

Individual Feedback Report 2011

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.4-5. Please also read an important caveat about disclosure on p.7.

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 fixed income sovereign (FIS) and hedge funds (HF), the assets showing the lowest level of implementation (see p.15-18). If applicable, on p.19 P2 scores are broken down between proxy voting and non-voting engagement activities.

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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 survey responses, it is a tool to disclose RI activities. The Report on Progress (covering 539 signatories) and the individual online responses of over 225 signatories are available online at www.unpri.org/report11.

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.

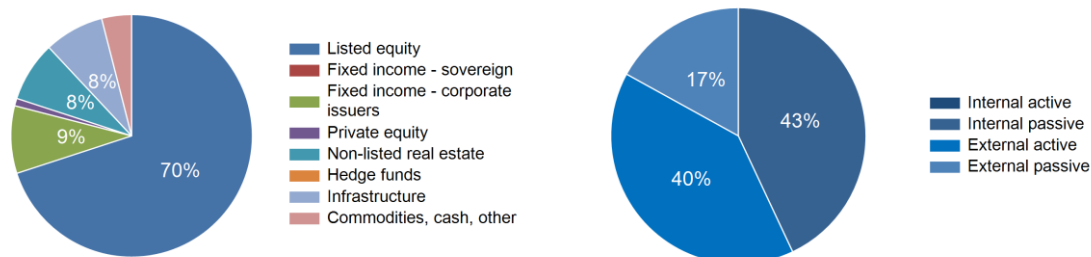
For more information, contact the Assessment Team at feedbackreports@unpri.org or +44(0)2077495106.

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	13 569
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

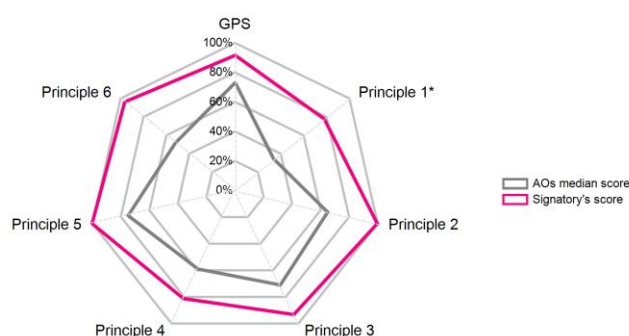
Your organisation's 2010 and 2011 overall performance, all asset classes, against all AOs

The following table provides a summary of your overall performance against your peers.

	2010				2011		
	Your score per Principle	Median score: All AOs	Your quartile rank		Your score per Principle (↑ ↓ from 2010)	Median score: All AOs	Your quartile rank
GPS	96%	71%	1		91% (↓)	73%	1
Principle 1*	72%	25%	1		78% (↑)	34%	1
Principle 2	100%	62%	1		100% (-)	65%	1
Principle 3	80%	66%	1		93% (↑)	71%	1
Principle 4	88%	57%	1		81% (↓)	59%	1
Principle 5	100%	71%	1		100% (-)	75%	1
Principle 6	96%	47%	1		96% (-)	52%	1
No. of peers		168				198	

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

Your organisation's 2011 per Principle performance against all AOs



*Only integration is being 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.

Your organisation's 2011 asset classes performance, all asset classes, against all AOs

Your 2011 score by asset class – available for P1 and P2 - can be found below. Items in red highlight bottom quartile scores. However, if more than 25% of peers score zero, then the cell indicates 'zero' instead of a quartile. GPS and P3 were only partially scored by asset class and P4-P6 had no asset class breakdown.

	Listed equity	Fixed income – sovereign	Fixed income - corporate	Private equity	Non-listed real estate	Hedge funds	Infra-structure
P1 – quartile rank	2	n/a	2	1	1	n/a	1
P1 – score	67%	n/a	68%	90%	90%	n/a	90%
P1** –asset weights	41%	n/a	14%	3%	22%	n/a	22%
P2 – quartile rank	1	not scored	1	1	1	n/a	1
P2 – score	100%	not scored	100%	100%	100%	n/a	100%
P2** –asset weights	73%	not scored	9%	1%	8%	n/a	8%
No. of peers	190	185	171	135	137	74	64

**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.

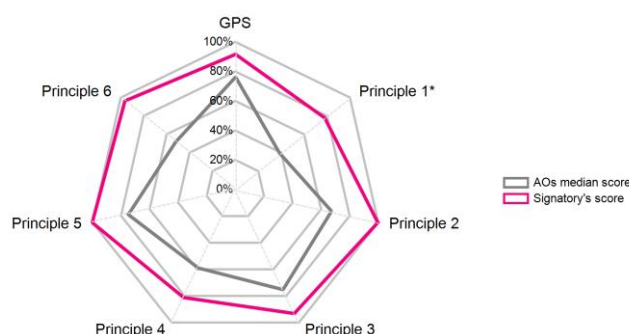
Your organisation's 2010 and 2011 overall performance, net of FIS and HF, against all AOs

The following table provides a summary of your present and historical performance per Principle against your peers, with scores excluding 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 6* for scoring methodology and scoring comparability). Please note that P4, P5, and P6 have no asset class differentiation so their scores are identical to the ones in the previous page.

	2010				2011		
	Your score per Principle	Median score: All AOs	Your quartile rank		Your score per Principle (↑ ↓ from 2010)	Median score: All AOs	Your quartile rank
GPS	96%	74%	1		91% (↓)	76%	1
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Principle 5	100%	71%	1		100% (-)	75%	1
Principle 6	96%	47%	1		96% (-)	52%	1
No. of peers		168				198	

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

Your organisation's 2011 per Principle performance, net of FIS and HF, against all AOs



*Only integration is being measured for P1. 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. 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

Eleven scored questions changed slightly between 2010 and 2011. These questions are: Q8, 9, 15, 20, 22, 27, 31, 39, 47, 54, and 59. The changes were mainly for clarification purposes and the 2010 and the 2011 survey scores are largely comparable.

The 2010 and 2011 surveys asked a number of questions by asset classes. These asset class questions were weighted and influenced the scores assigned to GPS, P1, P2, P3, thus making them less directly comparable to previous years' scores. For this reason, only 2010 and 2011 scores are presented here. However, for signatories interested in seeing their previous year's scores, these are available on the [PRI extranet](#).

To highlight the effects of the aggregate score of each asset class, this report presents asset class scores by asset owner or investment manager peers (see page 4 on executive summary). Moreover, throughout the report signatories are able to see their scores net of fixed income sovereign and hedge funds, the two asset classes that show significantly lower levels of responsible investment implementation.

The overall scoring methodology is 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:

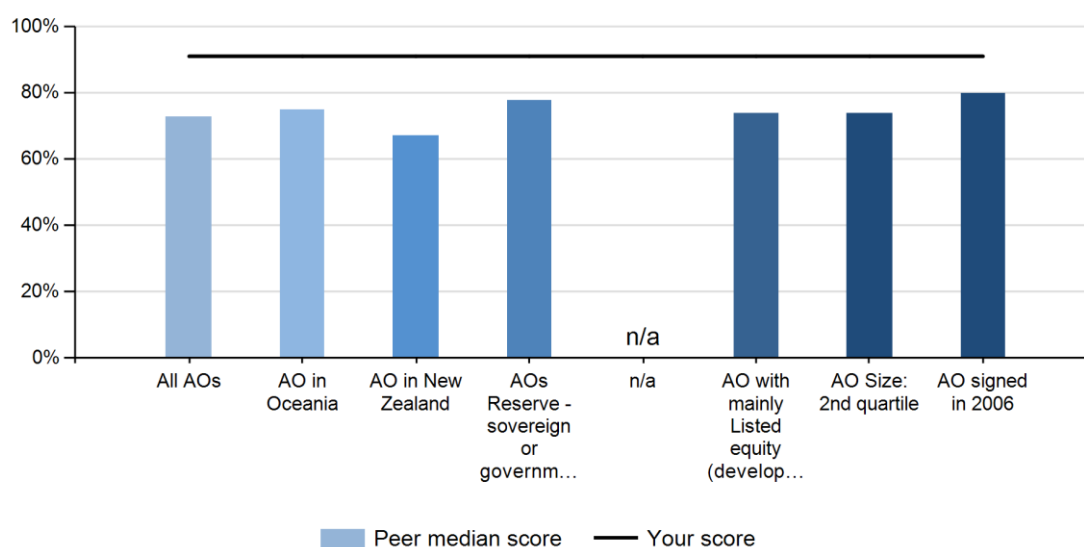
- A) Inform the PRI Secretariat;
- B) Disclose your responses in full on the PRI website; and
- C) Accompany the scoring disclosure with the following paragraph.

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.

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

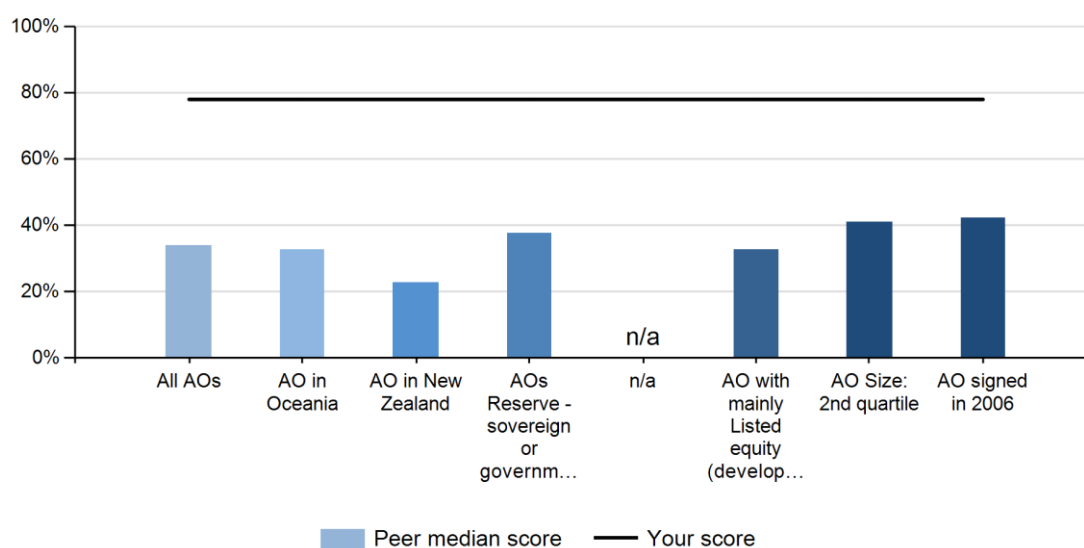


Quartile summary								
2011	All AOs	AO in Oceania	AO in New Zealand	AOs Reserve - sovereign or government fund	n/a	AO with mainly Listed equity (developed)	AO Size: 2nd quartile	AO signed in 2006
Quartile	1	1	1	1	n/a	1	1	1
N. Peers	198	39	8	10	n/a	65	50	54
Top quartile 1 (green), quartile 2 (yellow), 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.

Principle 1*, inclusive of FIS and HF

Your organisation's score against median score per peer groups



Quartile summary								
2011	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	198	39	8	10	n/a	65	50	54

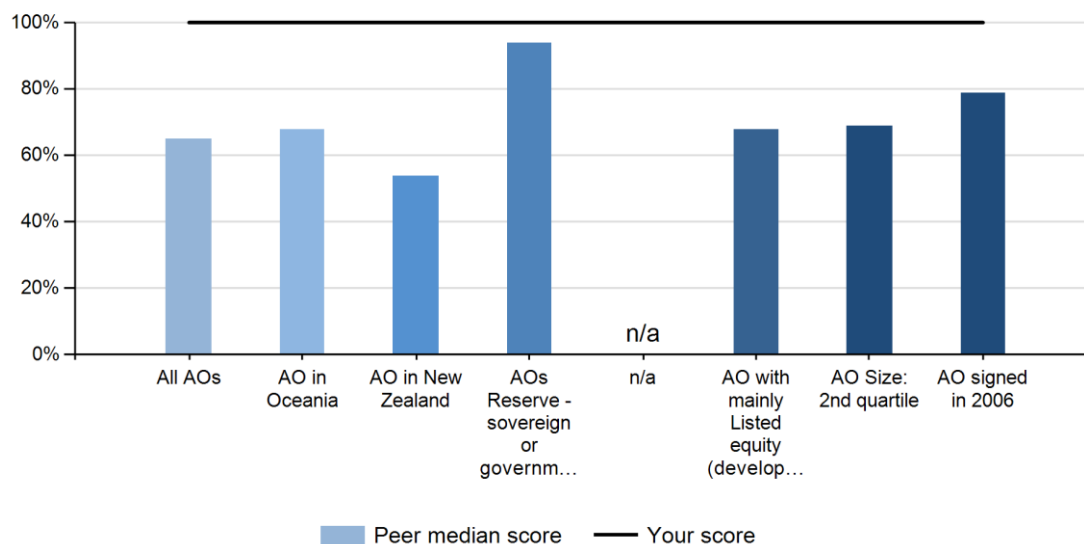
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Principle 2 - inclusive of HF (FIS is not scored in P2)

Your organisation's score against median score per peer groups

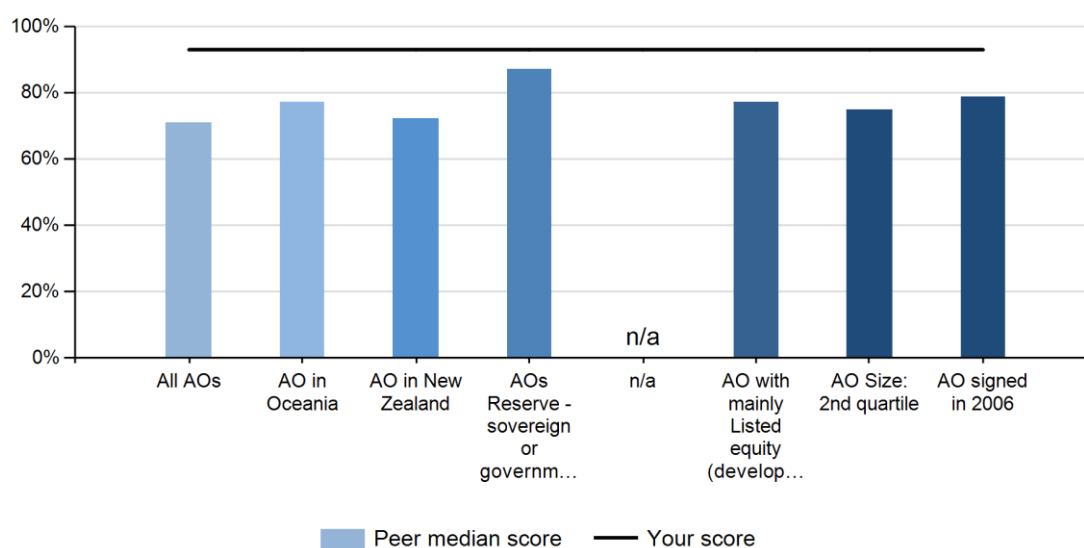


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Principle 3 - inclusive of FIS (active) and HF

Your organisation's score against median score per peer groups

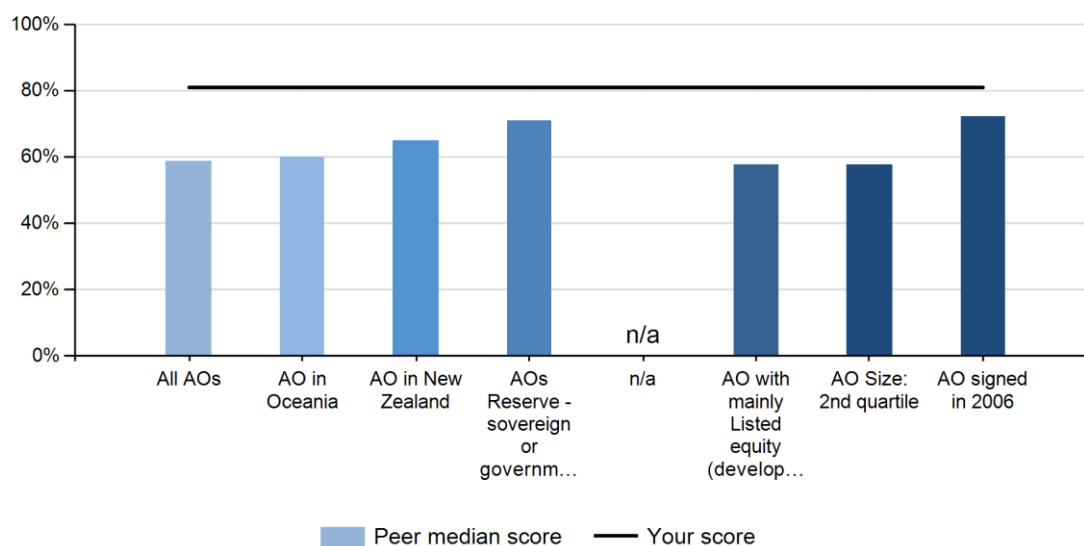


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Principle 4

Your organisation's score against median score per peer groups

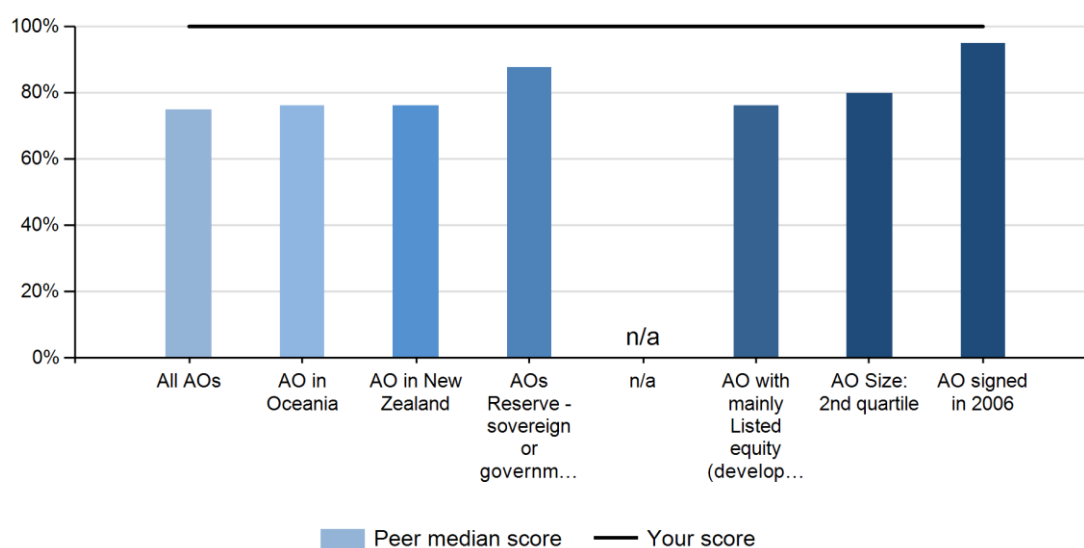


Quartile summary								
2011	All AOs	AO in Oceania	AO in New Zealand	AOs Reserve - sovereign or government fund	n/a	AO with mainly Listed equity (developed)	AO Size: 2nd quartile	AO signed in 2006
Quartile	1	1	2	2	n/a	1	1	2
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Principle 5

Your organisation's score against median score per peer groups

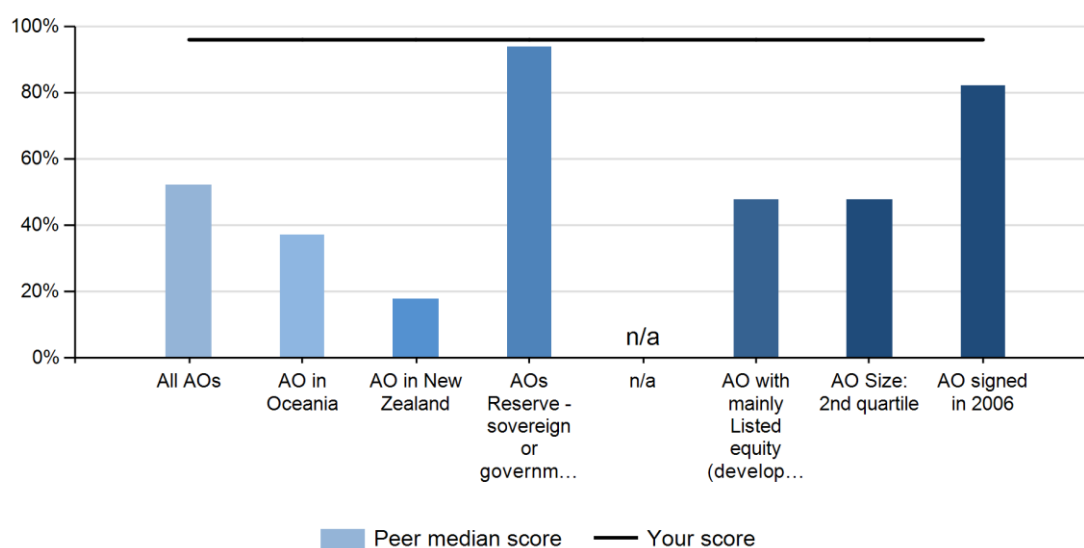


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Principle 6

Your organisation's score against median score per peer groups



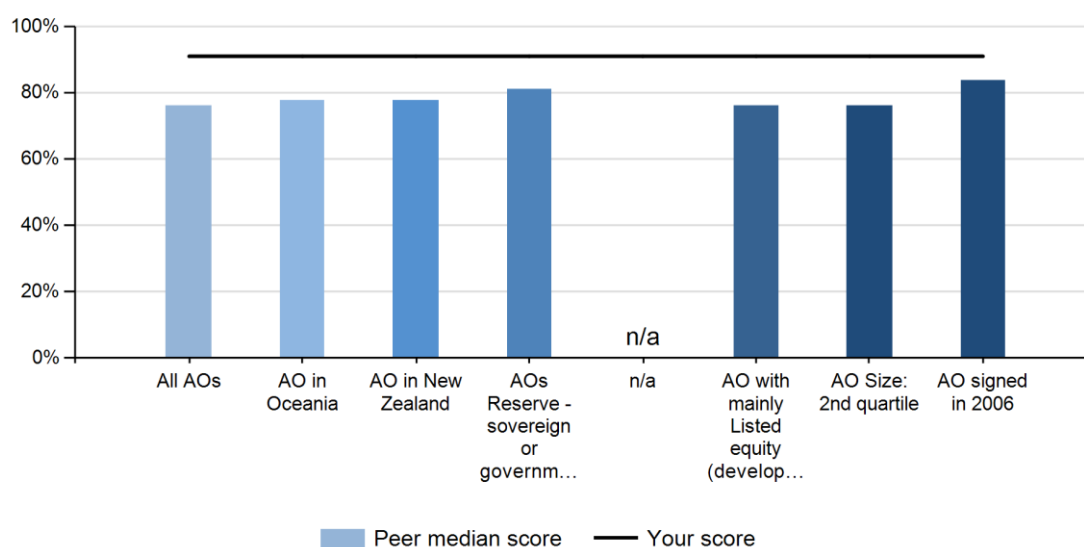
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Peer review – exclusive of fixed income sovereign and hedge funds

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

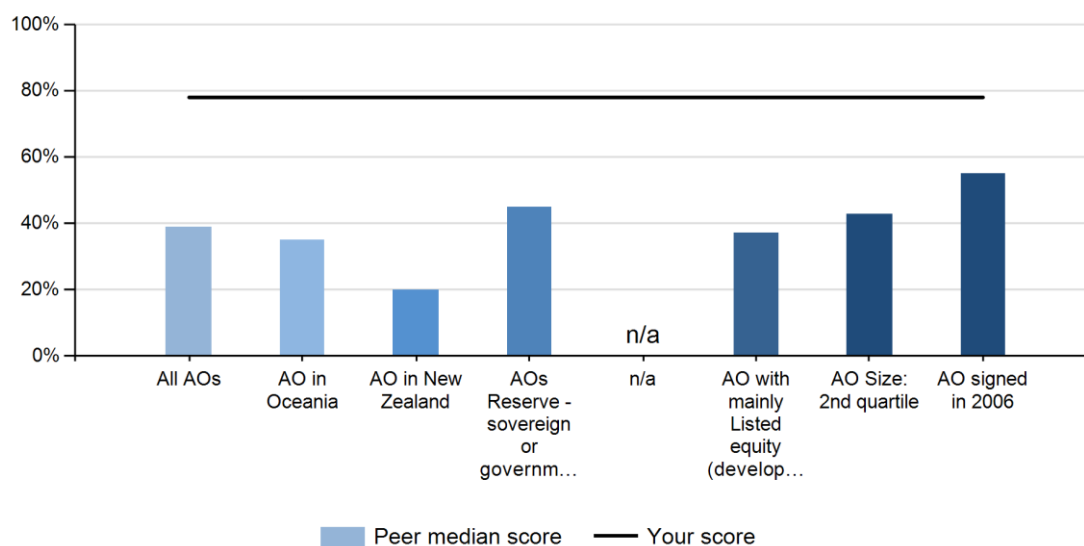
Your organisation's score against median score per peer groups



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Principle 1*, exclusive of FIS and HF

Your organisation's score against median score per peer groups



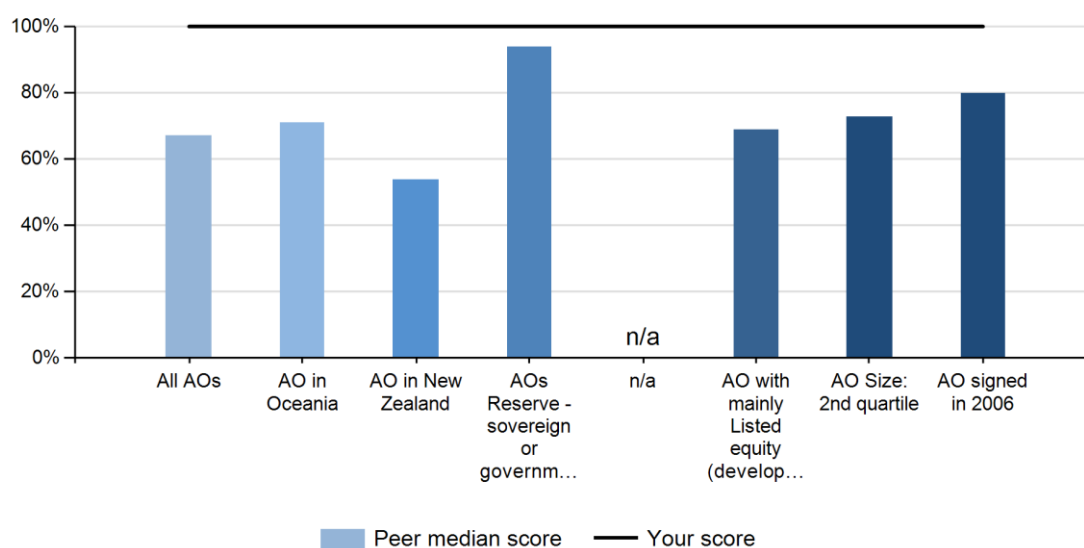
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Principle 2 – exclusive of HF (FIS is not scored in P2)

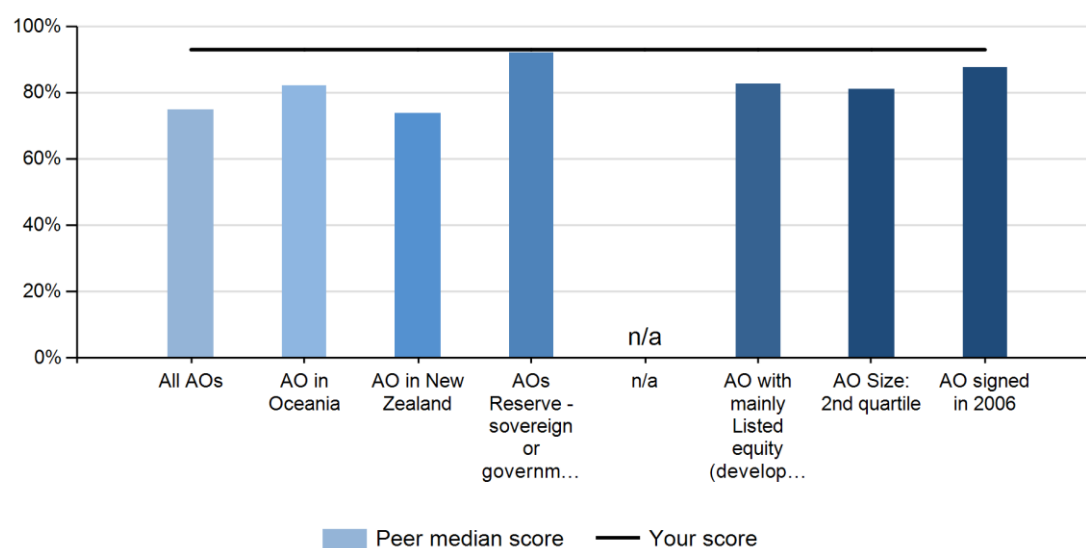
Your organisation's score against median score per peer groups



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Principle 3 - exclusive of FIS and HF

Your organisation's score against median score per peer groups



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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

