

Fiscal Year 2015
Employees' Pension Insurance Benefit Fund
Review of Operations

(Local Public Service Mutual Aid Associations)



地方公務員共済組合連合会
Pension Fund Association for Local Government Officials

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[DISCLAIMER]

When there are any discrepancies between original Japanese version and English translation version, the original Japanese shall prevail.

Section 1 Pension Fund System for Local Government Officials, Etc.

Pension Fund System for Local Government Officials

○ Pension Fund System for Local Government Officials

The pension fund system for local government officials was established in December 1962 as a system to comprehensively manage the long-term benefits program, short-term benefits program and welfare services program for local government employees and their families, for the purpose of providing mutual aid for local government employees.

• Local Public Service Law, Article 43

“A mutual benefit system with mutual aid in view should be put into practice for the purpose of furnishing appropriate benefits in cases where illness, injuries, childbirth, suspension of business, calamities, retirement, disability, or death occur to personnel themselves, or where persons supported by them are visited by illness, injuries, childbirth, death, or calamities.”

• Local Public Officers, etc. Mutual Aid Association Act, Article 1

“This Act shall establish a mutual aid system to provide appropriate benefits with regard to an illness, injury, child delivery, temporary leave, accident, retirement, disability or death of an employee or an illness, injury, child delivery, death or accident of an employee’s nonworking dependents and provide for necessary matters concerning these benefits and welfare services to be performed, and additionally shall provide for matters concerning the pension system etc. for employees of local government-related entities for the purpose of contributing to the improvement of lifestyle stability and welfare of local public employees and their survivors and contributing to the efficient management of public duties.”

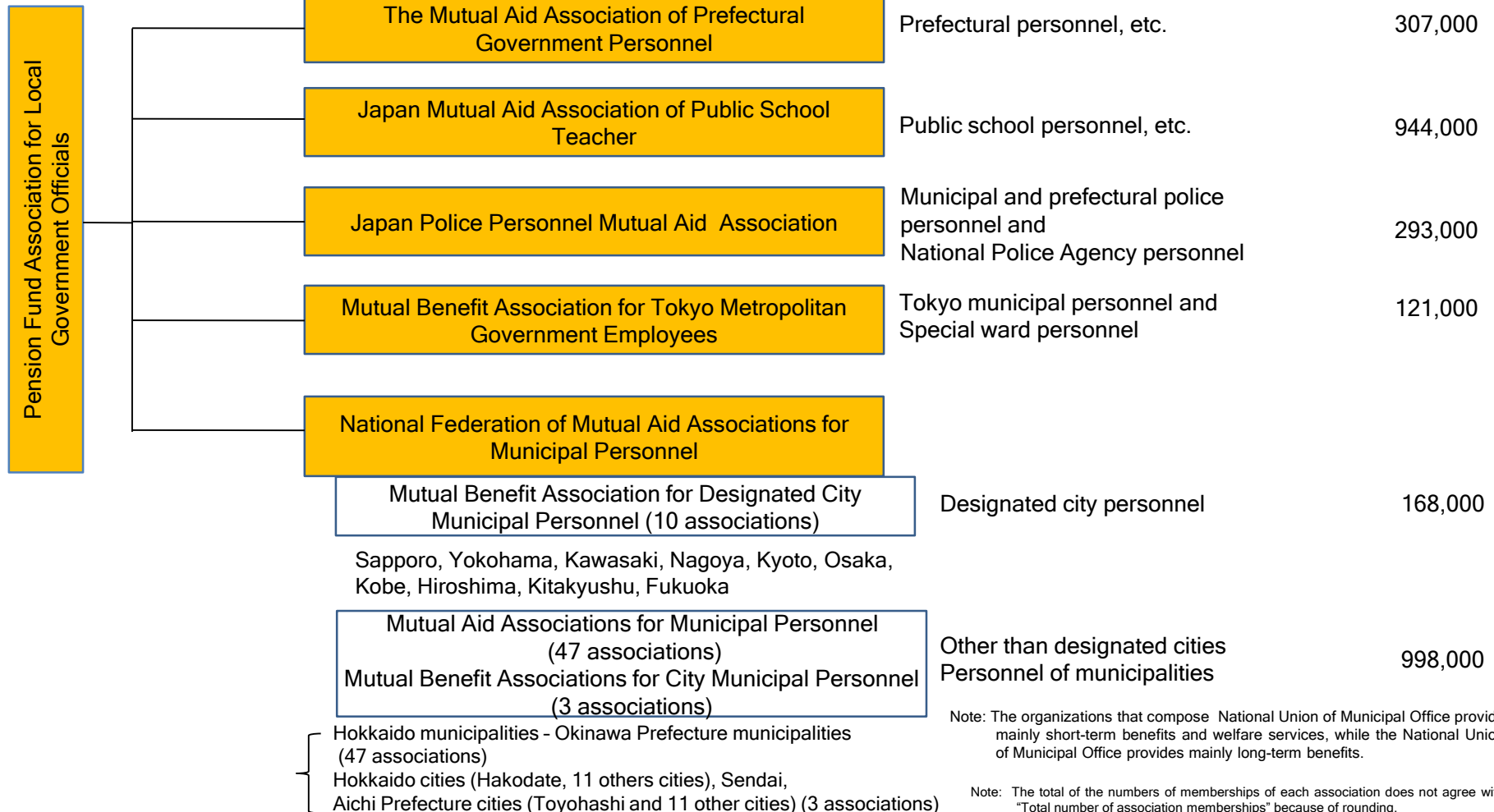
○ Establishment of Pension Fund Association for Local Government Officials

Pension Fund Association for Local Government Officials, which was established on April 1, 1984 for the purpose of integrating pension funding units, stabilizing the pension funding base and achieving appropriate and smooth management of activities pertaining to mutual aid association long-term benefits, in order to maintain sound management of the local government officials’ pension system, is a federation comprising all Mutual Aid Associations for local government employees (as of March 31, 2016, 64 associations and National Federation of Mutual Aid Associations for Municipal Personnel.

Organization of Local Public Service Personnel Mutual Aid Associations

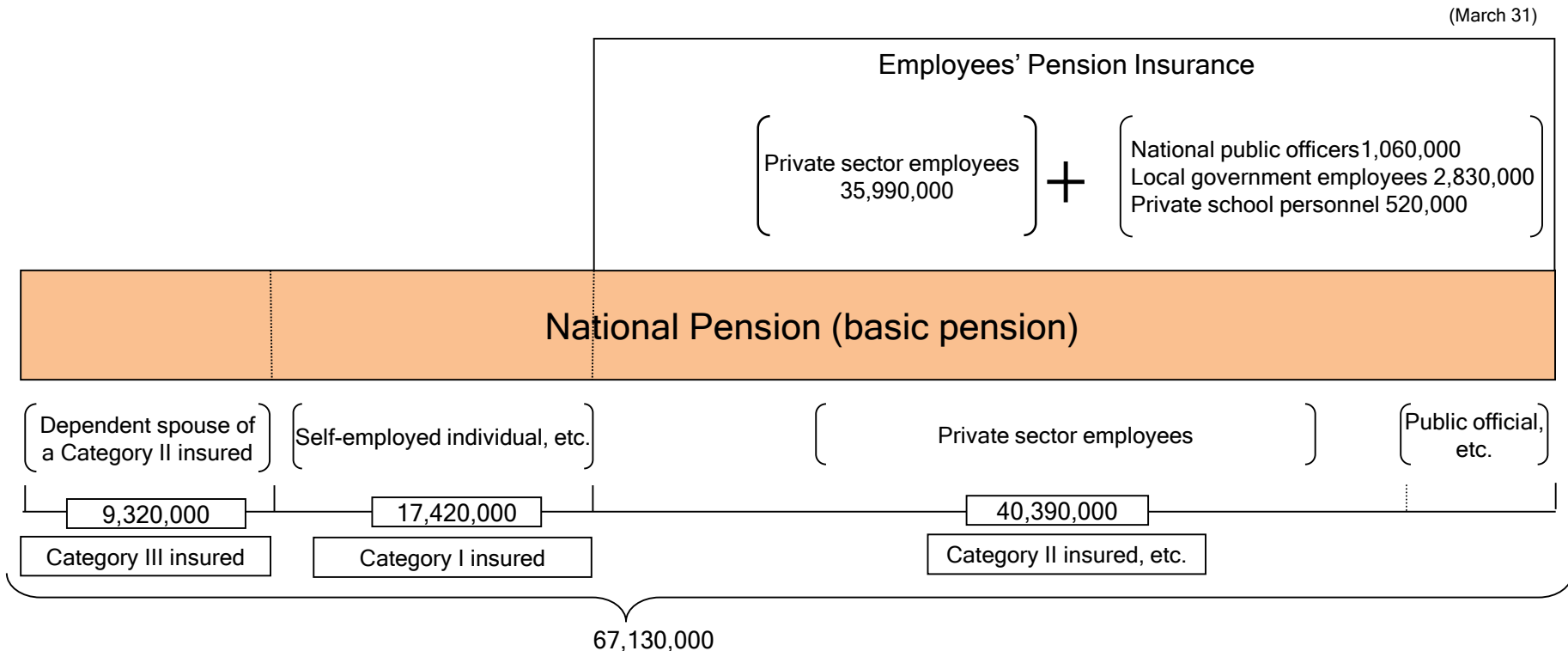
Total 64 mutual aid associations

Total number of association memberships 2,831,000
March 2016



Outline of the public pension system after Integration of Employee Pension Plans - From October 2015 -

With Integration of Employee Pension Plans, the mutual pension was discontinued and consolidated into Employee Pension Insurance. Government employees and school personnel at private schools are also enrolled in Employee Pension Insurance, and insurance premiums and benefits identical to those of private sector employees have been realized (systemic differences have been eliminated).



(Note) Individuals enrolled in a corporate pension who are included among individuals covered by Employee Pension Insurance 16,500,000
(Breakdown: Employees' Pension Fund: 3,630,000; defined-benefit pension plans: 7,820,000; defined contribution pension plans (corporate type): 5,050,000)
In addition, 210,000 individuals are enrolled in a defined contribution pension plan (individual type), and 450,000 individuals are covered by the National Pension Fund.

Funds investments after Integration of Employee Pension Plans①

○Funds investments after Integration of Employee Pension Plans

To ensure efficient administration and processing after Integration of Employee Pension Plans as well, mutual aid associations will continue to manage memberships' pension records and prepare standard reports

The association sets and revises standard compensation, collects insurance premiums, determines pension benefit, and provides pensions.

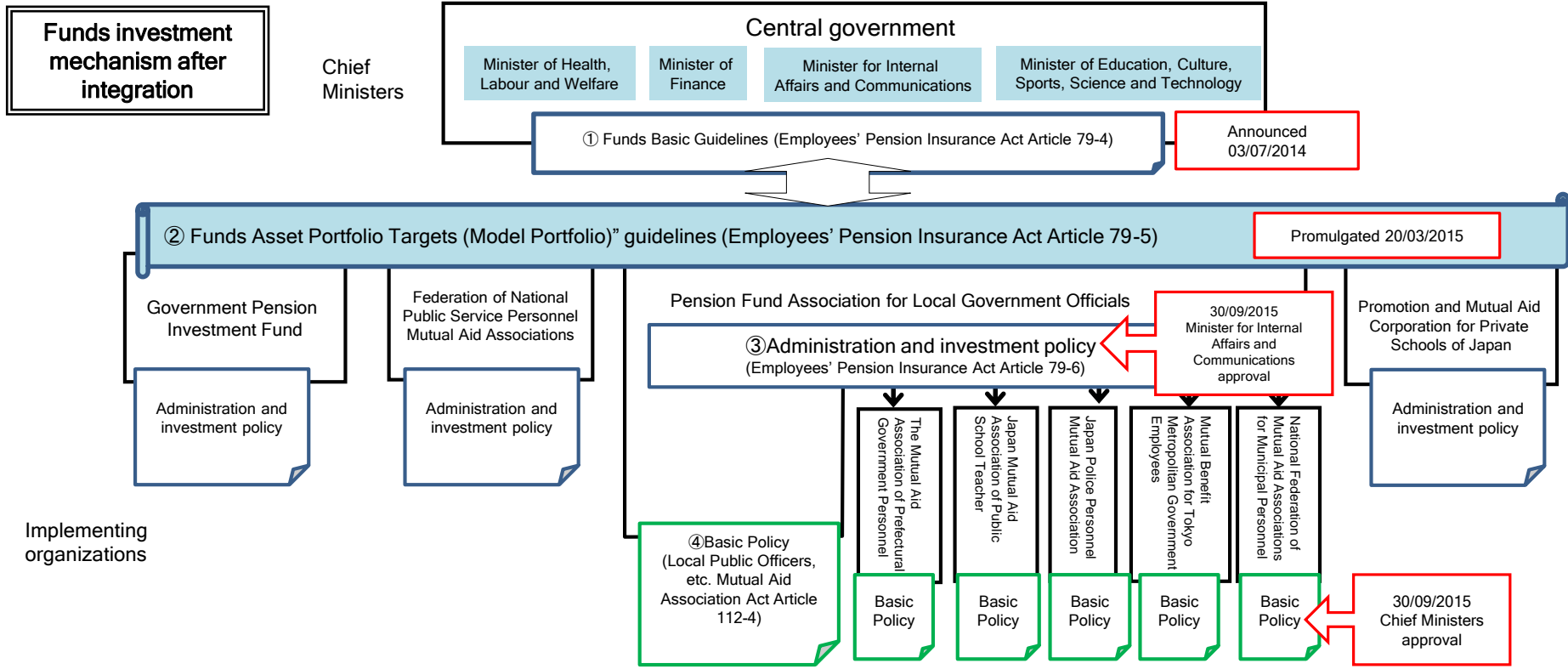
In addition, mutual aid associations are responsible for continuing to perform activities such as funds management and investments.

Until now, as a result of Integration of Employee Pension Plans, Long-term Benefit Fund had been the only funds available as the source of funds for long-term benefit, but since October 2015 there are three sources of funds: Employees' Pension Insurance Benefit Fund, Annuity Retirement Benefit Fund and Transitional Long-term Benefit Fund.

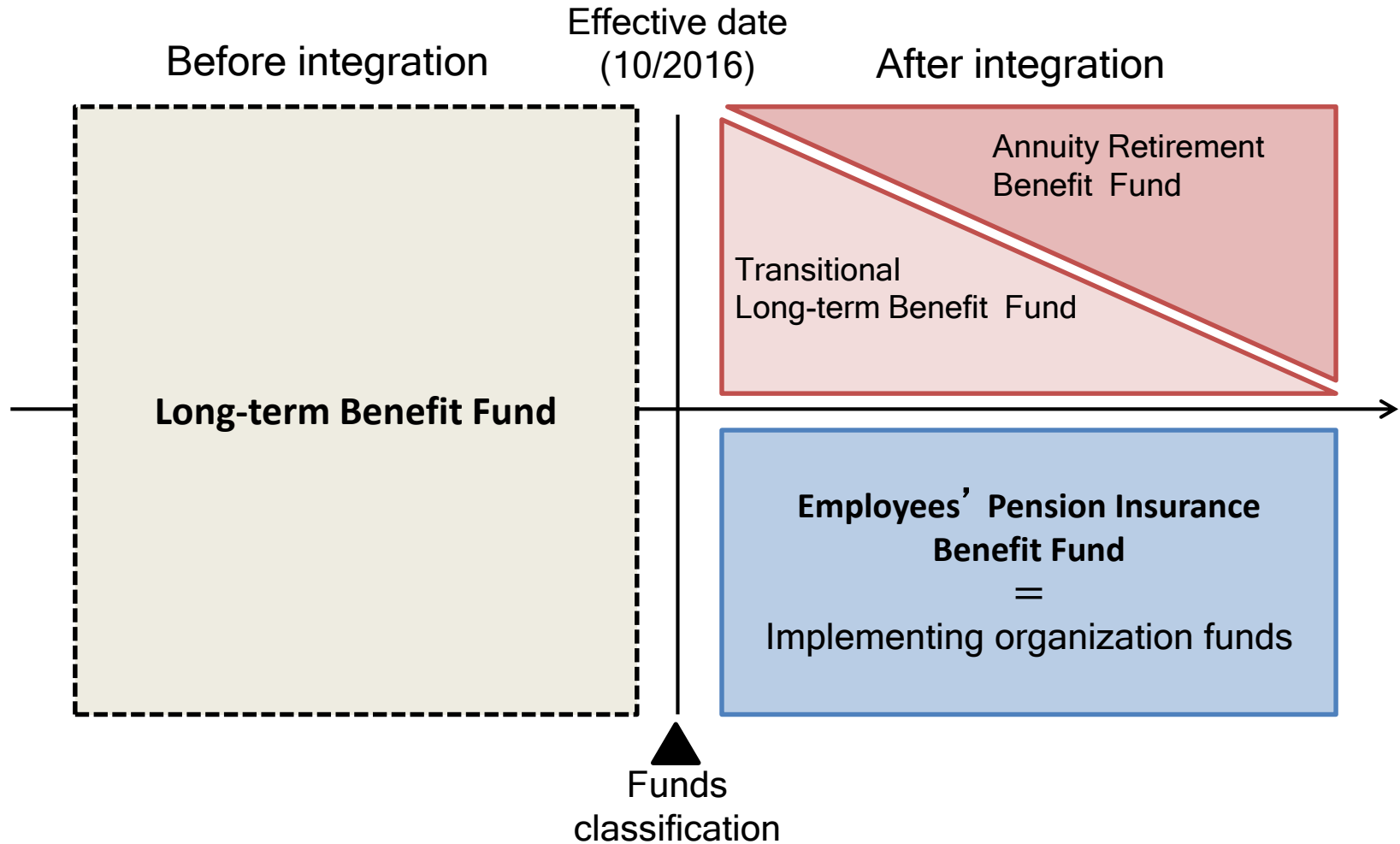
○Decisions concerning Funds Basic Guidelines, funds asset allocation objectives (model portfolio) and the benchmark portfolio

- ① The chief Ministers (Minister of Health, Labour and Welfare, Minister of Finance, Minister for Internal Affairs and Communications, and Minister of Education, Culture, Sports, Science and Technology) jointly formulate the Funds Basic Guidelines (Employees' Pension Insurance Act Article 79-4)
- ② The four management and investment entities (Government Pension Investment Fund, Federation of National Public Service Personnel Mutual Aid Associations, Pension Fund Association for Local Government Officials, Promotion and Mutual Aid Corporation for Private Schools of Japan) jointly formulate the Funds Asset Allocation Objectives (model portfolio) based on the Funds Basic Guidelines (Employees' Pension Insurance Act Article 79-5).
- ③ Pension Fund Association for Local Government Officials formulates the Administration and Investment Policy (Including the portfolio at Local Public Service Mutual Aid Associations), which serves as the common policy for organizations such as the public officer mutual aid associations in each region (the implementing agencies), in conformity with the Funds Asset Allocation Objective (Model Portfolio) (Employees' Pension Insurance Act Article 79-6).
- ④ A Basic Policy (Including the benchmark portfolio) pertaining to funds administration and investment is formulated at Local Public Service Mutual Aid Associations or other organization in each region, so that it conforms to the administration and investment policy set by Pension Fund Association for Local Government Officials (Local Public Officers, etc. Mutual Aid Association Act Article 112-4).

Funds investments after Integration of Employee Pension Plans②



Funds investments after Integration of Employee Pension Plans③



(Reference) Comparison of characteristics of each benefit after Integration of Employee Pension Plans

	Employees' Pension Insurance Benefits	Transitional Long-term Benefits	Annuity Retirement Benefits
Pension characteristics	Employee Pension Insurance in public pension form [Social security system portion]	Benefits remaining transitionally against the backdrop of expected rights concerning part of a mutual aid pension in public pension form	Part of retirement benefits [Corresponds to private sector corporate pensions]
	Benefit amount tied to inflation		As a rule, benefit level is linked to government bond return
	Macroeconomic slide applied		—
	Actuarial valuation every 5 years	Preparation of fund current status and outlook every 5 years	Actuarial valuation every 5 years
Fund administration system	Pay-as-you-go system	Closed Pension Plan	Advanced funding method
Benefits design	Defined benefits (scheme that sets benefit level in the form of a certain percentage of service period compensation)		Cash balance-type (system that sets benefit level in a form synchronized with government bond return, etc.)
Premium rate	Has been increased in stages, and for public officials as been set at 18.3% since 2018. (Employee Pension Insurance has been set at 18.3% since 2017)	Because it is a Closed Pension Plan, no new contributions are generated	The maximum insurance premium rate is 1.5%, and is set by considering factors such as the entitlement rate

Basic Approach Concerning Investment of Employees' Pension Insurance Benefit Funds

- As a basic policy, Pension Fund Association for Local Government Officials undertakes investments for the purpose of stably contributing to the management of the Employees' Pension Insurance operations into the future by investing safely and efficiently from a long-term viewpoint for the benefit of individuals covered by Employees' Pension Insurance.
- When managing funds, Pension Fund Association for Local Government Officials invests by appropriately diversifying investments among multiple assets that differ in risk/return and other characteristics.
- Furthermore, to ensure the required substantive yield on investments of the funds (meaning the yield after subtracting the nominal wage growth rate from the yield on investments of the funds) with a minimum amount of risk, when investing the funds the Pension Fund Association for Local Government establishes a basic portfolio, and while working to manage this portfolio appropriately and secure the benchmark return on each asset strives to secure the benchmark return on each asset over the long term.

Administration and Investment Policy for the Managed Fund for Employees' Pension Insurance Schemes (excerpt)

1 Basic policy concerning the Managed Fund

(1) Basic policy

Especially keeping in mind that the Managed Fund is part of insurance premiums collected from insured persons of the Employees' Pension Insurance ("EPI") and valuable resources for funding future pension benefits, the Association shall invest the Managed Fund with the objective of contributing to the stable operation of EPI schemes in the future by investing it safely and efficiently "solely for" ("for" in the case of investing in line with the objectives of the Mutual Aid Association Act under Article 79-3, Paragraph (3), of the Act) the interests of insured persons of the EPI from the long-term perspective.

In addition, the Association administers and manages the Managed Fund in accordance with the Basic Guidelines for the Safe and Efficient Administration and Investment of the Funds from the Long-Term Perspective (July 2014 Notification No. 1 of Ministry of Internal Affairs and Communications (MIC), Ministry of Finance (MOF), Ministry of Education, Culture, Sports, Science and Technology (MEXT) and Ministry of Health, Labour and Welfare (MHLW); the "Fund Basic Guidelines"). Accordingly, on the basis of diversifying investments in multiple assets that differ in risk/return and other characteristics ("Diversified Investment"), the Administration and Investment Organizations (meaning the Government Pension Investment Fund (GPIF), the Federation of National Public Service Personnel Mutual Aid Associations, the Association, and the Promotion and Mutual Aid Corporation for Private Schools of Japan; the same applies hereinafter) jointly establish the Model Portfolio, and, in reference to the Model Portfolio, the Association administers and invests the Managed Fund by establishing an asset mix from the long-term perspective (the "Benchmark Portfolio").

(2) Investment target, risk management, etc.

(i) Investment target

In consideration of the current status and outlook of public finances stipulated in Article 2-4, Paragraph (1), of the Act and Article 4-3, Paragraph (1), of the National Pension Act (Act No. 141 of 1959), the Association shall manage the investment of funds appropriately by establishing the Benchmark Portfolio in order to generate necessary real investment returns for funds (meaning investment returns less nominal wage increases) with the lowest risk, while maintaining necessary liquidity for providing insurance benefits, etc.

In so doing, the Association shall pay attention not to distort, among other things, price formation in the market and private sector investment activities.

In addition, the Association strives to earn the benchmark returns for each asset class for each fiscal year, as well as generating benchmark returns for each asset class over the long term.

Appropriate market indicators shall be used for benchmarks, considering, among other factors, whether their structure reflects the market; whether they consist of investable securities, and whether details of the indicators are disclosed.

Benchmark portfolio ①

Benchmark portfolio

○ Approach

The administration and investment organizations entities must establish the administration and investment organizations policy that complies with the basic guidelines for pension funds and conforms to the model portfolio (Employees' Pension Insurance Act, Article 79-(6) paragraph (1)), and have provided for a benchmark portfolio in their administration and investment organizations policies. Therefore, we have formulated Pension Fund Association for Local Government Officials benchmark portfolio based on these requirements.

	Domestic bonds	Domestic equities	Foreign bonds	Foreign equities
Asset mix	35%	25%	15%	25%
Deviation tolerance	± 15%	± 14%	± 6%	± 12%

○ Investment target

Under the Funds Basic Guidelines, associations must “undertake funds investments for the purpose of ensuring the required real return on investments of the funds (meaning investment returns less nominal wage increase) with the lowest risk, while maintaining necessary liquidity for providing insurance benefits etc., based on the various financial scenarios for Employees' Pension Insurance schemes” (Reserve Funds Basic Guidelines 1, 2).

Although several Total Factor Productivity rates of increase were established as economic premises of the scenarios for the this fiscal year's Financial Valuation, and each case was calculated with a certain spread between the real rate of wage increase and substantive long-term interest rate, a real return on investments of 1.7% is shown in the technical committee's report (referred to below as “the Technical Committee Report”) as the return that can be met in all cases, and based on this the required real return on investments of funds is assumed to be 1.7%.

Benchmark portfolio ②

- Assumed risks (Degree of risk tolerance)

As stated in the Funds Basic Guidelines, funds investments are undertaken with the goal of ensuring the required real return on investments of the funds with the lowest risk (Funds Basic Guidelines 1, 2).

In the Technical Committee Report, ensuring that the risk of falling below the investment target etc. does not exceed a certain level is adopted as the tolerance when formulating a new portfolio. Specifically, ensuring the probability of the risk that the return on an all-domestic bond investment portfolio falls below the nominal wage increase is not exceeded is shown as the risk tolerance. Furthermore, verifying that the downside risk from the planned amount of funds is always critical from an ALM viewpoint, and this is verified by also showing verifications based on simulations of the probability of falling below the planned amount of funds and the average amount of losses (amount of shortage). In addition, because Pension Fund Association for Local Government Officials is required to “further enhance and validate the policy mix by implementing in-depth, multiple risk scenarios”, the assumed risk is formulated using the economic assumptions of Case E (Cabinet Office Economy Rejuvenation Case) and Case G (Cabinet Office Reference Case).

- Assumed investment horizon

According to the 2014 actuarial valuation, the asset level for public pension schemes will reach their maximum level after approximately 25 years. Therefore, the assumed investment horizon has been set to 25 years. On the other hand, although Local Public Service Personnel Mutual Aid Associations also considered an assumed investment horizon of 30 years when it performed a similar analysis based on the 2014 actuarial valuation because the level of its funds will rise to their highest level in roughly 30 years, an assumed investment horizon of 25 years was adopted from the viewpoint of ensuring uniformity as a common funding source for Employees' Pension Insurance operations.

Benchmark portfolio ③

- Expected return etc. on each asset

The expected return, standard deviation, and correlation for each asset have been estimated as follows.

The expected return on each asset was estimated using Case E (Cabinet Office Economy Rejuvenation Case) and Case G (Cabinet Office Reference Case), and the same standard deviation and correlation were used for both scenarios. To estimate the risk and correlation, the benchmark data for the past 20 years (1994-2013) was used.

In addition, when estimating the risk pertaining to domestic bonds, longer durations in the future were factored in.

Expected return	Domestic bonds	Domestic equities	Foreign bonds	Foreign equities	Short-term assets	Wage increase
Case E	2.6%	6.0%	3.7%	6.4%	2.2%	2.8%
Case G	2.0%	5.2%	3.5%	6.2%	2.0%	2.1%

	Domestic bonds	Domestic equities	Foreign bonds	Foreign equities	Short-term assets	Wage increase
Standard deviation	4.7%	25.1%	12.6%	27.3%	0.5%	1.9%

Correlation	Domestic bonds	Domestic equities	Foreign bonds	Foreign equities	Short-term assets	Wage increase
Domestic bonds	1.00	-0.16	0.25	0.09	0.12	0.18
Domestic equities		1.00	0.04	0.64	-0.11	0.12
Foreign bonds			1.00	0.57	-0.16	0.07
Foreign equities				1.00	-0.14	0.10
Short-term assets					1.00	0.32
Wage increase						1.00

Benchmark portfolio ④

- Benchmark portfolio formulation at each association
Because Local Public Service Personnel Mutual Aid Associations' entire effect portfolio (the total of the invested assets of each association) must be kept within the deviation tolerance of Local Public Service Personnel Mutual Aid Associations portfolio, when formulating each association's benchmark portfolio the median value and deviation tolerance for each asset percentage are set within the range of this deviation tolerance.
- Approach to deviation tolerance
When setting the deviation tolerance for Local Public Service Personnel Mutual Aid Associations benchmark portfolio, a tolerance 50% broader than the range of the median value in the model portfolio was assumed, based on consideration of the benchmark portfolio formulation at each association, a perspective that displays the investment autonomy and originality at Local Public Service Personnel Mutual Aid Associations and the viewpoint of smooth execution of portfolio management including assurance of the short-term assets and ownership of a benefits-driven fund at each association that provides the pension benefits, and a shift away from the current assets.

Benchmark portfolio ⑤

- Benchmark portfolio attributes

As a result of having verified the benchmark portfolio attributes, the probability that the real return after deduction of the nominal wage increase will exceed 1.7% and the Lower Partial Probability (the probability of underperforming the nominal wage increase) were confirmed to be smaller than those for an all-domestic bond portfolio.

Furthermore, the real return of 1.7% on an all-domestic bond portfolio cannot be ensured.

Benchmark portfolio

Asset class	Domestic bonds	Domestic equities	Foreign bonds	Foreign equities
Allocations	35%	25%	15%	25%

< Attributes >

	Real Return	Nominal Return	Standard deviation	Lower Partial Probability	Expected Shortfall
Case E	1.77%	4.57%	12.80%	44.40%	9.45%
Case G	1.98%	4.08%	12.80%	43.80%	9.38%

Reference: Attributes of an all-domestic bond portfolio

	Real Return	Nominal Return	Standard deviation	Lower Partial Probability	Expected Shortfall
Case E	-0.20%	2.60%	4.70%	51.70%	3.86%
Case G	-0.10%	2.00%	4.70%	50.80%	3.83%

Risk Management ①

- “Risk” encompasses various kinds of risk, and if interest rate risk, price fluctuation risk, credit risk, liquidity risk and other factors are also viewed as “risks” for asset investment, in some cases the possibility that the required yield cannot be ensured can be viewed as a “risk”. Therefore, for asset investment it is vital to consider the various risks commensurate with investment from a long-term point of view.
- Risk management is implemented appropriately based on the requirement to invest funds safely and efficiently from a long-term viewpoint, fundamentally maintain diversified investments, and take into consideration the relationship between all local mutual aid association liabilities and the funds in the future.

Implementation policy for risk management concerning investment of funds (Excerpt)

1 Basic Approach concerning risk management

The Mutual Aid Association of Prefectural Government Personnel, Japan Mutual Aid Association of Public School Teacher, Japan Police Personnel Mutual Aid Association, Mutual Benefit Association for Tokyo Metropolitan Government Employees, National Federation of Mutual Aid Associations for Municipal Personnel, and Pension Fund Association for Local Government Officials, will appropriately perform risk management concerning investments of their funds based on the following matters.

- ① Undertake investments of funds safely and efficiently from a long-term point of view.
- ② Invest each fund based on formulating a benchmark portfolio to fundamentally invest by diversifying funds appropriately among multiple assets with differing characteristics including their risk/return profile (“Diversified Investment”).

2 Risk management Implementation entities and management objects

(1) Employees' Pension Insurance scheme Managed Fund

- ① Pension Fund Association for Local Government Officials provides risk management for Managed Fund investments as the main administrative and investment entity.
- ② As an implementing organization, each association (meaning The Mutual Aid Association of Prefectural Government Personnel, Japan Mutual Aid Association of Public School Teachers, Japan Police Personnel Mutual Aid Association, Mutual Benefit Association for Tokyo Metropolitan Government Employees, National Federation of Mutual Aid Associations for Municipal Personnel, and Pension Fund Association for Local Government Officials; the same applies below) provides risk management for investments of the implementing organization's funds.

Risk Management ②

- For investment based on the Benchmark portfolio it is necessary to control the various risk factors, and to ensure earnings that are aligned with the Benchmark portfolio from a long-term viewpoint, managing the size of the divergence between the portfolio allocations by asset category of the Benchmark portfolio and the portfolio allocations by asset category of the actual portfolio in particular becomes especially critical.
- Specifically, because portfolio allocations by asset category are changing continually as a result of asset price movements, investments are managed by understanding the status of the divergence between the value of the portfolio allocations by asset category that are actually held for all assets and portfolio allocations by asset category set for the benchmark portfolio, and keeping the divergence within a certain range (Deviation tolerance).
- Furthermore, for deviation tolerance, flexible investments are implemented according to the investment policy formulated through discussions by a committee of specialists, and any deviation that actually occurs in this case is confirmed to be in line with the investment policy described above.
- Moreover, there is a possibility differences from the expected earnings will arise even if the portfolio allocations by asset category in the actual portfolio and benchmark portfolio are identical, because passive investments and active investments are utilized together for funds investments and the allocation of instruments within in each asset category might differ.
- Therefore, for each asset investments must be managed by considering market risk (risk of price fluctuations of each asset market, etc.), credit risk (default risk) and other variables, while keeping the main focus on the deviation from the benchmark.
- In addition, besides managing liquidity risk (the risk that transaction volume will decline and make sales and purchases difficult) from the viewpoint of smoothly implementing asset allocation modifications (re-balancing) and turning assets into cash, because there also are outsourced assets that are being managed externally under the association's asset investment program, the association has implemented controls on the management status (risk management status and asset management status) etc. of the organizations (each outsourced investment institution and each asset management organization) to which asset investment or asset management has been outsourced, from the viewpoint of ensuring smooth implementation of each entity's management.
- Furthermore, for the Benchmark portfolio formulated based on the long-term economic outlook, it is necessary to regularly verify performance, including the confirmation of assumptions. In its verification, Pension Fund Association for Local Government Officials confirms whether the existing Benchmark Portfolio is appropriate from the viewpoint of safe and efficient investing over the long-term, and also considers the investments from the viewpoint of comparisons with the target yield on investments and with an all-domestic bond investment portfolio.

Diversification of eligible investment instruments (investment in alternative assets) ①

To pursue diversified investment of the Managed Fund for the purpose of undertaking investments of the Managed Fund for Employees' Pension Insurance Schemes safely and efficiently from a long-term viewpoint, alternative investments were initiated after taking into consideration the opinion expressed by the committee of outside specialists. The selection of investment products is judged comprehensively, by adding quantitative evaluations to the qualitative assessments such as the investment policy and investment process.

Investment policy pertaining to diversification of eligible investment instruments (investment in alternative assets) (Excerpt)

1 Definition of diversification of eligible investment instruments

① Definition of diversification of eligible investment instruments

"Diversification of eligible investment instruments" means making investments in assets whose characteristics, such as the risk/return, are different from those of traditional assets in the form of stocks and bonds ("Alternative Assets").

② Scope of Alternative Assets

Alternative Assets are assets such as real estate, infrastructure and private equity, and the negotiable securities, trust beneficial interests and other assets used to back said assets.

2 Purpose of diversification of eligible investment instruments

Diversification is used to promote diversified investment of the Managed Fund, for the purpose of investing the Managed Fund safely and efficiently from a long-term perspective.

3 Classification of Alternative Assets in the benchmark portfolio etc.

(1) Classification of Alternative Assets in the benchmark portfolio

Alternative Assets are classified into domestic bonds, domestic equities, foreign bonds or foreign equities according to their risk/return and other characteristics.

(2) Alternative Asset portfolio allocations in the portfolio

The portfolio allocation of Alternative Assets is limited to a maximum of 5% of the Managed Fund and all assets in each of the Implementing Organizations' funds.

Diversification of eligible investment instruments (investment in alternative assets) ②

Investment policy pertaining to diversification of eligible investment instruments (investment in alternative assets) (Excerpt)

4 Matters to note when diversifying eligible investment instruments

Pension Fund Association for Local Government Officials and the implementing organizations (excluding Pension Fund Association for Local Government Officials) take note of the following matters when diversifying the eligible investment instruments.

- ① Based on diversified investment in traditional assets in the form of stocks and bond and in other Alternative Assets, and on diversified investments in each Alternative Asset.
- ② Diversification is used because the effects of diversified investment are recognized, and sufficient grounds backing the expectation that excess returns can be obtained have been realized.
- ③ Because of the many points where the risks etc. differ from those of traditional assets, such as marketability, profitability, individuality, transaction costs, and status of information disclosure, Pension Fund Association for Local Government Officials studies each instrument based on a sufficient grasp of the condition of the market environment, including improvement of the certain earning capacity of each asset and the breadth, depth and infrastructure of the secondary market.
- ④ Makes the investments after having prepared the investment and risk management organization necessary to make investments in the alternative assets (including hiring the highly specialized human resources).
- ⑤ Utilizes the specialized knowledge of Fund Management Committee of Local Public Service Personnel Mutual Aid Associations or the implementing organization.

< Specific actions at Pension Fund Association for Local Government Officials >

(1) Introduction of a manager registration system

On July 31, 2015, Pension Fund Association for Local Government Officials introduced a Manager Registration System for Alternative Investments, and began receiving entries from investment institutions for investment products that use domestic and foreign real estate and infrastructure as the investment vehicle. A manager registration system is a system by which the association will from time to time accept registration (entry) for investment products from investment institutions and evaluate and select investment products.

(2) Selection of investment products

From among the investment products entered, Pension Fund Association for Local Government Officials carefully selected investment products that are expected to provide long-term income gains, and in fiscal year 2015, based on a comprehensive evaluation from both quantitative and qualitative aspects, began investing in a product for which the investment outlet is domestic real estate.

Stewardship Responsibilities ①

Stewardship responsibilities

- What are stewardship responsibilities?

Refers to the responsibilities of institutional investors to increase medium to long-term investment returns for their clients and beneficiaries by encouraging improvements in corporate value and sustainable growth of target firms, through means such as constructive “purposeful dialog” (engagement), based on a deep understanding concerning of the firms in which they invest, the operating environment, and other factors. The activities institutional investors use to fulfill their stewardship responsibilities include engagement, the exercise of shareholders’ voting rights, and ESG investments.

- Approach to Local Public Service Mutual Aid Associations

Based on the idea that each Local Public Service Mutual Aid Associations should accomplish its “fiduciary responsibilities for association members” and its “social responsibility as a public pension administrator” and must work proactively in its stewardship activities, each association has independently enacted guidelines pertaining to the exercise of shareholders’ voting rights and has exercised its shareholders’ voting rights through the outsourced investment institutions.

Each Local Public Service Mutual Aid Associations has assented to the intent of the Principles for Responsible Institutional Investors <<Japan’s Stewardship Code>> the Financial Services Agency enacted in February 2014, and expressed its acceptance of said Code.

Exercise of shareholders’ voting rights

- Exercise of Local Public Service Mutual Aid Associations’ Voting Rights

Because it is difficult for each Local Public Service Mutual Aid Associations member to gather details and make absolute judgments regarding firms’ management decisions, to exercise its shareholders’ voting rights each association provides instructions to the outsourced investment institutions investing in domestic stocks so that the association’s voting rights are exercised based on appropriate judgments suited to the status of investee companies. Furthermore, for voting rights on foreign equities, some associations have already exercised their voting rights through their outsourced investment institutions, and other associations are currently conducting studies to prepare for exercising their voting rights in the future.

Together with formulating guidelines etc. pertaining to the independent exercise of its respective shareholders’ voting rights and clarifying its thinking regarding the exercise of shareholders’ voting rights by the association, each member of the Local Public Service Mutual Aid Associations has set standards for the exercise of voting rights by the outsourced investment institutions. In addition, through regular interviews each association confirms the status of the exercise of voting rights by the outsourced investment institutions and the implementation status of activities such as engagement etc.

Stewardship Responsibilities ②

○ Summary of results from the exercise of voting rights on domestic equities during FY2015

Voting rights were exercised on a total of 169,502 resolutions at a total of 42,517 companies whose fiscal year is from April 1, 2014 to March 31, 2015.

Of these, negative votes were exercised for 38,675 resolutions.

Status of exercise of shareholders' voting rights (Target: Firms, etc. whose fiscal year-end was between April 2014 and March 2015)

Proposal details	Total	Breakdown (%)	Approved	Percent approved (%)	Opposed	Percent opposed (%)
Grand total	169,502	100%	130,827	77.2%	38,675	22.8%
(Number of resolutions related to shareholders' proposals)	6,938	4.1%	2,007	28.9%	4,931	71.1%
Breakdown	169,502	100%	130,827	77.2%	38,675	22.8%
The Board of Directors and directors	44,923	26.5%	24,926	55.5%	19,997	44.5%
The Board of Auditors and auditors	39,366	23.2%	32,530	82.6%	6,836	17.4%
Director remuneration, etc.	18,513	10.9%	15,356	82.9%	3,157	17.1%
Appropriation of surplus	31,700	18.7%	30,238	95.4%	1,462	4.6%
Capital structure	3,207	1.9%	1,838	57.3%	1,369	42.7%
Changes in company activities etc.	775	0.5%	774	99.9%	1	0.1%
Improvement of executive and regular employee incentives	4,240	2.5%	3,193	75.3%	1,047	24.7%
Other resolutions	26,778	15.8%	21,972	82.1%	4,806	17.9%

Breakdown of "Resolutions concerning capital structure"

Proposal details	Total	Breakdown (%)	Approved	Percent approved (%)	Opposed	Percent opposed (%)
Hostile takeover defense measures	2,047	1.2%	818	40.0%	1,229	60.0%
Capital increase or decrease	125	0.1%	122	97.6%	3	2.4%
Third-party allotment	29	0.0%	29	100.0%	0	0.0%
Share buyback	258	0.2%	140	54.3%	118	45.7%

Stewardship Responsibilities ③

Engagement

○ Efforts on engagement

Each member of Local Public Service Mutual Aid Associations requires its institutional investors to implement engagement, from the viewpoint of medium- to long-term growth of pension assets, by promoting improvement in companies' corporate value and sustainable growth through constructive "purposeful dialogue" (engagement), based on an in-depth understanding of the investee companies and their business environments, etc., and conducts hearings concerning the status of institutional investors' engagement performance.

○ Results of engagement

As an engagement result, each member of Local Public Service Mutual Aid Associations seeks to accomplish its stewardship responsibilities while obtaining medium- to long-term returns. Because the prices of investee companies' shares fluctuate as the result of various factors such as the global economy and monetary policy trends, however, it is difficult to quantitatively measure the contribution of engagement to returns. Therefore, each member of Local Public Service Mutual Aid Associations requires outsourced investment institutions to encourage the growth of corporate value through means such as enhancements to corporate governance, and to make improvements in areas such as their engagement objectives, contents, progress, and management procedures.

The following various reports were received concerning the status of engagement activities at the outsourced investment institutions.

- From the viewpoint of improvement of corporate value, proposed ample enhancement of returns to shareholders using cash.
- From the viewpoint of strengthening the management restraint function, exchanged opinions on increasing and diversifying outside directors.
- To urge improvements in operating results, demanded measures such as a reduction in fixed costs in unprofitable businesses.
- From the viewpoint of productivity enhancement, exchanged opinions concerning brand restructuring.
- Urged study of the need for takeover defense measures, and discussed takeover defense scheme to which each member of Local Public Service Mutual Aid Associations can agree.

ESG Investing

○ Efforts for ESG investing

Some members of Local Public Service Mutual Aid Associations have outsourced their ESG fund investing to an investment institution. These funds evaluate firms from an E (Environment), S (Social), and G (Governance) viewpoint, and basically make investments in the superior firms identified through these assessments. ESG investments focus not only on short-term corporate performance, but also on the element of sustainability in terms of ESG, and seek to ensure long-term yields. Each association etc. making ESG investments will continue efforts to accomplish its "fiduciary responsibility" and fulfill its "social responsibility" in the future as well, while continuously monitoring ESG evaluations and investment performance assessments.

Governance System ①

1 Local Public Service Mutual Aid Associations

(1) Organization

Pension Fund Association for Local Government Officials is comprised of the Mutual Aid Association of Prefectural Government Personnel, Japan Mutual Aid Association of Public School Teacher, Japan Police Personnel Mutual Aid Association, Mutual Benefit Association for Tokyo Metropolitan Government Employees, and National Federation of Mutual Aid Associations for Municipal Personnel (“the associations, etc.”).

Pension Fund Association for Local Government Officials is providing the associations, etc. with technical and specialized knowledge, materials, and other information related to the management and investment of funds, and together with understanding efforts such as surveys and research that the associations, etc. have implemented, is exchanging information with the associations, etc., including appropriately providing information concerning the information it has understood, and acting as a liaison and coordinator.

In addition, Pension Fund Association for Local Government Officials and the associations, etc. are cooperating while working together, such as providing necessary information, concerning the implementation of activities related to investment of the Implementing Organizations' funds.

(2) Fund Management Committee of Local Public Service Personnel Mutual Aid Associations

Pension Fund Association for Local Government Officials has established a Fund Management Committee of Local Public Service Personnel Mutual Aid Associations composed of individuals who possess academic and practical experience in such fields as economy, finance, and fund management, to examine technical matters pertaining to the administration and investment of funds (meaning administration and investment of the Managed Fund, administration and investment of Annuity Retirement Benefit Adjustment Fund (including administration of the investment status of Annuity Retirement Benefit Fund of the Associations, etc.), and the administration and investment of Transitional Long-term Benefit Adjustment Fund (including administration of the investment status of Transitional Long-term Benefit Fund of the Associations, etc.)

Governance System ②

2 Implementing Organizations

(1) Governing Council, etc.

To amend the articles of incorporation and operating rules, and study and discuss the business plans, budgets, and settlement of accounts for each business year and other important operating matters, governing councils and other committees have been established at Pension Fund Association for Local Government Officials and the associations, etc., where these matters are decided through deliberations by the governing councils, etc.

The designations, etc. of the governing councils and other committees at Pension Fund Association for Local Government Officials and the associations, etc. are as follows.

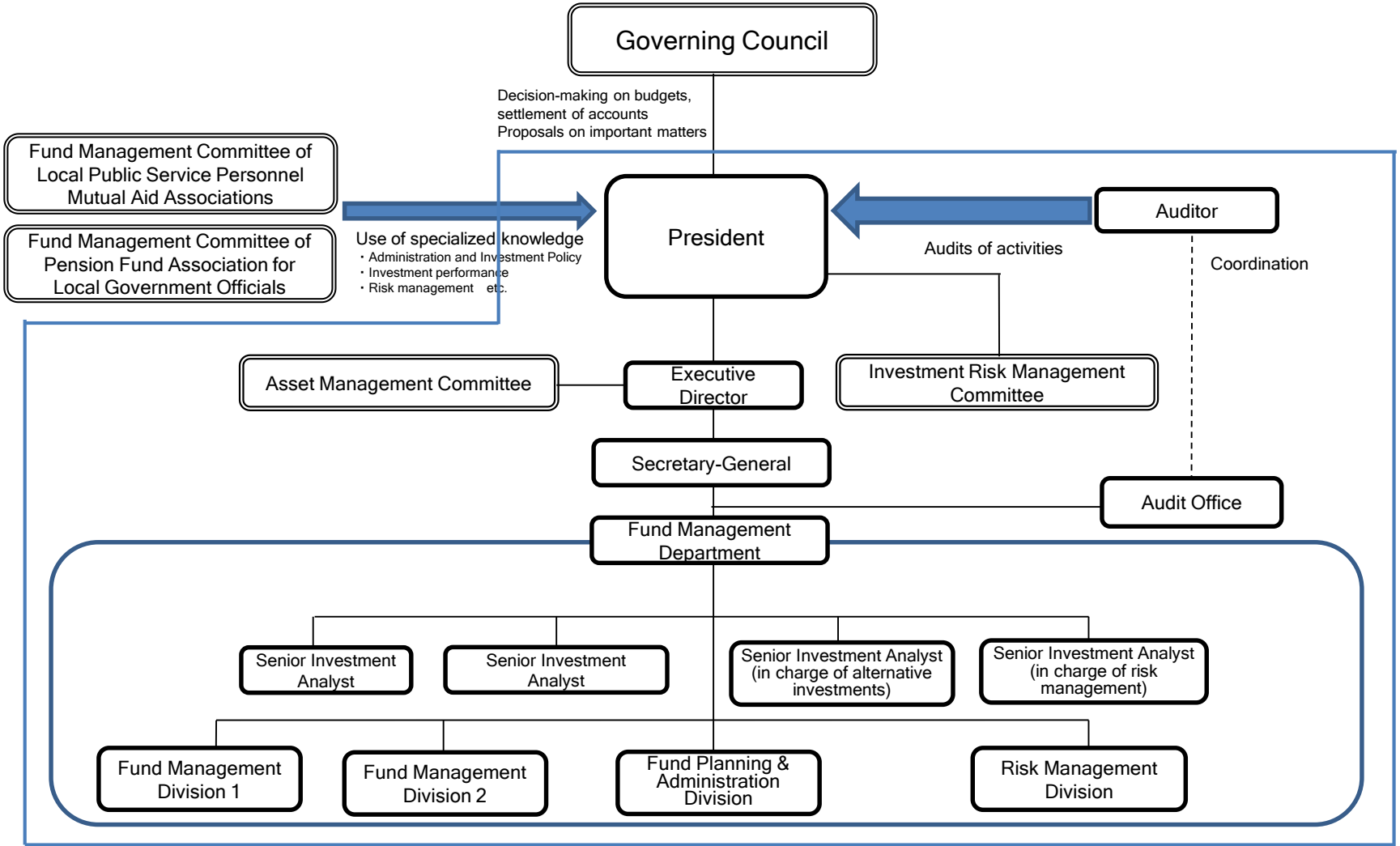
- Governing Council (Local Public Officers, etc. Mutual Aid Association Act Article 38-4 and Article 38-5)
Pension Fund Association for Local Government Officials
- Governing Council (Local Public Officers, etc. Mutual Aid Association Act, Article 6, Article 7, Article 8)
Prefectural Mutual Aid Secretary Office of the Mutual Aid Association of Prefectural Government Personnel; Japan Mutual Aid Association of Public School Teacher; Japan Police Personnel Mutual Aid Association
- Associations Committee (Local Public Officers, etc. Mutual Aid Association Act, Article 6, Article 9, Article 10)
Mutual Benefit Association for Tokyo Metropolitan Government Employees, Mutual Aid Associations for Designated City Municipal Personnel, Mutual Aid Associations for Municipal Personnel (other than Tokyo and designated cities), Mutual Aid Associations for City Municipal Personnel
- General Committee (Local Public Officers, etc. Mutual Aid Association Act, Article 30, Article 31, Article 32)
National Federation of Mutual Aid Associations for Municipal Personnel
- Management Board of Trustees (Local Public Officers, etc. Mutual Aid Association Act, Article 144-5, Article 144-6, Article 144-7)
Group Mutual Aid Department of Prefectural Mutual Aid Association

(2) Utilization of a committee of specialists

For specialized matters pertaining to the management and investment of implementing organization funds, including the formulation and modification of basic policy, Pension Fund Association for Local Government Officials and the associations, etc. utilize committees of specialists composed of individuals who possess academic knowledge or business experience in areas such as economics, finance, and fund investments.

(Reference) Pension Fund Association for Local Government Officials' Governance System

April 1th, 2016



Fund Management Committee of Local Public Service Personnel Mutual Aid Associations

○ Fund Management Committee of Local Public Service Personnel Mutual Aid Associations

Based on the Administration and Investment Policy for the Managed Fund for Employees' Pension Insurance Schemes (established on October 1, 2015), Administration and Investment Policy for Annuity Retirement Benefit Adjustment Fund (established on October 1, 2015), and Administration and Investment Policy for the Transitional Long-term Benefit Adjustment Fund (established on October 1, 2015), Pension Fund Association for Local Government Officials has established a Fund Management Committee of Local Public Service Personnel Mutual Aid Associations composed of individuals who possess academic and practical experience in such fields as economics, finance, and fund management, to examine technical matters pertaining to the management and investment of each of the funds (including management and investment of the Managed Fund, management and investment of Annuity Retirement Benefit Adjustment Fund (including management of the investments of Annuity Retirement Benefit Fund of the Mutual Aid Association of Prefectural Government Personnel, Japan Mutual Aid Association of Public School Teacher, Japan Police Personnel Mutual Aid Association, Mutual Benefit Association for Tokyo Metropolitan Government Employees, and National Federation of Mutual Aid Associations for Municipal Personnel ("the Associations Etc.")).) and management and investment of the Transitional Long-term Benefit Adjustment Fund (including management of the investment status of the Transitional Long-term Benefit Fund of the Associations Etc.).

List of Committee Members (As of April 2016)

Chairman	Wakasugi Takaaki	Director, Michigan University-Mitsui Life Financial Research Center
	Ide Eisaku	Professor, Keio University Faculty of Economics
	Kawakita Hidetaka	Kyoto University, Professor Emeritus
	Kita Kounosuke	Russell Investments Japan Co., Ltd. Executive consultant/Director, Consulting
	Takayama Yoshiko	J-Eurus IR Co., Ltd. Managing Director
	Takehara Hitoshi	Professor, Waseda Business School (Graduate School of Business and Finance)
	Tokushima Katsuyuki	NLI Research Institute Pension Research Center, Chief Pension Consultant
	Toshino Masashi	Adjunct Instructor, Waseda University Faculty of Commerce
	Hachisuka Kazuyo	Managing Director, Japan Economic Research Institute Inc.
	Fujisawa Kumi	President, Think Tank SophiaBank
	Morimoto Masahiro	All-Japan Prefectural and Municipal Workers Union General Manager, Central Executive Committee Bureau of Labor

• Deliberation matters

- ① Matters concerning configuration and revision of the model portfolio
- ② Matters concerning formulation and modification of Administration and Investment Policy
- ③ Matters concerning formulation and modification of risk management implementation policy
- ④ Matters concerning formulation and modification of investment policies for new eligible investment instruments
- ⑤ Other specialized matters concerning management and investment of each of the funds

• Reporting matters

- ① Investment performance
 - ② Status of risk management
 - ③ Investment status of new investments
 - ④ Status of strengthening and training of specialized human resources
 - ⑤ Other matters required by the committee concerning the management and investment of each of the funds
- For specialized matters concerning the management and investment of each of the funds, the committee can express its views concerning important matters through consultations with the president.

Section 2 Status of FY2015 Investments

Fiscal Year 2015 Market Environment (Full Year) ①

【Activity in each market (April 2015 - March 2016)】

- Domestic bonds:** The return on 10-year Japanese government bonds declined further (the stock price rose) because of a gradual downward trend driven by factors such as monetary expansion by the Bank of Japan, and the impact of the Bank of Japan's announcement at the end of January concerning the introduction of negative interest rates.
- Domestic equities:** Although a phase during which domestic stock prices rose because of factors such as expectations of improved corporate operating as a result of the yen's depreciation was seen as well, in addition to China's currency devaluation in August, risk aversion moves grew stronger because of concerns of a global slowdown after the start of the year, and stock prices fell.
- Foreign bonds:** Although the return on 10-year U.S. government bonds also rose (stock price declined) at the beginning of the fiscal year, the return has fallen since the new year (stock price rose). Although the return on 10-year German government bonds also rose (stock price declined) at the beginning of the fiscal year, the return has fallen since the new year (stock price rose).
- Foreign equities:** The prices of U.S. stocks fell in August, but throughout the fiscal year were nearly unchanged. German stocks retreated in the first half of fiscal year because of several factors, including a sense of uncertainty regarding circumstances in Greece, and although a phase of rising prices because of expectations of additional monetary expansion by the ECB was also seen, prices fell through the fiscal year.
- Foreign currency exchange rate:** During the first half of the fiscal year the dollar/yen exchange rate fluctuated around 120 yen. Following the Bank of Japan's announcement at the end of January that it would introduce a negative interest rate policy, a phase during which the yen weakened temporarily was evident, but amidst global moves to avoid risk the yen appreciated considerably. Following the increase in returns on German government bonds, the yen initially weakened and the euro rose, but because of a sense of uncertainty surrounding the situation in Greece and additional monetary expansion by the ECB, this shifted to appreciation of the yen/depreciation of the euro, and throughout the fiscal year the euro/yen exchange rate was nearly unchanged.

○ Benchmark returns

	April 2015 - March 2016
Domestic bonds NOMURA-BPI Overall	5.40%
Domestic equities TOPIX (including dividends)	-10.82%
Foreign bonds Citi World Government Bond Index (excluding Japan; no hedge, Japanese yen basis)	-2.74%
Foreign equities MSCI KOKUSAI (Japanese yen basis, including dividends) (April - September) MSCI ACWI (excluding Japan; Japanese yen basis, including dividends) (October - March)	-8.55%

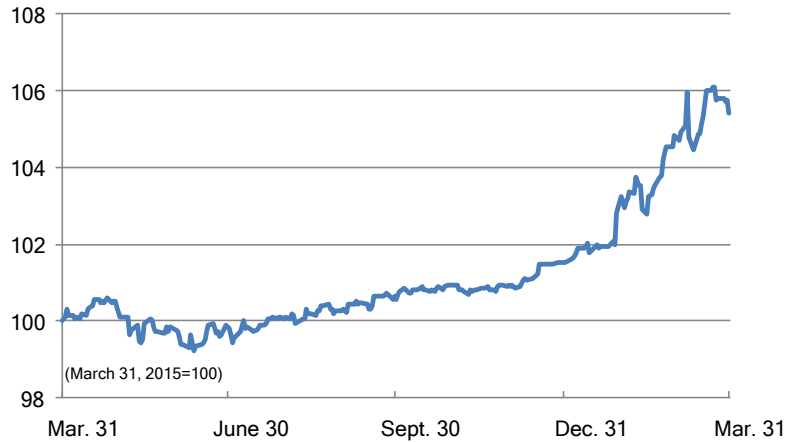
○ Reference indices

		March 31, 2015	June 31, 2015	September 30, 2015	December 31, 2015	March 31, 2016
Domestic bonds	(10-year government bond return) (%)	0.41	0.47	0.36	0.27	-0.03
	(TOPIX, no dividends) (Points)	1543.11	1630.40	1411.16	1547.30	1347.20
Domestic equities	(Nikkei Stock Average) (Yen)	19206.99	20235.73	17388.15	19033.71	16758.67
	(10-year U.S. government bond return) (%)	1.92	2.35	2.04	2.27	1.77
Foreign bonds	(10-year German government bond return) (%)	0.18	0.76	0.59	0.63	0.15
	(NY Dow-Jones) (US \$)	17776.12	17619.51	16284.70	17425.03	17685.09
Foreign equities	(German DAX) (Points)	11966.17	10944.97	9660.44	10743.01	9965.51
	(Dollar/Yen) (Yen)	119.90	122.36	119.78	120.24	112.39
Exchange rates	(Euro/Yen) (Yen)	128.80	136.32	133.73	130.70	128.07

Fiscal Year 2015 Market Environment (Full Year) ②

Changes in benchmark indices (FY2015 full year)

【Domestic bonds】



【Foreign bonds】



【Domestic equities】



【Foreign equities】

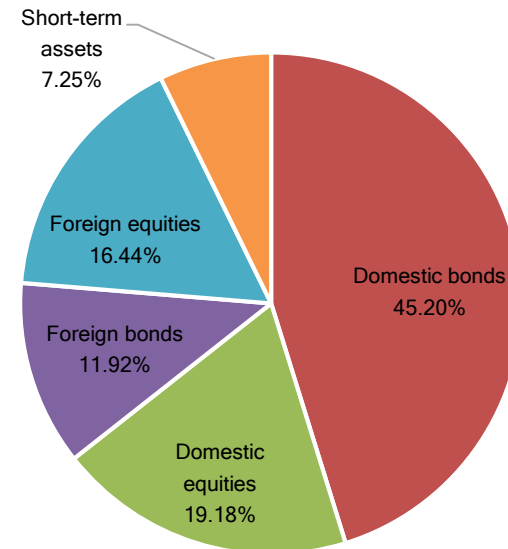


Portfolio Allocation by Asset Category

(Unit: 100 mil. yen, %)

	FY2015 year-end	
	Asset Value	Portfolio Allocations
Domestic bonds	88,456	45.20
Domestic equities	37,538	19.18
Foreign bonds	23,330	11.92
Foreign equities	32,176	16.44
Short-term assets	14,197	7.25
Total	195,697	100.00

FY2015 year-end Portfolio Allocations by Investment Asset



(Note 1) The benchmark portfolio is domestic bonds 35% ($\pm 15\%$), domestic equities 25% ($\pm 14\%$), foreign bonds 15% ($\pm 6\%$) and foreign equities 25% ($\pm 12\%$) (Figures in parentheses are deviation tolerance).

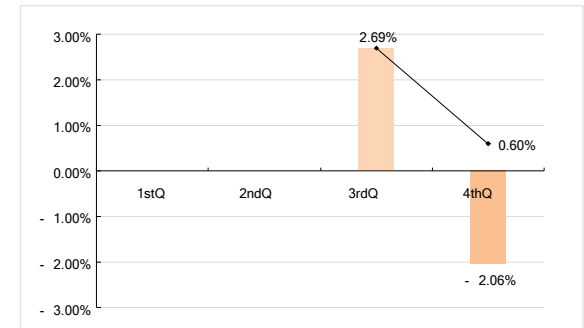
(Note 2) The total of the individual figures shown above might not agree with the total because of rounding.

Fiscal Year 2015 Employees' Pension Insurance Benefit Fund: Return on Investments

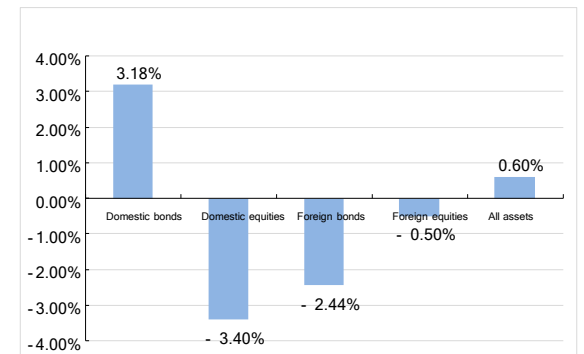
- The modified total return for fiscal year 2015 (second half) was 0.60%. The realized return was 1.67%.
- The modified total return in the third quarter was 2.69%; the modified total return in the fourth quarter was -2.06%.
- The modified total return by asset were 3.18% for domestic bonds, -3.40% for domestic equities, -2.44% for foreign bonds, and -0.50% for foreign equities.

(Unit: %)

	Fiscal Year 2015				
	1st Q	2nd Q	3rd Q	4th Q	FY total
Realized return			1.03	0.64	1.67
Modified total return			2.69	-2.06	0.60



	Fiscal Year 2015				
	1st Q	2nd Q	3rd Q	4th Q	FY total
Modified total return			2.69	-2.06	0.60
Domestic bonds			0.69	2.55	3.18
Domestic equities			9.60	-11.38	-3.40
Foreign bonds			-1.33	-1.13	-2.44
Foreign equities			5.26	-4.97	-0.50



(Note 1) Returns since October 2015, when the pension system was integrated with Employees' Pension Insurance System.

(Note 2) "3rd Q" and "4th Q" are period rate. "Fiscal year total" is the period rate for the second half of fiscal year 2015.

(Note 3) The returns are after deduction of fees.

(Note 4) The modified total return is the realized return tempered for changes to valuation gains and losses based on current market value.

(Reference) Fiscal Year 2015 Long-term Benefit Fund: Return on Investments

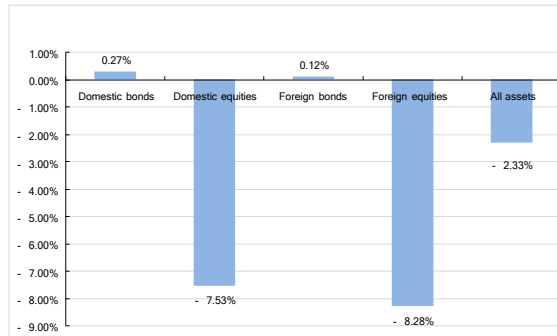
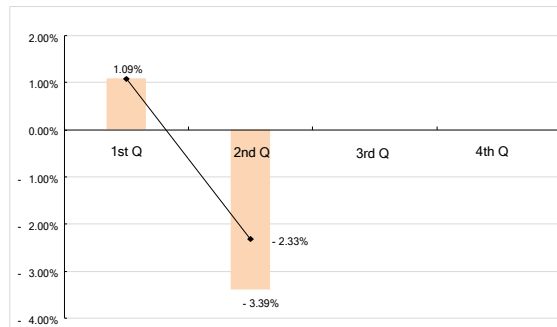
- The modified total return for fiscal year 2015 (first half) was -2.33%. The realize return was 2.20%.
- The modified total return for the 1st quarter was 1.09%, while the modified total return for the 2nd quarter was -3.39%.
- By type of asset, the modified total return for domestic bonds was 0.27%, and for domestic equities came to -7.53%, -0.12% for foreign government bonds and -8.28% for foreign equities.

(Unit: %)

	Fiscal year 2015 (mutual-aid pension system)		
	1st Q	2nd Q	1st half
Realize return	0.97	1.23	2.20
Modified total return	1.09	-3.39	-2.33

(Unit: %)

	Fiscal year 2015 (mutual-aid pension system)		
	1st Q	2nd Q	1st half
Modified total return	1.09	-3.39	-2.33
Domestic bonds	-0.18	0.46	0.27
Domestic equities	5.78	-12.57	-7.53
Foreign bonds	-0.48	0.55	0.12
Foreign equities	1.62	-9.65	-8.28



(Note 1) The return of mutual pension system assets before the pension system was integrated with Employees' Pension Insurance System.

(Note 2) "1st Q" and "2nd Q" are period rate. "Fiscal year total" is the period rate for the first half of fiscal 2015.

(Note 3) The returns are after deduction of fees.

(Note 4) The modified total return is the realized return tempered for changes to valuation gains and losses based on current market value.

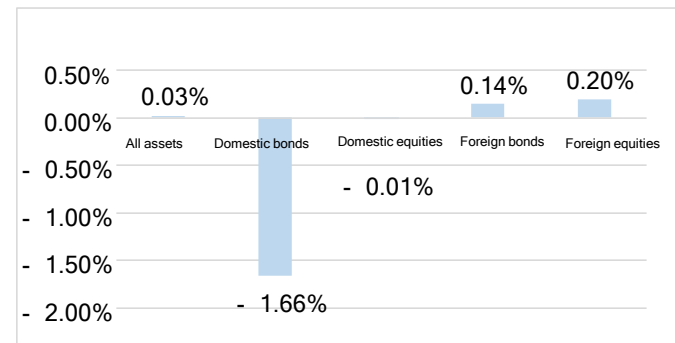
Fiscal Year 2015 (Second Half) Excess Return

- All assets: The modified total return was 0.60%, and the excess return was 0.03%.
With the ratio of domestic bonds in the asset allocation maintained at a higher percentage than in the benchmark portfolio, returns on domestic bonds in the investment results by individual assets fell below the benchmark and were a negative factor, but the decline in the domestic and foreign stock markets and ongoing appreciation of the yen in the foreign exchange market had a positive effect on returns. As a result, the excess return was slightly positive.
- Domestic bonds: The modified total return was 3.18 %, and the excess return was -1.66%.
The duration of the domestic bonds in the funds was shorter than that of the benchmark, and the percentage increase in stock prices from the return decline was below the benchmark. As a result, the excess return was negative.
- Domestic equities: The modified total return was -3.40%, and the excess return was -0.01%.
The percentage decline in prices of the stocks held in the portfolio fell below the benchmark, as the domestic stock market fell against the backdrop of the yen's appreciation in the foreign exchange market. As a result, of the excess return was slightly negative.
- Foreign bonds: The modified total return was -2.44 %, and the excess return was 0.14%.
The duration of the foreign bonds in the funds was maintained at the benchmark level, and the percentage increase in stock prices from the return decline also paralleled the benchmark. As a result, the excess return was slightly positive.
- Foreign equities: The modified total return was -0.50%, and the excess return was 0.20%.
As stock markets fell globally, the allocation of consumer-related firm stocks and public utility stocks, which are less susceptible to the influence of economic fluctuations, was maintained at a level higher than the benchmark. The percentage decline of stock prices was also held within a smaller range than that of the benchmark. As a result, the excess return was positive.

FY2015 (October 2015 - March 2016)

	All assets	Domestic bonds	Domestic equities	Foreign bonds	Foreign equities
Modified total return	0.60%	3.18%	-3.40%	-2.44%	-0.50%
Benchmark return	0.57%	4.84%	-3.39%	-2.58%	-0.69%
Excess return	0.03%	-1.66%	-0.01%	0.14%	0.20%

Excess return



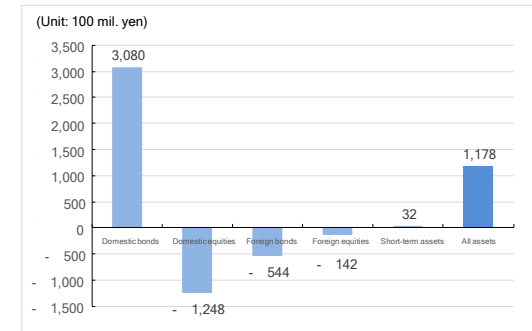
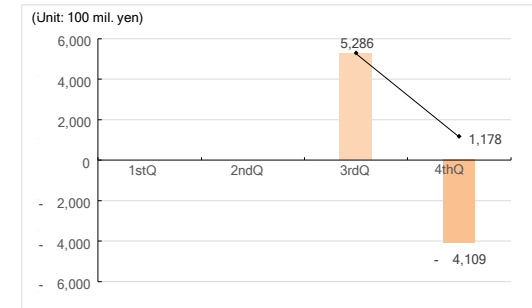
Fiscal Year 2015 Employees' Pension Insurance Benefit Fund: Investment Income

- The investment incomes for fiscal year 2015 (second half) were ¥117.8 billion . Furthermore, the realized income were ¥298.1 billion.
- The investment incomes in the third quarter were ¥528.6 billion, while the investment income for the fourth quarter came to -¥410.9 billion.
- The investment incomes by asset were ¥308 billion for domestic bonds, -¥124.8 billion for domestic equities, -¥54.4 billion for foreign bonds, and -¥14.2 billion for foreign equities.

(Unit: 100 mil. yen)

	Fiscal Year 2015				
	1st Q	2nd Q	3rd Q	4th Q	FY total
Realized income			1,842	1,139	2,981
Investment income			5,286	-4,109	1,178

	Fiscal Year 2015				
	1st Q	2nd Q	3rd Q	4th Q	FY total
Investment income			5,286	-4,109	1,178
Domestic bonds			695	2,385	3,080
Domestic equities			3,400	-4,648	-1,248
Foreign bonds			-287	-258	-544
Foreign equities			1,417	-1,558	-142
Short-term assets			62	-30	32



(Note 1) Incomes since October 2015, when the pension system was integrated with Employees' Pension Insurance System.

(Note 2) "Fiscal year total" is the income for the second half of fiscal year 2015.

(Note 3) The incomes are after deduction of fees.

(Note 4) The investment incomes are the realized income tempered for changes to valuation gains and losses based on current market value.

(Note 5) The total of the individual figures shown above might not agree with the total because of rounding.

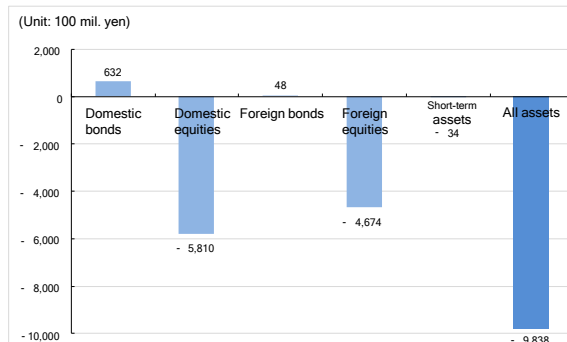
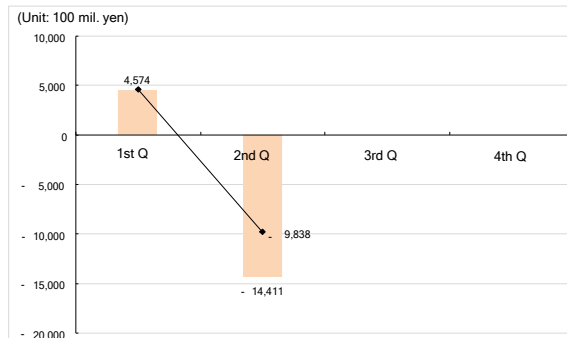
(Reference) Fiscal year 2015 Long-term Benefit Fund: Investment Income

- The investment incomes for fiscal year 2015 (first half) were ¥983.8 billion. Furthermore, the realize returns were ¥806.4 billion.
- The investment incomes for the first quarter were ¥457.4 billion, while investment incomes for the second quarter came to – ¥1,441.1 billion.
- The investment incomes by asset came to ¥63.2 billion for domestic bonds, –¥581.0 billion for domestic equities, ¥4.8 billion for foreign bonds and –¥467.4 billion for foreign equities.

(Unit: 100 mil. yen)

	Fiscal year 2015 (mutual-aid pension system)		
	1st Q	2nd Q	1st half
Realize returns	3,553	4,512	8,064
Investment incomes	4,574	-14,411	-9,838

	Fiscal year 2015 (mutual-aid pension system)		
	1st Q	2nd Q	1st half
Investment incomes	4,574	-14,411	-9,838
Domestic bonds	-417	1,049	632
Domestic equities	4,397	-10,206	-5,810
Foreign bonds	-185	233	48
Foreign equities	895	-5,569	-4,674
Short-term assets	-115	81	-34



(Note 1) The mutual pension system income before the pension system was integrated with Employees' Pension Insurance System.

(Note 2) The incomes are after deduction of fees.

(Note 3) The investment incomes are the realized incomes tempered for changes to valuation gains and losses based on current market value.

(Note 4) The total of the individual figures shown above might not agree with the total because of rounding.

Fiscal Year 2015 Employees' Pension Insurance Benefit Fund: Value of Assets

(Unit: 100 mil. yen)

	Fiscal Year 2015											
	End of 1st Q			End of 2nd Q			End of 3rd Q			Fiscal year-end		
	Book value	Market value	Valuation gains/losses	Book value	Market value	Valuation gains/losses	Book value	Market value	Valuation gains/losses	Book value	Market value	Valuation gains/losses
Domestic bonds							92,914	97,590	4,676	82,684	88,456	5,772
Domestic equities							31,783	39,734	7,951	34,392	37,538	3,146
Foreign bonds							21,205	22,151	945	22,816	23,330	514
Foreign equities							21,645	29,475	7,830	26,101	32,176	6,074
Short-term assets							9,181	9,180	-0	14,199	14,197	-2
Total							176,727	198,129	21,402	180,193	195,697	15,504

(Note 1) Investment asset amounts since October 2015, when the pension system was integrated with Employees' Pension Insurance System.

(Note 2) The total of the individual figures shown above might not agree with the total because of rounding.

(Reference) Fiscal Year 2015 Long-term Benefit Fund: Value of Assets

(Unit: 100 mil. yen)

	Fiscal year 2015 (mutual-aid pension system)					
	End of 1st Q			End of 2nd Q		
	Book value	Market value	Valuation gains/losses	Book value	Market value	Valuation gains/losses
Domestic bonds	221,468	231,722	10,254	211,104	220,942	9,838
Domestic equities	57,163	79,802	22,640	59,610	70,599	10,989
Foreign bonds	34,426	38,460	4,034	40,949	44,039	3,090
Foreign equities	35,569	56,061	20,492	39,879	53,852	13,973
Short-term assets	15,061	15,063	3	22,481	22,535	55
Total	363,686	421,109	57,423	374,022	411,968	37,945

(Note 1) Value of mutual pension system assets before the pension system was integrated with the Employees' Pension Insurance System.

(Note 2) The total of the individual figures shown above might not agree with the total because of rounding.

Fiscal Year 2015 Employees' Pension Insurance Benefit Fund: Fees

(Unit: 100 mil. yen, %)

	Fiscal Year 2015			
	1st half		1st half	
	Fees	Fee rate	Fees	Fee rate
Domestic bonds			14	0.02
Domestic equities			17	0.05
Foreign bonds			7	0.03
Foreign equities			15	0.05
All assets			53	0.04

(Note 1) Fees= Fees (Second half)/Month-end market price average balance

(Note 2) Investment asset amounts since October 2015, when the pension system was integrated with the Employees' Pension Insurance System.

(Note 3) Fees are management fees and custodian fees pertaining to outsourced investments.

(Reference) Fiscal Year 2015 Long-term Benefit Fund: Fees

(Unit: 100 mil. yen, %)

	Fiscal year 2015 (mutual-aid pension system)	
	1st half	
	Fees	Fee rate
Domestic bonds	28	0.02
Domestic equities	31	0.04
Foreign bonds	17	0.04
Foreign equities	32	0.06
All assets	108	0.03

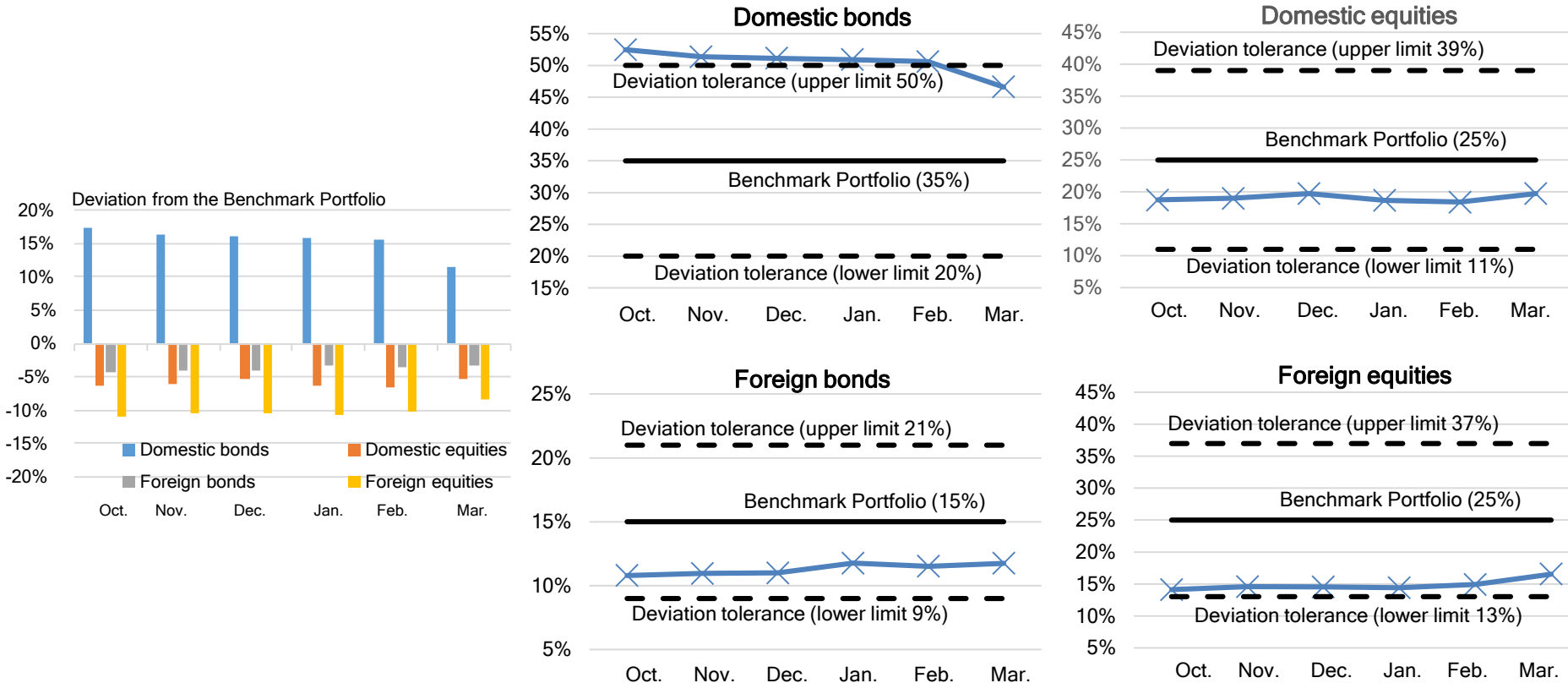
(Note 1) Fees = Fees (First half)/Month-end market price average balance

(Note 2) Mutual pension system income before the pension system was integrated with the Employees' Pension Insurance System.

(Note 3) Fees are management fees and custodian fees pertaining to outsourced investments.

Status of Risk Management ①

- Each Local Public Service Personnel Mutual Aid Association implemented the necessary adjustments during the second half of fiscal year 2015 to keep the allocations of each asset in its portfolio within the range of the Benchmark Portfolio deviation tolerance.



Status of Risk Management ②

- The estimated tracking error on the entire Funds was 2.84 %.
- With regard to duration, foreign bonds were nearly level with the benchmark, but compared with the benchmark domestic bonds were -1.66% The reason is that at some associations, the duration of domestic bonds is being maintained rather short against the benchmark.
- Beta is nearly 1, and the portfolio of each Local Public Service Personnel Mutual Aid Associations is closely synchronized with the market.

Fiscal year 2015 year-end estimated tracking error

Fund	2.84%
Domestic bonds	0.64%
Domestic equities	0.51%
Foreign bonds	0.52%
Foreign equities	0.41%

FY2015 year-end duration

	Domestic bonds	Foreign bonds
Fund	7.08	6.87
Benchmark	8.74	6.85
Difference	-1.66	0.02

FY2015 year-end beta

	Domestic equities	Foreign equities
Beta	1.02	0.99

Section 3 Reference Data

(Reference) Table of Invested Asset Amounts by Outsourced Investment Institution (Pension Fund Association for Local Government Officials) ①

Pension Fund Association for Local Government Officials

Table of Invested Asset Amounts by Outsourced Investment Institution (Fiscal 2015 year-end aggregate market value) ①

(Unit: 100 mil. yen)

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value
Domestic bonds Active	Amundi Japan I.td.	BPI Overall	777
	MU Investments Co., Ltd.	BPI Overall	2,075
	Tokio Marine Asset Management Co., Ltd.	BPI Overall	413
	Nissay Asset Management Corporation	-	51
	Nomura Asset Management Co., Ltd.	BPI Overall	207
	PIMCO Japan I.td.	BPI Overall	208
	Baring Asset Management (Japan) I.td.	BPI Overall	208
	Manulife Asset Management (Japan) I.td.	BPI Overall	207
	Mizuho Trust & Banking Co., Ltd.	BPI Overall	309
	Mizuho Asset Management Co., Ltd.	BPI Overall	309
Domestic bonds Enhanced	Sumitomo Mitsui Trust Bank, Ltd.	BPI Overall	414
	Sumitomo Mitsui Trust Bank, Ltd.	BPI Overall	1,361
	Mitsubishi UFJ Trust and Banking Corp.	BPI Overall	2,182
Domestic bonds Passive	Resona Bank, Ltd.	BPI Overall	1,252
	In-house investment (agency bonds)	-	15,720
	In-house investment (Fund 1)	-	4,912
	In-house investment (Fund 2)	BPI Overall	11,361
Domestic bonds Alternative	In-house investment (Inflation-indexed Japanese Government Bonds)	-	1,107
Domestic bonds Alternative	Resona Bank, Ltd. (Real estate)	-	100

Management methodology	Asset management institution name	Aggregate market value
Asset management	Mizuho Trust & Banking Co., Ltd.	9,989
	Sumitomo Mitsui Trust Bank, Ltd.	22,074
	Mitsubishi UFJ Trust and Banking Corp.	43,071
	Resona Bank, Ltd.	19,285

(Note 1) Outsourced investment institutions entrusted with more than one investment that utilizes the same investment methodology are shown in order by start of investment, using a Roman numeral following the investment name.

(Note 2) The aggregate market values of outsourced investment institutions and asset management institutions include short-term assets.

(Note 3) The aggregate market values of asset management institutions exclude uncollected income etc. from terminated funds.

(Note 4) Enhanced is positioned between active and passive, and seeks to stably exceed the market average return while restraining divergence from the market average return.

(Note 5) A hyphen ("-") in the manager benchmark column indicates that a manager benchmark has not been set.

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value	
Domestic equities Active	Asahi Life Asset Management Co., Ltd.	TOPIX	581	
	Allianz Global Investors Japan Co., Ltd.	TOPIX	102	
	Wellington Management Japan Pte. Ltd.	S&P-J-S	105	
	MU Investments Co., Ltd.	-	93	
	Capital International K.K.	TOPIX	98	
	Goldman Sachs Asset Management Co., Ltd.	TOPIX	173	
	State Street Global Advisors (Japan) Co., Ltd.	State-J MV	206	
	Sompo Japan Nipponkoa Asset Management Co., Ltd. I	TOPIX	1,312	
	Sompo Japan Nipponkoa Asset Management Co., Ltd. II	SNAM	101	
	DIAM Co., Ltd. I	TOPIX	394	
	DIAM Co., Ltd. II	RN-S	115	
	DIAM Co., Ltd. III	TOPIX	169	
	Daiwa SB Investments Ltd.	-	100	
	Tokio Marine Asset Management Co., Ltd. I	TOPIX	865	
	Tokio Marine Asset Management Co., Ltd. II	TOPIX400	117	
	Nikko Asset Management Co., Ltd.	-	110	
	Nissay Asset Management Corporation I	TOPIX	180	
	Nissay Asset Management Corporation II	TOPIX	98	
	Nomura Asset Management Co., Ltd.	TOPIX	559	
	BNY Mellon Asset Management Japan Limited	RN-S	120	
	Fidelity Investments (Japan) Limited	TOPIX	112	
	BlackRock Japan Co., Ltd. I	TOPIX	116	
	BlackRock Japan Co., Ltd. II	TOPIX	170	
	Mizuho Trust & Banking Co., Ltd.	-	107	
	Mizuho Asset Management Co., Ltd.	TOPIX	332	
	Sumitomo Mitsui Asset Management Co., Ltd. I	TOPIX	357	
	Sumitomo Mitsui Asset Management Co., Ltd. II	TOPIX	86	
	Sumitomo Mitsui Trust Bank, Ltd. I	TOPIX	636	
	Sumitomo Mitsui Trust Bank, Ltd. II	TOPIX	123	
	Sumitomo Mitsui Trust Bank, Ltd. III	FTSE GWA-J	166	
	Sumitomo Mitsui Trust Bank, Ltd. IV	TOPIX	170	
	Mitsubishi UFJ Trust and Banking Corp. I	TOPIX	316	
	Mitsubishi UFJ Trust and Banking Corp. II	MSCL-J MV	192	
	Meiji Yasuda Asset Management Co., Ltd.	TOPIX	101	
	Resona Bank, Ltd. I	FTSE RAFI-J	168	
	Resona Bank, Ltd. II	TOPIX	173	
	Domestic equities Passive	Mizuho Trust & Banking Co., Ltd. I	TOPIX	2,616
		Mizuho Trust & Banking Co., Ltd. II	RN-P	361
		Sumitomo Mitsui Trust Bank, Ltd. I	TOPIX	3,207
		Sumitomo Mitsui Trust Bank, Ltd. II	JPX400	382
		Sumitomo Mitsui Trust Bank, Ltd. III	MSCL-J	354
		Mitsubishi UFJ Trust and Banking Corp.	TOPIX	2,827
		Resona Bank, Ltd. I	TOPIX	3,041
		Resona Bank, Ltd. II	JPX400	365

* Outsourced investment institutions and asset management institutions are shown in syllabary order.

(Reference) Table of Invested Asset Amounts by Outsourced Investment Institution (Pension Fund Association for Local Government Officials) ②

Pension Fund Association for Local Government Officials

Table of Invested Asset Amounts by Outsourced Investment Institution (Fiscal 2015 year-end aggregate market value) ②

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name (Subcontractor)	Manager · benchmark abbreviation	Aggregate market value	
Foreign bonds Active	Invesco Asset Management (Japan) Ltd.	WGBI	927	
	Goldman Sachs Asset Management Co., Ltd.	Barclays	191	
	Sompo Japan Nipponkoa Asset Management Co., Ltd. (Colchester Global Investors Limited)	WGBI	186	
	DIAM Co., Ltd. (Janus Capital Management LLC)	Barclays	188	
	Daiwa SB Investments Ltd. (T. T. Rowe Price International Limited)	WGBI	190	
	Tokio Marine Asset Management Co., Ltd. (Tokio Marine Rogge Asset Management Ltd.)	WGBI	591	
	Nomura Asset Management Co., Ltd. I	WGBI	1,208	
	Nomura Asset Management Co., Ltd. II	Nomura RAFI	190	
	PIMCO Japan Ltd.	WGBI	192	
	Fidelity Investments (Japan) Limited	Barclays	192	
	BlackRock Japan Co., Ltd.	WGBI	376	
	Prudential Investment Management Japan Co., Ltd.	Barclays	190	
	Mizuho Asset Management Co., Ltd.	WGBI	192	
	Sumitomo Mitsui Trust Bank, Ltd. (Pictet Asset Management (Japan) Ltd.)	WGBI	190	
	Morgan Stanley Investment Management (Japan) Co., Ltd.	WGBI	128	
	UBS Asset Management (Japan) Ltd.	WGBI	122	
	Resona Bank, Ltd.	WGBI	474	
	Foreign bonds Enhanced	Sumitomo Mitsui Trust Bank, Ltd.	WGBI	1,399
		Mitsubishi UFJ Trust and Banking Corp.	WGBI	1,094
		Resona Bank, Ltd.	WGBI	1,463
Foreign bonds Passive	Mizuho Trust & Banking Co., Ltd.	WGBI	475	
	Sumitomo Mitsui Trust Bank, Ltd.	WGBI	475	
	Mitsubishi UFJ Trust and Banking Corp.	WGBI	475	
	Resona Bank, Ltd.	WGBI	719	

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name (Subcontractor)	Manager · benchmark abbreviation	Aggregate market value	
Foreign equities Active	Wellington Management Japan Pte. Ltd.	MSCI-A	225	
	Goldman Sachs Asset Management Co., Ltd.	MSCI-K	550	
	Schroder Investment Management (Japan) Ltd.	MSCI-E	66	
	Sompo Japan Nipponkoa Asset Management Co., Ltd.	MSCI-K	232	
	DIAM Co., Ltd. (Robeco Institutional Asset Management B.V.)	MSCI-E	76	
	Nissay Asset Management Corporation (PanAgora Asset Management, Inc.)	MSCI-K	218	
	Pictet Asset Management (Japan) Ltd.	MSCI-A	222	
	Principal Global Investors (Japan) Ltd.	MSCI-A	219	
	Manulife Asset Management (Japan) Ltd.	MSCI-A	222	
	Mizuho Asset Management Co., Ltd. (Wells Capital Management, Inc.)	MSCI-K	209	
	Sumitomo Mitsui Asset Management Co., Ltd. (Vontobel Asset Management Inc.)	MSCI-E	78	
	Sumitomo Mitsui Trust Bank, Ltd. (INTECH Investment Management LLC)	MSCI-A	218	
	Mitsubishi UFJ Trust and Banking Corp. I	MSCI-K	232	
	Mitsubishi UFJ Trust and Banking Corp. II (Baillie Gifford Overseas Limited)	MSCI-A	345	
	Meiji Yasuda Asset Management Co. Ltd. (Allianz Global Investors Japan Co., Ltd.)	MSCI-K	242	
	Robeco Japan Company Limited	MSCI-A	226	
	Foreign equities Passive	State Street Global Advisors (Japan) Co., Ltd.	MSCI-A	3,437
		Sumitomo Mitsui Trust Bank, Ltd.	MSCI-A	3,642
		Mitsubishi UFJ Trust and Banking Corp.	MSCI-K	3,469
		Resona Bank, Ltd.	MSCI-A	3,222

(Note 1) Outsourced investment institutions entrusted with more than one investment that utilizes the same investment methodology are shown in order by start of investment, using a Roman numeral following the investment name.

(Note 2) The aggregate market values of outsourced investment institutions and asset management institutions include short-term assets.

(Note 3) The aggregate market values of asset management institutions exclude uncollected income etc. from terminated funds.

(Note 4) Enhanced is positioned between active and passive, and seeks to stably exceed the market average return while restraining divergence from the market average return.

(Note 5) A hyphen ("-") in the manager benchmark column indicates that a manager benchmark has not been set.

* Outsourced investment institutions and asset management institutions are shown in syllabary order.

(Reference) Table of Invested Asset Amounts by Outsourced Investment Institution (The Mutual Aid Association of Prefectural Government Personnel)

The Mutual Aid Association of Prefectural Government Personnel (including Group Mutual Aid Department) Table of Invested Asset Amounts by Outsourced Investment Institution (Fiscal 2015 year-end aggregate market value)

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager - benchmark abbreviation	Aggregate market value
Domestic bonds Passive	Resona Bank, Ltd.	BPI Overall	639

Note: The Mutual Aid Association of Prefectural Government Personnel is domestic bonds only

(Unit: 100 mil. yen)

Management methodology	Asset management institution name	Aggregate market value
Asset management	Resona Bank, Ltd.	639

(Reference) Table of Invested Asset Amounts by Outsourced Investment Institution (Japan Mutual Aid Association of Public School Teacher) ①

Japan Mutual Aid Association of Public School Teacher

Table of Invested Asset Amounts by Outsourced Investment Institution (Fiscal 2015 year-end aggregate market value) ①

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value
Domestic bonds Active	Amundi Japan Ltd. (*1)	BPI Overall	163
	MU Investments Co., Ltd. (*2)	BPI Overall	988
	Tokio Marine Asset Management Co., Ltd. (*2)	BPI Overall	109
	Nikko Asset Management Co., Ltd. (*1)	BPI Overall	173
	Prudential Investment Management Japan Co., Ltd. (*2)	BPI Overall	111
	Mizuho Asset Management Co., Ltd. (*1)	BPI Overall	717
	Sumitomo Mitsui Trust Bank, Ltd. (*1)	BPI Overall	549
	Meiji Yasuda Asset Management Co. Ltd. (*1)	BPI Overall	168
Domestic bonds Passive	Mizuho Trust & Banking Co., Ltd. (*1)	BPI Overall	354
	Sumitomo Mitsui Trust Bank, Ltd. (*1)	BPI Overall	910
	Mitsubishi UFJ Trust and Banking Corp. (*1)	BPI Overall	1,086
	Resona Bank, Ltd. (*1)	BPI Overall	615
Domestic bonds Others (note)	In-house investment (*2)	-	2,063
	Nomura Asset Management Co., Ltd. (*2)	-	2,217
	Sumitomo Mitsui Trust Bank, Ltd. (*2)	-	1,332

(Note 1) Balanced fund aggregate market value is the aggregate market value of domestic equities (Excluding short-term assets)

(Note 2) Specialized-type fund aggregate market value is the aggregate market value of domestic bonds + short-term assets.

(Note) No benchmark set

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value	
Domestic equities Active	Goldman Sachs Asset Management Co., Ltd. (Note 1), (*2)	TOPIX	52	
	State Street Global Advisors (Japan) Co., Ltd. (Note 1), (*2)	TOPIX	52	
	Sompo Japan Nipponkoa Asset Management Co., Ltd. (Note 1), (*2)	TOPIX	100	
	DIAM Co., Ltd. I (*2)	TOPIX	65	
	DIAM Co., Ltd. II (Note 1), (*2)	RN-S	103	
	Daiwa SB Investments Ltd. (*2)	TOPIX	490	
	Nikko Asset Management Co., Ltd. (*1)	TOPIX	103	
	Nissay Asset Management Corporation (*2)	TOPIX	50	
	Fidelity Investments (Japan) Limited (Note 1), (*2)	TOPIX	108	
	BNY Mellon Asset Management Japan Limited (Note 1), (*2)	RN-S	109	
	Mizuho Asset Management Co., Ltd. I (*1)	TOPIX	148	
	Mizuho Asset Management Co., Ltd. II (Note 1), (*2)	TOPIX	102	
	Sumitomo Mitsui Trust Bank, Ltd. I (*1)	TOPIX	505	
	Sumitomo Mitsui Trust Bank, Ltd. II (*2)	TOPIX	50	
	Meiji Yasuda Asset Management Co. Ltd. (Note 1), (*1)	TOPIX	101	
	Domestic equities Passive	BlackRock Japan Co., Ltd. (*1)	MSCI-J	189
		Mizuho Trust & Banking Co., Ltd. (*1)	TOPIX	622
Sumitomo Mitsui Trust Bank, Ltd. (*1)		TOPIX	191	
Mitsubishi UFJ Trust and Banking Corp. (*1)		TOPIX	356	
Resona Bank, Ltd. (*1)		JPX400	206	

(Note 1) Start of new investment in February 2016

(*1) Balanced fund aggregate market value is the aggregate market value of domestic equities (Excluding short-term assets)

(*2) Specialized-type fund aggregate market value is the aggregate market value of domestic equities + short-term assets

* Outsourced investment institutions and asset management institutions are shown in syllabary order.

(Reference) Table of Invested Asset Amounts by Outsourced Investment Institution (Japan Mutual Aid Association of Public School Teacher) ②

Japan Mutual Aid Association of Public School Teacher

Table of Invested Asset Amounts by Outsourced Investment Institution (Fiscal 2015 year-end aggregate market value) ②

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value
Foreign bonds Active	AllianceBernstein L.P. (Note 1), (*2)	Barclays	200
	Wellington Management Japan Pte Ltd. (*2)	WGBI	96
	Goldman Sachs Asset Management Co., Ltd. (Note 2), (*2)	Barclays	99
	PIMCO Japan Ltd. (*2)	WGBI	160
	Mizuho Asset Management Co., Ltd. (*1)	WGBI	303
Foreign bonds Passive	BlackRock Japan Co., Ltd. (*1)	WGBI	416
	Mizuho Trust & Banking Co., Ltd. (*1)	WGBI	787
	Sumitomo Mitsui Trust Bank, Ltd. (*1)	WGBI	569

(Note 1) Start of new investment in February 2016

(Note 2) Until January 2016, the benchmark was the Citi World Government Bond Index (excluding Japan; unhedged, yen base); in February 2016 the benchmark was changed to the Barclays Global Aggregate Index (excluding Japanese yen; unhedged, yen base)

(*1) Balanced fund aggregate market value is the aggregate market value of foreign bonds (Excluding short-term assets)

(Unit: 100 mil. yen)

Management methodology	Asset management institution name	Aggregate (*) market value
Asset management	Mizuho Trust & Banking Co., Ltd.	4,924
	Sumitomo Mitsui Trust Bank, Ltd.	5,748
	Mitsubishi UFJ Trust and Banking Corp.	8,230
	Resona Bank, Ltd.	2,654

(*) Aggregate market value is the total of each invested asset + short-term assets

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value
Foreign equities Active	Amundi Japan Ltd. (*1)	MSCI-K	127
	Wellington Management Japan Pte Ltd. (Note 1), (*2)	MSCI-A	108
	MFS Investment Management K.K. (*2)	MSCI-K	69
	Nomura Asset Management Co., Ltd. (*2)	MSCI-K	73
	Nomura Asset Management Co., Ltd. (Note 1), (*2)	MSCI-A	105
	Sumitomo Mitsui Trust Bank, Ltd. (*1)	MSCI-K	368
	Mitsubishi UFJ Trust and Banking Corp. I (*2)	MSCI-K	401
	Mitsubishi UFJ Trust and Banking Corp. II (Note 1), (*2)	MSCI-A	109
	Meiji Yasuda Asset Management Co. Ltd. (*1)	MSCI-K	70
	Mizuho Trust & Banking Co., Ltd. (*1)	MSCI-K	1,123
Foreign equities Passive	Sumitomo Mitsui Trust Bank, Ltd. (*1)	MSCI-K	376
	Mitsubishi UFJ Trust and Banking Corp. (*1)	MSCI-K	456
	Resona Bank, Ltd. (Note 2), (*1)	MSCI-E	221

(Note 1) Start of new investment in February 2016

(Note 2) Until January 2016, the benchmark was MSCI KOKUSAI (yen base, including dividends); in February 2016 the benchmark was changed to MSCI Emerging Markets (yen base, including dividends)

(*1) Balanced fund aggregate market value is the aggregate market value of foreign bonds (Excluding short-term assets)

(*2) The specialized fund aggregate market value is the aggregate market value of foreign equities + short-term assets

* Outsourced investment institutions and asset management institutions are shown in syllabary order.

(Reference) Table of Invested Asset Amounts by Outsourced Investment Institution (Japan Police Personnel Mutual Aid Association)

Japan Police Personnel Mutual Aid Association

Table of Invested Asset Amounts by Outsourced Investment Institution (Fiscal 2015 year-end aggregate market value)

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value
Domestic bonds Active	MU Investments Co., Ltd.	BPI Overall	437
	Sumitomo Mitsui Trust Bank, Ltd.	BPI Overall	110
	DIAM Co., Ltd.	BPI Overall	114
	Mizuho Trust & Banking Co., Ltd.	BPI Overall	131
	Mitsubishi UFJ Trust and Banking Corp.	WGBI (hedge)	632
Domestic bonds Passive	Sumitomo Mitsui Trust Bank, Ltd.	BPI Overall	2,100
	Mizuho Trust & Banking Co., Ltd.	BPI Overall	2,328

(Note 1) Mitsubishi UFJ Trust and Banking Corp. makes hedged foreign currency-denominated bond investments.

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value
Foreign bonds Active	Nikko Asset Management Co., Ltd.	WGBI	152
	Nomura Asset Management Co., Ltd.	WGBI	261
	Mizuho Asset Management Co., Ltd.	WGBI	76
Foreign bonds Passive	Mitsubishi UFJ Trust and Banking Corp.	WGBI	2,088

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value
Domestic equities Active	Nissay Asset Management Corporation	TOPIX	198
	MU Investments Co., Ltd.	TOPIX	220
	Nikko Asset Management Co., Ltd.	TOPIX	186
	Mizuho Trust & Banking Co., Ltd.	TOPIX	94
Domestic equities Passive	Sumitomo Mitsui Trust Bank, Ltd.	TOPIX	1,695
	Resona Bank, Ltd.	JPX400	210

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value
Foreign equities Active	State Street Global Advisors (Japan) Co., Ltd.	MSCI-K	111
	Nomura Asset Management Co., Ltd.	MSCI-K	239
	Sumitomo Mitsui Trust Bank, Ltd.	MSCI-K	111
Foreign equities Passive	Mizuho Trust & Banking Co., Ltd.	MSCI-K	684
	Resona Bank, Ltd.	MSCI-K	742

(Unit: 100 mil. yen)

Management methodology	Asset management institution name	Aggregate market value
Asset management	Mizuho Trust & Banking Co., Ltd.	5,851
	Sumitomo Mitsui Trust Bank, Ltd.	2,604
	Mitsubishi UFJ Trust and Banking Corp.	2,577
	Resona Bank, Ltd.	1,886

* Outsourced investment institutions and asset management institutions are shown in syllabary order.

(Reference) Table of Invested Asset Amounts by Outsourced Investment Institution (Mutual Benefit Association for Tokyo Metropolitan Government Employees)

Mutual Benefit Association for Tokyo Metropolitan Government Employees Table of Invested Asset Amounts by Outsourced Investment Institution (Fiscal 2015 year-end aggregate market value)

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value
Domestic bonds Passive	Mizuho Trust & Banking Co., Ltd.	BPI Overall	550
Domestic bonds Active	Mitsubishi UFJ Trust and Banking Corp.	BPI Overall	223

(Note 1) Aggregate market value is the numerical value excluding short-term assets.

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value
Domestic equities Active	JPMorgan Asset Management (Japan) Ltd.	TOPIX	144
Domestic equities Passive	Mizuho Trust & Banking Co., Ltd.	TOPIX	311

(Note 1) Aggregate market value is the numerical value excluding short-term assets.

(Unit: 100 mil. yen)

Management methodology	Asset management institution name	Aggregate market value
Asset management	Trust & Custody Services Bank, Ltd.	1,867
	The Master Trust Bank of Japan, Ltd.	223

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value
Foreign bonds Passive	Mizuho Trust & Banking Co., Ltd.	W G B I	333

(Note 1) Aggregate market value is the numerical value excluding short-term assets.

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager · benchmark abbreviation	Aggregate market value
Foreign equities Active	Goldman Sachs Asset Management Co., Ltd.	MSCI-A	125
Foreign equities Passive	Mizuho Trust & Banking Co., Ltd.	MSCI-A	343

(Note 1) Aggregate market value is the numerical value excluding short-term assets.

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Anticipated return	Principal
Group endowment insurance	The Dai-ichi Life Insurance Company, Limited	0.50%	67
	Taiyo Life Insurance Company	0.75%	101
	Nippon Life Insurance Company	0.50%	69
	Fukoku Mutual Life Insurance Company	0.75%	94
	Meiji Yasuda Life Insurance Company	0.50%	48

(Note 1) The insurance principal is the value at the beginning of fiscal year 2015.

(Note 2) The anticipated return is the value after deduction of insurance administrative expenses.

* Outsourced investment institutions and asset management institutions are shown in syllababic order.

(Reference) Table of Invested Asset Amounts by Outsourced Investment Institution (National Federation of Mutual Aid Associations for Municipal Personnel)①

National Federation of Mutual Aid Associations for Municipal Personnel

Table of Invested Asset Amounts by Outsourced Investment Institution (Fiscal 2015 year-end aggregate market value)①

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name	Manager benchmark abbreviation	Aggregate market value
Domestic bonds Active	Amundi Japan Ltd.	BPI Overall	731
	DIAM Co., Ltd.	BPI Overall	730
	Daiwa SB Investments Ltd.	BPI Overall	732
	Tokio Marine Asset Management Co., Ltd.	BPI Overall	727
	Prudential Investment Management Japan Co., Ltd.	BPI Overall	732
	Mizuho Trust & Banking Co., Ltd.	BPI Overall	729
	Sumitomo Mitsui Trust Bank, Ltd.	BPI Overall	732
	Mitsubishi UFJ Trust and Banking Corp.	BPI Overall	729
Domestic bonds Passive	In-house investment	-	4,112
	Nomura Asset Management Co., Ltd.	BPI Overall	7,721
	Mitsubishi UFJ Trust and Banking Corp.	BPI Overall	9,235

(Note 1) Aggregate market value is on a delivery basis.

(Note 2) A hyphen ("-") in the manager benchmark column indicates that a manager benchmark has not been set.

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name (Subcontractor)	Manager benchmark abbreviation	Aggregate market value
Domestic equities Active	Invesco Asset Management (Japan) Ltd.	TOPIX	156
	Capital International K.K. (Capital International Inc.)	TOPIX	81
	Schroder Investment Management (Japan) Ltd.	TOPIX	161
	DIAM Co., Ltd.	TOPIX	146
	Nikko Asset Management Co., Ltd.	TOPIX	53
	Nissay Asset Management Corporation	-	32
	Nomura Asset Management Co., Ltd. I	TOPIX	136
	Nomura Asset Management Co., Ltd. II	TOPIX	65
	Mizuho Trust & Banking Co., Ltd.	TOPIX	65
	Sumitomo Mitsui Asset Management Co., Ltd. I	TOPIX	81
	Sumitomo Mitsui Asset Management Co., Ltd. II	TOPIX	49
	Sumitomo Mitsui Trust Bank, Ltd. I	TOPIX	298
	Sumitomo Mitsui Trust Bank, Ltd. II	TOPIX	49
	Sumitomo Mitsui Trust Bank, Ltd. III	-	32
	Mitsubishi UFJ Trust and Banking Corp. I	MSCI-J ESG	23
	Mitsubishi UFJ Trust and Banking Corp. II	MSCI-J MV	53
	Resona Bank, Ltd. I	TOPIX	215
	Resona Bank, Ltd. II	MSCI-J ESG	22
	Resona Bank, Ltd. III	FTSE RAFI-J	210
	Domestic equities Passive	Mizuho Trust & Banking Co., Ltd.	TOPIX
Sumitomo Mitsui Trust Bank, Ltd.		TOPIX	3,973

(Note 1) Aggregate market value is on a delivery basis.

(Note 2) A hyphen ("-") in the manager benchmark column indicates that a manager benchmark has not been set.

* Outsourced investment institutions and asset management institutions are shown in syllabic order.

**(Reference) Table of Invested Asset Amounts by Outsourced Investment Institution
(National Federation of Mutual Aid Associations for Municipal Personnel)②**

National Federation of Mutual Aid Associations for Municipal Personnel
Table of Invested Asset Amounts by Outsourced Investment Institution (Fiscal 2015 year-end aggregate market value)②

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name (Subcontractor)	Manager · benchmark abbreviation	Aggregate market value
Foreign bonds Active	AllianceBernstein L.P. (AllianceBernstein L.P., others)	WGBI	182
	Mizuho Trust & Banking Co., Ltd.	WGBI	1,330
Foreign bonds Passive	Resona Bank, Ltd.	WGBI	4,377

(Note 1) Aggregate market value is on a delivery basis.

(Unit: 100 mil. yen)

Management methodology	Asset management institution name	Aggregate market value
Asset management	Mizuho Trust & Banking Co., Ltd.	4,111
	Sumitomo Mitsui Trust Bank, Ltd.	12,075
	Mitsubishi UFJ Trust and Banking Corp.	29,772
	Resona Bank, Ltd.	4,377

(Note 1) Aggregate market value is on a delivery basis.

(Unit: 100 mil. yen)

Investment methodology	Outsourced investment institution name (Subcontractor)	Manager · benchmark abbreviation	Aggregate market value	
Foreign equities Active	Wellington Management Japan Pte. Ltd. I (Wellington Management Company LLP, others)	MSCI-K	205	
	Wellington Management Japan Pte. Ltd. II (Wellington Management Company LLP, others)	MSCI-A	203	
	MFS Investment Management K.K. I (Massachusetts Financial Services Company)	MSCI-K	382	
	MFS Investment Management K.K. II (Massachusetts Financial Services Company)	MSCI-A	202	
	SEIRYU Asset Management (GAMCO Asset Management Inc.)	MSCI-A	102	
	Tokio Marine Asset Management Co., Ltd. (Thornburgh Investment Management)	MSCI-A	202	
	Natixis Asset Management (Harris Associates L.P.)	MSCI-K	165	
	BlackRock Japan Co., Ltd. (BlackRock Institutional Trust Company, N.A.)	MSCI-A	304	
	Foreign equities Passive	State Street Global Advisors (Japan) Co., Ltd.	MSCI-A	1,713
		Sumitomo Mitsui Trust Bank, Ltd.	MSCI-A	5,376

(Note 1) Aggregate market value is on a delivery basis.

* Outsourced investment institutions and asset management institutions are shown in syllabic order.

(Reference) Table of Invested Asset Amounts by Outsourced Investment Institution

- The abbreviations of the manager benchmark are shown below.

Asset class	Manager · benchmark abbreviation	Manager · benchmark
Domestic bonds	BPI Overall	NOMURA-BPI Overall
	WGBI (Hedge)	Citi World Government Bond Index (excluding Japan; no hedge, Japanese yen basis)
Domestic equities	TOPIX	TOPIX (including dividends)
	TOPIX400	TOPIX Mid400 (including dividends)
	RN-P	Russell/Nomura Prime (including dividends)
	RN-S	Russell/Nomura Small Cap Index (including dividends)
	JPX400	JPX-Nikkei Index 400 (including dividends)
	MSCI-J	MSCI Japan Standard (including dividends)
	S&P-J-S	S&P Japan small Cap Index (including dividends)
	SNAM	SNAM Sustainability Index (custom index)
	FTSE RAFI-J	FTSE RAFI Japan 350 QSR (including dividends)
	MSCI-J MV	MSCI Japan Minimum Volatility Index (including dividends)
	MSCI-J ESG	MSCI Japan ESG Index (including dividends)
	FTSE GWA-J	FTSE GWA Japan Index (including dividends)
	State-J MV	State Street Japan Equity Minimum Variance Index (custom index)
Foreign bonds	WGBI	Citi World Government Bond Index (excluding Japan; no hedge, Japanese yen basis)
	Barclays	Citi World Government Bond Index (excluding Japan; no hedge, Japanese yen basis)
	Nomura RAFI	Nomura RAFI @Foreign bond investment standard index
Foreign equities	MSCI-K	MSCI KOKUSAI (Japanese yen basis, including dividends) (April - September)
	MSCI-E	MSCI Emerging Markets (Japanese yen basis, including dividends)
	MSCI-A	MSCI ACWI (excluding Japan; Japanese yen basis, including dividends) (October - March)

(Reference) Table of Investment Performance by Outsourced Investment Institution (Last) (Pension Fund Association for Local Government Officials)①

Pension Fund Association for Local Government Officials Table of Investment Performance by Outsourced Investment Institution

Investment Performance (Last) (October 2015 - March 2016) ①

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C)=(A)-(B)
Domestic bonds Active	Amundi Japan Ltd.	5.15%	4.84%	0.31%
	MU Investments Co., Ltd.	5.55%	4.84%	0.71%
	Tokio Marine Asset Management Co., Ltd.	4.70%	4.84%	-0.14%
	Nomura Asset Management Co., Ltd.	5.11%	4.84%	0.27%
	Mizuho Asset Management Co., Ltd.	4.54%	4.84%	-0.30%
Domestic bonds Enhanced	Sumitomo Mitsui Trust Bank, Ltd.	5.07%	4.84%	0.23%
	Mitsubishi UFJ Trust and Banking Corp.	4.84%	4.84%	0.00%
	Resona Bank, Ltd.	4.85%	4.84%	0.01%
Domestic bonds Passive	In-house investment (Fund 1)	2.16%		
	In-house investment (Fund 2)	4.74%	4.84%	-0.10%

(Note 1) Outsourced investment institutions entrusted with more than one investment that utilizes the same investment methodology are shown in order by start of investment, using a Roman numeral following the investment name.

(Note 2) The time-weighted return and benchmark return are annualized rates that exclude the effect of the trade suspended period for asset transfer.

(Note 3) The total for excess return might not agree with the sum of the values in the table because the returns are rounded to the nearest hundredth.

(Note 4) Results is not shown for funds with less than six months of operating performance.

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C)=(A)-(B)	
Domestic equities Active	Asahi Life Asset Management Co., Ltd.	-3.65%	-3.39%	-0.26%	
	Allianz Global Investors Japan Co., Ltd.	-1.90%	-3.39%	1.49%	
	Wellington Management Japan Pte. Ltd.	0.92%	1.17%	-0.25%	
	MU Investments Co., Ltd.	-2.55%			
	Capital International K.K.	-2.06%	-3.39%	1.33%	
	State Street Global Advisors (Japan) Co., Ltd.	4.38%	4.36%	0.02%	
	Sompo Japan Nipponkoa Asset Management Co., Ltd. I	-4.92%	-3.39%	-1.53%	
	Sompo Japan Nipponkoa Asset Management Co., Ltd. II	-3.27%	-3.11%	-0.16%	
	DIAM Co., Ltd. I	-2.67%	-3.39%	0.72%	
	DIAM Co., Ltd. II	5.05%	0.26%	4.79%	
	Daiwa SB Investments Ltd.	-1.84%			
	Tokio Marine Asset Management Co., Ltd. I	-2.70%	-3.39%	0.69%	
	Tokio Marine Asset Management Co., Ltd. II	7.71%	-2.41%	10.12%	
	Nikko Asset Management Co., Ltd.	2.09%			
	Nissay Asset Management Corporation I	-3.90%	-3.39%	-0.51%	
	Nomura Asset Management Co., Ltd.	-2.40%	-3.39%	0.99%	
	BNY Mellon Asset Management Japan Limited	1.61%	0.26%	1.35%	
	Fidelity Investments (Japan) Limited	7.33%	-3.39%	10.72%	
	BlackRock Japan Co., Ltd. I	5.47%	-3.39%	8.86%	
	Mizuho Trust & Banking Co., Ltd.	-1.41%			
	Mizuho Asset Management Co., Ltd.	-3.91%	-3.39%	-0.52%	
	Sumitomo Mitsui Asset Management Co., Ltd. I	-4.40%	-3.39%	-1.01%	
	Sumitomo Mitsui Trust Bank, Ltd. I	-1.93%	-3.39%	1.46%	
	Sumitomo Mitsui Trust Bank, Ltd. II	-5.89%	-3.39%	-2.50%	
	Sumitomo Mitsui Trust Bank, Ltd. III	-6.31%	-6.26%	-0.05%	
	Mitsubishi UFJ Trust and Banking Corp. I	-3.51%	-3.39%	-0.12%	
	Mitsubishi UFJ Trust and Banking Corp. II	2.52%	2.50%	0.01%	
	Meiji Yasuda Asset Management Co. Ltd.	-1.59%	-3.39%	1.80%	
	Resona Bank, Ltd. I	-5.73%	-5.72%	-0.02%	
	Domestic equities Passive	Mizuho Trust & Banking Co., Ltd. I	-3.42%	-3.39%	-0.03%
		Mizuho Trust & Banking Co., Ltd. II	-3.26%	-3.27%	0.01%
		Sumitomo Mitsui Trust Bank, Ltd. I	-3.48%	-3.39%	-0.09%
Sumitomo Mitsui Trust Bank, Ltd. II		-2.59%	-2.58%	-0.01%	
Sumitomo Mitsui Trust Bank, Ltd. III		-3.98%	-3.90%	-0.08%	
Mitsubishi UFJ Trust and Banking Corp.		-3.47%	-3.39%	-0.08%	
Resona Bank, Ltd. I		-3.43%	-3.39%	-0.04%	
Resona Bank, Ltd. II		-2.62%	-2.58%	-0.04%	

* Outsourced investment institutions and asset management institutions are shown in syllabic order.

(Reference) Table of Investment Performance by Outsourced Investment Institution(Last) (Pension Fund Association for Local Government Officials)②

Pension Fund Association for Local Government Officials Table of Investment Performance by Outsourced Investment Institution
Investment Performance (Last) (October 2015 - March 2016) ②

Investment methodology	Outsourced investment institution name (Subcontractor)	Time-weighted return (A)	Benchmark return (B)	Excess return (C) = (A)-(B)
Foreign bonds Active	Invesco Asset Management (Japan) Limited	-2.95%	-2.58%	-0.36%
	Goldman Sachs Asset Management Co., Ltd.	-2.46%	-2.79%	0.33%
	Sompo Japan Nipponkoa Asset Management Co., Ltd. (Colchester Global Investors Limited)	-1.72%	-2.58%	0.86%
	DIAM Co., Ltd. (Janus Capital Management LLC)	-3.61%	-2.79%	-0.82%
	Daiwa SB Investments Ltd. (T. T. Rowe Price International Limited)	-2.41%	-2.58%	0.17%
	Tokio Marine Asset Management Co., Ltd. (Tokio Marine Rogge Asset Management Ltd.)	-2.50%	-2.58%	0.08%
	Nomura Asset Management Co., Ltd. I	-2.23%	-2.58%	0.35%
	Nomura Asset Management Co., Ltd. II	-1.27%	-1.27%	0.00%
	PIMCO Japan Ltd.	-2.48%	-2.58%	0.10%
	Fidelity Investments (Japan) Limited	-2.32%	-2.79%	0.47%
	BlackRock Japan Co., Ltd.	-2.56%	-2.58%	0.02%
	Prudential Investment Management Japan Co., Ltd.	-2.26%	-2.79%	0.53%
	Mizuho Asset Management Co., Ltd.	-1.88%	-2.58%	0.70%
	Sumitomo Mitsui Trust Bank, Ltd. (Pictet Asset Management (Japan) Ltd.)	-2.23%	-2.58%	0.35%
	Morgan Stanley Investment Management (Japan)Co., Ltd.	-2.43%	-2.58%	0.15%
	UBS Asset Management (Japan) Ltd.	-2.40%	-2.58%	0.18%
Resona Bank, Ltd.	-2.81%	-2.58%	-0.23%	
Foreign bonds Enhanced	Sumitomo Mitsui Trust Bank, Ltd.	-2.55%	-2.58%	0.03%
	Mitsubishi UFJ Trust and Banking Corp.	-2.47%	-2.58%	0.11%
	Resona Bank, Ltd.	-2.84%	-2.58%	-0.26%
Foreign bonds Passive	Mizuho Trust & Banking Co., Ltd.	-2.58%	-2.58%	0.00%
	Sumitomo Mitsui Trust Bank, Ltd.	-2.58%	-2.58%	0.00%
	Mitsubishi UFJ Trust and Banking Corp.	-2.59%	-2.58%	-0.01%
	Resona Bank, Ltd.	-2.57%	-2.58%	0.01%

Investment methodology	Outsourced investment institution name (Subcontractor)	Time-weighted return (A)	Benchmark return (B)	Excess return (C) = (A)-(B)
Foreign equities Active	Wellington Management Japan Pte. Ltd.	-3.79%	-0.69%	-3.10%
	Goldman Sachs Asset Management Co., Ltd.	0.35%	-0.80%	1.15%
	Schroder Investment Management (Japan) Ltd.	-2.20%	-0.03%	-2.17%
	Sompo Japan Nipponkoa Asset Management Co., Ltd.	-1.13%	-0.80%	-0.33%
	DIAM Co., Ltd. (Robeco Institutional Asset Management B.V.)	-0.11%	-0.03%	-0.09%
	Nissay Asset Management Corporation (PanAgora Asset Management, Inc.)	-0.61%	-0.80%	0.18%
	Pictet Asset Management (Japan) Ltd.	-2.20%	-0.69%	-1.50%
	Principal Global Investors (Japan) Ltd.	-2.41%	-0.69%	-1.71%
	Manulife Asset Management (Japan) Ltd.	1.53%	-0.69%	2.23%
	Mizuho Asset Management Co., Ltd. (Wells Capital Management, Inc.)	-3.86%	-0.80%	-3.06%
	Sumitomo Mitsui Asset Management Co., Ltd. (Vontobel Asset Management Inc.)	1.83%	-0.03%	1.86%
	Sumitomo Mitsui Trust Bank, Ltd. (INTECH Investment Management LLC)	-1.87%	-0.69%	-1.18%
	Mitsubishi UFJ Trust and Banking Corp. I	-1.74%	-0.80%	-0.94%
	Mitsubishi UFJ Trust and Banking Corp. II (Baillie Gifford Overseas Limited)	-1.07%	-0.69%	-0.37%
	Meiji Yasuda Asset Management Co. Ltd. (Allianz Global Investors Japan Co., Ltd.)	-0.96%	-0.80%	-0.16%
	Robeco Japan Company Limited	-0.75%	-0.69%	-0.05%
	State Street Global Advisors (Japan) Co., Ltd.	-0.63%	-0.69%	0.06%
	Foreign equities Passive	Sumitomo Mitsui Trust Bank, Ltd.	-0.77%	-0.77%
Mitsubishi UFJ Trust and Banking Corp.		-0.83%	-0.80%	-0.03%
Resona Bank, Ltd.		-0.31%	-0.27%	-0.05%

(Note 1) Outsourced investment institutions entrusted with more than one investment that utilizes the same investment methodology are shown in order by start of investment, using a Roman numeral following the investment name.

(Note 2) The time-weighted return and benchmark return are annualized rates that exclude the effect of the trade suspended period for asset transfer.

(Note 3) The total for excess return might not agree with the sum of the values in the table because the returns are rounded to the nearest hundredth.

(Note 4) Results is not shown for funds with less than six months of operating performance.

* Outsourced investment institutions and asset management institutions are shown in syllabary order.

(Reference) Table of Investment Performance by Outsourced Investment Institution(Last) (The Mutual Aid Association of Prefectural Government Personnel)

The Mutual Aid Association of Prefectural Government Personnel (including Group Mutual Aid Department) Table of Investment Performance by Outsourced Investment Institution

Investment Performance (Last) (October 2015 - March 2016) ①

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) = (A)-(B)
Domestic bonds Passive	Resona Bank, Ltd.	4.88%	4.84%	0.04%

(Reference) Table of Investment Performance by Outsourced Investment Institution(Last) (Japan Mutual Aid Association of Public School Teacher) ①

Japan Mutual Aid Association of Public School Teacher Table of Investment Performance by Outsourced Investment Institution
Investment Performance (Last) (October 2015 - March 2016) ①

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)	Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Domestic bonds Active	Amundi Japan Ltd.	5.19%	4.84%	0.35%	Domestic equities Active	Goldman Sachs Asset Management Co., Ltd. (Note 1)	-5.89%	-4.97%	-0.92%
	MU Investments Co., Ltd.	5.31%	4.84%	0.47%		State Street Global Advisors (Japan) Co., Ltd. (Note 1)	-4.88%	-4.97%	0.09%
	Tokio Marine Asset Management Co., Ltd.	4.67%	4.84%	-0.17%		Sompo Japan Nipponkoa Asset Management Co., Ltd.	-5.02%	-4.97%	-0.05%
	Nikko Asset Management Co., Ltd.	5.60%	4.84%	0.76%		DIAM Co., Ltd. I	-3.01%	-3.39%	0.38%
	Prudential Investment Management Japan Co., Ltd.	5.26%	4.84%	0.42%		DIAM Co., Ltd II (Notes 1, 2)	-0.66%	-1.83%	1.17%
	Mizuho Asset Management Co., Ltd.	4.54%	4.84%	-0.30%		Daiwa SB Investments Ltd.	-3.59%	-3.39%	-0.20%
	Sumitomo Mitsui Trust Bank, Ltd.	5.09%	4.84%	0.25%		Nikko Asset Management Co., Ltd.	-0.99%	-3.39%	2.40%
	Meiji Yasuda Asset Management Co. Ltd.	4.70%	4.84%	-0.14%		Nissay Asset Management Corporation	-2.70%	-3.39%	0.69%
Domestic bonds Passive	Mizuho Trust & Banking Co., Ltd.	4.82%	4.84%	-0.02%		Fidelity Investments (Japan) Limited (Note 1)	-1.01%	-4.97%	3.96%
	Sumitomo Mitsui Trust Bank, Ltd.	4.86%	4.84%	0.02%		BNY Mellon Asset Management Japan Limited (Notes 1, 2)	1.03%	-1.83%	2.86%
	Mitsubishi UFJ Trust and Banking Corp.	4.84%	4.84%	0.00%		Mizuho Asset Management Co., Ltd. I	-3.60%	-3.39%	-0.21%
	Resona Bank, Ltd.	4.85%	4.84%	0.01%		Mizuho Asset Management Co., Ltd. II (Note 1)	-5.23%	-4.97%	-0.27%
Domestic bonds Others (note)	In-house investment	0.94%	-	-		Sumitomo Mitsui Trust Bank, Ltd. I	-4.44%	-3.39%	-1.05%
	Nomura Asset Management Co., Ltd.	3.48%	-	-		Sumitomo Mitsui Trust Bank, Ltd. II	-1.98%	-3.39%	1.41%
	Sumitomo Mitsui Trust Bank, Ltd.	1.51%	-	-		Meiji Yasuda Asset Management Co. Ltd. (Note 1)	-3.06%	-4.97%	1.91%
Domestic equities Passive						BlackRock Japan Co., Ltd. (Note 3)	-3.96%	-3.90%	-0.06%
					Mizuho Trust & Banking Co., Ltd.	-3.41%	-3.39%	-0.02%	
					Sumitomo Mitsui Trust Bank, Ltd.	-3.42%	-3.39%	-0.03%	
					Mitsubishi UFJ Trust and Banking Corp.	-3.36%	-3.39%	0.03%	
					Resona Bank, Ltd. (Note 4)	-2.60%	-2.58%	-0.02%	

The benchmark for domestic bonds is the Nomura BPI (Overall)
(Note) No benchmark set

The benchmark for domestic equities is TOPIX (including dividends)
(Note 1) Start of new investment from February 2016. For the time-weighted rate of return, February 2016 is deemed equal to the benchmark; for March 2016 the cumulative figure during said period is used as the performance value
(Note 2) The benchmark is the MSCI Japan Index (including dividends)
(Note 3) The benchmark is the JPX400 Nikkei Index

* Outsourced investment institutions and asset management institutions are shown in syllabary order.

(Reference) Table of Investment Performance by Outsourced Investment Institution(Last) (Japan Mutual Aid Association of Public School Teacher) ②

Japan Mutual Aid Association of Public School Teacher Table of Investment Performance by Outsourced Investment Institution
Investment Performance (Last) (October 2015 - March 2016) ②

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Foreign bonds Active	AllianceBernstein L.P. (Notes 1, 2)	-3.51%	-3.53%	0.02%
	Wellington Management Japan Pte Ltd.	-2.60%	-2.58%	-0.02%
	Goldman Sachs Asset Management Co., Ltd. (Note2,3)	-2.71%	-2.78%	0.06%
	PIMCO Japan Ltd.	-1.67%	-2.58%	0.91%
	Mizuho Asset Management Co., Ltd.	-2.11%	-2.58%	0.47%
Foreign bonds Passive	BlackRock Japan Co., Ltd.	-2.54%	-2.58%	0.04%
	Mizuho Trust & Banking Co., Ltd.	-2.58%	-2.58%	0.01%
	Sumitomo Mitsui Trust Bank, Ltd.	-2.60%	-2.58%	-0.02%

The benchmark for foreign bonds is the Citi World Government Bond Index (excluding Japan, unhedged, yen base)
(Note 1) Start of new investment from February 2016. For the time-weighted rate of return, February 2016 is deemed equal to the benchmark; for March 2016 the cumulative figure during said period is used as the performance value
(Note 2) The benchmark is the Barclay's Global Aggregate Index (excluding Japanese yen, unhedged, yen base)
(Note 3) The benchmark until January 2016 was the Citi World Government Bond Index (excluding Japan, unhedged, yen base); from February 2016, the benchmark was changed to the Barclay's Global Aggregate Index (excluding Japanese yen, unhedged, yen base). For the time-weighted rate of return, February 2016 is deemed equal to the benchmark; for other months, the cumulative figures during said periods are used as the performance values

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Foreign equities Active	Amundi Japan Ltd.	-2.38%	-0.80%	-1.58%
	Wellington Management Japan Pte Ltd. (Notes 1, 2)	-1.18%	-0.47%	-0.72%
	MFS Investment Management K.K.	2.40%	-0.80%	3.19%
	Nomura Asset Management Co., Ltd.	-0.81%	-0.80%	-0.02%
	Sumitomo Mitsui Asset Management Company, Limited (Notes 1, 2)	-1.79%	-0.47%	-1.33%
	Sumitomo Mitsui Trust Bank, Ltd.	-1.68%	-0.80%	-0.89%
	Mitsubishi UFJ Trust and Banking Corp.	-0.51%	-0.80%	0.29%
	Mitsubishi UFJ Trust and Banking Corp. (Notes 1, 2)	1.28%	-0.47%	1.75%
	Meiji Yasuda Asset Management Co. Ltd.	-0.71%	-0.80%	0.08%
	Foreign equities Passive	Mizuho Trust & Banking Co., Ltd.	-0.85%	-0.80%
Sumitomo Mitsui Trust Bank, Ltd.		-0.90%	-0.80%	-0.10%
Mitsubishi UFJ Trust and Banking Corp. (Note 3)		-0.85%	-0.80%	-0.05%
Resona Bank, Ltd. (Note 4)		4.61%	5.31%	-0.70%

The benchmark for foreign equities is the MSCI ACWI Index (excluding Japan, yen base, including dividends)
(Note 1) Start of new investment from February 2016. For the time-weighted rate of return, February 2016 is deemed equal to the benchmark; for March 2016 the cumulative figure during said period is used as the performance value
(Note 2) The benchmark is the MSCI ACWI Index (excluding Japan, yen base, including dividends)
(Note 3) Start of new investment from February 2015. For the time-weighted rate of return, February 2015 is deemed equal to the benchmark; for other periods, the cumulative figure during said period is used as the performance value
(Note 4) The benchmark until January 2016 was the MSCI KOKUSAI Index (yen base, including dividends), but from February 2016 was changed to the MSCI Emerging Markets Index (yen base, including dividends). For the time-weighted rate of return, February 2016 is deemed equal to the benchmark; for other periods, the cumulative figure during said period is used as the performance value

* Outsourced investment institutions and asset management institutions are shown in syllabary order.

(Reference) Table of Investment Performance by Outsourced Investment Institution (Last) (Japan Police Personnel Mutual Aid Association)

Japan Police Personnel Mutual Aid Association Table of Investment Performance by Outsourced Investment Institution
Investment Performance (Last) (October 2015 - March 2016)

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Domestic bonds Active	MU Investments Co., Ltd.	5.31%	4.84%	0.47%
	Sumitomo Mitsui Trust Bank, Ltd.	5.32%	4.84%	0.48%
	DIAM Co., Ltd.	4.95%	4.84%	0.11%
	Mizuho Trust & Banking Co., Ltd.	5.09%	4.84%	0.25%
	Mitsubishi UFJ Trust and Banking Corp.	2.62%	2.71%	-0.09%
Domestic bonds Passive	Sumitomo Mitsui Trust Bank, Ltd.	4.85%	4.84%	0.01%
	Mizuho Trust & Banking Co., Ltd.	4.84%	4.84%	0.00%

*The time-weighted rate of return and excess rate of return state the performance values excluding the effect of asset transfers accompanying the segregation of invested assets into the Employees Pension Insurance Benefit Association Fund and the Transitional Long-term Benefits Association Fund that was implemented in February 2016.

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Foreign bonds Active	Nikko Asset Management Co., Ltd.	-2.81%	-2.58%	-0.23%
	Nomura Asset Management Co., Ltd.	-2.08%	-2.58%	0.50%
	Mizuho Asset Management Co., Ltd.	-2.16%	-2.58%	0.42%
Foreign bonds Passive	Mitsubishi UFJ Trust and Banking Corp.	-2.61%	-2.58%	-0.03%

*The time-weighted rate of return and excess rate of return state the performance values excluding the effect of asset transfers accompanying the segregation of invested assets into the Employees Pension Insurance Benefit Association Fund and the Transitional Long-term Benefits Association Fund that was implemented in February 2016.

(Note 1) Mitsubishi UFJ Trust and Banking Corp. makes hedged foreign currency-denominated bond investments.

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Domestic equities Active	Nissay Asset Management Corporation	-3.18%	-3.39%	0.21%
	MU Investments Co., Ltd.	-3.13%	-3.39%	0.26%
	Nikko Asset Management Co., Ltd.	-5.55%	-3.39%	-2.16%
	Mizuho Trust & Banking Co., Ltd.	-2.39%	-3.39%	1.00%
Domestic equities Passive	Sumitomo Mitsui Trust Bank, Ltd.	-3.45%	-3.39%	-0.06%
	Resona Bank, Ltd.	-2.67%	-2.58%	-0.09%

*The time-weighted rate of return and excess rate of return state the performance values excluding the effect of asset transfers accompanying the segregation of invested assets into the Employees Pension Insurance Benefit Association Fund and the Transitional Long-term Benefits Association Fund that was implemented in February 2016.

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Foreign equities Active	State Street Global Advisors (Japan) Co., Ltd.	-0.68%	-0.80%	0.11%
	Nomura Asset Management Co., Ltd.	-0.54%	-0.80%	0.26%
	Sumitomo Mitsui Trust Bank, Ltd.	-1.11%	-0.80%	-0.31%
Foreign equities Passive	Mizuho Trust & Banking Co., Ltd.	-0.82%	-0.80%	-0.02%
	Resona Bank, Ltd.	-0.87%	-0.80%	-0.07%

*The time-weighted rate of return and excess rate of return state the performance values excluding the effect of asset transfers accompanying the segregation of invested assets into the Employees Pension Insurance Benefit Association Fund and the Transitional Long-term Benefits Association Fund that was implemented in February 2016.

* Outsourced investment institutions and asset management institutions are shown in syllabary order.

(Reference) Table of Investment Performance by Outsourced Investment Institution(Last) (Mutual Benefit Association for Tokyo Metropolitan Government Employees)

Mutual Benefit Association for Tokyo Metropolitan Government Employees Table of Investment Performance by Outsourced Investment Institution

Investment Performance (Last) (October 2015 - March 2016)

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Domestic bonds Passive	Mizuho Trust & Banking Co., Ltd.	4.82%	4.84%	-0.02%
Domestic bonds Active	Mitsubishi UFJ Trust and Banking Corp.	5.12%	4.84%	0.28%

(Note 1) Values for the time-weighted return, benchmark return, and excess return are calculated excluding short-term assets.

(Note 2) The investment return is after deduction of fees.

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Domestic equities Active	JPMorgan Asset Management (Japan) Ltd.	-4.29%	-3.39%	-0.90%
Domestic equities Passive	Mizuho Trust & Banking Co., Ltd.	-3.79%	-3.39%	-0.40%

(Note 1) Values for the time-weighted return, benchmark return, and excess return are calculated excluding short-term assets.

(Note 2) The investment return is after deduction of fees.

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Domestic equities Active	JPMorgan Asset Management (Japan) Ltd.	-4.29%	-3.39%	-0.90%
Domestic equities Passive	Mizuho Trust & Banking Co., Ltd.	-3.79%	-3.39%	-0.40%

(Note 1) Values for the time-weighted return, benchmark return, and excess return are calculated excluding short-term assets.

(Note 2) The investment return is after deduction of fees.

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Foreign equities Active	Goldman Sachs Asset Management Co., Ltd.	-0.86%	-0.69%	-0.17%
Foreign equities Passive	Mizuho Trust & Banking Co., Ltd.	-1.12%	-0.69%	-0.43%

(Note 1) Values for the time-weighted return, benchmark return, and excess return are calculated excluding short-term assets.

(Note 2) The investment return is after deduction of fees.

* Outsourced investment institutions and asset management institutions are shown in syllabary order.

(Reference) Table of Investment Performance by Outsourced Investment Institution (Last) (National Federation of Aid Associations for Municipal Personnel)

National Federation of Mutual Aid Associations for Municipal Personnel Table of Investment Performance by Outsourced Investment Institution
Investment Performance (Last) (October 2015 - March 2016)

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Domestic bonds Passive	In-house investment (Note 1)	0.07%	-	-
	Nomura Asset Management Co., Ltd.	3.55%	4.84%	-1.29%
	Mitsubishi UFJ Trust and Banking Corp.	3.79%	4.84%	-1.05%

(Note 1) No benchmark set
(Note 2) Excludes products newly selected or removed during the period between October 2015 and March 2016.
(Note 3) Shows rates for the period from October 2015 through March 2016. Products for which a principal transfer occurred during said period exclude the effect
(Note 4) The time-weighted rate of return diverges from the benchmark because Nomura Asset Management Co., Ltd. and Mitsubishi UFJ Trust and Banking Corp. were constructing their portfolios.

Investment methodology	Outsourced investment institution name (Subcontractor)	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Foreign bonds Active	AllianceBernstein L.P. (AllianceBernstein L.P., others)	-2.17%	-2.58%	0.41%
	Mizuho Trust & Banking Co., Ltd.	-2.63%	-2.58%	-0.05%
Foreign bonds Passive	Resona Bank, Ltd.	-2.77%	-2.58%	-0.19%

(Note 1) Excludes products newly selected or removed during the period between October 2015 and March 2016.
(Note 2) Shows rates for the period from October 2015 through March 2016. Products for which a principal transfer occurred during said period exclude the effect
(Note 3) The passive excess rate of return factors are mainly factors attributable to execution timing related to follow-on investments and differences in computation methods.

Investment methodology	Outsourced investment institution name	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Domestic equities Active	Invesco Asset Management (Japan) Ltd.	3.25%	-3.39%	6.64%
	Schroder Investment Management (Japan) Ltd.	-1.71%	-3.39%	1.68%
	DIAM Co., Ltd.	-1.53%	-3.39%	1.86%
	Nomura Asset Management Co., Ltd. I	-3.48%	-3.39%	-0.09%
	Sumitomo Mitsui Trust Bank, Ltd. I	-5.54%	-3.39%	-2.15%
	Mitsubishi UFJ Trust and Banking Corp. I	-3.05%	-3.01%	-0.05%
	Resona Bank, Ltd. I	0.42%	-3.39%	3.81%
	Resona Bank, Ltd. II	-3.08%	-3.01%	-0.07%
Domestic equities Passive	Mizuho Trust & Banking Co., Ltd.	-3.53%	-3.39%	-0.14%
	Sumitomo Mitsui Trust Bank, Ltd.	4.50%	4.57%	-0.07%

(Note 1) Excludes products newly selected or removed during the period between October 2015 and March 2016.
(Note 2) Shows rates for the period from October 2015 through March 2016. Products for which a principal transfer occurred during said period exclude the effect
(Note 3) The passive excess rate of return factors are mainly factors attributable to execution timing related to follow-on investments and differences in computation methods.
(Note 4) Sumitomo Mitsui Trust Bank, Ltd. in domestic equities passive states the rate of return after January 22, 2016.

Investment methodology	Outsourced investment institution name (Subcontractor)	Time-weighted return (A)	Benchmark return (B)	Excess return (C) =(A)-(B)
Foreign equities Active	Wellington Management Japan Pte. Ltd. I (Wellington Management Company LLP, others)	-4.22%	-0.80%	-3.42%
	MFS Investment Management K.K. I (Massachusetts Financial Services Company)	-0.12%	-0.80%	0.68%
	Natixis Asset Management (Harris Associates L.P.)	-0.70%	-0.80%	0.10%
Foreign equities Passive	State Street Global Advisors (Japan) Co., Ltd.	7.05%	7.24%	-0.19%
	Sumitomo Mitsui Trust Bank, Ltd.	7.16%	7.24%	-0.08%

(Note 1) Excludes products newly selected or removed during the period between October 2015 and March 2016.
(Note 2) Shows rates for the period from October 2015 through March 2016. Products for which a principal transfer occurred during said period exclude the effect
(Note 3) The passive excess rate of return factors are mainly factors attributable to execution timing related to follow-on investments and differences in computation methods.

* Outsourced investment institutions and asset management institutions are shown in syllabic order.

(Reference) Fiscal year 2015 Fees

(Unit: 100 mil. yen, %)

	Fiscal Year 2015	
	Fees	Fee rate
Domestic bonds	51	0.05
Domestic equities	64	0.08
Foreign bonds	30	0.07
Foreign equities	61	0.11
All assets	206	0.07

(Note 1) Fee rate = Fees (FY2015 portion)/Month-end market price average balance

(Note 2) Fiscal year 2015 is the total for the first half (Long-term Benefits Funds) and second half (Employees' Pension Insurance Benefit Funds, Retirement Pension Benefit Funds, and Transitional Long-term Benefits Funds) of the year.

(Note 3) Fees are management fees and custodian fees pertaining to entrusted investment management.

Glossary

- Administration and Investment Organizations
The four management and investment entities are Government Pension Investment Fund, Federation of National Public Service Personnel Mutual Aid Associations, Pension Fund Association for Local Government Officials , and Promotion and Mutual Aid Corporation for Private Schools of Japan.
- Transitional Long-term Benefit (TLTB) Fund
The combined funds of the TLTB association reserve funds administered and invested by mutual aid associations and the National Federation of Mutual Aid Associations for Municipal Personnel (collectively “Mutual Aid Associations, etc.”) for benefit payments of the old occupational portion (TLTB) after the integration of employee pension schemes, and the TLTB Adjustment Fund built by the Pension Fund Association for Local Government Officials for the purpose of providing necessary amounts in case of a shortage in TLTB payments by each Mutual Aid Associations, etc.
- Employees' Pension Insurance (EPI) Benefit Fund
The combined funds of EPI benefit association reserve funds administered and invested by Mutual Aid Associations, etc. for EPI benefit payments, and the EPI Benefit Adjustment Fund built by Pension Fund Association for Local Government Officials for the purpose of providing necessary amounts in case of a shortage in EPI benefit payments by the Mutual Aid Associations, etc.
- Government funding ratio
In association with the integration of employee pension schemes, it was necessary to assign a portion of mutual aid associations' pension reserves that match the level of Employees' Pension Insurance (EPI) to EPI reserves (shared resources) after the integration. Specifically, an amount equivalent to the funding ratio of EPI before integration (the level of reserves measured as a number years' worth of amount held against annual expenditure of the basic pension and EPI (first tier and second-tier) funded by insurance premiums) was set aside as shared resources. This funding ratio is called the government funding ratio.
- Annuity Retirement Benefit (ARB) Fund
The combined funds of the ARB association reserve funds, which each mutual aid association and the National Federation of Mutual Aid Associations for Municipal Personnel (collectively “Mutual Aid Associations, etc.”) started to build and are administering and investing for benefit payments of annuity retirement benefit after the integration of employee pension schemes, and the ARB Adjustment Fund, which the Pension Fund Association for Local Government Officials started to build for the purpose of providing necessary amounts in case of a shortage in ARB payments by each Mutual Aid Associations, etc. For the third quarter of FY 2015, the aggregate amount of the ARB Fund of Mutual Aid Associations, etc., is calculated because the ARB Adjustment Fund is yet to be built.
- Long-term Benefit Fund
This is a pension fund administered and invested by the Pension Fund Association for Local Government Officials before the integration of employee pension schemes. The fund was built to provide for any shortage in pension benefit payments of mutual aid associations.