



New Zealand Superannuation Fund



Full Member

Sustainable investment delivering strong returns for all New Zealanders

Mission, purpose and mandate

The New Zealand Superannuation Fund is a Government savings vehicle that is designed to help pre-fund the rising cost of universal retirement benefits in New Zealand. The Fund, which began investing in 2003, is managed by an Auckland-based Crown entity, the Guardians of New Zealand Superannuation.

The Guardians, which has operational independence regarding its investment decisions, invests money the New Zealand Government contributes to the Fund. In this way, the Fund adds to Crown wealth, improves the ability of future Governments to pay for superannuation and, ultimately, reduces the tax burden of the cost of superannuation on future generations of New Zealanders.

The Guardians' mission is to: "Maximise the Fund's return over the long term, without undue risk, so as to reduce future New Zealanders' tax burden."

The Guardians' legislative mandate is to invest the Fund on a prudent, commercial basis and, in doing so, manage and administer the Fund in a manner consistent with the following:

- best-practice portfolio management;
- maximising return without undue risk to the Fund as a whole and
- avoiding prejudice to New Zealand's reputation as a responsible member of the world community.

Investment approach

The Fund has a long investment horizon: withdrawals are not scheduled until 2035/36, and the NZ Treasury estimates that it will keep growing until the 2070s. The Fund's highly diversified global investment portfolio is, therefore, heavily growth-oriented. The Guardians use a Reference Portfolio to benchmark the value being added through active investment strategies.

The Reference Portfolio, which is capable of meeting the Fund's objectives over time, is a shadow or notional portfolio of passive, low-cost, listed investments suited to the Fund's long-term investment horizon and risk profile. It has an 80:20 split between growth and fixed-income investments, and its foreign currency exposures are 100 per cent hedged to the New Zealand dollar.

As an active investor, the Guardians aim is to add more value to the Fund after all costs than the reference approach would, using strategies based on the Fund's natural advantages as a long-term, sovereign investor with known liquidity requirements.

Further information about how the Guardians invest the Fund, the Reference Portfolio approach and monthly updates on Fund performance are available at www.nzsuperfund.nz. The website also includes copies of the Guardians' investment policies and Annual Reports.

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[Member website](#)