available online at www.unpri.org/report10.

In addition to mapping the progress of the whole Initiative and providing a reporting/transparency tool, the survey is designed to provide a methodology for assessing the efforts of individual signatories. This feedback report presents your organisation's results against peers and historically. It also gives guidance on possible actions to improve your implementation of the Principles.

Due to its learning and implementation support nature, **this document is kept confidential** and the PRI Secretariat does not encourage its publication.

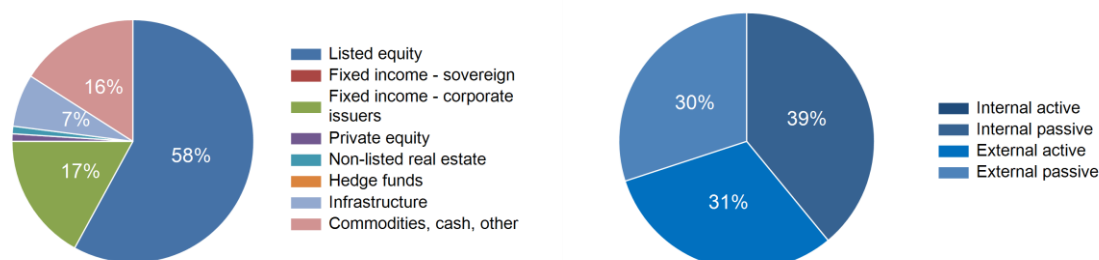
For more information, contact the Assessment Team at feedbackreports@unpri.org or +44(0)2077495106.

Signatory main characteristics

Your organisation's information for peer analysis

Name	New Zealand Superannuation Fund
Signatory type	Asset owner
AO type	Reserve - sovereign or government fund
AO category	n/a
AUM US\$ millions	11 258
AUM, AOs quartile	Second quartile
Main asset class	Listed equity (developed)
Signed PRI Initiative	2006
Region	Oceania
Country	New Zealand

Your organisation's assets under management (AUM)



Please note, signatories are not scored on their holdings in *commodities, cash* and *others*. In addition, in P1 *passively managed assets* are not scored, and in P2, *fixed income sovereign* assets are not scored. Also, *fixed income sovereign passively managed funds* are not scored in P3.

Executive summary

Your organisation's overall performance against all AOs

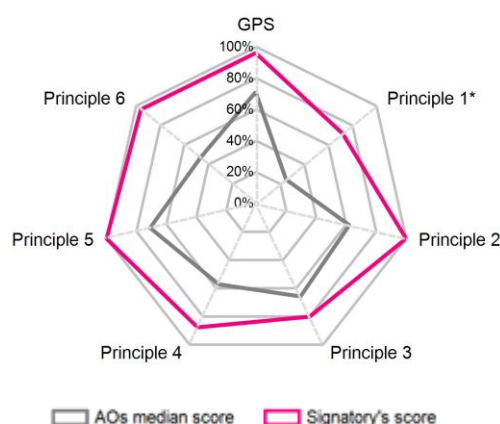
The table below shows year-on-year quartile performance on all Principles (including GPS) against your AO peers. Rows two and three show the Principles you scored in the top and bottom quartiles. The number of AOs in your peer group is displayed in the last row. An alternative score net of fixed income sovereign (FIS) and hedge funds (HF) is shown due to the significantly lower implementation levels in these asset classes.

	2008	2009	2010 (all asset classes)	2010 (net of FIS and HF)
Your aggregate quartile*	2	1	1	1
Principles in the top quartile	P2 P4 P6	GPS P2 P4 P5 P6	GPS P1 P2 P3 P4 P5 P6	GPS P1 P2 P4 P5 P6
Principles in the bottom quartile				
N. of AOs peers	80	128	168	168

* Based on your average scores from all sections. Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), and bottom quartile 4 (red)

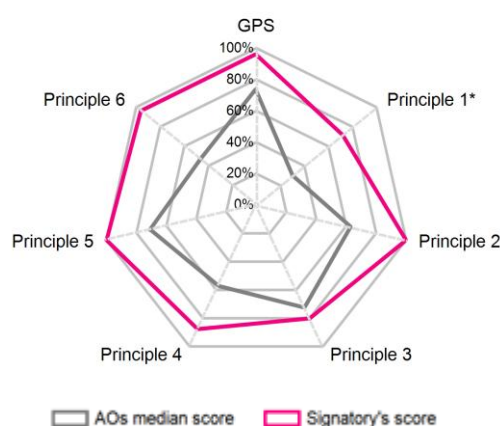
Your organisation's 2010 per Principle scores against all AOs (all asset classes)

	Quartile score	Your score per Principle	Median score: All AOs
GPS	1	96%	71%
Principle 1*	1	72%	25%
Principle 2	1	100%	62%
Principle 3	1	80%	66%
Principle 4	1	88%	57%
Principle 5	1	100%	71%
Principle 6	1	96%	47%
No. of peers	168		



Your organisation's 2010 per Principle scores against all AOs (net of FIS and HF)

	Quartile score	Your score per Principle	Median score: All AOs
GPS	1	96%	74%
Principle 1*	1	72%	30%
Principle 2	1	100%	63%
Principle 3	2	80%	72%
Principle 4	1	88%	57%
Principle 5	1	100%	71%
Principle 6	1	96%	47%
No. of peers	168		



*In this year's survey only integration was measured for Principle 1. As a number of signatories do not integrate but address RI only via ethical screening, reputational screening, and investing in themed funds, this explains the low median score of your peers. Note that signatories that implemented P1 only via these other approaches will see an "n/a" in their P1 score.

Overview of scoring and guidance

Scoring methodology

Points are awarded for answers that indicate clear progress towards implementing the Principles. Because of the diverse signatory base, questions are not applicable to all signatories, and therefore scores are only presented as a percentage of applicable maximum points. In many cases, the determination of whether a question is applicable to a signatory will be based on the signatory's asset allocation and/or use of internal or external investment managers.

Scores are presented mainly by Principle, including the 'Governance, Policy and Strategy' section. With the exception of the Executive summary, this removes the need to weigh or value the Principles in relation to one another, recognising the diverse set of approaches to PRI implementation within the PRI signatory base. In addition to Governance, Policy and Strategy, scores will cover the following Principles:

P1	We will incorporate ESG issues into investment analysis and decision-making processes
P2	We will be active owners and incorporate ESG issues into our ownership policies and practices
P3	We will seek appropriate disclosure on ESG issues by the entities in which we invest
P4	We will promote acceptance and implementation of the Principles within the investment industry
P5	We will work together to enhance our effectiveness in implementing the Principles
P6	We will each report on our activities and progress towards implementing the Principles

Scoring comparability

Compared to last year, the 2010 survey asked a greater number of questions by asset classes. These asset class questions were weighted and influenced the scores assigned to GPS, P1, P2, P3, thus making previous years' scores not directly comparable. In particular, if for the current year your organisation reported in an asset class a significant different level of implementation compared to the aggregate level reported in the previous year, your organisation's historical scores would be affected.

To highlight the effects of the aggregate score of each asset class, this report presents asset class scores by IM or AO peers (see page 7). Moreover, throughout the report signatories are given the possibility of seeing their scores net of fixed income sovereign and hedge funds, the two asset classes that show significantly lower implementation levels of responsible investment implementation. In fact these asset classes are the only ones that show a median score of zero in integration for asset owners and/or investment managers.

Based on signatory feedback, the PRI Secretariat has introduced a few more changes, as highlighted as part of the overall scoring methodology, presented in the Reporting and Assessment section of the [PRI extranet](#).

Peer groups

The PRI scoring methodology has been developed to represent your organisation's level of implementation of the Principles relative to your peers. The criteria by which peer groups were constructed include the following:

- Investment managers (IMs) or asset owners (AOs);
- IMs or AOs by region;
- IMs or AOs by country;
- Type of IM (invest directly in underlying holdings; provide funds of funds products or strategies; research a list of eligible securities for sub-advisors) or type of AO (Non-corporate pension fund; Corporate pension fund; Insurance company; Foundation or endowment; Development bank, Reserve – sovereign or government fund);
- IM characteristics (mainstream, dedicated SRI fund manager, themed fund manager);
- AO pension fund (defined benefit, defined contribution, hybrid);
- Asset class predominance of IMs or AOs (having more than 50% of scored assets in a specific asset class or a more multi-asset class management listed equities - developed, emerging and real estate – are look at as separate asset classes in this analysis);
- IMs or AOs by size of AUM; and
- IMs or AOs by year of signing the PRI.

For confidentiality purposes, peer scores are presented when there are **at least 8 signatories**.

PRI implementation guidance

The guidance in this feedback report is designed to help you improve or expand your PRI Implementation per Principle. The advice is not necessarily comprehensive, and it may not be applicable to all organisations. Each signatory should establish their own approach to responsible investment, and this may involve actions different from those being recommended.

Guidance has been provided only for those Principles where your score is below the top quartile of your Asset owner peers.

Scoring disclosure clause

The PRI does not recommend public disclosure of these reports as they are designed as an internal learning tool. However, if you decide to disclose them, you are required to:

- A) Inform the PRI Secretariat;
- B) Disclose your responses in full on the PRI website; and
- C) Accompany the scoring disclosure with the following paragraph.

Scores have been calculated based on signatories' self-assessment and using the scoring methodology approved by the PRI Assessment Group. Although a limited verification exercise was undertaken with a proportion of signatories, responses have not been independently audited by the PRI Secretariat, PRI Assessment Group, or any other third party. Individual results including comparisons to the overall results (quartiles) are indicative and do not imply an endorsement of signatory activity. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of information presented, and no responsibility or liability can be accepted for any error, omission or inaccuracy in this information.

Historical and asset class scoring

Historical scoring

The following table provides a summary of your historical performance per Principle against your peers, with two scores for 2010 based on the inclusion/exclusion of fixed income sovereign and hedge funds. This is done to allow you to view your performance net of the two asset classes that have the least implementation levels (see page 5 for scoring methodology and scoring comparability).

Your organisation's historical quartile performance against all Asset owners, 2008 – 2010

Quartile summary				
	2008	2009	2010 (all scored asset classes)	2010 (net of FIS and HF)
GPS	n/a	1	1	1
Principle 1	3	3	1	1
Principle 2	1	1	1	1
Principle 3	2	3	1	2
Principle 4	1	1	1	1
Principle 5	2	1	1	1
Principle 6	1	1	1	1
Number of peers	80	128	168	168

Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), bottom quartile 4 (red)

*In this year's survey, only integration was measured for Principle 1. Signatories that use only ethical screening, reputational screening, and themed fund investing will see an "n/a" in their P1 score.

Asset class scoring

Your 2010 score by asset class – available for P1 and P2 - can be found in the below table. Items highlighted in red are asset classes where you scored bottom quartile. However, if more than 25% of peers score zero, then no quartile or colour is shown.

Your organisation's asset classes quartile performance against all AOs, 2010

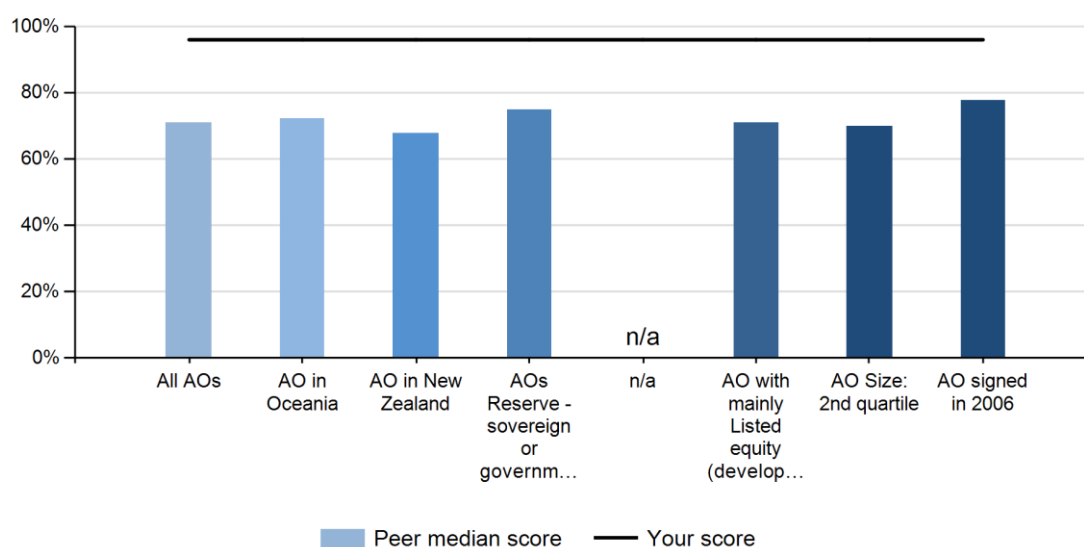
	Listed equity	Fixed income – sovereign	Fixed income - corporate	Private equity	Non-listed real estate	Hedge funds	Infra-structure
GPS	Only partially scored by asset class						
P1 – quartile rank	2	n/a	2	1	1	n/a	1
P1 – score	67%	n/a	67%	90%	75%	n/a	82%
P1* – asset weights	52%	n/a	19%	3%	3%	n/a	23%
P2 – quartile rank	1	not scored	1	1	1	n/a	1
P2 – score	100%	not scored	100%	100%	91%	n/a	100%
P2* – asset weights	69%	not scored	20%	1%	1%	n/a	8%
P3	Only partially scored by asset class						
P4	No asset class breakdown						
P5	No asset class breakdown						
P6	No asset class breakdown						
No. of peers	163	151	147	117	108	58	50

* These percentages do not necessarily match those presented on page 3 as not all AUM are scored. Signatories are not scored on their holdings in commodities, cash and others. In addition these percentages might vary in P1 and P2. In fact, in P1 passively managed assets are not scored, and in P2, fixed income sovereign assets are not scored. Moreover, only integration is measured for P1. Signatories that use only ethical screening, reputational screening, and themed fund investing will see an "n/a" in their P1 score.

Peer review – inclusive of fixed income sovereign and hedge funds

Governance, Policy and Strategy (GPS), inclusive of FIS and HF

Your organisation's score against median score per peer groups

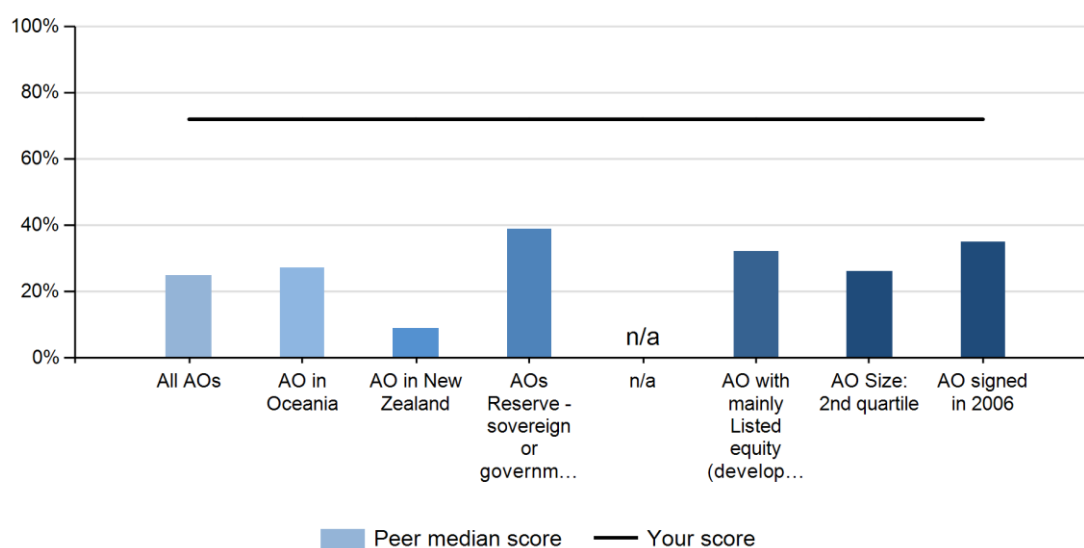


Quartile summary								
2010	All AOs	AO in Oceania	AO in New Zealand	AOs Reserve - sovereign or government fund	n/a	AO with mainly Listed equity (developed)	AO Size: 2nd quartile	AO signed in 2006
Quartile	1	1	1	1	n/a	1	1	1
N. Peers	168	37	9	10	n/a	60	42	54
Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), bottom quartile 4 (red)								

You received a score in the top quartile, so no specific guidance is provided. However, for any specific advice or support on this Principle, please consult the PRI in Practice section of the PRI Extranet. Moreover, you may want to review the case studies on pages 8-13 in the 2010 Report on Progress.

Principle 1*, inclusive of FIS and HF

Your organisation's score against median score per peer groups



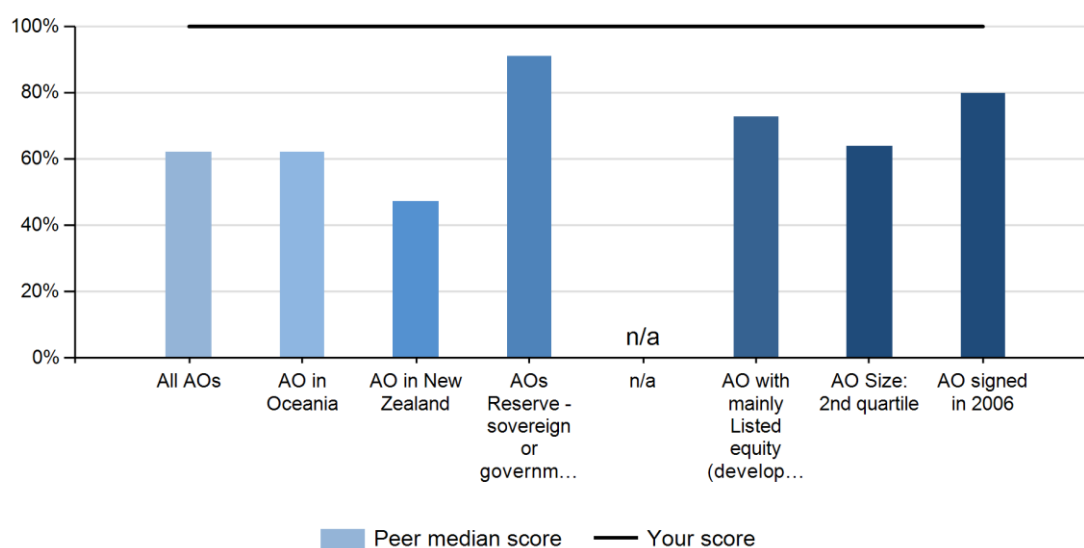
Quartile summary								
2010	All AOs	AO in Oceania	AO in New Zealand	AOs Reserve - sovereign or government fund	n/a	AO with mainly Listed equity (developed)	AO Size: 2nd quartile	AO signed in 2006
Quartile	1	1	1	1	n/a	1	1	1
N. Peers	168	37	9	10	n/a	60	42	54
Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), bottom quartile 4 (red)								

*In this year's survey only integration was measured for Principle 1. As a number of signatories do not integrate but address RI via ethical screening, reputational screening and investing in themed funds, this explains the low median score of your peers. Note that signatories that implemented P1 via these other approaches will have an "n/a" in their P1 score and will not see a black horizontal line.

You received a score in the top quartile, so no specific guidance is provided. However, for any specific advice or support on this Principle, please consult the PRI in Practice section of the PRI Extranet. Moreover, you may want to review the case studies on pages 14-21 in the 2010 Report on Progress.

Principle 2 - inclusive of HF (FIS is not scored in P2)

Your organisation's score against median score per peer groups

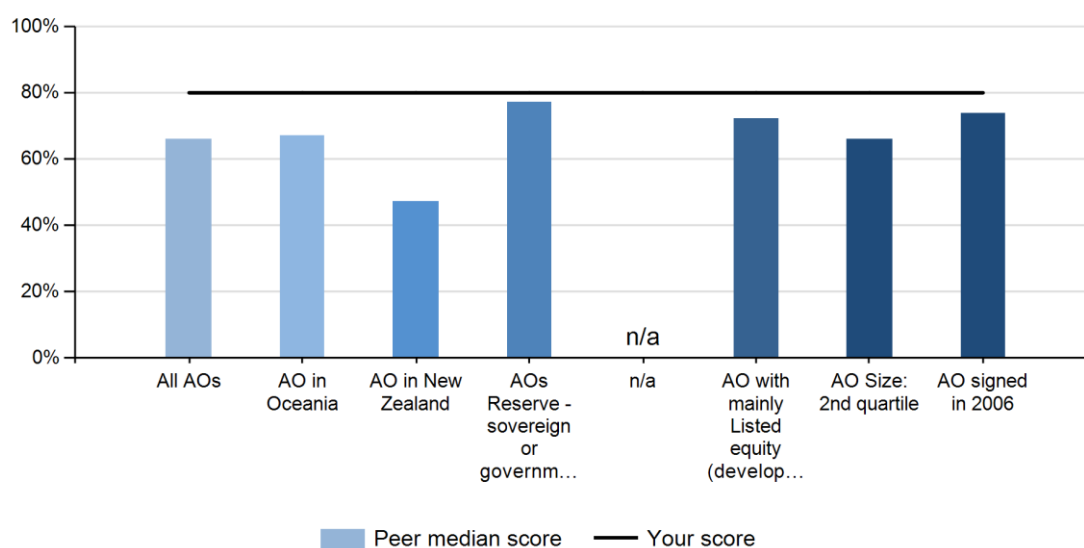


Quartile summary								
2010	All AOs	AO in Oceania	AO in New Zealand	AOs Reserve - sovereign or government fund	n/a	AO with mainly Listed equity (developed)	AO Size: 2nd quartile	AO signed in 2006
Quartile	1	1	1	1	n/a	1	1	1
N. Peers	168	37	9	10	n/a	60	42	54
Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), bottom quartile 4 (red)								

You received a score in the top quartile, so no specific guidance is provided. However, for any specific advice or support on this Principle, please consult the PRI in Practice section of the PRI Extranet. Moreover, you may also want to review the case studies on pages 22-30 in the 2010 Report on Progress.

Principle 3 - inclusive of FIS and HF

Your organisation's score against median score per peer groups

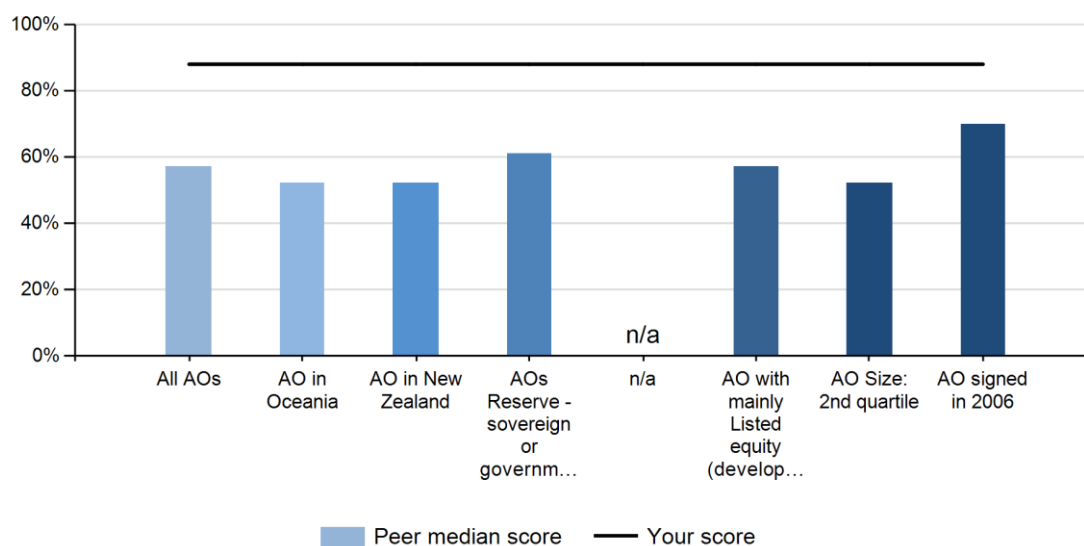


Quartile summary								
2010	All AOs	AO in Oceania	AO in New Zealand	AOs Reserve - sovereign or government fund	n/a	AO with mainly Listed equity (developed)	AO Size: 2nd quartile	AO signed in 2006
Quartile	1	2	1	2	n/a	2	2	2
N. Peers	168	37	9	10	n/a	60	42	54
Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), bottom quartile 4 (red)								

You received a score in the top quartile, so no specific guidance is provided. However, for any specific advice or support on this Principle, please consult the PRI in Practice section of the PRI Extranet. Moreover, you may also want to review the case studies on pages 33-37 in the 2010 Report on Progress.

Principle 4

Your organisation's score against median score per peer groups

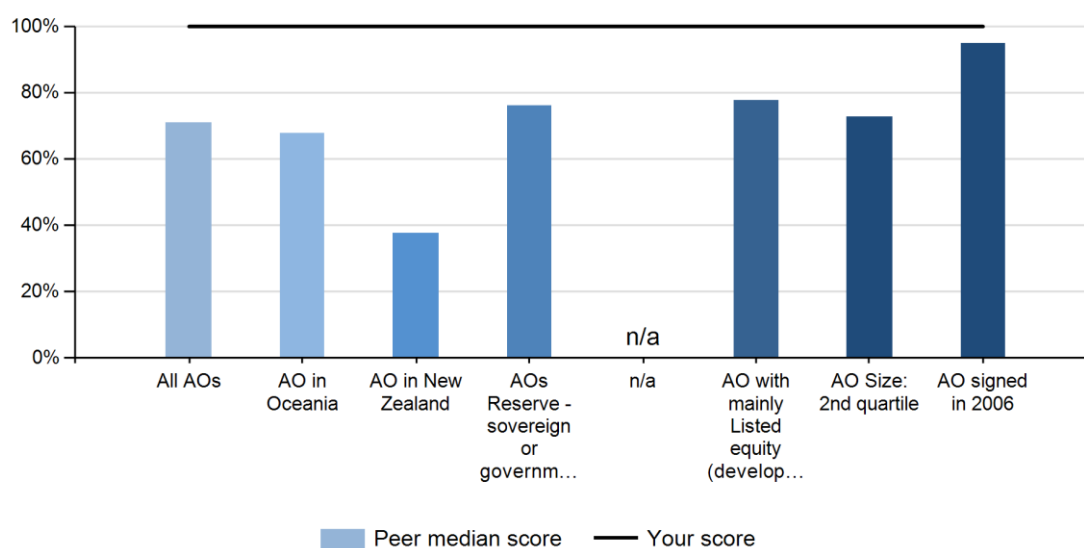


Quartile summary								
2010	All AOs	AO in Oceania	AO in New Zealand	AOs Reserve - sovereign or government fund	n/a	AO with mainly Listed equity (developed)	AO Size: 2nd quartile	AO signed in 2006
Quartile	1	1	1	1	n/a	1	1	1
N. Peers	168	37	9	10	n/a	60	42	54
Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), bottom quartile 4 (red)								

You received a score in the top quartile so no specific guidance is provided. However, for any specific advice or support on this Principle please consult the PRI in Practice section of the PRI Extranet. Moreover, you may also want to review the case studies on pages 38-42 in the 2010 Report on Progress.

Principle 5

Your organisation's score against median score per peer groups

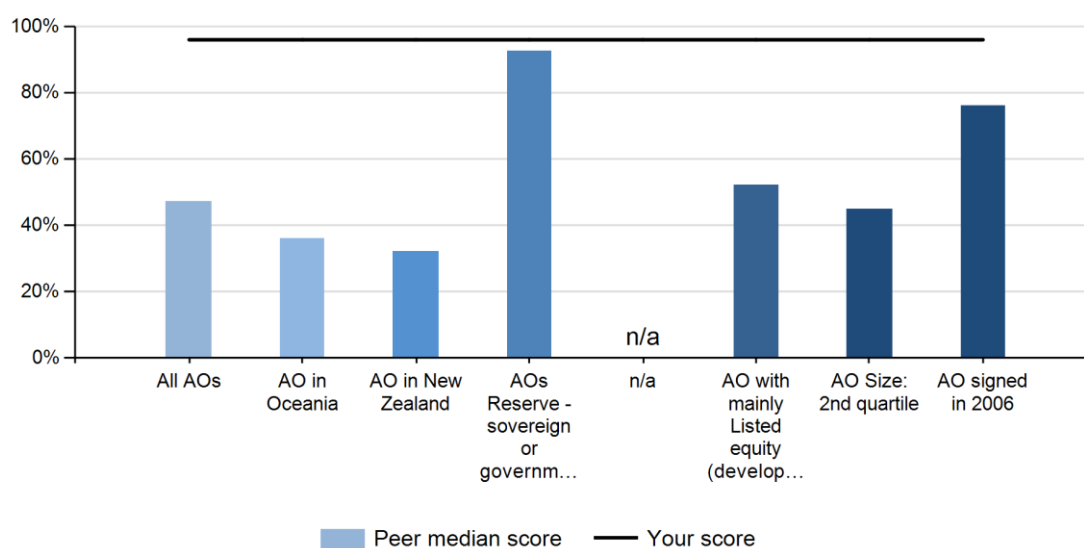


Quartile summary								
2010	All AOs	AO in Oceania	AO in New Zealand	AOs Reserve - sovereign or government fund	n/a	AO with mainly Listed equity (developed)	AO Size: 2nd quartile	AO signed in 2006
Quartile	1	1	1	1	n/a	1	1	1
N. Peers	168	37	9	10	n/a	60	42	54
Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), bottom quartile 4 (red)								

You received a score in the top quartile so no specific guidance is provided. However, for any specific advice or support on this Principle please consult the PRI in Practice section of the PRI Extranet. Moreover, you may also want to review the case studies on pages 43-46 in the 2010 Report on Progress.

Principle 6

Your organisation's score against median score per peer groups



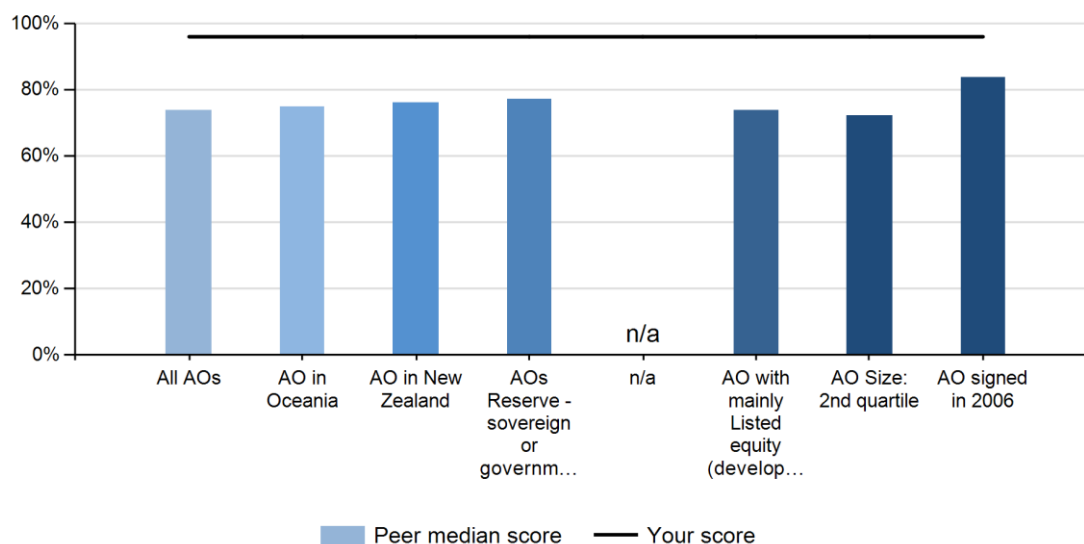
Quartile summary								
2010	All AOs	AO in Oceania	AO in New Zealand	AOs Reserve - sovereign or government fund	n/a	AO with mainly Listed equity (developed)	AO Size: 2nd quartile	AO signed in 2006
Quartile	1	1	1	1	n/a	1	1	2
N. Peers	168	37	9	10	n/a	60	42	54
Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), bottom quartile 4 (red)								

You received a score in the top quartile so no specific guidance is provided. However, for any specific advice or support on this Principle please consult the PRI in Practice section of the PRI Extranet. Moreover, you may also want to review the case studies on 47-49 in the 2010 Report on Progress.

Peer review – exclusive of fixed income sovereign and hedge funds

Governance, Policy and Strategy (GPS), exclusive of FIS and HF

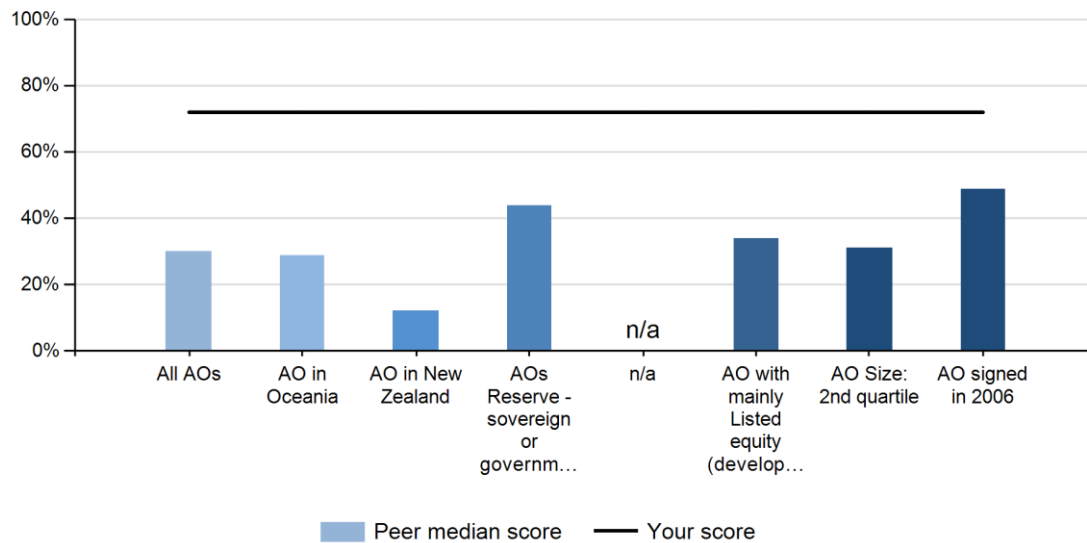
Your organisation's score against median score per peer groups



Quartile summary								
2010	All AOs	AO in Oceania	AO in New Zealand	AOs Reserve - sovereign or government fund	n/a	AO with mainly Listed equity (developed)	AO Size: 2nd quartile	AO signed in 2006
Quartile	1	1	1	1	n/a	1	1	1
N. Peers	168	37	9	10	n/a	60	42	54
Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), bottom quartile 4 (red)								

Principle 1*, exclusive of FIS and HF

Your organisation's score against median score per peer groups

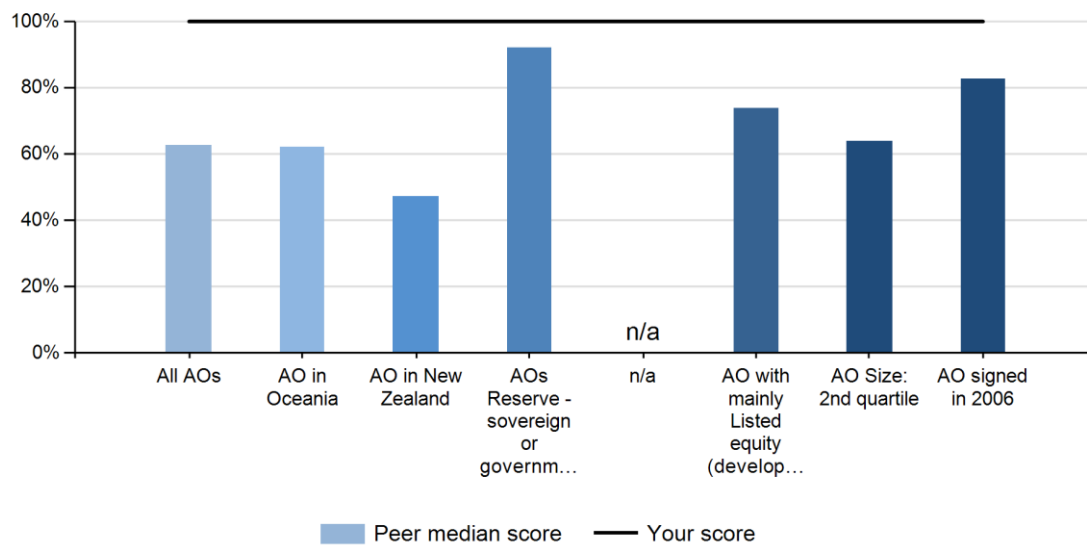


Quartile summary								
2010	All AOs	AO in Oceania	AO in New Zealand	AOs Reserve - sovereign or government fund	n/a	AO with mainly Listed equity (developed)	AO Size: 2nd quartile	AO signed in 2006
Quartile	1	1	1	1	n/a	1	1	2
N. peers	168	37	9	10	n/a	60	42	54
Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), bottom quartile 4 (red)								

*In this year's survey only integration was measured for Principle 1. As a number of signatories do not integrate but address RI via ethical screening, reputational screening and investing in themed funds, this explains the low median score of your peers. Note that signatories that implemented P1 via these other approaches will have an "n/a" in their P1 score and will not see a black horizontal line.

Principle 2 – exclusive of HF

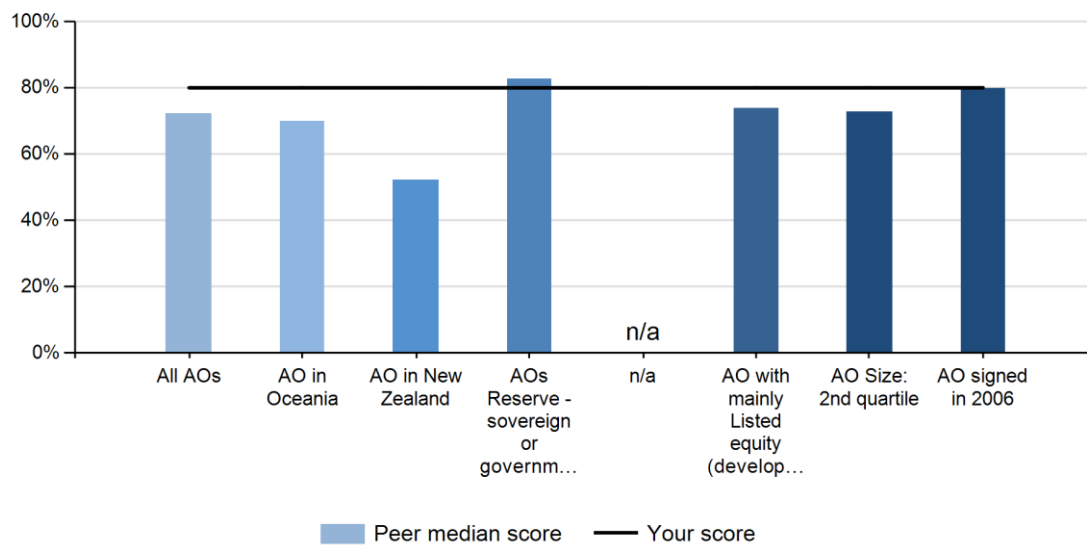
Your organisation's score against median score per peer groups



Quartile summary								
2010	All AOs	AO in Oceania	AO in New Zealand	AOs Reserve - sovereign or government fund	n/a	AO with mainly Listed equity (developed)	AO Size: 2nd quartile	AO signed in 2006
Quartile	1	1	1	1	n/a	1	1	1
N. Peers	168	37	9	10	n/a	60	42	54
Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), bottom quartile 4 (red)								

Principle 3 - exclusive of FIS and HF

Your organisation's score against median score per peer groups



Quartile summary								
2010	All AOs	AO in Oceania	AO in New Zealand	AOs Reserve - sovereign or government fund	n/a	AO with mainly Listed equity (developed)	AO Size: 2nd quartile	AO signed in 2006
Quartile	2	2	1	3	n/a	2	2	3
N. Peers	168	37	9	10	n/a	60	42	54
Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), bottom quartile 4 (red)								

Breakdown of listed equity active ownership activities

For listed equities, active ownership activities include voting proxies and other ways of engaging with investees. In the figure below the first grey bar shows your overall P2 listed equities score, while the following two bars present your sub scores on proxy voting and other engagements. The last bar shows the score in the listed equities you may hold with significant control. These are scored separately as the way of being an active owner may be different in these cases as you may be using a role on the board or other types of engagement.

Principle 2 listed equity score by activity

