

## **CHAIR VIDEO STATEMENT - ANNUAL REPORT 2018**

*Catherine Savage, Chair, Guardians of New Zealand Superannuation*

This September marks fifteen years since the Fund first started investing.

As the Fund has grown so too has the Guardians' culture and capability – and today we have an experienced and talented team overseeing a fully-fledged, diversified global investment portfolio.

Over those fifteen years the Fund has returned more than ten percent a year.

This is significantly ahead of both the Government's cost of debt and our passive Reference Portfolio benchmark, meaning the Fund has created significant wealth for New Zealanders. It now stands at around \$40 billion.

Over the 2017/18 year the Fund continued to produce strong returns, growing by four billion dollars.

The twelve percent the Fund returned was significantly ahead of what markets did over the year, and brings the total value that active investments have added to the Fund, since it was set up, to more than seven billion dollars.

We also made good progress in our climate change strategy, achieving further reductions in the Fund's exposure to carbon, and taking a leading role in a working group established by President Macron to help sovereign wealth funds address climate change risk.

In June, the Board was pleased to confirm the appointment of Matt Whineray as the Guardians' third Chief Executive, following the resignation of Adrian Orr. Matt has been instrumental in the Guardians' successes over the past decade and is recognised globally as a leader in institutional investment. As a Board we are looking forward to working with Matt and his team as they take the Guardians and Fund forward into a new phase.

This year, the Board welcomed the resumption of Government contributions to the Fund, after an eight-year suspension. The restart of contributions provides New Zealanders with greater certainty over universal superannuation and gives us, as investors more certainty about the size and shape of the Fund in the future. A focus for the new year will be our strategic planning for a growing Fund as contributions step up to the level set out in our governing legislation.

The responsibility of managing such a large amount of New Zealand's wealth is felt deeply by the Board and management of the Guardians. It is satisfying for all of us knowing that our work makes a contribution to New Zealand and we are excited about the opportunities ahead.