

Investment Survey September 2008 – Large negative returns

1. Returns

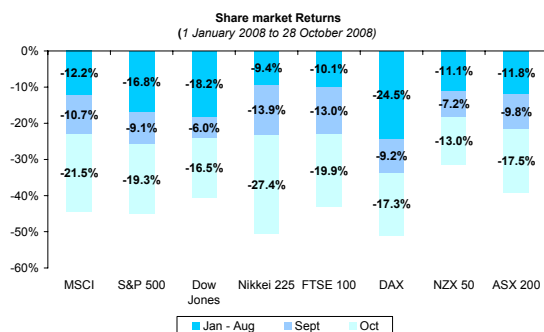
Index returns for the quarter and the year to 30 September 2008 were:

Asset Class	Quarter	Year
NZ Shares	-2.6%	-26.2%
Australian shares in A\$	-10.4%	-26.8%
Global Shares:		
• local currency	-11.3%	-24.7%
• unhedged	-3.3%	-15.8%
• hedged	-10.5%	-21.5%
NZ Property	-4.3%	-15.7%
Global Property	-0.4%	-20.3%
NZ Govt Bonds	4.2%	9.8%
NZ All Swaps	4.6%	12.1%
Global Bonds	2.3%	8.6%
Cash	2.1%	9.0%
NZ\$ against US\$	-12.2%	-11.6%

2. Comment on results

September was a tough quarter with global markets tracking down sharply. Additionally, on the fixed interest side, many managers were caught out by the flight to quality that favoured sovereign debt heavily over corporate debt.

Markets continued to fall through the first part of October. The chart below shows how the 2008 calendar year returns have been generated across global sharemarkets.



3. Results for October month to date

The month to date October results have been tough and we show below estimates for an average Balanced, Growth and Conservative fund.

- Balanced -8%
- Conservative -2.5%
- Growth -13%

The results on top of the poor September quarter numbers show poor year to date numbers for funds with a March year end date.

4. Fund Manager Comments

This quarter, we thought it useful to approach the fund managers that had performed well for the year ending September 2008 in their peer group and get their comments on why they outperformed.

Within individual sectors, the managers with the top results for the 12 months were:

- Australasian shares MAM (Aggressive) 7.6%
- Core global shares BNP -8.8%
- NZ bonds AMP Capital 12.0%
- Global bonds ING 11.5%
- Cash ING 9.8%
- NZ property TAM 4.4%
- Global property ING -20.2%
- Alternative assets Tyndall Options 27.2%

4.1 NZ bonds: AMP Capital

AMP Capital return 12%, Index 9.8%.

AMP Capital's comments were as follows:

"Two years ago AMPCI changed its investment guidelines to allow for the greater use of interest rate swaps in its portfolios. It also encouraged all of its clients to follow suit. The reason for this was that government bonds were extremely overvalued due to the demand from Asia.

One approach would have been to switch out of government bonds into credit securities with a similar term. However AMPCI viewed credit, especially longer-term credit as equally expensive.

Its preferred approach was to use interest rate swaps as a proxy for longer term credit, while it maintained a very short maturity profile on its physical, or cash credit portfolio.

Within the last year both government bonds and credit securities have underperformed relative to the interest rate swaps that AMPCI has been heavily invested in, leading to significant out-performance.

Along with this, AMPCI have maintained a long duration position (again through interest rate swaps) which has added value as rates have declined."

4.2 Global bonds: ING

ING return 11.5%, Index 8.6%.

ING's comments were as follows:

"The Fund is managed on ING's index swap strategy which involves receiving the JP Morgan Government Bond Index (in USD) and paying away the LIBOR (in USD). This transaction is fully hedged to NZ dollars. The management of the underlying collateral is via the ING Cash Plus Fund.

On netting off the post-hedge flows this strategy has cost-effectively delivered the JP Morgan Index return plus a margin related to the value added within the Cash Plus Fund over the past 12 months.

At a time of global uncertainty and instability in credit markets, Government Bond performance has been strong. Coupled with the high local interest rates which have helped the ING Cash Plus Fund to deliver some alpha over the JP Morgan Index, the ING Wholesale International Bond Fund has consistently been the top performer in Global Bond surveys conducted by asset consultants in NZ."

3.3 Australasian shares: Milford Asset Management

MAM Aggressive 10.3%, NZX50 -26.2%.

MAM's comments on both their Aggressive and NZ Share funds were as follows:

"The Aggressive Fund performed well due to its cautious economic and market view and high weight in cash of 75%. The Fund has an absolute return objective of 10% per annum and has the flexibility to hold cash if it cannot find attractive equity investments.

The NZ Share Fund has a relative investment objective and must have at least 70% invested in shares. The NZ Fund also adopted a cautious approach and outperformed its benchmark, the NZX50 portfolio index, over 3 months and 1 year."

MJW comment: The Aggressive Fund is more an absolute return fund than a fully invested Australasian share fund.

4.4 Global shares: BNP Paribas

BNP Paribas -8.8%, Index -15.8%.

The comments provided by BNP focused on their stock selection decisions.

4.5 Global property: ING

ING -20.2%, Index -20.3%.

ING's comments were as follows:

"Real estate securities have not been immune to the turmoil in the credit markets. With the global financial system in disarray and the U.S. government in full crisis management mode, lending markets across the world are battered today, and new leverage is readily available only to first-class owners and operators. With credit expensive and in limited supply, and with buyers in a wait and see mode, sale transactions are few in number. We believe these trends will continue to put downward pressure on real estate fundamentals and values.

However, over time we believe the credit markets will recover, economies will strengthen, and real estate fundamentals will improve. In the meantime, the ING portfolio which is managed by LaSalle Investment Management is predominantly comprised of high-quality companies that are well positioned to endure through this downturn, capitalise on opportunities that may arise from the current distress, and participate in the value-creating opportunities when the market upturn occurs."

4.6 NZ Listed Property: AB

AB -16.2%, Index -15.7%

AB's comments were as follows:

"The key benefit to the portfolio was having limited risk. This effectively meant having limited exposure to Australian REITs. In Australia some good trading gains were made and the "train wrecks" were avoided until September. In September a holding in Valad Property Group contributed around 50 basis points of underperformance. Cash holdings assisted performance a little with cash remaining at around 2% over the period (portfolio mandate prevents any material cash holdings). Australian dollar exposure had no impact on

performance as any Australian exposure is fully hedged at all times. Of the New Zealand positions ING Medical Property Trust caused some underperformance as we moved from over weight to underweight too soon. Similarly exposure to ING Property Trust caused some underperformance as we moved from underweight to over-weight too soon."

4.7 NZ Direct Property: TOWER

TOWER 4.4% Index n.a.

TOWER's comments were as follows:

"The TOWER Property Fund reduced in value by 2.50 % to \$ 285m in September 2008, with the portfolio's market revenue now being capitalised at 7.67% (up from 7.18% in March). This correction reflects underlying market sentiment towards investment property, and is similar to the yield movement reported by other institutional investors over the same period.

In common with a number of other funds, our portfolio is in an under rent position, with strong potential for continuing revenue growth, even in this slowing market. For example, during the last six months the passing net revenue from the portfolio rose by over \$ 700,000.

However, in stark contrast to our competitors, the TPF holds no gearing, is carrying no development risk, nor holding significant property vacancies – aspects that can be highly dilutionary to a portfolio return in a softening property market. It is these key attributes that need to be considered when comparing the relative performance of the fund. For the TPF it is as much about holding good quality assets, as it is avoiding the prospect of holding poor ones."

5. Overall Comment

The current investment period is proving to be the toughest in living memory and how long this will continue is unclear. The question from all investors is how they should respond to these conditions. Our comments are:

- Review the fund's total strategy, both asset allocation and within sectors.
- Make sure you fully understand what the fund is invested in. This applies as much to a cash fund as a hedge fund.
- Ask all the questions necessary to achieve this understanding.
- Discuss with the fund manager/adviser whether they recommend any changes given the fund's liabilities – both short term and long term.
- There will always be changes that could be made, identify them, discuss them and determine implications.
- The change in asset values may mean re balancing is required. Review the ranges, confirm them and then rebalance.
- We would expect in most circumstances that the review will confirm the existing strategy and the management of the fund will continue as before.

Markets will recover and it is important to be invested in accordance with the long term strategy in order to recover losses made to date.

Table 1 – NZ and Australian Share Funds

Manager	3 Months		1 Year		3 Years		5 Years		3 Years						
	%	Rank	% p.a.	Rank	% p.a.	Rank	% p.a.	Rank	Excess Return	Tracking Error	Inform'n Ratio				
									% p.a.	Rank	% p.a.	Rank	% p.a.	Rank	
NZ															
MAM	NZ Shares	1.1	(1)	-18.1	(1)	2.2	(1)	n.a	4.0		n.a		n.a		
TAM	NZ Shares	-1.4	(2)	-24.8	(2)	-0.3	(2)	8.9	(1)	1.5	5.7		0.3		
Indexed															
AMPCI	NZ Eq Passive	-2.4		-25.9		-1.7		7.2		0.0	0.2		0.2		
SMS	NZ Top 10	-1.0		-30.7		-7.6		1.8		-5.8	6.7		-0.9		
SMS	NZ Top 50	1.2		-26.7		-1.2		n.a		0.6	8.6		0.1		
SMS	NZ Mid Cap	-5.8		-23.0		2.7		7.5		4.5	10.6		0.4		
SMS	Aus Mid Cap	-11.8		-25.2		4.6		n.a		6.4	11.6		0.6		
SMS	Aus Top 20	-10.1		-20.2		8.8		12.3		10.6	13.8		0.8		
Australasian															
AB	High Growth	-1.7	(5)	-24.9	(6)	0.9	(4)	9.7	(5)	2.7	(4)	3.6	(7)	0.7	(5)
AMPCI	Active	0.1	(2)	-21.6	(1)	2.6	(1)	10.3	(4)	4.3	(1)	2.0	(2)	2.1	(1)
Arcus		-3.8	(7)	-21.8	(2)	1.7	(2)	n.a		3.5	(2)	3.3	(6)	1.0	(4)
BAM		0.7	(1)	-21.9	(3)	1.6	(3)	10.7	(3)	3.4	(3)	2.9	(4)	1.1	(3)
ING	Aust Share	-1.5	(4)	-24.2	(5)	0.2	(6)	11.4	(1)	1.9	(6)	3.1	(5)	0.6	(6)
Mercer	Trans-Tasman	-0.4	(3)	-23.0	(4)	0.8	(5)	11.1	(2)	2.5	(5)	2.2	(3)	1.2	(2)
TYN	Core Share	-3.5	(6)	-25.9	(7)	-2.1	(7)	9.2	(6)	-0.3	(7)	2.0	(1)	-0.2	(7)
Average		-1.4		-23.3		0.8		10.4		2.6		2.7		1.0	
Non core															
AMPCI	Strategic	1.6		-19.6		5.9		12.5		7.6	13.9		0.6		
FIS	NZ Growth	-1.4		-29.8		6.6		15.7		8.4	12.4		0.7		
ING	ESF	-1.7		-22.5		2.1		n.a		3.9	8.1		0.5		
JBW		-9.3		-23.4		4.7		14.9		6.4	8.6		0.7		
MAM	Aggressive	0.2		10.3		n.a		n.a		n.a	n.a		n.a		
MNT		-5.2		-18.9		n.a		n.a		n.a	n.a		n.a		
TYN	Aggressive	-2.6		-16.2		13.5		26.4		15.2	9.8		1.6		
Indices															
NZSX50 (incl IC's)		-2.6		-26.2		-1.8		7.5							
ASX200		-10.4		-26.8		4.0		12.4							
Cash + 5% pa		3.4		14.0		13.3		12.5							

Table 2 – Alternative Assets

Manager	FX %	3 Months	1 Year	3 Years	5 Years	3 Years
		%	% p.a.	% p.a.	% p.a.	Volatility
ING	Topaz	0.0	-6.3	-2.8	6.8	8.5
ING	Topaz +	0.0	-15.2	-14.2	5.0	9.2
ING	Onyx	0.0	-4.1	1.7	7.7	7.9
MGH		100.0	1.0	-6.6	3.0	7.9
Mercer		0.0	-9.6	-0.5	n.a	n.a
TAM	Commodity	100.0	-30.2	-0.6	2.5	14.4
TYN	JPMAAM	0.0	-4.0	2.9	10.8	10.9
TYN	Options	0.0	6.0	27.2	20.0	17.9
WEL	Commodity	100.0	-13.2	8.4	13.1	13.5
Average			-8.4	1.7	8.6	11.3
Index						
HFR FoF Hedged NZD			-7.5	-4.3	7.1	9.2

Notes:

1. Excess return is defined as gross return less benchmark return, i.e. value added.
2. Tracking error is the standard deviation of value added.
3. Information Ratio is value added divided by tracking error, i.e. risk adjusted performance.
4. 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 to those shown above.
5. Relative outperformance may be due to the nature of the fund rather than to superior performance.
6. The index share funds are benchmarked against the standard share index and not against their own index.

Table 3 – Global Share Funds (unhedged)

Manager	3 Months		1 Year		3 Years		5 Years		3 Years						
	%	Rank	% p.a.	Rank	% p.a.	Rank	% p.a.	Rank	Excess Return % p.a.	Rank	Tracking Error % p.a.	Rank	Inform'n Ratio % p.a.	Rank	
Core															
AB	Style Blend	-12.4	(13)	-27.6	(13)	-1.7	(13)	4.2	(9)	-4.2	(13)	4.4	(11)	-1.0	(10)
AMPCI	FDF Int'l Share	-8.2	(9)	-20.3	(10)	1.1	(9)	5.4	(6)	-1.4	(9)	2.5	(6)	-0.6	(9)
Arcus	Global Eq	-9.0	(10)	-21.0	(11)	2.6	(6)	n.a		0.0	(6)	4.2	(9)	0.0	(5)
BNP	Global Eq	1.0	(1)	-8.8	(1)	6.3	(1)	8.2	(1)	3.8	(1)	3.7	(8)	1.0	(1)
ING	Int'l Eq	-2.8	(2)	-14.4	(2)	3.9	(3)	6.3	(3)	1.3	(3)	2.3	(3)	0.6	(2)
INT	Int'l Shares	-5.4	(5)	-19.3	(7)	0.8	(11)	4.0	(10)	-1.7	(11)	1.8	(2)	-1.0	(11)
Jana	Core Global	-11.7	(12)	-23.7	(12)	0.2	(12)	n.a		-2.3	(12)	4.3	(10)	-0.5	(8)
Mercer	Global Shares	-7.1	(7)	-19.8	(9)	1.6	(8)	5.8	(4)	-0.9	(8)	2.4	(4)	-0.4	(7)
MLC	NCIT	-9.0	(11)	-19.7	(8)	1.7	(7)	5.1	(7)	-0.9	(7)	3.6	(7)	-0.2	(6)
RUS	ISF	-5.2	(4)	-18.3	(6)	1.0	(10)	4.6	(8)	-1.5	(10)	1.3	(1)	-1.2	(12)
RUS	GOF	-5.5	(6)	-15.9	(4)	3.2	(5)	n.a		0.6	(5)	n.a		n.a	
TYN	Capital Int'l	-4.3	(3)	-15.0	(3)	3.9	(2)	5.5	(5)	1.3	(2)	2.5	(5)	0.5	(3)
WEL	Opportunities	-8.1	(8)	-17.0	(5)	3.2	(4)	6.9	(2)	0.6	(4)	5.2	(12)	0.1	(4)
Average		-6.7		-18.5		2.1		5.6		-0.4		3.2		-0.2	
Value															
AB	Value	-11.4	(7)	-28.6	(7)	-1.1	(7)	5.2	(6)	-3.6	(7)	4.6	(6)	-0.8	(7)
DFA	Value	-1.3	(1)	-17.9	(4)	2.4	(5)	7.9	(1)	-0.2	(5)	3.5	(4)	0.0	(5)
GMO	Equity Trust	-1.4	(2)	-14.8	(2)	2.4	(6)	6.4	(3)	-0.2	(6)	1.8	(1)	-0.1	(6)
TAM	International	-4.7	(5)	-17.7	(3)	3.1	(3)	5.6	(5)	0.6	(3)	8.6	(7)	0.1	(3)
TAM	Marathon	-1.9	(3)	-18.3	(5)	4.5	(2)	7.8	(2)	1.9	(2)	4.0	(5)	0.5	(2)
TEM		-2.9	(4)	-18.4	(6)	2.6	(4)	6.4	(4)	0.0	(4)	3.0	(3)	0.0	(4)
WEL	Value	-5.1	(6)	-10.5	(1)	5.5	(1)	n.a		3.0	(1)	2.9	(2)	1.0	(1)
Average		-4.1		-18.0		2.8		6.6		0.2		4.0		0.1	
Growth															
AB	Research	-12.7	(3)	-25.9	(4)	-2.1	(4)	3.2	(2)	-4.6	(4)	17.3	(4)	-0.3	(4)
BNP	Growth	-4.6	(2)	-12.6	(2)	4.3	(1)	n.a		1.7	(1)	14.8	(3)	0.1	(2)
GMO	Growth	-3.4	(1)	-12.1	(1)	3.7	(2)	n.a		1.2	(2)	2.5	(1)	0.5	(1)
WEL	Growth	-14.3	(4)	-24.3	(3)	0.5	(3)	3.8	(1)	-2.1	(3)	7.9	(2)	-0.3	(3)
Average		-8.7		-18.7		1.6		3.5		-0.9		10.6		0.0	
Indexed															
AMPCI	WINZ	-1.4		-13.7		2.4		4.5		-0.1		1.4		-0.1	
VAN		-2.8		-15.5		2.3		5.0		-0.2		0.4		-0.5	
Other															
AMPCI	Extended	-9.1		-17.6		3.4		9.0		-7.7		11.2		-0.7	
AMPCI	S Responsible	-5.2		-15.0		3.7		5.5		1.2		2.7		0.4	
Jana	High Alpha	-9.0		-22.1		0.4		n.a		-2.1		4.3		-0.5	
LMI	Emerging	-16.2		-24.1		11.7		16.2		0.7		3.8		0.2	
NZAM		-3.7		-10.9		3.4		6.8		0.8		6.2		0.1	
Indices															
MSCI 0% hedged		-3.3		-15.8		2.5		5.4							
MSCI 100% hedged		-10.5		-21.5		3.3		10.6							
MSCI Emerging 0%		-13.6		-22.6		11.1		16.7							

Table 4 – Property

Manager	3 Months		1 Year		3 Years		5 Years		3 Years						
	%	Rank	% p.a.	Rank	% p.a.	Rank	% p.a.	Rank	Excess Return % p.a.	Rank	Tracking Error % p.a.	Rank	Inform'n Ratio % p.a.	Rank	
NZ Listed															
AB	NZ Listed	-4.6	(3)	-16.2	(1)	5.0	(2)	11.2	(2)	1.0	(2)	1.5	(1)	0.7	(2)
BAM	Infrastructure	4.2	(1)	-24.3	(3)	2.2	(3)	n.a		-2.6	(3)	12.8	(3)	-0.2	(3)
ING	Prop Securities	-4.0	(2)	-17.0	(2)	6.0	(1)	13.3	(1)	2.1	(1)	2.8	(2)	0.7	(1)
MNT	Australasian	-5.1	(4)	n.a		n.a		n.a		n.a		n.a		n.a	
Average		-2.4		-19.2		4.4		12.2		0.2		5.7		0.4	
NZ Direct															
AMPCI	AIF P	-7.9	(2)	3.0	(2)	17.5	(1)	17.4	(1)	-1.9	(1)	5.9	(1)	-0.3	(2)
TAM		-0.9	(1)	4.4	(1)	17.0	(2)	16.8	(2)	-2.3	(2)	9.2	(2)	-0.3	(1)
Average		-4.4		3.7		17.2		17.1		-2.1		7.5		-0.3	
Global															
AMPCI	GPSF	-1.9	(2)	-21.8	(2)	7.0	(1)	17.3	(1)	2.2	(1)	4.7	(3)	0.5	(1)
ING	Ex Australia	-2.3	(3)	-20.2	(1)	4.3	(2)	n.a		-0.5	(2)	3.0	(2)	-0.2	(2)
RUS	Global R.E.	-4.8	(4)	-25.0	(4)	n.a		n.a		n.a		n.a		n.a	
TYN		0.4	(1)	-24.4	(3)	2.1	(3)	n.a		-1.4	(3)	3.0	(1)	-0.5	(3)
Average		-2.2		-22.9		4.5		17.3		0.1		3.6		-0.1	
Indices															
NZSE Property		-4.3		-15.7		4.0		9.6							
UBS Global Property		-0.4		-20.3		4.8		15.1							

Table 5 – Bond and Cash Funds**5.1 New Zealand Bonds**

Manager	3 Months		1 Year		3 Years		5 Years		3 Years					
	%	Rank	% p.a.	Rank	% p.a.	Rank	% p.a.	Rank	Excess Return		Tracking Error		Inform'n Ratio	
									% p.a.	Rank	% p.a.	Rank	% p.a.	Rank
AB NZ Fixed Income	4.2	(4)	9.6	(4)	6.4	(5)	6.1	(5)	0.0	(5)	1.3	(2)	0.0	(5)
AMPCI AIF F	5.6	(1)	12.0	(1)	7.3	(1)	6.6	(3)	0.9	(1)	1.5	(3)	0.6	(2)
Arcus	3.3	(6)	8.2	(5)	6.2	(6)	n.a		-0.3	(6)	2.0	(6)	-0.1	(6)
ING NZ Fixed Int.	2.8	(7)	7.5	(7)	6.7	(3)	6.9	(1)	0.3	(3)	1.5	(4)	0.2	(3)
ING NZ Govt Bonds	4.9	(2)	10.7	(2)	n.a		n.a		n.a		n.a		n.a	
TAM	4.6	(3)	10.5	(3)	7.2	(2)	6.7	(2)	0.8	(2)	1.0	(1)	0.8	(1)
TYN	3.9	(5)	8.1	(6)	6.5	(4)	6.5	(4)	0.1	(4)	1.8	(5)	0.1	(4)
Average	4.2		9.5		6.7		6.6		0.3		1.5		0.3	
Index														
NZ Govt Stock	4.2		9.8		6.4		6.1							
NZ All Swaps	4.6		12.1		n.a		n.a							

5.2 Global Bonds (hedged)

Manager	3 Months		1 Year		3 Years		5 Years		3 Years					
	%	Rank	% p.a.	Rank	% p.a.	Rank	% p.a.	Rank	Excess Return		Tracking Error		Inform'n Ratio	
									% p.a.	Rank	% p.a.	Rank	% p.a.	Rank
AB	-2.9	(9)	n.a		n.a		n.a		n.a		n.a		n.a	
AMPCI AIF Global Fixed	-1.7	(8)	-1.9	(8)	3.2	(8)	5.3	(6)	-3.9	(8)	2.6	(7)	-1.5	(8)
Arcus	0.3	(5)	5.5	(4)	6.1	(4)	n.a		-1.7	(5)	2.1	(4)	-0.8	(4)
BLK Global Euro	0.1	(6)	3.5	(6)	5.5	(6)	6.9	(4)	-1.6	(4)	1.2	(3)	-1.4	(7)
DFA	0.8	(3)	7.8	(2)	7.2	(2)	n.a		-0.6	(2)	2.4	(6)	-0.2	(2)
ING Int'l Fixed Int.	4.3	(1)	11.5	(1)	8.3	(1)	8.9	(1)	1.2	(1)	1.1	(2)	1.1	(1)
RUS Global Bond	0.8	(4)	5.0	(5)	5.7	(5)	7.4	(3)	-2.1	(6)	2.2	(5)	-0.9	(5)
TAM PIMCO	-1.5	(7)	3.2	(7)	4.9	(7)	6.7	(5)	-2.2	(7)	3.1	(8)	-0.7	(3)
TYN FFTW	1.7	(2)	7.7	(3)	6.5	(3)	7.8	(2)	-0.6	(3)	0.7	(1)	-0.9	(6)
Average	0.2		5.3		5.9		7.2		-1.4		1.9		-0.7	
A\$ Hedged														
INT	2.5		5.1		n.a		n.a		n.a		n.a		n.a	
Index														
Lehman	2.3		8.6		7.1		7.7							
Citigroup WGBI	4.2		10.8		7.8		8.2							

5.3 Cash

Manager	3 Months		1 Year		3 Years		5 Years		3 Years					
	%	Rank	% p.a.	Rank	% p.a.	Rank	% p.a.	Rank	Excess Return		Tracking Error		Inform'n Ratio	
									% p.a.	Rank	% p.a.	Rank	% p.a.	Rank
AB NZ Cash	2.0	(7)	8.6	(7)	8.1	(7)	7.4	(7)	-0.2	(7)	0.2	(5)	-0.9	(8)
AMPCI ASIT Cash	2.2	(5)	9.2	(4)	8.4	(4)	7.6	(4)	0.2	(4)	0.2	(4)	0.9	(3)
AMPCI Strategic Income	1.9	(8)	8.7	(6)	8.6	(3)	8.4	(2)	0.3	(3)	0.8	(8)	0.4	(5)
Arcus	2.3	(3)	7.9	(8)	8.0	(8)	7.4	(8)	-0.3	(8)	0.3	(7)	-0.9	(7)
ING Cash Plus	2.3	(2)	9.8	(1)	9.1	(1)	8.6	(1)	0.8	(1)	0.3	(6)	2.8	(1)
Mercer NZ Money Mkt	2.2	(5)	9.2	(5)	8.2	(6)	7.5	(6)	0.0	(6)	0.1	(2)	-0.4	(6)
TAM	2.3	(4)	9.2	(3)	8.3	(5)	7.6	(5)	0.0	(5)	0.1	(1)	0.7	(4)
TYN	2.4	(1)	9.6	(2)	8.6	(2)	7.8	(3)	0.3	(2)	0.2	(3)	1.8	(2)
Average	2.2		9.0		8.4		7.8		0.1		0.3		0.5	
Index														
90 Day Bank Bill	2.1		9.0		8.3		7.5							

Table 6 – Wholesale Balanced Funds**6.1 Returns**

Manager	Gross							
	3 Months		1 Year		3 Years		5 Years	
	%	Rank	% p.a.	Rank	% p.a.	Rank	% p.a.	Rank
AMPCI	-2.2	(2)	-6.8	(1)	6.5	(2)	9.4	(1)
Arcus	-5.1	(6)	-13.9	(6)	4.8	(5)	8.9	(4)
ING	-1.0	(1)	-8.3	(4)	5.0	(4)	9.2	(2)
Mercer	-4.5	(5)	-11.9	(5)	3.5	(6)	7.8	(6)
TAM	-2.6	(4)	-6.8	(2)	6.5	(1)	8.9	(5)
TYN	-2.4	(3)	-7.0	(3)	5.6	(3)	9.0	(3)
Average	-3.0		-9.1		5.3		8.9	

6.2 Asset Allocation

(Shaded figures indicate an increased asset allocation since the previous quarter)

Manager	NZ	Global	Property		Alt	Growth	Bonds		Cash	Income	Currency
	Shares	Shares	NZ	Global	Assets	Assets	NZ	Global	Assets	Assets	Alloc
AMPCI	12.4	29.5	12.3	1.9	0.0	56.1	33.4	2.4	8.1	43.9	23.0
Arcus	16.1	34.2	1.9	3.2	5.7	61.0	5.6	24.0	9.4	39.0	19.5
ING	18.4	30.9	9.7	2.1	2.3	63.4	12.3	12.9	11.3	36.6	22.6
Mercer	13.2	30.8	4.3	6.5	10.4	65.2	6.2	24.2	4.5	34.9	15.4
TAM	8.1	34.5	13.7	0.0	0.0	56.4	6.5	20.2	17.0	43.6	21.5
TYN	14.2	33.4	0.0	5.1	7.4	60.1	20.7	17.1	2.0	39.9	16.7
Average	13.7	32.2	7.0	3.1	4.3	60.4	14.1	16.8	8.7	39.6	19.8

Table 7 – Additional information

(Funds under management relate to the total organisation)

	Acronym	Total FUM	Manager	Acronym	Total FUM
AllianceBernstein	AB	n.a	Milford Asset Management	MAM	255.0
Arcus Investment Management	Arcus	3,984.0	MLC	MLC	n.a
AMP Capital Investors	AMPCI	11,127.0	MGH Asset Management Ltd	MGH	n.a
Brook Asset Management	BAM	1,209.9	Mercer	Mercer	1,399.6
BlackRock Investment Management	BLK	n.a	Mint Asset Management	MNT	n.a
BNP Paribas Investment Management	BNP	n.a	New Zealand Assets Management	NZAM	696.0
Dimensional Fund Advisors	DFA	n.a	Russell Investment Group	RUS	n.a
Fisher Funds Management	FIS	634.0	SmartShares	SMS	286.1
GMO	GMO	n.a	Tower Asset Management	TAM	3,645.9
ING	ING	8,068.4	Templeton	TEM	n.a
Intech	INT	n.a	Tyndall Investment Management	TYN	3,494.5
Jana	Jana	n.a	Vanguard Investments Australia	VAN	87,916.3
Goldman Sachs JBWere	JBW	n.a	Wellington Management Company	WEL	n.a
Legg Mason, Inc.	LMI	n.a			

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