

Japan pension fund incurs 1st investment loss in 5 yrs

- 1) TOKYO (Kyodo) -- Japan's public pension fund said Friday it logged a loss of 5.31 trillion yen (\$51.2 billion) for fiscal 2015 ended in March, the first red ink in five years, hit by falling stock prices. (incur (負債などを) 負う log 記録をつける)
- 2) The 134 trillion yen Government Pension Investment Fund, the world's largest of its kind, had shifted its investment strategy in 2014, increasing the ratio of domestic and foreign shares while reducing bonds in the portfolio as part of economic policy reforms by Prime Minister Shinzo Abe. (portfolio 有価証券)
- 3) The loss was the largest since fiscal 2008 when the fund was affected by the global financial crisis following the collapse of U.S. investment bank Lehman Brothers.
- 4) The investment result for a single year will not immediately lead to reducing pension payments, according to the fund.
- 5) The return on investment during the reporting year was minus 3.81 percent, the GPIF said. The average return for the period since fiscal 2006, when the fund was established, stood at 2.68 percent. (return 収益率、stand at [数字が]~である)
- 6) The GPIF had 37.55 percent of its assets in domestic bonds at the end of March. Domestic stocks accounted for 21.75 percent, foreign shares 22.09 percent and foreign bonds 13.47 percent.
- 7) In an attempt to increase the transparency of its management, the pension fund disclosed for the first time which shares it holds as well as their market values. (transparency 透明性)
- 8) The GPIF held 1.55 trillion yen worth of Toyota Motor Corp. shares, the biggest in its stock holdings, which also included shares of Mitsubishi UFJ Financial Group Inc., valued at around 823 billion yen. Its foreign shareholdings included those of Apple Inc.
- 9) Japanese government bonds took up 80 percent of its domestic bond holdings. (take up を占める) 【July 30, 2016 (Mainichi Japan)】

★Ice breaker for active discussion

1. Please explain briefly about Japan's pension system?
2. What are the difficulties that Japan currently faces regarding the pension system?
3. What is your comment about the article?
4. What kind of asset management do you know? Please name some of them?
- 5 Do you do any asset management? Please explain.
6. Make sentences using the following vocabularies: incur, log, portfolio, stand at, transparency and disclose.

年金積立金管理運用独立行政法人(=Government Pension Investment Fund)は、厚生労働省所管の独立行政法人。日本の公的年金の内、厚生年金と国民年金の管理運用を行っている。GPIFは今年4月から6月までの公的年金運用実績が5兆2000億円余りの赤字となったと発表した。2001年度に市場運用を開始してから2014年までで黒字になった年度は9年、赤字が5年と、黒字と赤字を繰り返し14年間の運用パフォーマンスは3.11パーセントのプラス、収益額では50兆7338億円のプラスだった。