



Investment Survey

March 2013

Market returns	Quarter (%)	Year (%)		Quarter (%)	Year (%)
NZX 50 (including imputation credits)	9.2	27.7	NZX NZ Government Bond	0.9	6.4
S&P/ASX 200 (NZD)	6.9	18.1	NZX Corporate A Grade	0.7	6.7
MSCI World - Local Currency	9.8	14.3	NZ All Swaps	0.0	5.3
MSCI World - Hedged	10.3	16.2	Barclays Global Aggregate	1.2	7.8
MSCI World - Unhedged	6.1	9.4	Citigroup WGBI	1.5	7.5
MSCI Emerging Markets - Unhedged	-3.1	-0.3	90 Day Bank Bill	0.6	2.7
NZX Property	6.0	18.3	NZ \$ / US \$	1.6	2.3
UBS Global Property	8.7	23.2	NZ \$ / A \$	1.2	1.6

Market overview for the quarter and impact on managers' results

NZ cash and fixed interest: Rates on Government bonds fell marginally despite the improving economic outlook, due principally to demand from global investors. Swap rates increased due in part to the continued switch from floating to fixed mortgages. The increase in the duration of the Government bond index saw managers making changes to their holdings. The impact seen on the managers, within the main group, was that all managers performed similarly except those with shorter durations.

Australasian shares: The NZ market performed strongly on the back of evidence towards a strengthening domestic sector, although with some concerns around the impact of the drought. Capital markets were active with the placement of strategic stakes e.g. Sky TV and the expectation that we will see some major capital-raising over the year. Most managers' portfolios had no exposure to Xero, and so their performance was impacted by the rise in the company's share price. In Australia, mining stocks had a rough time, weighed by falling commodity prices and a negative view on China. The consumer discretionary sector did well despite the perceived pressures on the Australian consumer. Managers with higher exposures to the Australian market may consequently have slightly underperformed.

Global bonds: Despite a rise in Government rates around concerns with Cyprus, US and China, the quarter saw rates end where they had started. Similarly credit spreads varied over the quarter but again ended up flat at the quarter end. The higher recent volatility in US Treasuries was due to the positive signs from the US economy and the concern that the Fed will tighten its monetary policy and cease printing money. Japanese bonds did well due to their announced monetary stimulus policy.

Global shares: Despite concerns around the global outlook, shares rose strongly on the back of the sentiment that the Central Banks are going to continue with their monetary policy aimed at pushing economic growth. US markets correspondingly responded with record highs in March. Similarly, Japan rose on the back of the BoJ's stimulus measures. Small caps outperformed large caps. In contrast, emerging markets had a weak quarter on the back of expected weaker growth for the coming year. Concerns around China centred on the controls introduced by the authorities to quieten the property market. Managers with a higher weighting to emerging markets may have underperformed over the quarter.

Not all gross returns are equal

It is standard practice for investment surveys such as this MJW survey to publish all performance results as gross returns: this is considered the best way to compare fund managers which is the principal purpose of a survey.

Broadly, it is also a good way to compare the returns achieved by managers and across asset classes for tax-paying investors – assuming that investors are all equally able to reclaim withholding tax on overseas investments etc. (Note there is a separate discussion to be had here on another day.)

However it is not a good way to compare the returns from different asset classes for a gross tax-exempt investor. Why? Well firstly, courtesy of the bilateral DTA agreements with other countries, a net investor will be able to take credit for most of the withholding tax. But this is not the case for the gross investor who will just receive the return net of any withholding taxes.

What then are the levels we are discussing? The easiest one to consider is NZ equities where a gross investor receives no credit for the imputation tax levied on NZ shares. For NZ bonds, there will be no withholding taxes so the tax-exempt investor receives the gross returns published.

We wanted to properly quantify the impact and so we got some assistance from two fund managers AMPCI and OnePath. Between them they supplied us with the following information:

- The value of tax credits from their relevant products included in the gross return figures. These tax credits are made up of Imputation Credits, Foreign Tax Credits, Resident Withholding Tax (RWT) and Foreign Dividend Withholding Tax. The RWT impact will be small.
- Data from the different MSCI and NZ indices. The MSCI indices show the gross return with gross dividends and the net index after withholding tax deducted at the maximum rate. For NZ, the gross index includes imputation credits while the net index includes just net dividends reinvested.

Each set of information produces similar results.

The unit pricing data well illustrates how the impact on a tax-exempt investor varies by asset class. The results are based on the past 5 years' results:

- Australasian shares 1.4%
- Global shares 0.2%
- Global infrastructure 0.6%
- Emerging markets 0.2%
- NZ bonds 0.0%
- Global bonds 0.0%

From the indices, based on the calendar year returns for the last 7 years we have the following deductions for tax:

- NZ shares -1.6%
- Global shares -0.7%

While there are some differences in the resulting answers, the results show that under the two approaches (all other things being equal) a gross investor in NZ shares receives around 1% less compared to an investment in global shares. So for a tax-exempt investor, a published 9% gross global shares return is roughly equivalent to a published 10% gross NZ shares return. There are implications for this on an investor's asset allocation. For example, we would look to have greater exposure to global shares, possibly with up to 4:1 mix for the tax-exempt investor.

Minor changes to the survey

Feedback on the survey content is important and we look to respond appropriately. This has led us to reclassify where we allocate some funds in the survey to better ensure we compare "apples with apples". An example is the AMPCI global bond fund, the AIF HQ Fund, which invests in Sovereign debt and is now shown under "Other". Arguably the most difficult sector when classifying funds is NZ and Australian shares, where the level of exposure to the Australian market and the manager's propensity to switch out of shares will impact on the results over time.

Mercer addition: Mercer is an important multi-manager provider in the NZ market and we are pleased to include both their investment and KiwiSaver funds in the survey.

KiwiSaver Survey

Some changes to the survey have been made, including a new category of "Moderate Balanced" for those funds where the benchmark asset allocation is around 50%, and we also now include ANZ and Mercer KiwiSaver Funds.

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
Australasian															
AMPCI	Active	459.4	8.0	(12)	26.1	(12)	12.7	(4)	8.1	(9)	11.8	(5)	2.6	0.2	(5)
AMPCI	Strategic	557.5	7.8	(13)	28.3	(5)	11.1	(12)	8.0	(10)	12.9	(1)	4.1	-0.3	(12)
BAM	Premium Share	2.8	8.5	(10)	27.4	(6)	11.8	(9)	8.8	(5)	12.6	(4)	2.4	-0.1	(10)
BTAM	NZ Share Plus	293.6	9.0	(6)	27.1	(8)	11.9	(8)	8.3	(8)	-	-	2.4	-0.1	(8)
BTAM	Dividend Share	83.5	8.7	(7)	26.3	(10)	12.7	(5)	9.8	(3)	-	-	2.0	0.3	(4)
CIP	NZ Equities	38.8	7.2	(15)	22.6	(15)	11.8	(11)	9.0	(4)	-	-	3.4	-0.1	(9)
DEV	NZ Core	87.4	9.2	(5)	23.1	(14)	10.8	(13)	-	-	-	-	3.2	-0.4	(13)
HAM	Australasian Eq	436.3	9.5	(3)	28.8	(4)	12.4	(7)	-	-	-	-	3.3	0.1	(7)
HAM	Equity Income	30.7	9.3	(4)	29.8	(3)	-	-	-	-	-	-	-	-	-
MAM	NZ Equities	351.6	10.2	(1)	33.7	(1)	16.3	(1)	13.5	(1)	-	-	3.0	1.0	(1)
MERCER	Trans-Tasman	48.7	8.5	(9)	25.7	(13)	11.8	(10)	8.4	(7)	12.8	(2)	2.3	-0.2	(11)
MNT	Trans-Tasman	17.8	10.1	(2)	26.3	(11)	14.8	(2)	12.0	(2)	-	-	6.3	0.4	(2)
ONEPATH	Australasian Share	544.7	8.3	(11)	27.3	(7)	12.8	(3)	8.0	(11)	12.7	(3)	1.9	0.3	(3)
TOWER	Trans-Tasman	417.2	7.5	(14)	30.5	(2)	12.7	(6)	8.5	(6)	11.8	(6)	3.9	0.1	(6)
TYN	Core Share	69.4	8.6	(8)	26.8	(9)	10.8	(14)	7.5	(12)	11.5	(7)	2.4	-0.6	(14)
Median			8.6		27.1		12.2		8.5		12.6		2.8	0.0	
Non core															
BAM	Alpha	14.0	8.3		11.3		3.2		8.9		17.1		6.8	-1.3	
BAM	Tasman	12.2	9.0		24.4		7.7		10.5		14.9		5.0	-0.9	
BTAM	Focus Share	54.6	9.6		30.3		12.7		13.1		-		4.5	0.1	
DEV	Alpha	38.2	6.6		22.4		-		-		-		-	-	
DEV	Trans-Tasman	67.5	7.8		21.6		5.9		5.9		13.2		6.6	-1.0	
FIS	NZ Growth	101.9	7.1		29.9		16.6		9.6		15.4		5.3	0.9	
MAM	Trans-Tasman	110.1	10.0		31.0		14.7		14.8		-		5.6	0.6	
ONEPATH	ESF	93.7	7.3		25.5		11.2		8.4		-		4.5	-0.2	
PIE	Australasian Growth	43.4	8.3		29.9		27.8		27.6		-		13.5	1.2	
TYN	Aggressive	138.4	8.2		27.8		7.8		9.7		23.0		4.9	-0.9	
TYN	Small Companies	11.7	10.5		24.7		9.9		9.7		16.0		12.4	-0.2	
Median			8.3		25.5		10.5		9.7		15.7		5.4	-0.2	
Indexed															
SMS	NZ Top 10	55.1	6.4		18.2		9.7		4.2		6.3		4.0	-0.6	
SMS	NZ Top 50	103.3	6.1		28.0		10.7		6.9		-		5.7	-0.3	
SMS	NZ Mid Cap	42.3	8.0		36.5		10.8		3.1		7.6		5.5	-0.2	
SMS	Aus Mid Cap	47.6	7.9		23.3		3.5		0.8		-		16.1	-0.5	
SMS	Aus Top 20	93.2	9.3		20.9		2.8		7.3		11.8		11.7	-0.8	
Australian															
AMPCI	Australian	50.8	5.8	(4)	18.4	(5)	3.9	(4)	5.8	(4)	12.5	(1)	1.4	0.0	(3)
CIP	Australian	35.6	5.4	(5)	18.5	(4)	5.0	(2)	7.6	(2)	-	-	4.3	0.3	(2)
DEV	Australian	39.0	6.5	(3)	21.1	(2)	-	-	-	-	-	-	-	-	-
FRK	Australian	38.5	9.0	(2)	22.0	(1)	4.9	(3)	6.9	(3)	-	-	13.6	-0.5	(4)
ONEPATH	Australian	370.9	10.3	(1)	19.1	(3)	5.8	(1)	8.4	(1)	-	-	4.2	0.4	(1)
Indexes															
NZX 50 incl IC's			9.2		27.7		12.2		6.4		9.9				
NZX 50 Portfolio			9.6		30.3		11.6		7.0		11.2				
ASX200 (NZD)			6.9		18.1		3.9		4.6		11.8				
90 day BB + 5% pa			1.9		7.9		8.1		9.1		10.8				

Global Shares		3 months		1 year		3 years		5 years		10 years		3 years pa			
		%	Rk	%	Rk	%pa	Rk	%pa	Rk	%pa	Rk	Tr	Err	IR	Rk
Core															
AB	Style Blend	6.3	(5)	6.8	(12)	-0.6	(14)	-3.7	(12)	-		2.8	-1.1	(14)	
AMPCI	Core Global	6.5	(3)	10.5	(6)	2.7	(9)	0.1	(10)	-		1.2	0.1	(9)	
IBB	Int'l Shares	5.9	(8)	10.6	(5)	4.0	(5)	2.2	(4)	4.5	(7)	1.8	0.8	(4)	
JANA	Core Global	6.4	(4)	9.7	(8)	3.1	(8)	-0.6	(11)	-		2.0	0.2	(7)	
MERCER	Share Plus	3.3	(14)	6.4	(13)	0.5	(12)	-		-		4.3	-0.5	(12)	
MFS	Global Eq	7.8	(1)	16.0	(1)	6.9	(1)	5.5	(1)	8.1	(1)	2.8	1.5	(1)	
MLC	NCIT	4.3	(12)	8.4	(10)	3.7	(6)	1.6	(7)	5.4	(3)	2.0	0.5	(5)	
ONEPATH	Int'l Eq	6.3	(6)	12.4	(3)	5.3	(2)	4.0	(3)	6.7	(2)	2.7	1.0	(2)	
RUS	ISF	6.1	(7)	8.9	(9)	2.7	(10)	0.7	(8)	4.6	(6)	2.1	0.0	(10)	
RUS	GOF	5.6	(9)	7.3	(11)	2.2	(11)	1.8	(5)	-		2.8	-0.1	(11)	
TOWER	International	4.2	(13)	6.2	(14)	0.3	(13)	0.5	(9)	5.2	(5)	2.4	-0.9	(13)	
TYN	Capital Int'l	5.3	(10)	11.4	(4)	3.4	(7)	1.7	(6)	5.3	(4)	3.1	0.2	(8)	
TYN	Multi-Manager	5.2	(11)	9.8	(7)	4.1	(4)	-		-		2.9	0.5	(6)	
WEL	Opportunities	6.5	(2)	12.9	(2)	4.6	(3)	4.1	(2)	-		2.5	0.8	(3)	
Median		6.0		9.8		3.2		1.6		5.3		2.6	0.2		
Value															
AB	Value	7.0	(3)	8.4	(5)	-2.0	(6)	-4.3	(5)	3.3	(4)	4.5	-1.0	(6)	
DFA	Value	7.3	(2)	13.0	(2)	2.4	(4)	0.4	(4)	6.4	(1)	4.4	-0.1	(4)	
ELE	Value	9.3	(1)	8.7	(4)	5.9	(1)	-		-		6.2	0.5	(1)	
FRK	Taxable	4.6	(5)	13.2	(1)	2.9	(3)	1.1	(3)	6.0	(3)	4.5	0.1	(3)	
GMO	Equity	4.2	(6)	8.7	(3)	3.3	(2)	2.8	(1)	6.1	(2)	3.3	0.2	(2)	
WEL	Value	5.4	(4)	6.0	(6)	2.2	(5)	2.4	(2)	-		1.9	-0.2	(5)	
Median		6.2		8.7		2.7		1.1		6.1		4.4	0.0		
Growth															
AB	Research	4.6	(3)	3.3	(4)	-0.1	(4)	-3.8	(4)	2.4	(3)	3.5	-0.8	(4)	
FRK	Equity	4.0	(4)	7.7	(3)	3.8	(3)	2.7	(2)	6.7	(1)	4.9	0.2	(3)	
MFS	Grow th	4.8	(2)	9.0	(2)	4.1	(2)	4.1	(1)	-		3.5	0.4	(1)	
WEL	Grow th	6.6	(1)	12.4	(1)	4.4	(1)	-0.1	(3)	4.5	(2)	5.6	0.3	(2)	
Median		4.7		8.4		4.0		1.3		4.5		4.2	0.3		
Indexed															
AMPCI	NWIN	6.1		10.1		3.1		1.6		-		2.1	0.2		
VAN		6.1		9.3		2.9		1.1		4.6		3.4	0.1		
Other															
AMPCI	Emerging	-0.7		5.3		2.1		2.2		-		4.9	0.9		
AMPCI	Socially Responsible	5.2		9.2		2.5		1.8		5.3		2.2	0.0		
GMO	Emerging	-4.1		-1.8		-1.8		-1.0		13.1		4.8	0.1		
JANA	High Alpha	3.4		7.9		2.8		1.2		-		3.0	0.1		
LMI	Emerging	-4.3		-5.4		-5.7		-2.8		11.2		7.2	-0.5		
MERCER	Emerging	-2.6		1.3		-1.6		0.8		-		10.1	-0.4		
TYN	SRI	7.1		8.6		2.5		-		-		4.9	0.0		
Indexes															
MSCI 0% hedged		6.1		9.4		2.6		0.9		4.5					
MSCI 100% hedged		10.3		16.2		9.6		3.0		8.8					
MSCI Emerging 0% hedged		-3.1		-0.3		-2.3		-0.2		12.3					

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	25.0	6.4	(3)	24.0	(1)	17.0	(2)	-	-	-	-	2.6	0.9	(4)
BTAM	NZ Listed	222.4	6.2	(4)	22.0	(4)	17.7	(1)	8.9	(1)	-	-	1.4	2.1	(1)
MNT	Australasian	60.1	6.9	(2)	22.5	(3)	15.1	(5)	7.6	(3)	-	-	2.8	0.1	(5)
ONEPATH	Prop Securities	94.5	7.1	(1)	23.6	(2)	17.0	(3)	8.4	(2)	12.0	(1)	1.9	1.2	(3)
TYN	Property Securities	31.8	5.9	(5)	19.4	(5)	15.7	(4)	-	-	-	-	0.9	1.2	(2)
	Median		6.4		22.5		17.0		8.4		12.0		1.9	1.2	
NZ Direct															
AMPCI	AIF P	230.1	4.1	(2)	10.0	(2)	5.6	(2)	-5.9	(2)	6.4	(2)	1.2	-	
TOWER	Property Fund	282.7	5.1	(1)	12.3	(1)	7.8	(1)	3.7	(1)	11.1	(1)	3.7	0.5	(1)
	Median		4.6		11.1		6.7		-1.1		8.7		2.5	0.5	
Global															
IBB	Int'l Prop	41.3	6.3	(3)	20.4	(3)	13.2	(3)	2.6	(2)	-	-	3.0	-1.1	(3)
ONEPATH	Ex Aus	235.7	7.6	(1)	21.5	(2)	16.7	(1)	3.5	(1)	-	-	3.1	0.1	(1)
RUS	Global RE		7.6	(2)	24.0	(1)	13.2	(2)	2.6	(3)	-	-	3.5	-1.0	(2)
	Median		7.6		21.5		13.2		2.6		-	-	3.1	-1.0	
Global 139% Hedged															
AMPCI	GPSF	175.4	8.8		23.2		17.7		5.1		-	-	5.1	0.2	
Mercer		85.8	8.5		23.7		-		-		-	-	-	-	
Indexes															
	NZX Property		6.0		18.3		14.7		7.0		9.5				
	UBS Global Property		8.7		23.2		16.6		4.4		-				

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
NZ Bonds															
AMPCI	AIF F	1,648.8	1.0	(3)	7.7	(4)	8.6	(3)	10.0	(1)	7.8	(1)	0.6	1.3	(2)
BTAM	Bond Fund	345.0	0.9	(5)	6.4	(6)	7.7	(5)	8.4	(4)	6.9	(5)	1.0	-0.1	(5)
HAM	Core Fixed	67.1	1.3	(1)	7.8	(3)	-	-	-	-	-	-	-	-	
ONEPATH	NZ Fixed Plus	1,009.8	0.8	(6)	8.1	(2)	9.0	(2)	8.0	(5)	7.3	(4)	0.9	1.4	(1)
TOWER		952.8	1.2	(2)	6.6	(5)	8.0	(4)	8.9	(2)	7.4	(2)	1.5	0.2	(4)
TYN		167.1	0.9	(4)	8.7	(1)	9.0	(1)	8.9	(3)	7.3	(3)	1.1	1.1	(3)
	Median		1.0		7.7		8.6		8.9		7.3		1.0	1.1	
Other															
BTAM	Corporate Bonds	272.1	0.8		7.8		7.8		-		-		2.6	0.0	
HAM	Corporate Bonds	100.8	1.1		7.1		6.8		-		-		2.6	-0.4	
HAM	Short Duration	6.1	0.9		-		-		-		-		-	-	
ONEPATH	Sovereign	500.9	1.0		7.1		8.2		8.4		7.8		0.4	0.9	
ONEPATH	High Grade	453.2	0.6		8.8		9.4		7.2		6.5		1.6	1.0	
ONEPATH	High Yield	55.8	0.8		9.1		9.9		10.2		8.8		1.6	1.4	
TYN	Corporate	77.0	1.0		8.9		8.9		-		-		2.1	0.5	
Indexes															
	NZ Govt Stock		0.9		6.4		7.8		8.0		6.7				
	NZX Corporate A Grade		0.7		6.7		7.4		8.8		-				
	NZ All Sw aps		0.0		5.3		7.0		8.7		-				

Global Bonds		3 months		1 year		3 years		5 years		10 years		3 years pa		
		%	Rk	%	Rk	%pa	Rk	%pa	Rk	%pa	Rk	Tr	Err	IR
Core (Global Aggregate)														
AB	Global Plus	1.4	(5)	9.0	(5)	9.0	(5)	8.9	(5)	9.0	(3)	0.8	1.8	(5)
AMPCI	AIF Q	1.2	(6)	7.0	(9)	7.2	(9)	8.4	(6)	7.7	(6)	1.9	-0.2	(9)
MERCER	Diversified	1.0	(8)	10.0	(4)	10.3	(4)	10.3	(4)	-		1.4	1.9	(3)
ONEPATH	Int'l Fixed Interest	1.6	(4)	7.7	(7)	7.5	(8)	8.0	(8)	8.2	(4)	0.8	-0.1	(8)
PIMCO	GIS Global	1.8	(1)	12.4	(2)	11.8	(1)	11.2	(1)	-		1.9	2.2	(2)
RUS	Global Bond	1.7	(2)	11.8	(3)	10.6	(3)	10.9	(2)	9.4	(1)	1.7	1.8	(4)
TOWER	PIMCO	1.7	(3)	13.1	(1)	11.5	(2)	10.5	(3)	9.2	(2)	1.7	2.3	(1)
TOWER	Wellington	0.6	(9)	7.9	(6)	8.5	(6)	-		-		0.6	1.4	(6)
TYN	GSAM	1.2	(7)	7.5	(8)	7.9	(7)	8.1	(7)	8.2	(5)	0.7	0.4	(7)
Median		1.4		9.0		9.0		9.6		8.6		1.4	1.8	
Other														
AMPCI	AIF HQ	0.5		5.1		7.1		-		-				
DFA	5 year	1.0		6.4		7.1		7.3		-				
Indexes														
Barclays Global Agg		1.2		7.8		7.6		8.2		8.1				
Citigroup WGBI		1.5		7.5		7.2		7.5		7.8				

Cash		FUM \$m	3 months		1 year		3 years		5 years		10 years		3 years pa		
			%	Rk	%	Rk	%pa	Rk	%pa	Rk	%pa	Rk	Tr	Err	IR
AMPCI	AIF Cash	2,974.8	0.9	(3)	3.5	(3)	3.8	(2)	4.8	(2)	6.0	(3)	0.1	13.9	(1)
BTAM		619.9	0.8	(5)	3.4	(5)	3.6	(5)	4.5	(5)	5.6	(5)	0.1	8.1	(4)
ONEPATH	Cash	1,522.0	0.8	(4)	3.5	(4)	3.6	(4)	4.5	(4)	6.3	(1)	0.1	9.0	(2)
TOWER		718.6	1.0	(2)	4.3	(1)	3.7	(3)	4.5	(3)	5.9	(4)	0.4	2.0	(5)
TYN		308.5	1.0	(1)	4.2	(2)	4.2	(1)	5.1	(1)	6.3	(2)	0.2	8.4	(3)
Median			0.9		3.5		3.7		4.5		6.0		0.1	8.4	
Index															
90 day Bank Bill			0.6		2.7		2.8		3.8		5.5				

Other		FUM \$m	3 months		1 year		3 years		5 years		10 years		3 years		
			%		%		%pa		%pa		%pa		Volatility		
Global Infrastructure															
AMPCI		24.7	11.7		-		-		-		-			-	
CFS		497.9	8.2		17.6		13.3		9.7		-			11.6	
MERCER		94.3	8.3		20.2		-		-		-			-	
Commodities															
PFAM		38.0	-3.6		-7.1		-2.0		-		-			14.2	
WEL		-	-4.3		-7.2		-0.1		-0.7		-			10.1	
Other															
AAM	Aspiring	159.2	7.7		21.3		16.9		17.9		-			9.4	
CIP	Equity	98.3	5.4		15.7		5.7		-		-			7.8	
MAM	Income	331.4	5.5		22.2		14.8		-		-			2.8	
MAM	Active Growth	476.9	7.4		30.1		15.2		16.0		-			5.9	
MERCER	Natural Resources	42.8	1.3		2.6		-		-		-			-	
MERCER	Real Assets	-	3.8		10.1		7.5		1.8		-			6.2	
MGH	Investment	14.7	6.6		8.0		2.3		2.9		7.1			8.0	
SIT	Absolute Return	35.6	4.0		7.0		4.3		-		-			4.4	
TYN	Income Fund	3.9	1.6		9.8		8.9		9.9		-			5.6	
TYN	JPMAAM	46.0	5.6		11.6		10.1		6.3		9.6			3.9	
TYN	Option	146.1	3.6		15.5		6.5		10.3		-			19.6	

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	5.3	(3)	13.3	(4)	8.5	(3)	6.0	(4)	9.0	(4)	66.9	33.1	20.0
ASB		4.8	(5)	11.8	(6)	7.4	(6)	5.3	(5)	-		59.8	40.2	-
MAM		6.3	(1)	19.5	(1)	9.8	(2)	-		-		62.2	37.8	0.0
ONEPATH		6.2	(2)	16.6	(2)	10.7	(1)	8.1	(1)	10.0	(1)	67.6	32.4	27.6
TOWER		4.5	(6)	13.2	(5)	7.8	(5)	6.3	(3)	9.1	(3)	55.0	45.0	0.6
TYN		4.8	(4)	14.0	(3)	8.1	(4)	6.5	(2)	9.2	(2)	71.5	28.6	23.0
Median		5.1		13.6		8.3		6.3		9.1		64.6	35.4	20.0

Acronym References

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

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 have been 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. Accordingly, for a gross investor the 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

Asset consulting services:

- Establish investment objectives.
- Determine long-term investment strategies.
- Determine the optimum investment manager configuration.
- Provide quantitative and qualitative analysis of investment performance.
- Asset/Liability modelling.
- Performance monitoring against investment objectives and competitors.
- Manager research and selection.

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KiwiSaver Results

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

Returns and Risk		FUM \$m	Growth BM%	3 months		1 year		3 years		5 years		Risk %pa	
				%	Rk	%	Rk	%	Rk	%	Rk	3 Yr	5 Yr
Aggressive Funds													
AMP	Growth	175.6	77.0	5.6	(7)	12.7	(9)	7.2	(6)	3.6	(10)	8.9	10.8
ANZ	Growth	282.7	80.0	7.3	(2)	18.0	(1)	9.8	(2)	6.2	(3)	7.4	10.3
AON	Russell Growth	11.4	74.0	6.7	(3)	13.9	(5)	8.8	(3)	5.0	(5)	10.4	14.1
ASB	Growth	283.9	80.0	5.9	(6)	12.8	(8)	6.9	(7)	4.1	(8)	7.4	11.0
Fidelity	Growth	42.1	77.5	4.7	(11)	12.9	(7)	4.7	(11)	4.2	(7)	6.7	9.6
Fisher	Growth	530.5	70.0	5.3	(9)	12.6	(10)	5.6	(10)	8.0	(1)	8.0	12.8
Grosvenor	Balanced Growth	32.1	75.0	4.3	(12)	10.4	(12)	n.a		n.a		n.a	n.a
Mercer	High Growth	29.5	89.5	5.1	(10)	11.9	(11)	6.6	(8)	3.4	(11)	7.7	12.7
OnePath	Growth	12.0	80.0	6.5	(4)	14.9	(3)	8.4	(4)	4.9	(6)	7.0	9.5
SIL	Growth	137.9	80.0	7.4	(1)	18.0	(2)	9.9	(1)	6.4	(2)	7.5	10.3
TOWER	Growth	86.7	80.0	6.0	(5)	14.4	(4)	6.6	(9)	4.0	(9)	7.7	11.0
Westpac	Growth	251.5	80.0	5.4	(8)	13.0	(6)	7.8	(5)	5.6	(4)	6.2	8.0
Median			80.0	5.9		12.9		7.0		4.6		7.6	10.9
Balanced Funds													
AMP	Balanced	218.8	60.0	4.5	(6)	11.6	(7)	7.3	(5)	5.2	(6)	6.4	7.6
AMP	Tyndall Balanced	9.8	61.0	3.9	(9)	11.8	(6)	6.7	(8)	4.8	(9)	5.5	7.8
ANZ	Balanced Growth	142.9	65.0	6.2	(2)	15.8	(2)	9.2	(2)	6.4	(2)	5.9	8.2
AON	Russell Balanced	33.3	60.0	5.6	(3)	13.1	(4)	8.8	(3)	5.9	(3)	8.5	11.8
ASB	Balanced	304.4	60.0	4.6	(5)	11.3	(9)	6.9	(7)	4.9	(8)	5.3	8.3
Mercer	Balanced	37.8	62.0	3.7	(10)	9.6	(10)	6.3	(10)	4.6	(10)	4.8	9.1
OnePath	Balanced Growth	12.3	65.0	5.4	(4)	13.4	(3)	8.1	(4)	5.4	(5)	5.5	7.6
SIL	Balanced Growth	193.9	65.0	6.2	(1)	15.9	(1)	9.3	(1)	6.6	(1)	5.9	8.2
TOWER	Balanced	279.4	55.0	4.3	(7)	11.8	(5)	6.5	(9)	5.0	(7)	4.9	7.2
Westpac	Balanced	418.2	60.0	4.3	(8)	11.5	(8)	7.2	(6)	5.7	(4)	5.1	6.6
Median			60.5	4.5		11.8		7.3		5.3		5.5	8.0
Moderate Balanced Funds													
AMP	Moderate Balanced	208.0	51.0	4.0	(4)	10.3	(5)	6.9	(4)	5.1	(5)	5.5	6.5
ANZ	Balanced	194.7	50.0	4.9	(2)	13.6	(2)	8.5	(2)	6.5	(2)	4.3	6.2
Fidelity	Balanced	94.9	50.0	3.8	(5)	11.4	(4)	5.2	(5)	5.5	(4)	5.1	6.6
Grosvenor	Balanced	93.7	50.0	3.1	(6)	8.9	(6)	4.8	(6)	5.0	(6)	3.9	6.6
OnePath	Balanced	10.7	50.0	4.4	(3)	11.8	(3)	7.8	(3)	5.7	(3)	4.0	5.7
SIL	Balanced	209.1	50.0	5.0	(1)	13.7	(1)	8.6	(1)	6.6	(1)	4.4	6.1
Median			50.0	3.9		10.9		6.0		5.3		4.7	6.5
Moderate Funds													
AMP	Moderate	143.8	38.0	3.1	(6)	9.1	(6)	6.7	(5)	5.7	(5)	3.8	4.4
ANZ	Cons Balanced	112.8	35.0	3.7	(3)	11.3	(3)	7.8	(3)	6.4	(3)	2.8	4.2
AON	Russell Moderate	8.2	40.0	4.3	(1)	12.3	(1)	9.1	(1)	7.1	(1)	5.6	8.4
ASB	Moderate	417.7	40.0	3.3	(5)	9.3	(5)	6.7	(6)	5.5	(6)	3.3	5.6
OnePath	Cons Balanced	4.0	35.0	3.3	(4)	10.1	(4)	7.5	(4)	6.1	(4)	2.6	3.9
SIL	Cons Balanced	76.7	35.0	3.8	(2)	11.4	(2)	7.9	(2)	6.6	(2)	2.8	4.2
Median			38.0	3.3		10.1		7.5		6.1		3.3	4.4
Conservative Funds													
AMP	Conservative	100.7	25.0	2.3	(8)	7.9	(10)	6.5	(6)	6.7	(2)	2.2	2.6
AMP	Default	479.1	20.0	2.1	(10)	6.2	(13)	5.0	(13)	4.8	(13)	2.2	2.6
ANZ	Conservative	108.0	20.0	2.5	(4)	8.7	(6)	6.8	(4)	6.2	(5)	1.5	2.4
AON	Russell Cons	48.9	20.0	3.1	(1)	11.6	(1)	9.2	(1)	8.1	(1)	3.2	5.3
ASB	Conservative	1,603.6	20.0	2.1	(11)	6.8	(12)	5.7	(12)	5.7	(11)	1.6	2.6
Fidelity	Conservative	42.3	25.0	2.4	(6)	9.7	(2)	6.1	(9)	6.0	(8)	2.9	3.8
Grosvenor	Conservative	32.8	25.0	1.9	(13)	7.9	(9)	6.3	(8)	6.2	(6)	2.3	4.3
Mercer	Conservative	660.8	20.0	2.0	(12)	7.1	(11)	5.7	(11)	6.1	(7)	1.7	4.0
OnePath	Conservative	646.7	20.0	2.4	(7)	8.5	(7)	7.0	(2)	6.3	(4)	1.4	2.4
SIL	Conservative	235.9	20.0	2.5	(3)	8.9	(3)	6.9	(3)	6.3	(3)	1.5	2.4
TOWER	Conservative	60.1	30.0	2.5	(2)	8.8	(4)	6.4	(7)	5.7	(10)	2.1	4.2
TOWER	Default	463.4	20.0	2.1	(9)	7.9	(8)	5.8	(10)	5.4	(12)	1.4	2.5
Westpac	Conservative	930.2	25.0	2.4	(5)	8.8	(5)	6.5	(5)	5.8	(9)	2.0	2.8
Median			20.0	2.3		8.2		6.3		6.1		1.9	2.6
Other Funds													
AMP	Aggressive	133.7	90.0	6.4	(1)	13.9	(2)	7.3	(1)	2.9	(2)	10.6	13.0
Fidelity	Aggressive	15.7	100.0	5.2	(3)	14.2	(1)	4.2	(4)	4.9	(1)	9.8	11.8
Fidelity	Capital Guaranteed	33.3	15.0	1.6	(5)	6.4	(5)	4.6	(3)	n.a		1.3	n.a
Fisher	Conservative	182.2	10.0	2.1	(4)	8.7	(4)	5.9	(2)	n.a		1.6	n.a
Grosvenor	High Growth	64.5	99.0	5.4	(2)	11.3	(3)	2.5	(5)	2.2	(3)	8.1	11.8

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	51.1	6.0	3.6		80.1	7.4	3.5		9.1	19.9
ANZ	Growth	23.8	47.6	7.4	6.0		84.8	5.0	4.1		6.1	15.2
AON	Russell Growth	14.8	50.0		9.3		74.0	5.2	20.8			26.0
ASB	Growth	24.9	44.6		10.0		79.5	5.8	11.9		2.8	20.5
Fidelity	Growth	31.1	38.4	9.0			78.5	12.3	8.1		1.2	21.5
Fisher	Growth	48.4	36.0	0.9	0.8		86.0	0.6	2.7		10.7	14.0
Grosvenor	Balanced Growth	22.7	38.2				61.0	34.1			4.9	39.0
Mercer	High Growth	19.6	43.5		17.3	4.5	84.9	2.3	2.3	4.5	6.0	15.1
OnePath	Growth	20.1	46.5	12.0			78.6	5.0	11.0		5.5	21.4
SIL	Growth	23.6	47.6	7.4	6.0		84.5	4.6	3.8		7.1	15.5
TOWER	Growth	31.5	36.4	13.1			81.0	5.4	9.5		4.1	19.0
Westpac	Growth	25.3	37.9	10.0		10.0	83.2	4.7	5.6		6.5	16.8
Average		25.4	43.6	5.1	4.8	0.4	79.3	8.0	7.1	0.4	5.2	20.7
Balanced Funds												
AMP	Balanced	17.4	39.9	6.9	2.2		66.4	17.7	11.4		4.6	33.6
AMP	Tyndall Balanced	17.8	30.7	5.3		9.2	63.0	16.0	12.6	8.5		37.0
ANZ	Balanced Growth	19.7	38.6	6.2	5.0		69.5	9.0	10.5		11.0	30.5
AON	Russell Balanced	12.0	40.5		7.5		60.0	8.0	32.0			40.0
ASB	Balanced	20.0	29.8		10.0		59.8	15.7	18.9		5.6	40.2
Mercer	Balanced	12.7	29.1		14.3	3.3	59.3	7.8	14.0	3.3	15.6	40.7
OnePath	Balanced Growth	15.9	38.5	10.0			64.5	9.1	20.1		6.4	35.5
SIL	Balanced Growth	19.6	38.8	6.2	5.0		69.7	8.8	10.4		11.1	30.3
TOWER	Balanced	19.8	23.6	12.6			56.0	14.3	21.7		8.0	44.0
Westpac	Balanced	20.3	30.0	5.0		7.5	62.8	15.2	16.0		6.0	37.2
Average		17.5	34.0	5.2	4.4	2.0	63.1	12.1	16.8	1.2	6.8	36.9
Moderate Balanced Funds												
AMP	Moderate Balanced	13.5	34.7	3.9	2.3		54.4	18.1	10.4		17.1	45.6
ANZ	Balanced	15.9	28.0	4.9	4.0		52.8	11.9	18.4		16.9	47.2
Fidelity	Balanced	24.1	29.6	5.6			59.4	20.8	18.8		1.0	40.6
Grosvenor	Balanced	14.5	27.6				42.1	49.2			8.7	57.9
OnePath	Balanced	13.0	28.0	8.0			49.0	12.1	27.9		11.1	51.0
SIL	Balanced	16.2	28.7	4.9	4.0		53.8	11.7	18.2		16.4	46.2
Average		17.0	30.0	3.6	1.6		52.2	25.0	11.9		10.9	47.8
Moderate Funds												
AMP	Moderate	10.5	26.6	2.9	1.7		41.6	23.4	13.9		21.1	58.4
ANZ	Cons Balanced	11.0	19.2	3.7	3.0		37.0	14.9	25.3		22.8	63.0
AON	Russell Moderate	8.0	27.0		5.0		40.0	12.0	48.0			60.0
ASB	Moderate	14.0	17.0		9.0		40.0	20.6	27.0		12.4	60.0
OnePath	Cons Balanced	9.0	19.3	6.0			34.3	15.1	34.9		15.7	65.7
SIL	Cons Balanced	11.4	20.0	3.8	3.0		38.2	14.8	25.4		21.6	61.8
Average		10.5	21.8	2.5	3.7		38.6	17.2	29.8		14.4	61.4
Conservative Funds												
AMP	Conservative	7.5	18.4	1.8	1.0		28.7	28.7	17.4		25.2	71.3
AMP	Default	5.9	13.6	2.4	0.7		22.6	6.0	3.9		67.5	77.4
ANZ	Conservative	6.3	11.9	1.9	1.5		21.6	18.0	32.5		27.9	78.4
AON	Russell Cons	4.0	13.0		3.0		20.0	16.0	64.0			80.0
ASB	Conservative	9.1	11.0				20.1	24.7	30.1		25.1	79.9
Fidelity	Conservative	15.4	11.3	4.6			31.3	35.1	27.9		5.7	68.7
Grosvenor	Conservative	7.7	13.0				20.7	77.9			1.4	79.3
Mercer	Conservative	5.7	10.2		4.0	0.3	20.2	14.8	26.1	0.3	38.6	79.8
OnePath	Conservative	5.1	12.5	3.1			20.6	17.4	41.0		21.0	79.4
SIL	Conservative	6.3	12.0	1.9	1.5		21.7	17.8	32.2		28.4	78.3
TOWER	Conservative	7.7	9.9	12.2			29.8	25.9	28.3		16.0	70.2
TOWER	Default	6.3	7.7	7.3			21.3	29.0	25.5		24.2	78.7
Westpac	Conservative	10.2	10.0	5.1		2.5	27.8	23.1	25.0		24.1	72.2
Average		7.2	12.0	2.9	1.0	0.0	23.2	25.9	27.4	0.0	23.4	76.8
Other Funds												
AMP	Aggressive	22.4	59.2	7.1	4.2		92.9	2.1			5.1	7.1
Fidelity	Aggressive	29.8	40.0	5.0		25.0	99.8				0.2	0.2
Fidelity	Capital Guaranteed	8.8	5.8				14.6	17.6	17.3		50.5	85.4
Fisher	Conservative	6.7	8.6	2.7	2.5		20.5	24.3	29.9		25.4	79.5
Grosvenor	High Growth	16.9	28.4	3.7	1.7	6.2	56.9	11.0	11.8		20.3	43.1