



Market overview

Property funds

Bond fund durations

Wholesale funds & KiwiSaver results

Market returns	Quarter (%)	Year (%)		Quarter (%)	Year (%)
NZX 50 (including imputation credits)	0.5	32.4	NZX NZ Government Bond	-2.2	0.0
S&P/ASX 200 (NZD)	-7.1	14.1	NZX Corporate A Grade	0.2	4.5
MSCI World - Local Currency	1.7	21.4	NZ All Swaps	-1.0	1.1
MSCI World - Hedged	2.3	24.0	Barclays Global Aggregate	-1.3	4.0
MSCI World - Unhedged	9.2	23.4	Citigroup WGBI	-1.0	4.0
MSCI Emerging Markets - Unhedged	-0.3	7.1	90 Day Bank Bill	0.7	2.7
NZX Property	-0.4	15.1	NZ \$ / US \$	-7.8	-3.9
UBS Global Property	-2.1	16.5	NZ \$ / A \$	5.0	7.6

1 Market overview for the quarter and impact on managers' results

NZ cash and fixed interest: It was a tough quarter for NZ bonds with the yield on 10 year Government stock rising from 3.5% to 4.1% over the quarter. As a result, the NZX Government Bond index return for the quarter was -2.2%. Over the year to 30 June 2013, the return was 0.0% which is the worst result since January 2000. Corporate bonds did better with their shorter duration and a contraction of credit spreads.

Australasian shares: It was a quiet quarter for a change for the NZ market with a modest return of 0.5%. In contrast, the Australian market was weak returning -7.1% on an unhedged basis, not helped by the NZ dollar rising 5.0%. The main movers in the NZ market were Xero (up 46.6%), Fisher & Paykel Healthcare (up 31.7%) and Ryman Healthcare (up 26.4%).

Global bonds: Interest rates rose globally on the back of the news from Ben Bernanke that he will need to start tapering the QE programme. While he was quick to reassure markets subsequently that it will only happen once there are real indications from the US economy of good growth going forward, this made little difference to rates - rising rates are of course normally an indication that an economy is growing again. Bond markets in Japan have had a rocky quarter, with the 10 year government bond yield dropping to a record low of 0.3% in early April after Japan's announcements of its easing scheme, before climbing to 1.0% on May 23.

Global shares: Like the NZ market, global markets had a flat quarter and a strong 1 year result. The emerging market story continues in the same vein as for the last year with a small negative return for the quarter on an unhedged basis. The news out of China has been weak with major concerns over the growth in credit and fears of major bankruptcies to businesses. With the new leadership recognising the need to rebalance the economy the growing demands of the average person in the street will need to be watched. At this stage there is no major news out of Europe.

2 Property funds

For investors looking to reduce their bond exposure how attractive is property as an asset class? Property offers steady underlying income and some capital growth potential. Besides just buying and managing a property there is also the opportunity for development. While property is principally classified as a growth asset it does have income asset characteristics particularly when held either directly or in a non-listed fund.

Underlying assets	2005	2006	2007	2008	2009	2010	2011	2012	2013
	%	%	%	%	%	%	%	%	%
Industrial	19.0	16.5	23.2	24.2	25.2	26.5	26.0	26.4	30.4
Office	52.4	52.3	48.5	48.3	46.0	43.0	40.5	39.0	36.2
Retail	22.8	26.5	24.9	23.8	25.1	26.5	26.8	27.3	26.4
Hospital	5.7	4.6	3.5	3.8	3.7	4.1	6.8	7.4	7.0

The main underlying assets are in the commercial, retail and industrial sectors with the makeup of the NZX Property Index changing over time as shown in the table to the right. In 2005 the office sector was the dominant sector – but this has reduced significantly with growth in the industrial sector. As one would expect the dominant geographical location is Auckland.

Listed v direct funds Historically investors have chosen to invest in the direct property funds of the main life offices but after the stress in the late 1980s when some funds had to close due to problems with liquidity, this changed. At that time the balanced funds, which often had 15% invested in property started to reduce their

exposure. Subsequently we have seen the growth of the NZ listed funds and there are now only 3 direct funds, TOWER, AMPCI and Trust Investments, the latter for the charitable sector. Of these 3 the AMPCI suffered badly from its foray into property development and put a halt on withdrawals in August 2008 - its future has yet to be decided.

If both the listed and direct funds own the same types of assets one could be expected to achieve the same level of returns over time. So there seems little reason to invest in a direct fund – or is there? There are arguments around the management of the listed companies and we have seen them look to internalise their management contracts to achieve a better alignment of the unit holders and the trust's owners. Issues over expanding borrowings to increase the assets under management and increase the fee revenue to the owners have caused concerns to unit holders. The value of the listed trusts will naturally vary in accordance with the views of the market – currently on average the trusts are 108% of NAV. So in some respects the direct funds seem a conservative attractive option provided the investor can afford to be relaxed about withdrawals and be prepared to wait for their money if necessary. To most investors, if they stand back and review their future needs they will find they have no specific need for cash in the short term. Of course this position can only apply to a portion of the assets. There is generally recognised to be a premium to the investor for investing in illiquid assets which would seem not to be the case for property and so there is an argument that the illiquidity could perhaps be better spent with say a private equity investment rather than in property.

	Year %	3 years % pa	5 years % pa	10 years % pa	20 years % pa
NZX Property	15.1	16.3	7.2	9.0	8.5
Mercer Unlisted Index	11.7	6.7	-1.0	9.4	9.0

Historical performance In this review we have looked back at 25 years of data to see what the numbers say about how the asset class performs relative to other options - we of course want to build robust portfolios and want to use the characteristics of the property sector to our advantage. The table below looking at 5 year periods and the total 25 years shows the correlations of equities, bonds and property. We have included NZ shares versus bonds for completeness.

June Year Correlations	%	%	%
	1988-1993	1993-1998	1998-2003
Shares/Listed Property	74.0	55.7	51.0
Shares/Unlisted Property	15.1	38.4	10.1
Shares/Bonds	38.0	49.5	3.1
Listed/Unlisted Property	18.2	53.2	33.2
Listed Property/Bonds	25.8	24.2	9.8
Unlisted Property/Bonds	12.2	16.7	-0.6
	2003-2008	2008-2013	Total
Shares/Listed Property	43.7	54.4	59.7
Shares/Unlisted Property	5.7	-3.4	8.6
Shares/Bonds	-18.5	-16.5	16.2
Listed/Unlisted Property	0.4	20.5	19.9
Listed Property/Bonds	-11.2	1.8	7.3
Unlisted Property/Bonds	-11.5	-1.5	-8.1

The results show:

- NZ listed is pretty highly correlated with NZX50
- NZ direct is lowly correlated, more so in the last 10 years
- The correlation of both listed and unlisted is relatively low
- In the last 10 years both listed and unlisted property has similar correlations to bonds.

An investor in a direct fund does have a smoother ride, but the listed property sector is not completely correlated to listed shares.

Global funds Like the NZ listed funds, global property funds have had a very volatile run and contrary to expectations have not provided the steady returns that investors initially thought they would.

Building robust portfolios Property is a good performing asset class and including it in a portfolio has advantages. The exposure levels to the sector have been increasing and the results in our KiwiSaver survey for Balanced Funds show that the average allocation to both NZ and global is 8.5%. There are other alternatives asset classes to consider with similar good income streams and some capital upside such as infrastructure funds – there are now 3 such funds in the MJW survey.

3 Bonds - Managing the duration

The survey now includes details on the performance for both the funds with the standard durations and shorter duration funds for both NZ and global bond sectors. It is possible we may see investors looking to the managers to actively manage their bond duration position with the prospect of rising interest rates going forward.

Wholesale Fund Returns

NZ & Australian Shares		FUM	3 months		1 year		3 years		5 years		10 years		3 years pa			
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Tr	Err	IR	Rk
Australasian																
AMPCI	Active	454.0	-2.5	(15)	28.1	(14)	15.1	(8)	8.8	(10)	9.9	(8)	3.1	-0.2	(7)	
AMPCI	Strategic	420.0	-2.5	(16)	28.6	(13)	13.9	(14)	8.5	(12)	11.1	(5)	4.5	-0.4	(12)	
AMPCI	RIL	6.0	-2.2	(14)	-		-		-		-		-	-		
BAM	Premium Share	3.0	4.0	(2)	36.7	(3)	17.1	(3)	11.1	(4)	11.4	(1)	2.6	0.5	(3)	
CIP	NZ Equities	40.2	2.6	(4)	26.3	(15)	14.7	(10)	11.5	(3)	-		3.5	-0.3	(9)	
DEV	Equity Income	30.3	2.3	(5)	24.1	(16)	-		-		-		-	-		
DEV	NZ Core	88.9	1.7	(6)	30.9	(9)	14.7	(11)	-		-		3.5	-0.4	(11)	
HAM	Australasian Eq	412.2	0.4	(10)	36.7	(4)	15.7	(6)	-		-		3.4	0.0	(6)	
HAM	Equity Income	39.7	0.5	(9)	30.2	(11)	-		-		-		-	-		
MAM	NZ Equities	434.0	3.8	(3)	38.9	(1)	21.5	(1)	15.3	(1)	-		2.4	2.3	(1)	
MERCER	Trans-Tasman	232.3	1.0	(7)	32.6	(6)	15.1	(9)	10.2	(6)	11.3	(2)	2.3	-0.3	(10)	
MNT	Trans-Tasman	18.9	4.4	(1)	37.1	(2)	21.4	(2)	13.9	(2)	-		6.1	0.9	(2)	
ONEPATH	Australasian Share	543.3	1.0	(8)	32.4	(7)	16.4	(4)	9.8	(8)	11.3	(3)	1.9	0.3	(4)	
SALT	NZ Share Plus	294.5	-2.6	(17)	29.2	(12)	14.6	(12)	8.9	(9)	10.8	(6)	2.8	-0.4	(13)	
SALT	Dividend Share	77.9	-1.1	(12)	30.5	(10)	15.2	(7)	10.9	(5)	11.2	(4)	2.5	-0.3	(8)	
TOWER	Trans-Tasman	410.7	-1.3	(13)	33.3	(5)	15.8	(5)	9.9	(7)	10.0	(7)	4.0	0.0	(5)	
TYN	Core Share	72.9	-0.5	(11)	31.3	(8)	14.2	(13)	8.7	(11)	9.9	(9)	2.5	-0.7	(14)	
	Median			0.5		31.1		15.2		10.0		11.1		3.0	-0.3	
Other																
BAM	Alpha	14.7	3.2		25.4		8.5		7.8		15.9		7.3	-1.0		
BAM	Tasman	9.3	2.2		32.3		13.2		10.0		13.5		4.9	-0.6		
DEV	Alpha	41.0	7.2		33.3		11.0		-		-		6.3	-0.8		
DEV	Trans-Tasman	66.6	2.3		28.9		11.8		6.4		12.2		6.5	-0.6		
FIS	NZ Growth	106.8	4.8		34.2		21.3		11.6		14.4		6.0	0.9		
MAM	Trans-Tasman	138.9	-0.3		30.8		19.0		15.5		-		5.7	0.5		
ONEPATH	ESF	91.1	1.3		26.8		15.3		9.7		-		4.5	-0.1		
PIE	Australasian Growth	43.5	-3.2		31.3		29.1		27.0		-		13.7	1.0		
SALT	Focus Share	51.9	-3.8		30.7		15.4		12.2		-		4.9	-0.1		
TYN	Aggressive	125.0	-2.8		28.3		9.9		9.5		19.7		5.5	-1.1		
TYN	Small Companies	21.0	-6.5		27.8		11.4		8.2		13.5		12.7	-0.4		
	Median			1.3		30.7		13.2		9.9		14.0		6.0	-0.4	
Indexed																
SMS	NZ Top 10	53.8	2.2		26.8		13.2		7.2		4.8		4.0	-0.7		
SMS	NZ Top 50	105.3	0.8		35.2		13.2		8.4		-		5.3	-0.5		
SMS	NZ Mid Cap	42.1	0.8		34.3		14.1		3.5		6.3		5.6	-0.3		
SMS	Aus Mid Cap	42.6	-10.9		7.9		6.4		-2.6		-		16.3	-0.6		
SMS	Aus Top 20	86.4	-7.9		16.2		6.0		4.0		9.6		11.7	-0.8		
Australian																
AMPCI	Australian	45.6	-5.2	(3)	16.3	(4)	8.0	(3)	2.6	(4)	10.7	(1)	1.4	0.5	(2)	
CIP	Australian	37.3	-8.2	(5)	9.3	(5)	6.6	(4)	5.1	(2)	-		4.1	-0.2	(3)	
DEV	Australian	34.8	-2.0	(2)	19.9	(2)	-		-		-		-	-		
FRK	Australian	34.6	-7.4	(4)	18.0	(3)	8.5	(2)	3.8	(3)	-		13.6	-0.5	(4)	
ONEPATH	Australian	382.4	-2.0	(1)	22.8	(1)	9.9	(1)	5.3	(1)	-		4.5	0.6	(1)	
Indexes																
	NZX 50 incl IC's		0.5		32.4		15.9		8.3		8.5					
	NZX 50 Portfolio		1.1		34.0		15.8		8.8		9.8					
	ASX200 (NZD)		-7.1		14.1		7.3		1.7		9.8					
	90 day BB + 5% pa		1.9		7.9		8.1		8.8		10.8					

Global Shares		FUM	3 months		1 year		3 years		5 years		10 years		3 years pa			
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Tr	Err	IR	Rk
Core																
AB	Style Blend		10.1	(4)	24.8	(10)	6.6	(13)	-2.3	(12)	2.6	(9)	3.1	-0.9	(13)	
AMPCI	Core Global		10.4	(2)	25.4	(8)	10.0	(7)	1.5	(10)	4.8	(6)	1.3	0.5	(6)	
IBB	Int'l Shares		8.8	(10)	24.9	(9)	10.3	(5)	3.5	(4)	4.3	(8)	1.8	0.5	(5)	
JANA	Core Global		9.0	(8)	28.0	(3)	10.7	(4)	0.5	(11)	-		2.5	0.5	(4)	
MERCER	Share Plus		7.4	(14)	19.8	(14)	7.0	(12)	-		-		4.3	-0.6	(12)	
MFS	Global Eq		9.0	(7)	30.7	(1)	13.6	(1)	7.5	(1)	8.0	(1)	3.0	1.4	(1)	
MLC	NCIT		7.6	(13)	20.8	(12)	9.3	(10)	2.3	(8)	5.1	(4)	1.9	0.0	(10)	
ONEPATH	Int'l Eq		8.9	(9)	27.4	(4)	11.5	(3)	5.8	(3)	6.7	(2)	2.8	0.7	(3)	
RUS	ISF		10.3	(3)	26.0	(7)	10.2	(6)	2.4	(7)	4.5	(7)	2.4	0.3	(7)	
RUS	GOF		10.0	(5)	26.7	(6)	8.8	(11)	3.4	(5)	-		3.1	-0.2	(11)	
TOWER	International		8.2	(11)	20.5	(13)	6.2	(14)	2.1	(9)	4.9	(5)	2.3	-1.4	(14)	
TYN	Capital Int'l		9.2	(6)	26.9	(5)	10.0	(8)	2.7	(6)	5.1	(3)	3.3	0.2	(8)	
TYN	Multi-Manager		8.1	(12)	21.0	(11)	9.8	(9)	-		-		2.8	0.1	(9)	
WEL	Opportunities		12.5	(1)	30.5	(2)	12.7	(2)	5.8	(2)	-		2.8	1.2	(2)	
Median			9.0		25.7		10.0		2.6		4.9		2.8	0.2		
Value																
AB	Value		11.6	(2)	29.4	(3)	6.4	(6)	-2.1	(5)	3.0	(4)	4.6	-0.6	(6)	
DFA	Value		10.0	(4)	29.9	(2)	9.6	(3)	2.7	(4)	6.0	(1)	4.5	0.1	(3)	
ELE	Value		7.9	(6)	22.4	(5)	9.4	(4)	-		-		5.5	0.0	(4)	
FRK	Taxable		11.8	(1)	32.9	(1)	11.1	(1)	3.6	(2)	5.6	(3)	4.8	0.4	(1)	
GMO	Equity		8.5	(5)	20.2	(6)	9.7	(2)	4.2	(1)	5.7	(2)	3.1	0.1	(2)	
WEL	Value		10.5	(3)	23.1	(4)	8.8	(5)	3.2	(3)	-		2.2	-0.3	(5)	
Median			10.3		26.3		9.5		3.2		5.7		4.5	0.0		
Growth																
AB	Research		8.4	(2)	19.4	(4)	6.7	(4)	-2.6	(4)	2.1	(3)	3.8	-0.7	(4)	
FRK	Equity		6.9	(4)	20.8	(3)	9.4	(3)	4.0	(2)	6.5	(1)	4.8	0.0	(3)	
MFS	Grow th		7.5	(3)	23.1	(2)	10.2	(2)	5.0	(1)	-		3.6	0.2	(2)	
WEL	Grow th		10.9	(1)	32.7	(1)	12.4	(1)	1.1	(3)	4.2	(2)	5.9	0.5	(1)	
Median			8.0		22.0		9.8		2.5		4.2		4.3	0.1		
Indexed																
AMPCI	NWIN		9.4		23.8		9.9		3.0		-		2.1	0.2		
VAN			10.0		24.1		9.8		2.7		4.5		3.4	0.1		
Emerging																
AMPCI			0.4		11.6		4.9		1.3		-		4.6	1.2		
GMO			-2.8		3.5		-0.2		-2.1		11.0		4.6	0.1		
LMI			-1.1		4.3		-4.0		-3.7		9.1		6.9	-0.5		
MERCER			-3.0		6.3		-1.3		-0.5		-		10.6	-1.0		
Socially Responsible																
AMPCI	Socially Responsible		9.0		23.1		8.4		3.0		5.2		2.1	-0.5		
TYN	SRI		10.2		26.6		8.6		-		-		5.0	-0.2		
Other																
JANA	High Alpha		9.2		27.1		10.5		3.1		-		3.3	0.3		
Indexes																
MSCI 0% hedged			9.2		23.4		9.4		2.4		4.3					
MSCI 100% hedged			2.3		24.0		15.0		3.6		7.5					
MSCI Emerging 0% hedged			-0.3		7.1		-0.5		-0.7		10.6					

Property		FUM	3 months		1 year		3 years		5 years		10 years		3 years pa		
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Tr	Err	IR
NZ Listed															
AMPCI	NZ Listed	21.6	0.4	(3)	18.9	(3)	17.9	(4)	-	-	-	-	2.2	0.7	(4)
MNT	Australasian	64.1	0.6	(2)	19.9	(2)	18.1	(3)	8.5	(3)	-	-	3.0	0.6	(5)
ONEPATH	Prop Securities	95.1	0.8	(1)	20.7	(1)	19.0	(2)	8.9	(2)	11.5	(1)	2.2	1.2	(2)
SALT	NZ Listed	216.4	0.0	(4)	18.2	(4)	19.1	(1)	9.4	(1)	10.9	(2)	1.5	1.9	(1)
TYN	Property Securities	37.8	-0.1	(5)	15.9	(5)	17.4	(5)	-	-	-	-	1.1	1.0	(3)
Median			0.4		18.9		18.1		8.9		11.2		2.2	1.0	
NZ Direct															
AMPCI	AIF P	231.6	2.5	(1)	10.6	(2)	6.3	(2)	-5.6	(2)	6.4	(2)	1.2	-	
TOWER	Property Fund	275.6	2.2	(2)	13.0	(1)	7.8	(1)	3.8	(1)	11.0	(1)	3.7	0.3	(1)
Median			2.3		11.8		7.0		-0.9		8.7		2.5	0.3	
Global 100% Hedged															
IBB	Int'l Prop	34.3	-7.6	(2)	7.1	(2)	12.4	(2)	2.6	(2)	-	-	3.6	-1.5	(2)
ONEPATH	Ex Aus	238.1	-2.1	(1)	15.7	(1)	17.8	(1)	4.9	(1)	-	-	3.1	0.0	(1)
Median			-4.9		11.4		15.1		3.7		-		3.3	-0.7	
Global 139% Hedged															
AMPCI	GPSF	142.2	-2.9		16.0		19.3		6.7		12.9		4.7	0.4	
Mercer		69.8	0.1		23.4		13.3		-		-		14.4	-0.2	
Indexes															
NZX Property			-0.4		15.1		16.3		7.2		9.0				
UBS Global Property			-2.1		16.5		17.7		5.7		11.2				

NZ Bonds		FUM	3 months		1 year		3 years		5 years		10 years		3 years pa		
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Tr	Err	IR
Core															
AMPCI	AIF F	1,584.1	-1.5	(3)	2.2	(3)	6.8	(3)	9.1	(1)	7.2	(1)	0.6	1.8	(1)
BTAM	Bond Fund	352.8	-1.6	(4)	1.5	(5)	6.1	(5)	7.5	(4)	6.3	(5)	1.0	0.3	(5)
ONEPATH	NZ Fixed Plus	1,001.8	-1.9	(5)	1.8	(4)	7.1	(2)	7.0	(5)	6.6	(4)	0.7	1.7	(2)
TOWER		899.8	-1.3	(2)	2.2	(2)	6.4	(4)	8.0	(3)	6.8	(3)	1.5	0.4	(4)
TYN		152.5	-0.5	(1)	4.7	(1)	7.6	(1)	8.2	(2)	6.9	(2)	1.2	1.4	(3)
Median			-1.5		2.2		6.8		8.0		6.8		1.0	1.4	
Other															
AMPCI	Short Duration	76.3	0.9		4.9		5.2		6.0		-		3.3	-0.2	
BTAM	Corporate Bonds	285.2	0.4		6.3		7.0		7.6		-		2.7	0.4	
HAM	Core Fixed	71.2	-0.5		4.0		-		-		-		-	-	
HAM	Corporate Bonds	110.5	0.5		5.6		6.3		-		-		2.8	0.2	
HAM	Short Duration	14.2	1.0		4.2		-		-		-		-	-	
ONEPATH	Sovereign	491.9	-2.5		-0.2		6.2		7.4		7.2		0.5	0.7	
ONEPATH	High Grade	452.9	-1.4		3.2		7.6		6.3		5.9		1.4	1.3	
TYN	Inv. Grade Corporate	95.0	0.4		6.6		7.9		-		-		2.2	0.9	
Indexes															
NZ Govt Stock			-2.2		0.0		5.8		7.1		6.1				
NZX Corporate A Grade			0.2		4.5		6.5		8.1		-				
NZ All Swaps			-1.0		1.1		5.6		7.8		-				

Global Bonds		FUM	3 months		1 year		3 years		5 years		10 years		3 years pa		
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Tr	Err	IR
Core (Global Aggregate)															
AB	Global Plus		-1.7	(5)	4.4	(5)	7.2	(5)	8.4	(5)	8.3	(4)	0.7	1.6	(4)
MERCER	Diversified		-1.4	(2)	6.0	(3)	8.2	(4)	10.1	(3)	8.9	(2)	1.3	1.6	(3)
ONEPATH	Int'l Fixed Interest		-1.7	(6)	3.3	(8)	5.7	(8)	7.7	(7)	7.9	(5)	0.9	-0.5	(8)
PIMCo			-2.4	(7)	7.1	(2)	9.4 (1)		10.8 (1)		-		2.0	1.7	(2)
RUS	GIS Global		-1.4	(3)	7.5 (1)		8.8	(2)	10.6	(2)	8.9 (1)		1.5	1.7 (1)	
TOWER	PIMCo		-3.8	(8)	5.6	(4)	8.5	(3)	9.8	(4)	8.5	(3)	2.2	1.1	(5)
TOWER	Wellington		-1.6	(4)	3.4	(7)	6.6	(6)	-		-		0.6	0.8	(6)
TYN	GSAM		-1.3 (1)		3.8	(6)	6.4	(7)	7.8	(6)	7.7	(6)	0.7	0.3	(7)
	Median		-1.6		5.0		7.7		9.8		8.4		1.1	1.3	
Other															
AMPCI	PIMCo Short Duration		0.5		4.9		6.4		7.9		-				
AMPCI	AIF HQ		-0.8		2.4		5.4		-		-				
DFA	5 year		-1.0		3.5		5.8		6.7		-				
Indexes															
	Barclays Global Agg		-1.3		4.0		6.1		8.0		7.6				
	Citigroup WGBI		-1.0		4.0		5.7		7.5		7.4				

Other		FUM	3 months		1 year		3 years		5 years		10 years		3 years pa	
		\$m	%		%	% pa	% pa	% pa	% pa	% pa	% pa	Volatility		
Global Infrastructure														
AMPCI	139% hedged	107.5	-4.5		-		-		-		-			-
CFS	Aus. dollar hedged	486.5	-3.3		10.9		16.0		7.5		-			10.8
MERCER	139% hedged	80.8	2.6		21.7		15.0		-		-			8.6
Commodities														
PFAM		39.6	-1.0		-5.5		0.7		-		-			12.7
WEL		-	-3.7		-5.6		-0.6		-4.4		-			11.3
Other														
AAM	Aspiring	172.1	1.1		24.2		20.0		17.3		-			8.1
CIP	Equity	103.6	0.0		17.2		8.4		-		-			7.2
K2	Diversity Fund	-	2.4		9.6		5.2		-		-			2.4
MAM	Income	426.5	2.1		20.9		14.8		-		-			3.2
MAM	Active Growth	622.6	3.0		30.5		17.7		15.8		-			5.4
MERCER	Natural Resources	40.9	-2.7		3.9		5.3		-		-			11.4
MERCER	Investment	-	2.1		12.2		9.6		3.5		-			4.8
MGH		16.3	7.0		17.2		4.7		3.9		6.8			8.5
SIT	Absolute Return	35.5	0.9		10.0		5.2		-		-			4.3
TYN	Income Fund	4.4	-0.7		6.6		8.3		8.9		-			5.6
TYN	JPMAAM	47.6	2.7		15.4		11.0		6.7		9.5			4.0
TYN	Option	138.0	-2.8		8.8		6.9		7.8		-			19.0

Cash		FUM	3 months		1 year		3 years		5 years		10 years		3 years pa			
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Tr	Err	IR	Rk
AMPCI	AIF Cash	3,232.1	0.9	(4)	3.6	(3)	3.8	(2)	4.5	(2)	5.9	(3)	0.1	15.3	(1)	
BTAM		675.3	0.9	(3)	3.5	(4)	3.6	(5)	4.2	(5)	5.6	(5)	0.1	7.9	(4)	
ONEPATH	Cash	1,354.9	0.8	(5)	3.5	(5)	3.6	(4)	4.2	(4)	6.3	(1)	0.1	9.8	(2)	
TOWER		728.2	1.0	(2)	4.7	(1)	3.8	(3)	4.3	(3)	5.8	(4)	0.4	2.1	(5)	
TYN		308.0	1.0	(1)	4.1	(2)	4.2	(1)	4.9	(1)	6.2	(2)	0.1	9.8	(3)	
Median			0.9		3.6		3.8		4.3		5.9		0.1	9.8		
Index																
90 day Bank Bill			0.7		2.7		2.8		3.5		5.4					

Diversified		3 months		1 year		3 years		5 years		10 years		Asset Allocation %		Currency
		%	Rk	%	Rk	%pa	Rk	%pa	Rk	%pa	Rk	Growth	Income	%
Balanced														
AMPCI	AIF B	-0.7	(6)	13.3	(6)	9.7	(5)	5.7	(5)	8.0	(4)	65.1	34.9	20.0
ASB		2.2	(1)	14.8	(4)	9.9	(4)	5.8	(4)	-		59.4	40.6	-
MAM		1.8	(2)	20.9	(1)	11.7	(2)	-		-		55.5	44.5	10.0
ONEPATH		1.0	(4)	18.4	(2)	12.6	(1)	8.4	(1)	9.1	(1)	69.3	30.7	14.9
TOWER		-0.7	(5)	13.4	(5)	8.6	(6)	6.2	(3)	8.2	(3)	56.5	43.5	1.8
TYN		1.5	(3)	15.7	(3)	9.9	(3)	6.5	(2)	8.4	(2)	72.1	27.9	24.0
Median		1.2		15.3		9.9		6.2		8.3		62.3	37.7	14.9
SRI Balanced														
AMPCI		0.4		16.0		10.8		-		-		63.3	36.8	20.0
TYN		2.6		17.2		9.8		-		-		63.1	36.9	-

Acronym References					
AAM	Aspiring Asset Management	FRK	Franklin Templeton Investments	MNT	Mint Asset Management
AB	Alliance Bernstein	GMO	GMO	ONEPATH	OnePath
AMPCI	AMP Capital Investors	HAM	Harbour Asset Management	PFAM	Pathfinder Funds
ASB	ASB Group Investments	IBB	Ibbotson Associates	PIE	Pie Funds
AXAGI	AXA Global Investors	JANA	Jana	RUS	Russell Investment Group
BAM	Brook Asset Management	K2	K2 Asset Management	SALT	Salt Funds Management
BTAM	BT Asset Management	LMI	Legg Mason Inc	SIT	Savings and Investments
CFS	Colonial First State	MAM	Milford Asset Management	SMS	SmartShares
CIP	Craigs Investment Partners	MERCER	Mercer	TOWER	TOWER Asset Management
DEV	Devon Funds Management	MFS	MFS Investment Management	TYN	Tyndall Investment Management
DFA	Dimensional Fund Advisors	MGH	MGH Asset Management	VAN	Vanguard Investments Australia
ELE	Elevation Capital	MLC	MLC	WEL	Wellington Management Company
FIS	Fisher Funds Management				

KiwiSaver Results

Note we do not necessarily include all of a provider's funds.

Returns and Risk		FUM Growth		3 months		1 year		3 years		5 years		Risk %pa	
		\$m	BM%	%	Rk	%	Rk	%	Rk	%	Rk	3 Yr	5 Yr
Aggressive Funds													
AMP	Growth	177.8	80.0	-0.1	(11)	17.0	(9)	8.9	(9)	2.9	(11)	8.4	10.8
ANZ	Growth	708.6	80.0	1.5	(7)	21.7	(3)	12.7	(2)	7.0	(3)	6.8	9.8
AON	Russell Growth	11.9	75.0	3.3	(2)	24.8	(1)	11.4	(4)	5.6	(6)	9.4	14.0
ASB	Growth	304.9	80.0	3.0	(3)	18.3	(6)	10.6	(5)	5.0	(7)	6.6	10.6
Fidelity	Growth	42.7	77.5	0.8	(9)	15.9	(11)	7.5	(11)	4.5	(8)	6.1	9.4
Fisher	Growth	568.9	70.0	4.1	(1)	20.0	(4)	9.7	(7)	8.1	(1)	7.4	12.6
Grosvenor	Balanced Growth	34.6	75.0	0.5	(10)	12.4	(12)	6.1	(12)	n.a		5.6	n.a
Mercer	High Growth	32.5	89.5	1.6	(5)	17.3	(8)	9.4	(8)	4.0	(10)	7.0	12.2
OnePath	Growth	14.2	80.0	2.2	(4)	19.0	(5)	11.7	(3)	5.8	(5)	6.1	9.0
SIL	Growth	140.7	80.0	1.5	(6)	21.8	(2)	12.7	(1)	7.2	(2)	6.9	9.8
TOWER	Growth	92.4	80.0	-0.6	(12)	16.4	(10)	8.4	(10)	4.2	(9)	7.2	10.5
Westpac	Growth	262.0	80.0	1.1	(8)	17.8	(7)	10.2	(6)	6.1	(4)	5.6	7.6
Median			80.0	1.5		18.1		10.0		5.6		6.9	10.5
Balanced Funds													
AMP	Balanced	224.7	60.0	-0.2	(9)	13.7	(7)	8.4	(7)	4.5	(10)	6.1	7.7
AMP	Tyndall Balanced	10.1	62.0	0.6	(7)	13.3	(8)	7.7	(9)	4.6	(9)	5.2	7.7
ANZ	Balanced Growth	376.3	65.0	1.0	(6)	18.0	(3)	11.3	(2)	6.9	(2)	5.5	7.9
AON	Russell Balanced	33.1	60.0	2.3	(1)	20.5	(1)	10.6	(3)	6.3	(3)	7.7	11.7
ASB	Balanced	323.1	60.0	1.9	(2)	14.1	(6)	9.3	(5)	5.5	(6)	4.8	8.0
Mercer	Balanced	40.7	62.0	1.1	(4)	12.6	(9)	7.8	(8)	5.0	(7)	4.5	8.8
OnePath	Balanced Growth	15.7	65.0	1.5	(3)	15.6	(4)	10.5	(4)	6.0	(5)	4.8	7.2
SIL	Balanced Growth	197.8	65.0	1.0	(5)	18.1	(2)	11.4	(1)	7.1	(1)	5.5	7.9
TOWER	Balanced	290.2	55.0	-1.0	(10)	11.8	(10)	7.2	(10)	4.8	(8)	4.9	7.0
Westpac	Balanced	438.4	60.0	0.4	(8)	14.2	(5)	8.9	(6)	6.0	(4)	4.7	6.4
Median			61.0	1.0		14.1		9.1		5.7		5.0	7.8
Moderate Balanced Funds													
AMP	Moderate Balanced	212.5	50.0	-0.2	(6)	12.0	(5)	7.7	(4)	4.5	(6)	5.3	6.5
ANZ	Balanced	477.5	50.0	0.5	(2)	14.3	(2)	9.9	(2)	6.8	(2)	4.1	6.0
Fidelity	Balanced	96.1	50.0	0.4	(4)	13.0	(3)	6.9	(5)	5.5	(4)	4.7	6.5
Grosvenor	Balanced	96.5	50.0	0.1	(5)	8.7	(6)	5.9	(6)	4.9	(5)	3.8	6.3
OnePath	Balanced	13.1	50.0	0.8	(1)	12.5	(4)	9.3	(3)	6.1	(3)	3.7	5.6
SIL	Balanced	214.4	50.0	0.5	(3)	14.4	(1)	9.9	(1)	6.9	(1)	4.1	6.0
Median			50.0	0.5		12.8		8.5		5.8		4.1	6.1
Moderate Funds													
AMP	Moderate	145.6	40.0	-0.3	(6)	9.5	(4)	7.0	(6)	5.0	(6)	3.8	4.5
ANZ	Cons Balanced	256.7	35.0	0.1	(4)	10.7	(3)	8.4	(3)	6.5	(3)	2.8	4.2
AON	Russell Moderate	8.4	40.0	1.2	(1)	15.8	(1)	9.7	(1)	7.3	(1)	5.2	8.3
ASB	Moderate	440.0	40.0	0.5	(2)	9.5	(5)	7.6	(5)	5.7	(5)	3.2	5.4
OnePath	Cons Balanced	4.9	35.0	0.2	(3)	9.4	(6)	8.1	(4)	6.2	(4)	2.6	3.9
SIL	Cons Balanced	77.1	35.0	0.1	(5)	10.8	(2)	8.5	(2)	6.7	(2)	2.9	4.2
Median			37.5	0.2		10.1		8.3		6.3		3.0	4.3
Conservative Funds													
AMP	Conservative	103.6	25.0	-0.3	(7)	7.1	(4)	6.4	(7)	6.0	(5)	2.5	2.8
AMP	Default	471.6	20.0	0.2	(2)	6.6	(9)	5.2	(13)	4.4	(13)	2.1	2.6
ANZ	Conservative	258.7	20.0	-0.3	(8)	7.0	(8)	6.7	(4)	6.1	(4)	1.8	2.5
AON	Russell Cons	50.0	20.0	0.0	(3)	11.5	(1)	8.7	(1)	8.0	(1)	3.2	5.3
ASB	Conservative	1,647.7	20.0	-0.1	(4)	6.0	(11)	5.8	(10)	5.5	(10)	1.8	2.6
Fidelity	Conservative	42.1	25.0	-0.3	(9)	8.9	(2)	6.5	(6)	5.6	(8)	3.0	3.9
Grosvenor	Conservative	33.8	25.0	-0.9	(13)	4.6	(13)	5.9	(9)	5.7	(7)	2.8	4.2
Mercer	Conservative	676.8	20.0	0.6	(1)	7.1	(5)	5.7	(11)	6.0	(6)	1.9	3.9
OnePath	Conservative	641.6	20.0	-0.3	(5)	6.6	(10)	6.8	(2)	6.2	(3)	1.8	2.5
SIL	Conservative	235.2	20.0	-0.3	(6)	7.1	(6)	6.8	(3)	6.2	(2)	1.9	2.5
TOWER	Conservative	67.2	30.0	-0.9	(12)	7.0	(7)	6.1	(8)	5.4	(11)	2.5	4.2
TOWER	Default	446.0	20.0	-0.8	(11)	5.7	(12)	5.6	(12)	5.0	(12)	1.9	2.6
Westpac	Conservative	963.8	25.0	-0.5	(10)	8.0	(3)	6.6	(5)	5.6	(9)	2.3	2.8
Median			20.0	-0.3		7.0		6.4		5.7		2.1	2.8
Other Funds													
AMP	Aggressive	132.1	90.0	-0.1		19.5		9.4		2.2		10.0	12.9
Fidelity	Aggressive	15.6	100.0	0.3		16.8		7.3		4.8		9.1	11.5
Fidelity	Capital Guaranteed	33.5	15.0	0.2		5.7		4.7		4.5		1.4	2.0
Fisher	Conservative	186.5	10.0	0.5		7.9		6.2		n.a		2.1	n.a
Grosvenor	High Growth	67.0	99.0	1.7		16.5		6.1		2.6		7.6	11.3

Asset Allocation		NZ/Aus Shares	Global Shares	NZ/Aus Prop	Global Prop	Alt Assets	Growth Assets	NZ Bonds	Global Bonds	Alt Assets	Cash	Income Assets
Aggressive Funds												
AMP	Growth	19.4	46.2		9.4	8.7	83.7	5.0	4.2		7.1	16.3
ANZ	Growth	23.9	48.5	7.5	5.9		85.9	4.9	4.1		5.2	14.2
AON	Russell Growth	25.0	50.0				75.0	5.0	20.0			25.0
ASB	Growth	27.6	44.3		7.0		79.0	8.9	8.0		4.1	21.0
Fidelity	Growth	29.3	39.9	9.1			78.2	11.4	9.8		0.5	21.8
Fisher	Growth	46.0	37.5	2.7	2.3		88.5	0.3	2.6		8.7	11.5
Grosvenor	Balanced Growth	30.1	38.2				68.3	27.4			4.3	31.7
Mercer	High Growth	18.7	47.5		17.8	4.6	88.7	2.3	2.5	4.6	2.0	11.3
OnePath	Growth	19.8	47.5	11.9			79.2	4.9	10.8		5.0	20.8
SIL	Growth	24.0	48.8	7.5	6.0		86.3	4.9	4.1		4.8	13.8
TOWER	Growth	31.0	36.4	12.6			80.0	5.8	8.8		5.4	20.0
Westpac	Growth	25.0	38.1	9.5		12.0	84.6	4.5	5.5		5.4	15.4
Average		26.7	43.6	5.1	4.0	2.1	81.4	7.1	6.7	0.4	4.4	18.6
Balanced Funds												
AMP	Balanced	15.3	34.0		7.8	6.7	63.8	13.3	12.2		10.7	36.2
AMP	Tyndall Balanced	17.7	32.1	5.2		8.9	63.8	16.3	11.6	8.3		36.2
ANZ	Balanced Growth	19.1	40.5	6.0	4.6		70.2	8.9	10.6		10.4	29.8
AON	Russell Balanced	20.0	40.0				60.0	8.0	32.0			40.0
ASB	Balanced	19.8	32.5		7.1		59.4	16.8	16.1		7.7	40.6
Mercer	Balanced	11.7	31.6		14.9	3.3	61.5	7.5	14.6	3.3	13.1	38.5
OnePath	Balanced Growth	15.8	38.0	9.9			63.8	8.8	19.7		7.7	36.2
SIL	Balanced Growth	19.9	39.7	6.4	5.1		71.1	8.8	10.5		9.6	28.9
TOWER	Balanced	19.7	23.9	12.9			56.5	14.2	21.1		8.2	43.5
Westpac	Balanced	20.0	30.1	4.7		8.0	62.8	14.9	16.0		6.3	37.2
Average		17.9	34.2	4.5	4.0	2.7	63.3	11.8	16.4	1.2	7.4	36.7
Moderate Balanced Funds												
AMP	Moderate Balanced	12.2	28.7		7.0	6.2	54.1	15.8	14.8		15.3	45.9
ANZ	Balanced	16.3	30.1	5.0	4.1		55.4	11.8	18.3		14.5	44.6
Fidelity	Balanced	19.0	30.8	5.5			55.3	24.8	19.4		0.5	44.7
Grosvenor	Balanced	23.9	28.1				52.0	39.8			8.2	48.0
OnePath	Balanced	12.8	28.3	8.0			49.1	11.9	27.8		11.3	50.9
SIL	Balanced	15.5	30.7	4.7	3.8		54.6	11.8	18.4		15.2	45.4
Average		16.6	29.4	3.9	2.5	1.0	53.4	19.3	16.4		10.8	46.6
Moderate Funds												
AMP	Moderate	9.7	22.9		5.0	5.6	43.3	18.8	18.2		19.7	56.7
ANZ	Cons Balanced	11.2	21.1	3.8	3.1		39.2	14.9	25.5		20.5	60.8
AON	Russell Moderate	14.0	26.0				40.0	12.0	48.0			60.0
ASB	Moderate	15.9	17.8		6.1		39.7	24.7	22.4		13.1	60.3
OnePath	Cons Balanced	9.0	20.6	6.0			35.6	14.8	34.5		15.2	64.4
SIL	Cons Balanced	10.8	21.6	3.6	2.8		38.7	14.8	25.4		21.1	61.3
Average		11.8	21.6	2.2	2.8	0.9	39.4	16.7	29.0		14.9	60.6
Conservative Funds												
AMP	Conservative	5.1	14.5		4.2	4.9	28.7	22.9	22.0		26.4	71.3
AMP	Default	7.1	14.5				21.5	15.3	14.4		48.7	78.5
ANZ	Conservative	6.2	13.0	1.9	1.5		22.6	17.5	32.0		27.9	77.4
AON	Russell Cons	6.0	14.0				20.0	16.0	64.0			80.0
ASB	Conservative	8.9	10.9				19.8	29.7	27.0		23.5	80.2
Fidelity	Conservative	12.3	12.0	4.6			28.9	31.8	28.7		10.5	71.1
Grosvenor	Conservative	21.6	13.5				35.2	63.5			1.4	64.8
Mercer	Conservative	5.0	10.5		4.0	0.3	19.8	14.2	27.5	0.3	38.2	80.2
OnePath	Conservative	4.9	12.5	3.2			20.5	17.6	41.6		20.3	79.5
SIL	Conservative	6.0	13.2	1.8	1.4		22.4	17.7	32.4		27.5	77.6
TOWER	Conservative	7.8	10.0	11.2			29.0	24.4	27.0		19.6	71.0
TOWER	Default	6.2	7.6	7.8			21.6	29.4	26.0		23.0	78.4
Westpac	Conservative	10.0	10.0	4.8		3.0	27.8	22.9	25.0		24.3	72.2
Average		8.2	12.0	2.7	0.9	0.6	24.5	24.8	28.3	0.0	22.4	75.5
Other Funds												
AMP	Aggressive	23.0	51.8		9.6	9.6	94.0	1.0	1.0		4.0	6.0
Fidelity	Aggressive	28.0	42.5	5.0		23.7	99.2				0.8	0.8
Fidelity	Capital Guaranteed	4.9	9.8				14.6	16.8	17.2		51.4	85.4
Fisher	Conservative	6.4	8.9	3.8	2.6		21.7	22.7	33.7		21.8	78.3
Grosvenor	High Growth	30.1	56.1				86.2	11.3			2.5	13.8

Notes:

- Tracking error is the standard deviation of value added.
- Information Ratio (IR) is value added divided by tracking error, i.e. risk adjusted performance.
- The Alliance Bernstein global bond fund is a US-denominated fund. Simulated hedged returns are provided although in practice the fund is not hedged to the NZ dollar.
- The index applied may not in all cases be the benchmark adopted by the manager for the fund.
- Relative outperformance may be due to the different nature of the fund rather than to superior performance skills. Past performance is no guarantee of future performance.
- KiwiSaver fund returns are shown gross of tax and net of investment fees. All other fund returns are shown gross of tax and investment fees.
- The numbers shown are in some cases gross equivalents of the net returns achieved by the manager. Consequently, for a gross investor, returns realised may be different from those shown above.
- The index share funds are benchmarked against the standard share index and not against their own index.
- Global share results are on an unhedged basis. In some instances hedging the currency is integral to the management of the fund and the client will not experience the results shown above.

About Melville Jessup Weaver

Melville Jessup Weaver is a New Zealand firm of consulting actuaries. The areas in which we provide advice include superannuation, employee benefits, life insurance, general insurance, health insurance, asset consulting, accident insurance and information technology. The firm, established in 1992, has offices in Auckland and Wellington. The firm is an alliance partner of Towers Watson, a leading global professional services company that helps organisations improve performance through effective people, risk and financial management. The company offers solutions in the areas of employee benefits, talent management, rewards, and risk and capital management. Towers Watson has 14,000 associates around the world and is located on the web at towerswatson.com

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- Establish investment objectives.
- Determine long-term investment strategies.
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