



1 May 2012

Portfolio update at 31 March 2012

The Future Fund Board of Guardians (Board of Guardians) today released its portfolio update for the quarter ending 31 March 2012.

Future Fund

The asset allocation of the Future Fund at 31 March 2012 is shown below:

Asset class	A\$ million	Percentage of Fund
Australian equities	8,478	11.0
Global equities		
Developed markets	13,723	17.8
Emerging markets	4,231	5.5
Private equity	4,294	5.6
Property	4,699	6.1
Infrastructure & Timberland	4,311	5.6
Debt securities	14,301	18.6
Alternative assets	14,475	18.8
Cash	8,537	11.1
Total Future Fund assets	77,049	100

Data may not sum due to rounding

Since the first contribution to the Future Fund on 5 May 2006, the Fund has generated a return of 4.9% per annum.

The Future Fund's return for the quarter to 31 March 2012 was 5.4% and for the financial year to date it was 2.2%.

Mark Burgess, General Manager of the Future Fund, noted that markets had recovered following weakness in the first six months of the financial year.

"The market falls of the first half have been reversed as central banks took steps to provide greater monetary accommodation and investor sentiment improved. At the same time, structural problems for the global economy remain and the outlook, particularly in Europe, is challenging.

"Given the Fund's mandate, maintaining a long-term perspective and ensuring adequate diversity in the portfolio is important during this period of market volatility. We continue to construct a portfolio designed to generate good returns while avoiding excessive risk.

"In line with this approach over the quarter we have deployed additional capital into the listed equity and debt categories while continuing to seek out attractive opportunities across the broader portfolio," he said.

Data is unaudited

Nation-building Funds

Since 1 January 2009 the Board of Guardians has also had responsibility for the investment of the assets of the Building Australia Fund, the Education Investment Fund and the Health and Hospitals Fund.

At 31 March 2012 the value of the Building Australia Fund was A\$6,701 million, the Education Investment Fund stood at A\$4,563 million and the Health and Hospitals Fund stood at A\$3,921 million.

Consistent with the investment mandates issued by the responsible Ministers, the assets of the three funds are invested in combinations of short and medium term debt instruments.

The mandates for the three Funds focus on returns over rolling 12 month periods. Over this timeframe the Building Australia Fund and Education Investment Fund returned 5.4% and the Health and Hospitals Fund returned 5.3%.

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