



Press Release

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National Pension Fund surpassed the KRW 900 trillion milestone in Q2 2021

-As of the end of the second quarter, NPS posted KRW 908.3 trillion in assets under management, a KRW 74.5-trillion increase compared to the end of 2020-

- The National Pension Service Investment Management (NPSIM), a fund management arm of the National Pension Service (NPS) led by CEO Kim Yong-Jin, announced on August 25, 2021 that the National Pension Fund ended the second quarter with an estimated investment return of 7.49% to raise its total assets under management to an estimated value of KRW 908.3 trillion, an increase of KRW 74.5 trillion from the end of 2020.
- A cumulative investment income from its inception in 1988 to June 30, 2021 amounted to an estimated value of KRW 502.3 trillion.

□ Specifically, investments in equities had positive contribution to an increase in returns on the Fund during the first half of 2021, driven by strong stock markets at home and abroad, whereas rising interest rates caused a slight decline in return on fixed income investments.

○ The global economic rebound combined with continued financial and monetary policy stimulus measures and COVID-19 vaccine rollout worldwide have supported the robust performance of domestic and overseas equities with returns of 15.59% and 17.73%, respectively.

* Korea stock market (KOSPI): up 14.73%

* Global stock market (MSCI ACWI ex-Korea, USD): up 12.85%

○ In the first five months of 2021, domestic fixed income investments had experienced adverse market conditions amid concerns over the upward inflationary pressures and interest rate hikes. However, the bond yields began to rise in June as the concerns subsided and long-term interest rates showed a downward trend. As a result, domestic fixed income investments posted a return of negative 1.16% as of June 30. Meanwhile, overseas fixed income investments achieved a 2.27% return thanks to a strong Korean won relative to the U.S. dollar.

* Korea Treasury (3-year): up 48.2bp

* U.S. Treasury (10-year): up 55.7bp

* KRW to USD Exchange Rate: up 3.86%

○ In terms of alternative investments, the return is estimated mostly based on interest, dividend income, and profit or loss on transactions. As the fair value of alternatives is measured at year end, a finalized annual return is published at the end of June in the following year upon approval of an annual performance assessment.

<Appendix> Overview of National Pension Fund at the End of Q2 2021

Fund Status

Revenues KRW 1,157.7 Trillion	Expenses KRW 249.4 Trillion	
KRW 655.4 Trillion (Contributions, Etc.)	KRW 239.6 Trillion (Pension Benefits Paid)	
	KRW 9.8 trillion (General and Administrative Expenses, Etc.)	Fund Reserve KRW 908.3 Trillion
KRW 502.3 Trillion (Investment Income)		KRW 906.6 Trillion (Financial Investments)
		KRW 1.7 Trillion (Welfare and Others)

 Investment Performance

(Money-weighted Return, Unit: KRW 1 Trillion, %)

	Return	Value	Weight
Total	7.49	908.3	100
Financial Investments	7.51	906.6	99.8
Domestic Equity	15.59	184.3	20.3
Overseas Equity	17.73	233.8	25.7
Domestic Fixed Income	-1.16	338.6	37.3
Overseas Fixed Income	2.27	52.4	5.8
Alternative Investments	4.97	94.6	10.4
Short-term Investments	0.31	2.9	0.3
Welfare	0.46	0.2	0.0
Others	0.08	1.5	0.2

Note: The return was estimated at the end of the second quarter of 2021.

□ Market Reference

Index	2021		2020	
	As of June 30	Compared to Dec. 31, 2020	As of Dec. 31	Compared to Dec. 31, 2019
KOSPI	3,296.68	14.73%	2,873.47	30.75%
S&P	4,297.50	14.41%	3,756.07	16.26%
MSCI ACWI (ex-Korea, USD)	2,006.81	12.85%	1,778.33	36.64%
Korea Treasury (3-year)	1.45	48.2bp	0.970	-38.5bp
U.S. Treasury (10-year)	1.47	55.7bp	0.913	-100.5bp
KRW to USD exchange rate	1,130.00	3.86%	1,088.00	-6.03%
Oil Price (WTI)	73.47	51.42%	48.52	-20.5%