

		<h1>Press Release</h1>	
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## NPS Sets to Recover from Q1 Loss Due to Covid-19

- Stable performance compared to other foreign pension funds even after nearly 20% drop in domestic and global stock markets -

- The National Pension Service Investment Management (NPSIM), a fund management organization of the National Pension Service (NPS) led by acting CEO and Executive Director for Planning Jung-Bae Park, announced on May 29, 2020 that **the National Pension Fund (NPF) has reached a preliminary of KRW 698.3 trillion in the Reserve Fund, with a rate of investment return of -6.08% as of March 31, 2020.**
- The NPF saw an investment return falling into negative territory, as its domestic and global stock investments made a huge loss in the wake of the Covid-19 pandemic.
- With the worldwide spread of the Covid-19, the global financial markets as well as the local market have faced unprecedented challenges.

- A global stock market crash has dealt a heavy blow to **other foreign pension funds that experienced a significant loss in investment return.** Among leading pension funds that disclosed the investment results for the first quarter, the NPF performed relatively well.

**< Comparison of Pension Funds Investment Return >**

Type	NPF (Korea)	GPIFG (Norway)	ABP (Netherland)
Q1 2020	-6.0%	-14.6%	-9.8%

Source: The website of each pension fund containing the latest available data of investment returns

- Having said that, as **the stock markets as of now in May has recovered majority of the losses made during the first quarter,** the NPF is seeing its total rate of return increasing again with recovery in equities and fixed income investments.

**< Local and Global Stock Markets Volatility Before and After Q1 >**

Type	End-2019	March 31, 2020 (YoY)	May 27, 2020 (against Q1)
KOSPI	2,197.67	1,754.64 <b>(-20.2%)</b>	2,031.20 (15.8%)
MSCI ACWI (ex-Korea, USD)	2,806.65	2,221.71 <b>(-20.8%)</b>	2,514.27 (13.2%)

- As a long-term investor, the NPF will continue to fulfill its duty of managing pension funds and reinforcing fiscal stability, while preparing itself to adjust to the new post-coronavirus world.

<Appendix> Overview of National Pension Fund as of the first quarter of 2020

Appendix

Overview of National Pension Fund as of the first quarter of 2020

□ Total Fund Status

<b>Composition</b> KRW 913.1 trillion  KRW 590.0 trillion (Contribution, etc.)  KRW 323.1 trillion (Investment Income)	<b>Expense</b> KRW 214.8 trillion KRW 206.0 trillion (Benefits) KRW 8.9 trillion (General & Administrative Expenses, etc.)	<b>Reserve Fund</b> KRW 698.3 trillion KRW 696.5 trillion (Financial Investments) KRW 1.9 trillion (Welfare and Other)
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□ Asset Allocation and Performance

(Money-weighted return, KRW in billion, %)

Type	Asset Allocation		Investment Return (Preliminary)	
	Market Value	Weight	Since Inception (1988 – March 2020)	Q1 2020
Total	698,340	100.0	4.62	-6.08
<b>Financial Investments</b>	696,472	99.7	4.50	-6.09
Domestic Equity	110,622	15.8	2.82	-18.52
Global Equity	141,436	20.3	4.42	-16.90
Domestic Fixed Income	318,977	45.7	4.43	0.89
Global Fixed Income	34,743	5.0	5.31	6.85
Alternatives	88,119	12.6	8.20	4.24
Short-term Asset	2,572	0.4	3.70	0.89
Welfare	174	0.0	8.26	-
Other	1,695	0.2	6.14	0.21

Note. The alternative investments will be fair valued at the end of this year.

□ Reference Market Index

Index	End-2019	Against End-Immediate Prior Year	End-Q1 2020	Against End-Prior Year
KOSPI	2,197.67	+7.7%	1,754.64	-20.2%
S&P	3,230.78	+28.9%	2,584.59	-20.0%
MSCI ACWI (ex-Korea, USD)	2,806.65	+26.8%	2,221.71	-20.8%
Korea Treasuries (3-Year)	1.355	-46.8bp	1.070	-28.5bp
US Treasuries (10-Year)	1.918	-76.7bp	0.726	-119.1bp
KRW-USD Exchange Rate	1,157.80	+3.6%	1,222.60	+5.6%
Oil Price (WTI)	61.06	+34.5%	20.48	-66.5%