

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL BUDGET ESTIMATES 2012-2013

Finance and Deregulation Portfolio

Department/Agency: Future Fund Management Agency

Outcome/Program:

Topic: Stocks in tobacco companies

Senator: Di Natale

Question reference number: 36

Type of question: Written

Date set by the committee for the return of answer: Tuesday, 2 April 2013

Number of pages: 3

Question:

- a) Between 16 October 2012 and the current date, has the value of the Future Fund's holdings in tobacco company stocks increased, decreased or remained static in terms of
 - i. Number of stocks/holdings?
 - ii. Monetary value?
- b) Which tobacco companies does the Fund or its proxies hold tobacco stocks in? In relation to these companies, please detail, month by month from 16 October 2012 until the current date:
 - i. respective holdings that the Fund has in each company
 - ii. respective rate of return for each holding/company

Answer:

- a)
 - i) The number of stocks/holdings was static.
 - ii) The monetary value rose from \$231.7 million at 16 October 2012 to \$235.9 million at 12 February 2013.
- b) Please see attached spreadsheets.

On 28 February 2013, the Board of Guardians announced the exclusion of primary tobacco producers from the portfolio. The process of excluding the entities identified by the Board was completed on 14 March 2013.

Attachment A

Asset Description	2012-10-31	2012-11-30	2012-12-31	2013-01-31	2013-02-12
BRITISH AMERICAN TOBACCO ORD GBP0.25	\$ 51,601,142	\$ 54,421,363	\$ 54,918,096	\$ 58,196,901	\$ 58,846,259
IMPERIAL TOBACCO GBP0.10	\$ 1,161,623	\$ 1,225,651	\$ 1,187,140	\$ 1,138,907	\$ 1,124,675
REYNOLDS AMERICAN INC COM	\$ 8,203,916	\$ 18,829,040	\$ 17,702,128	\$ 20,087,313	\$ 16,341,639
ALTRIA GROUP INC COM	\$ 2,003,404	\$ 2,117,172	\$ 1,977,081	\$ 2,109,436	\$ 2,196,400
CIA SOUZA CRUZ COM NPV	\$ 1,362,032	\$ 1,528,655	\$ 1,568,245	\$ 1,718,300	\$ 1,705,266
ITC GDR-REPR 1 ORD INR1 REG S	\$ 49,780	\$ 51,739	\$ 49,370	\$ 54,338	\$ 52,873
PHILIP MORRIS(CZ) CZK1000	\$ 181,690	\$ 185,847	\$ 190,588	\$ 203,530	\$ 203,021
SWEDISH MATCH NPV	\$ 220,594	\$ 226,423	\$ 216,974	\$ 241,439	\$ 227,050
KT&G CORPORATION KRW5000	\$ 20,330,038	\$ 20,988,656	\$ 14,388,665	\$ 13,226,530	\$ 13,430,741
GUDANG GARAM TBK IDR500	\$ 1,811,313	\$ 1,938,227	\$ 2,065,324	\$ 1,873,311	\$ 1,827,213
JAPAN TOBACCO INC NPV	\$ 31,962,392	\$ 34,475,770	\$ 36,517,522	\$ 40,182,291	\$ 38,888,110
BRIT AMER TOBA(MY) ORD MYR0.50	\$ 2,294,504	\$ 1,922,516	\$ 2,237,988	\$ 2,029,785	\$ 2,080,868
ITC INR1	\$ 8,570,323	\$ 8,900,176	\$ 6,049,969	\$ 6,653,928	\$ 6,475,942
PHILIP MORRIS INTL COM STK NPV	\$ 43,472,327	\$ 43,853,858	\$ 41,007,773	\$ 51,893,070	\$ 49,705,447
LORILLARD INC COM STK	\$ 47,341,518	\$ 49,144,563	\$ 41,575,070	\$ 41,573,282	\$ 42,763,055

Market value by month in Australian dollars

Attachment B

Monthly returns (February return is from 1 Feb to 12 Feb only).

Asset Description	2012-10-31	2012-11-30	2012-12-31	2013-01-31	2013-02-12
BRITISH AMERICAN TOBACCO ORD GBP0.25	(3.42)	5.47	(2.87)	2.11	1.12
IMPERIAL TOBACCO GBP0.10	2.15	5.51	(3.14)	(1.04)	(1.21)
REYNOLDS AMERICAN INC COM	(3.93)	3.59	(3.82)	5.64	1.09
ALTRIA GROUP INC COM	(4.50)	5.68	(5.31)	6.67	4.12
CIA SOUZA CRUZ COM NPV	(3.35)	12.22	2.65	9.56	(0.76)
ITC GDR-REPR 1 ORD INR1 REG S	2.45	3.93	(4.58)	10.06	(2.70)
PHILIP MORRIS(CZ) CZK1000	(7.26)	2.29	2.55	6.79	(0.25)
SWEDISH MATCH NPV	(15.68)	2.64	(4.17)	11.28	(5.96)
KT&G CORPORATION KRW5000	0.27	3.24	(4.39)	(5.05)	1.53
GUDANG GARAM TBK IDR500	5.73	7.01	6.56	(9.30)	(2.46)
JAPAN TOBACCO INC NPV	(8.32)	7.77	(5.49)	10.04	0.95
BRIT AMER TOBA(MY) ORD MYR0.50 ITC INR1	5.36	(15.23)	16.41	(9.30)	2.52

	1.99	3.85	(4.23)	9.98	(2.67)
PHILIP MORRIS INTL COM STK NPV	(1.26)	0.88	(5.54)	4.59	3.44
LORILLARD INC COM STK	(0.09)	5.14	(3.57)	(0.00)	2.86