

# MELVILLE JESSUP WEAVER

## Investment Survey September 2012

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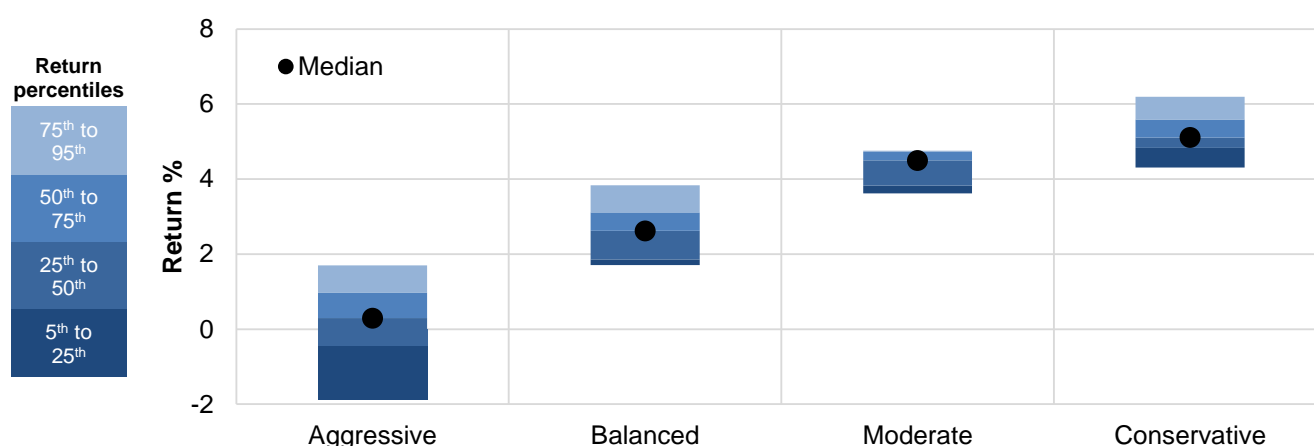
Market Returns	Quarter (%)	Year (%)		Quarter (%)	Year (%)
NZX 50 (including imputation credits)	13.4	16.2	NZX NZ Government Bond	0.9	8.3
S&P/ASX 200 (NZD)	6.8	13.1	NZX Corporate A Grade	1.7	6.7
MSCI World – Local Currency	5.6	21.2	NZ All Swaps	1.4	6.9
MSCI World – Hedged	6.3	23.3	Barclays Global Aggregate	2.6	8.4
MSCI World – Unhedged	3.4	12.1	Citigroup WGBI	2.0	7.1
MSCI Emerging Markets – Unhedged	4.4	7.8	90 Day Bank Bill	0.7	2.7
NZX Property	5.3	15.9	NZ \$ / US \$	3.2	8.5
UBS Global Property	3.8	29.5	NZ \$ / A \$	1.9	1.6

### Market Commentary

The September quarter saw strong results from the growth sectors, particularly the NZ share market, up 13.4%. While NZ bonds were more subdued, global bonds rose 2.6% over the quarter. The NZ\$ continued to climb against the US\$ and A\$ over the quarter. Over the year the impressive global share market results reflect the decline that hit the market in the 3<sup>rd</sup> quarter of 2011. Both NZ and global bonds returned around 8% and against the US\$ the NZ\$ was up 8.5% from US 0.7644 cents. Global property had large gains of 29.5%.

### 5 Year KiwiSaver Results

While KiwiSaver started on 1 July 2007 the funds did not get invested until 1 October 2007 and accordingly we now have 5 year performance results. The period has seen major declines in share markets, followed by a strong recovery amid continuing uncertainty as to the strength of the global recovery. The table below illustrates the range of results for each type of fund over the 5 year period.



KiwiSaver funds with greater investment in the share markets have underperformed those which have higher allocations to income assets such as bonds and cash. The Aggressive Funds, those with the highest allocation to growth assets have close to zero average return over the five years and, as expected, have a significantly wider spread of results compared to the other three categories.

Balanced Funds have average 2.6% return pa while the Moderate and Conservative Funds have averaged 4.5% and 5.1% respectively. Interestingly the comparative results are consistent with the position that the higher the exposure to income assets, the greater the return. In time we would naturally expect that Aggressive funds will outperform the three other categories.

This chart illustrates the point that over the relatively long five-year period, volatility in growth sector returns can make aggressive KiwiSaver options less attractive than those which take a more conservative stance. However the last 5 years have been very tough for markets and going forward we do not expect such conditions to continue.

## Bond Market Comment

Markets are very challenging at the current time with the outlook very uncertain in the shorter term. In this environment trustees and managers are faced with difficult decisions if they still want to achieve their stated objectives. The alternative is to revise their current objectives downwards.

One of these decisions is how much of their portfolio trustees or managers should have invested in fixed interest, the mix between NZ and global and how best to manage the fixed interest portfolio. The issues are highlighted when we consider that 10 year US Treasuries are offering an investor a real return of -0.8% per annum. The table below illustrates for 5 and 10 year terms and includes NZ results as well as the current yields on corporate securities. The expected inflation rates for the US are based on the pricing for TIPS. For NZ we have taken the widely recognised Government target of 2.5% for 10 years with a lower figure for the 5 year period.

Term Years	Sovereigns		Corporates		Expected Inflation		Real Return	
	NZ %	US %	NZ %	US %	NZ %	US %	NZ %	US %
5	2.87	0.62	4.50	1.50	2.00	2.20	0.85	-1.50
10	3.47	1.65	5.40	3.10	2.50	2.40	0.95	-0.80

At the rates shown Sovereign debt looks expensive and if an investor is going to achieve higher returns they are going to have to take on more risk or reduce their exposure to bonds. Illustrating the low yields in NZ we have Auckland Council with an AA S&P credit rating yielding less than 4.5% for 5 year money. At these current low rates borrowers are naturally happy to extend the term of their borrowings, adding to the challenges before investors.

How does one respond to these low rates? Possible responses include:

- Shifting part of the portfolio into shorter dated securities (or cash). 1 year bank bills will yield up to 3.5% and moving into bank term deposits is possible for some trusts. The rules around who can access the higher returns specifically set up for the retail investor seem to be less than crystal.
- Moving more into equities or other growth assets which offer a good yield with some growth prospects.
- Working with a fund manager to swap out the duration of the bonds while still maintaining the enhanced return from the credit spread.

Arguably the major concern is how to manage the portfolio when interest rates inevitably rise. The timing for getting this right is going to be difficult and most agree that it is some way off.

There are a large number of trusts which pursue a buy and hold strategy which will have worked well for the last 20 years plus. However in the new environment the advantages of such an approach should be discussed. While the overall strategy decision can be made to shorten the portfolio and move into shares one will still be left with the timing issue when rates rise. One response in this difficult environment is to transfer the responsibility of the portfolio to a fund manager and leave the decision on how to manage this risk to him.

Thinking further on global bonds there is a bit of a switch back to NZ bonds. This is partly due to concerns over the longer duration on the BGA (now in excess of 6 years), but, come early next year the NZ index will be 5 years plus so the difference here is not as much as one might expect.

### Inflation linked bonds

Following on from the comments above the NZ Debt Management Office has announced it will issue Inflation Indexed Bonds.

It is likely that the first issuance will have a maturity of 2025 and it is expected there will be around \$2 billion on offer over each of the next 2 years. These bonds will appeal to those investors wishing to match specific longer inflation related liabilities.

### Variability of recent bond returns

Over the last year the NZ bond managers, while marginally outperforming the index, have achieved results varying between 6.7% and 9.3%. Contrast this with global bonds where firstly the median manager returned 9.1% compared to 8.4% for the BGA index. Secondly the big feature of this sector was the varying returns from the managers - 3 funds with just 2 managers achieved returns in excess of 14% while one, pursuing a strategy to outperform the CitiGroup Global Bond index, returned just 5.8%. With the extensive universe available to managers, combined with their ability to move away from their benchmark and the variable conditions in the markets, a wide range of outcomes for investors can be expected.

## Wholesale Fund Returns

NZ & Australian Shares		FUM \$m	3 months % Rank		1 year % Rank		3 years % pa Rank		5 years % pa Rank		10 years % pa Rank		3 years Tr Err IR Rank		
<b>Australasian</b>															
AMPCI	Active	379.8	15.4	(3)	18.3	(4)	9.3	(5)	1.4	(7)	10.3	(5)	2.5	0.5	(5)
AMPCI	Strategic	574.9	16.2	(2)	21.3	(3)	8.5	(7)	1.5	(6)	<b>11.3</b>	<b>(1)</b>	4.0	0.1	(7)
BAM	Australasian Equities	2.2	12.5	(10)	15.9	(5)	7.7	(8)	1.6	(5)	10.8	(3)	2.5	-0.2	(8)
BTAM	NZ Share Plus	269.3	13.5	(6)	14.3	(11)	7.4	(9)	1.7	(4)	n.a		2.4	-0.3	(9)
BTAM	Dividend Share	76.6	13.7	(5)	15.7	(6)	10.1	(3)	3.1	(2)	n.a		2.1	1.0	(2)
CIP	NZ Equities	32.0	9.3	(13)	14.2	(12)	9.3	(4)	n.a		n.a		3.4	0.4	(6)
DEV	NZ Core	94.1	12.5	(11)	14.4	(9)	n.a		n.a		n.a		n.a	n.a	
HAM	Australasian Eq	361.1	13.7	(4)	14.4	(10)	n.a		n.a		n.a		n.a	n.a	
HAM	Equity Income	9.2	11.2	(12)	n.a		n.a		n.a		n.a		n.a	n.a	
MAM	NZ Equities	291.0	13.2	(7)	<b>23.9</b>	<b>(1)</b>	<b>11.6</b>	<b>(1)</b>	<b>5.4</b>	<b>(1)</b>	n.a		3.4	<b>1.0</b>	<b>(1)</b>
ONEPATH	Australasian Share	541.9	12.6	(9)	15.3	(7)	9.0	(6)	0.8	(8)	11.2	(2)	1.8	0.5	(4)
TOWER	NZ Shares	330.1	<b>19.4</b>	<b>(1)</b>	23.4	(2)	10.6	(2)	1.9	(3)	10.6	(4)	3.8	0.7	(3)
TYN	Core Share	69.2	13.0	(8)	15.0	(8)	7.0	(10)	0.1	(9)	9.9	(6)	2.4	-0.5	(10)
Median			13.2		15.5		9.1		1.6		10.7		2.5	0.4	
<b>Non core</b>															
BAM	Alpha	16.5	5.3		8.3		-0.7		4.3		15.2		7.3	-1.2	
BAM	Tasman	12.0	11.5		14.5		4.5		3.7		13.0		5.2	-0.7	
BTAM	Focus Share	52.1	15.3		17.8		7.8		6.7		n.a		4.6	-0.1	
DEV	Alpha	36.3	11.5		17.6		n.a		n.a		n.a		n.a	n.a	
DEV	Trans-Tasman	58.1	10.4		14.3		4.4		-0.4		11.8		7.0	-0.5	
FIS	NZ Growth	n.a	11.2		25.4		13.1		0.4		12.5		6.2	0.8	
MAM	Trans-Tasman	61.0	11.6		27.4		12.2		10.7		n.a		5.7	0.7	
MNT	Trans-Tasman	10.6	10.1		23.1		11.4		4.8		n.a		6.4	0.5	
ONEPATH	ESF	85.2	8.1		12.9		8.5		1.3		n.a		4.9	0.1	
PIE	Australasian Growth	36.1	17.5		41.8		25.2		n.a		n.a		13.7	1.3	
TYN	Aggressive	126.2	12.6		13.2		5.4		3.5		19.6		5.2	-0.5	
TYN	Small Companies	5.0	11.8		19.8		6.4		1.5		11.8		12.8	-0.1	
Median			11.5		17.7		7.8		3.6		12.8		6.2	-0.1	
<b>Indexed</b>															
SMS	NZ Top 10	47.3	8.9		9.3		5.9		-3.2		4.9		4.4	-0.5	
SMS	NZ Top 50	89.1	14.6		18.4		6.3		-1.7		n.a		4.9	-0.4	
SMS	NZ Mid Cap	37.1	15.6		22.6		5.8		-3.6		5.3		7.0	-0.3	
SMS	Aus Mid Cap	42.8	1.0		11.9		-1.2		-7.0		n.a		16.2	-0.6	
SMS	Aus Top 20	85.4	6.1		9.7		0.8		-0.3		9.1		11.9	-0.6	
<b>Australian</b>															
AMPCI	Australian	41.8	<b>7.8</b>	<b>(1)</b>	<b>14.8</b>	<b>(1)</b>	3.1	(2)	<b>-0.6</b>	<b>(1)</b>	<b>10.2</b>	<b>(1)</b>	1.5	0.3	(2)
CIP	Australian	29.7	5.2	(5)	14.7	(2)	<b>5.7</b>	<b>(1)</b>	n.a		n.a		4.7	<b>0.6</b>	<b>(1)</b>
DEV	Australian	33.7	6.8	(3)	13.5	(3)	n.a		n.a		n.a		n.a	n.a	
ONEPATH	Australian	246.1	7.3	(2)	11.2	(5)	2.2	(3)	n.a		n.a		4.6	-0.1	(3)
TOWER	Australian	18.6	6.5	(4)	11.8	(4)	0.6	(4)	n.a		n.a		2.8	-0.8	(4)
<b>Indexes</b>															
NZX 50 incl IC's			13.4		16.2		8.1		-0.7		8.2				
NZX 50 Portfolio			13.6		19.0		8.1		-0.2		9.3				
ASX200 (NZD)			6.8		13.1		2.7		-2.2		9.5				
90 day BB + 5% pa			1.9		8.0		8.1		9.8		11.0				

Other		FUM Hedge \$m %	3 months %	1 year % pa	3 years % pa	5 years % pa	3 years Volatility
AAM		121.6	n.a	10.0	27.0	16.0	12.9
CFS	Global Infrastructure	427.4	0.0	2.4	17.3	15.0	6.2
CIP	Equity	84.3	n.a	5.1	11.2	n.a	n.a
MAM	Active Growth	361.0	n.a	10.6	26.0	13.0	14.2
MGH		14.2	0.0	1.6	-1.1	1.3	-0.6
PFAM	Commodities	0.4	100.0	3.7	3.6	2.5	n.a
SIT	Absolute Return	30.7	100.0	2.8	2.9	4.0	n.a
TYN	Income Fund	4.1	n.a	2.6	11.8	9.7	n.a
TYN	JPMAAM	44.0	100.0	2.8	8.1	9.6	5.7
TYN	Option	139.0	n.a	3.2	24.0	8.2	10.7
WEL	Commodity	7,841.8	0.0	7.6	3.0	7.5	n.a

Global Shares		3 months	1 year	3 years	5 years	10 years	3 years		
		% Rank	% Rank	% pa Rank	% pa Rank	% pa Rank	Tr Err	IR	Rank
<b>Core</b>									
AB	Style Blend	2.9 (12)	9.1 (11)	-1.2 (13)	-9.5 (12)	n.a	2.9	-1.4	(13)
AMPCI	Core Global	3.3 (9)	11.5 (10)	2.6 (9)	-5.1 (10)	n.a	1.4	-0.1	(10)
IBB	Int'l Shares	3.8 (6)	13.1 (5)	4.2 (6)	-3.4 (7)	2.0 (6)	1.8	0.8	(5)
JANA	Core Global	4.0 (3)	12.2 (8)	2.6 (10)	-6.3 (11)	n.a	2.0	-0.1	(9)
MFS	Global Eq	4.2 (2)	<b>16.9 (1)</b>	<b>5.8 (1)</b>	<b>0.7 (1)</b>	<b>4.9 (1)</b>	2.6	<b>1.2 (1)</b>	
MLC	NCIT	3.2 (10)	13.0 (6)	4.4 (5)	-3.3 (5)	3.3 (3)	1.9	0.9	(3)
ONEPATH	Int'l Eq	3.9 (4)	15.2 (2)	5.0 (2)	-1.0 (3)	3.9 (2)	2.6	0.9	(4)
RUS	ISF	3.4 (8)	13.0 (7)	2.7 (8)	-4.4 (9)	2.0 (7)	2.0	0.0	(8)
RUS	GOF	3.9 (5)	8.5 (12)	2.4 (11)	-2.9 (4)	n.a	2.8	-0.1	(11)
TOWER	International	3.2 (11)	7.1 (13)	1.7 (12)	-3.9 (8)	2.9 (5)	2.5	-0.4	(12)
TYN	Capital Int'l	<b>5.1 (1)</b>	13.9 (4)	2.8 (7)	-3.4 (6)	3.1 (4)	2.7	0.0	(7)
TYN	Multi-Manager	2.3 (13)	11.8 (9)	4.9 (4)	n.a	n.a	3.0	0.7	(6)
WEL	Opportunities	3.6 (7)	14.4 (3)	5.0 (3)	-1.0 (2)	n.a	2.5	0.9	(2)
Median		3.6	13.0	2.8	-3.4	3.1	2.5	0.0	
<b>Value</b>									
AB	Value	1.6 (5)	6.1 (5)	-3.7 (6)	-10.7 (5)	0.9 (4)	4.2	-1.5	(6)
DFA	Value	<b>4.3 (1)</b>	13.3 (2)	0.8 (5)	-5.3 (4)	3.3 (3)	3.9	-0.5	(5)
ELE	Value	0.3 (6)	3.8 (6)	3.4 (3)	n.a	n.a	6.9	0.1	(4)
GMO	Equity	2.6 (4)	9.9 (4)	3.8 (2)	-1.6 (3)	3.8 (2)	3.3	0.3	(2)
TOWER	New Marathon	4.0 (2)	<b>14.8 (1)</b>	<b>7.5 (1)</b>	<b>0.2 (1)</b>	<b>6.9 (1)</b>	4.6	<b>1.1 (1)</b>	
WEL	Value	3.1 (3)	11.3 (3)	3.2 (4)	-1.6 (2)	n.a	2.2	0.2	(3)
Median		2.8	10.6	3.3	-1.6	3.6	4.1	0.2	
<b>Growth</b>									
AB	Research	3.3 (3)	12.5 (3)	0.9 (3)	-8.5 (3)	0.4 (2)	3.6	-0.5	(3)
MFS	Growth	3.9 (2)	14.2 (2)	<b>4.7 (1)</b>	<b>-0.3 (1)</b>	n.a	3.4	<b>0.6 (1)</b>	
WEL	Growth	<b>5.9 (1)</b>	<b>16.4 (1)</b>	3.8 (2)	-5.7 (2)	<b>1.9 (1)</b>	5.4	0.2	(2)
Median		3.9	14.2	3.8	-5.7	1.2	3.6	0.2	
<b>Indexed</b>									
AMPCI	NWIN	3.4	12.5	3.0	-3.5	n.a	2.2	0.2	
VAN		3.2	12.2	3.0	-3.7	2.2	3.4	0.1	
<b>Other</b>									
AMPCI	Emerging	4.2	11.9	3.2	-2.0	n.a	5.4	0.4	
AMPCI	Socially Responsible	3.1	11.2	2.6	-2.9	2.1	2.3	0.0	
GMO	Emerging	4.2	5.9	1.4	-4.3	11.5	5.0	0.1	
JANA	High Alpha	4.1	14.8	3.6	-4.0	n.a	2.9	0.3	
LMI	Emerging	5.4	8.5	-2.2	-5.4	9.9	8.3	-0.4	
TYN	SRI	4.5	10.0	2.1	n.a	n.a	5.4	-0.1	
<b>Indexes</b>									
	MSCI 0% hedged	3.4	12.1	2.7	-4.0	2.1			
	MSCI 100% hedged	6.3	23.3	8.1	-2.6	7.4			
	MSCI Emerging 0% hedged	4.4	7.8	0.9	-3.1	10.5			

**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 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.
- AB global bond simulated returns were constructed by combining the actual returns with a simulated monthly hedge rate based on the 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](http://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.

Property		FUM \$m	3 months % Rank	1 year % Rank	3 years % pa Rank	5 years % pa Rank	10 years % pa Rank	3 years		
								Tr Err	IR	Rank
<b>NZ Listed</b>										
AMPCI	NZ Listed	19.9	6.5 (4)	20.9 (2)	12.4 (3)	n.a	n.a	3.0	0.5	(3)
BTAM	NZ Listed	191.8	6.6 (3)	20.3 (3)	<b>14.1 (1)</b>	<b>3.4 (1)</b>	n.a	1.3	<b>2.6</b>	<b>(1)</b>
MNT	Australasian	51.4	6.6 (2)	20.3 (4)	10.9 (4)	n.a	n.a	2.7	0.1	(4)
ONEPATH	Prop Securities	85.1	<b>7.5 (1)</b>	<b>22.3 (1)</b>	12.7 (2)	3.3 (2)	<b>11.5 (1)</b>	1.9	1.0	(2)
TYN	Property Securities	27.0	5.7 (5)	17.7 (5)	n.a	n.a	n.a	n.a	n.a	
Median			6.6	20.3	12.5	3.4	11.5	2.3	0.8	
<b>NZ Direct</b>										
AMPCI	AIF P	232.3	0.8 (2)	<b>8.6 (1)</b>	-2.0 (2)	-5.2 (2)	6.3 (2)	6.4	n.a	
TOWER	Property Fund	261.2	<b>3.3 (1)</b>	6.0 (2)	<b>7.0 (1)</b>	<b>3.1 (1)</b>	<b>10.9 (1)</b>	4.0	<b>0.9</b>	<b>(1)</b>
Median			2.1	7.3	2.5	-1.1	8.6	5.2	0.9	
<b>Global</b>										
IBB	Int'l Prop	n.a	4.1 (2)	12.6 (3)	9.1 (3)	-4.1 (3)	n.a	5.8	-1.1	(3)
ONEPATH	Ex Aus	200.6	3.9 (3)	<b>30.4 (1)</b>	<b>17.1 (1)</b>	<b>-1.4 (1)</b>	n.a	3.3	<b>0.5</b>	<b>(1)</b>
RUS	Global RE	n.a	<b>4.7 (1)</b>	29.4 (2)	11.4 (2)	-3.8 (2)	n.a	3.8	-1.1	(2)
Median			4.1	29.4	11.4	-3.8	n.a	3.8	-1.1	
<b>Global 139% Hedged</b>										
AMPCI	GPSF	176.1	4.3	34.3	16.7	-0.2	n.a	5.3	0.2	
<b>Indexes</b>										
NZX Property			5.3	15.9	10.7	2.7	9.2			
UBS Global Property			3.8	29.5	15.6	-1.2	n.a			

NZ Bonds		FUM \$m	3 months % Rank	1 year % Rank	3 years % pa Rank	5 years % pa Rank	10 years % pa Rank	3 years		
								Tr Err	IR	Rank
<b>NZ Bonds</b>										
AMPCI	AIF F	1,553.6	1.4 (3)	9.0 (2)	8.9 (3)	<b>10.2 (1)</b>	<b>8.0 (1)</b>	0.6	1.0	(2)
BTAM		304.5	1.3 (6)	7.4 (5)	8.3 (5)	8.5 (4)	7.1 (5)	1.1	-0.1	(5)
HAM	Core Fixed	56.7	1.3 (5)	7.9 (4)	n.a	n.a	n.a	n.a	n.a	
ONEPATH	NZ Fixed Plus	856.7	1.8 (2)	<b>9.3 (1)</b>	<b>10.2 (1)</b>	8.0 (5)	7.5 (3)	1.0	<b>1.9</b>	<b>(1)</b>
TOWER		836.1	1.4 (4)	6.7 (6)	8.4 (4)	9.0 (2)	7.5 (2)	1.4	0.0	(4)
TYN		156.0	<b>2.2 (1)</b>	8.9 (3)	9.3 (2)	8.6 (3)	7.5 (4)	1.0	0.9	(3)
Median			1.4	8.4	8.9	8.6	7.5	1.0	0.9	
<b>Other</b>										
BTAM	Corporate Bonds	199.6	2.6	7.5	8.0	n.a	n.a	2.5	-0.1	
HAM	Corporate Bonds	82.1	1.8	6.5	7.0	n.a	n.a	2.7	-0.5	
HAM	Short Duration	3.3	1.1	n.a	n.a	n.a	n.a	n.a	n.a	
ONEPATH	Sovereign	427.3	0.9	9.2	8.8	9.0	n.a	0.4	1.1	
ONEPATH	High Grade	379.0	2.4	9.3	10.9	6.7	n.a	1.7	1.5	
ONEPATH	High Yield	50.5	2.2	10.1	11.8	10.1	9.1	2.0	1.7	
TYN	Corporate	70.7	2.6	8.2	9.3	n.a	n.a	2.1	0.4	
<b>Indexes</b>										
NZ Govt Stock			0.9	8.3	8.4	8.4	7.0			
NZX Corporate A Grade			1.7	6.7	8.0	8.6	n.a			
NZ All Swaps			1.4	6.9	8.0	9.3	n.a			

## Acronym References

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

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Global Bonds		3 months		1 year		3 years		5 years		10 years		3 years		
		%	Rank	%	Rank	% pa	Rank	% pa	Rank	% pa	Rank	Tr Err	IR	Rank
AB	Global Plus (simulated)	3.0	(4)	9.7	(4)	10.0	(4)	9.3	(4)	9.4	(3)	0.9	2.3	(3)
AMPCI	AIF Q	2.4	(7)	8.5	(7)	9.0	(5)	8.0	(7)	7.8	(6)	2.5	0.5	(6)
AMPCI	AIF HQ	1.6	(10)	5.8	(10)	7.8	(7)	n.a		n.a		1.4	0.0	(7)
DFA	5 year	2.4	(6)	6.7	(9)	7.5	(8)	7.9	(8)	n.a		1.3	-0.3	(8)
ONEPATH	Int'l Fixed Interest	2.2	(9)	7.5	(8)	7.4	(9)	9.0	(5)	8.5	(4)	0.9	-0.5	(9)
PIMCO		5.5	(2)	<b>15.7</b>	<b>(1)</b>	<b>12.9</b>	<b>(1)</b>	<b>11.9</b>	<b>(1)</b>	n.a		2.1	2.4	(2)
RUS	Global Bond	4.4	(3)	14.1	(3)	11.3	(3)	10.8	(3)	<b>9.6</b>	<b>(1)</b>	1.8	2.0	(4)
TOWER	PIMCO	<b>5.7</b>	<b>(1)</b>	15.1	(2)	12.5	(2)	10.8	(2)	9.5	(2)	1.9	<b>2.5</b>	<b>(1)</b>
TOWER	Wellington	2.6	(5)	9.2	(5)	n.a		n.a		n.a		n.a	n.a	
TYN	GSAM	2.3	(8)	9.0	(6)	8.4	(6)	8.8	(6)	8.4	(5)	0.7	0.8	(5)
	Median	2.5		9.1		9.0		9.1		8.9		1.4	0.8	
<b>A\$ Hedged</b>														
	IBB	4.1		13.0		11.9		9.3		n.a				
	WEL	3.0		11.4		10.6		10.5		8.6				
<b>Indexes</b>														
	Barclays Global Agg	2.6		8.4		7.9		9.0		8.3				
	Citigroup WGBI	2.0		7.1		6.9		8.4		8.0				

Cash		FUM \$m	3 months		1 year		3 years		5 years		10 years		3 years		
			%	Rank	%	Rank	% pa	Rank	% pa	Rank	% pa	Rank	Tr Err	IR	Rank
AMPCI	AIF Cash	2,849.1	0.9	(4)	3.5	(3)	3.9	(2)	5.3	(2)	6.1	(3)	0.1	<b>13.8</b>	<b>(1)</b>
BTAM		522.2	0.9	(5)	3.3	(5)	3.9	(3)	4.5	(5)	5.8	(5)	0.3	3.8	(4)
ONEPATH	Cash	1,205.5	0.9	(3)	3.5	(4)	3.7	(4)	5.2	(3)	<b>6.5</b>	<b>(1)</b>	0.1	8.9	(2)
TOWER		760.5	<b>1.3</b>	<b>(1)</b>	3.7	(2)	3.5	(5)	5.0	(4)	5.9	(4)	0.4	1.7	(5)
TYN		273.7	1.0	(2)	<b>4.1</b>	<b>(1)</b>	<b>4.2</b>	<b>(1)</b>	<b>5.6</b>	<b>(1)</b>	6.4	(2)	0.2	8.0	(3)
	Median		0.9		3.5		3.9		5.2		6.1		0.2	8.0	
<b>Index</b>															
	90 day Bank Bill		0.7		2.7		2.9		4.4		5.6				

Diversified Funds		3 months		1 year		3 years		5 years		10 years		Asset Allocation		Currency
		%	Rank	%	Rank	% pa	Rank	% pa	Rank	% pa	Rank	Growth	Income	%
<b>Balanced</b>														
AMPCI	AIF B	4.8	(3)	14.0	(2)	7.1	(4)	3.0	(4)	7.9	(4)	65.1	34.9	20.0
ASB		4.0	(5)	12.5	(5)	6.8	(5)	2.1	(5)	n.a		60.0	40.0	n.a
ONEPATH		5.6	(2)	<b>16.1</b>	<b>(1)</b>	<b>9.6</b>	<b>(1)</b>	<b>4.3</b>	<b>(1)</b>	<b>8.8</b>	<b>(1)</b>	70.0	30.0	n.a
TOWER		<b>6.3</b>	<b>(1)</b>	13.7	(3)	7.9	(2)	3.9	(2)	8.3	(2)	54.6	45.4	3.6
TYN		4.6	(4)	13.1	(4)	7.5	(3)	3.4	(3)	8.3	(3)	70.9	29.1	22.8
	Median	4.8		13.7		7.5		3.4		8.3		65.1	34.9	20.0

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## KiwiSaver Results

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

Returns and Risk		FUM (\$m)	Growth BM%	3 months % Rank		1 year % Rank		3 years % pa Rank		5 years % pa Rank		3 Yr Risk %pa
<b>Aggressive Funds</b>												
AMP	Aggressive	120.6	90.0	8.6	(2)	15.7	(2)	6.0	(8)	-1.5	(10)	10.7
AMP	Growth	154.3	77.0	7.5	(4)	14.3	(6)	6.2	(6)	-0.2	(8)	8.9
AON	Russell Growth	10.3	74.0	<b>8.7</b>	<b>(1)</b>	14.4	(5)	7.9	(2)	0.8	(4)	10.6
ASB	Growth	239.6	80.0	4.7	(11)	13.7	(8)	6.0	(7)	-0.1	(7)	7.9
AXA	Growth	88.9	85.0	7.4	(5)	13.1	(9)	5.3	(9)	-0.7	(9)	9.6
Fidelity	Aggressive	13.9	100.0	5.6	(9)	14.9	(3)	3.8	(12)	1.1	(3)	10.0
Fidelity	Growth	37.8	77.5	5.5	(10)	11.5	(12)	3.9	(11)	<b>2.0</b>	<b>(1)</b>	7.0
Fisher	Growth	454.6	70.0	3.9	(14)	9.4	(14)	5.0	(10)	n.a		8.0
Grosvenor	Balanced Growth	25.7	75.0	4.0	(13)	11.0	(13)	n.a		n.a		n.a
Grosvenor	High Growth	57.9	99.0	4.6	(12)	11.6	(11)	1.8	(13)	-2.2	(11)	8.4
OnePath	Growth	10.1	80.0	5.8	(8)	14.0	(7)	6.8	(3)	0.4	(5)	7.2
SIL	Growth	118.1	80.0	6.3	(7)	<b>17.0</b>	<b>(1)</b>	<b>8.1</b>	<b>(1)</b>	1.5	(2)	7.7
TOWER	Growth	73.5	80.0	7.6	(3)	14.8	(4)	6.4	(5)	0.3	(6)	7.9
Westpac	Growth	209.3	80.0	6.5	(6)	11.6	(10)	6.6	(4)	n.a		6.3
Median			80.0	6.1		13.8		6.0		0.3		8.0
<b>Balanced Funds</b>												
AMP	Balanced	189.8	60.0	6.0	(3)	12.6	(6)	6.5	(7)	2.1	(9)	6.4
AMP	Moderate Balanced	181.8	51.0	5.4	(8)	11.3	(12)	6.2	(12)	2.6	(7)	5.6
AMP	Tyndall Balanced	8.5	61.0	5.3	(9)	12.4	(7)	6.4	(9)	1.7	(13)	5.5
AON	Russell Balanced	32.8	60.0	<b>7.4</b>	<b>(1)</b>	13.7	(3)	<b>8.2</b>	<b>(1)</b>	2.2	(8)	8.7
ASB	Balanced	261.6	60.0	3.9	(14)	11.8	(9)	6.4	(10)	1.8	(11)	5.7
AXA	Balanced	116.9	60.0	5.8	(4)	11.5	(10)	6.3	(11)	1.9	(10)	6.6
Fidelity	Balanced	86.0	50.0	5.1	(10)	10.9	(13)	4.8	(13)	<b>3.9</b>	<b>(1)</b>	5.2
Grosvenor	Balanced	81.3	50.0	3.0	(15)	9.7	(15)	4.7	(14)	2.9	(5)	4.1
Milford	Balanced	7.3	60.0	6.7	(2)	<b>15.5</b>	<b>(1)</b>	n.a		n.a		n.a
OnePath	Balanced	8.7	50.0	4.3	(13)	11.4	(11)	7.0	(4)	3.1	(4)	4.1
OnePath	Balanced Growth	10.6	65.0	5.0	(11)	12.7	(5)	6.9	(5)	1.7	(12)	5.6
SIL	Balanced	184.7	50.0	4.6	(12)	12.9	(4)	7.6	(3)	3.8	(2)	4.5
SIL	Balanced Growth	168.9	65.0	5.5	(7)	15.0	(2)	7.9	(2)	2.7	(6)	6.1
TOWER	Balanced	247.2	55.0	5.8	(5)	12.3	(8)	6.5	(8)	3.2	(3)	5.1
Westpac	Balanced	349.6	60.0	5.5	(6)	10.5	(14)	6.5	(6)	n.a		5.2
Median			60.0	5.4		12.3		6.5		2.6		5.6
<b>Moderate Funds</b>												
AMP	Moderate	127.5	38.0	4.3	(2)	9.7	(4)	6.3	(5)	3.8	(4)	3.9
AON	Russell Moderate	8.5	40.0	<b>6.1</b>	<b>(1)</b>	<b>12.8</b>	<b>(1)</b>	<b>8.8</b>	<b>(1)</b>	4.7	(2)	5.8
ASB	Moderate	358.7	40.0	3.0	(5)	9.7	(5)	6.3	(4)	3.6	(5)	3.6
OnePath	Cons Balanced	3.5	35.0	3.5	(4)	10.0	(3)	6.9	(3)	4.5	(3)	2.7
SIL	Cons Balanced	71.0	35.0	3.7	(3)	10.8	(2)	7.3	(2)	<b>4.8</b>	<b>(1)</b>	3.0
Median			38.0	3.7		10.0		6.9		4.5		3.6
<b>Conservative Funds</b>												
AMP	Conservative	79.8	25.0	3.2	(6)	8.3	(8)	6.3	(7)	5.6	(4)	2.3
AMP	Default	473.5	20.0	2.6	(11)	6.5	(14)	4.7	(13)	4.1	(11)	2.2
AON	Russell Conservative	43.7	20.0	<b>4.9</b>	<b>(1)</b>	<b>12.0</b>	<b>(1)</b>	<b>9.2</b>	<b>(1)</b>	<b>6.7</b>	<b>(1)</b>	3.3
ASB	Conservative	1,440.1	20.0	2.3	(14)	7.0	(13)	5.6	(12)	4.9	(8)	1.7
AXA	Conservative	32.4	25.0	3.3	(5)	8.6	(5)	6.7	(3)	n.a		2.7
AXA	Income Plus	625.0	20.0	2.9	(7)	7.9	(12)	5.9	(10)	4.5	(10)	2.3
Fidelity	Capital Guaranteed	31.6	15.0	2.3	(13)	5.8	(15)	4.4	(15)	n.a		1.3
Fidelity	Conservative	38.9	25.0	4.2	(2)	9.2	(3)	6.2	(8)	5.1	(6)	3.0
Fisher	Conservative	167.8	10.0	2.4	(12)	8.0	(10)	4.5	(14)	n.a		1.6
Grosvenor	Conservative	29.3	25.0	2.0	(15)	8.9	(4)	6.4	(6)	5.3	(5)	2.4
OnePath	Conservative	596.6	20.0	2.7	(10)	8.4	(7)	6.7	(2)	5.7	(2)	1.5
SIL	Conservative	218.2	20.0	2.7	(8)	8.5	(6)	6.6	(5)	5.6	(3)	1.7
TOWER	Conservative	51.1	30.0	3.5	(4)	9.5	(2)	6.6	(4)	4.8	(9)	2.2
TOWER	Default	449.7	20.0	2.7	(9)	8.0	(11)	5.7	(11)	5.0	(7)	1.4
Westpac	Conservative	792.4	25.0	3.6	(3)	8.1	(9)	6.1	(9)	n.a		2.0
Median			20.0	2.7		8.3		6.2		5.1		2.2

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
<b>Aggressive Funds</b>												
AMP	Aggressive	21.2	59.8	7.3	4.8		93.1	3.0			3.9	6.9
AMP	Growth	18.3	51.5	6.2	4.2		80.2	8.0	3.5		8.3	19.8
AON	Russell Growth	14.8	50.0		9.3		74.0	5.2	20.8			26.0
ASB	Growth	25.4	44.7		9.7		79.8	5.9	11.8		2.5	20.2
AXA	Growth	20.9	48.1	4.9	5.1	10.2	89.2	4.2	1.9		4.7	10.8
Fidelity	Aggressive	30.1	39.7	5.2		24.9	99.8				0.2	0.2
Fidelity	Growth	29.8	37.9	8.9			76.6	14.5	8.7		0.2	23.4
Fisher	Growth	48.7	35.7				84.4				15.6	15.6
Grosvenor	Balanced Growth	23.7	38.1				61.8	34.1			4.2	38.2
Grosvenor	High Growth	31.2	64.3				95.5				4.5	4.5
OnePath	Growth	20.0	46.8	12.0			78.8	5.1	11.1		5.1	21.2
SIL	Growth	24.1	49.2	7.3	5.7		86.3	4.8	3.9		4.9	13.7
TOWER	Growth	28.2	38.6	12.4			79.2	5.5	8.6		6.7	20.8
Westpac	Growth	27.1	39.1	9.9		10.1	86.2	4.4	5.5		3.9	13.8
Average		26.0	46.0	5.3	2.8	3.2	83.2	6.8	5.4		4.6	16.8
<b>Balanced Funds</b>												
AMP	Balanced	16.2	38.7	7.0	3.2		65.1	18.8	12.6		3.5	34.9
AMP	Moderate Balanced	12.4	34.8	4.1	3.1		54.3	18.0	10.6		17.1	45.7
AMP	Tyndall Balanced	17.1	30.4	5.3		9.2	61.9	16.5	12.6	9.0		38.1
AON	Russell Balanced	12.0	40.5		7.5		60.0	8.0	32.0			40.0
ASB	Balanced	20.4	29.9		9.7		60.0	15.7	18.8		5.6	40.0
AXA	Balanced	16.2	33.5	5.0	3.1	7.2	65.0	13.9	11.6		9.5	35.0
Fidelity	Balanced	23.0	29.1	5.7			57.8	22.6	19.4		0.2	42.2
Grosvenor	Balanced	15.1	26.6				41.7	49.3			9.0	58.3
Milford	Balanced	44.1	20.9				65.0	27.0			8.0	35.0
OnePath	Balanced	13.0	28.4	8.0			49.4	12.1	28.2		10.4	50.6
OnePath	Balanced Growth	15.9	37.8	9.9			63.5	9.0	20.0		7.5	36.5
SIL	Balanced	16.5	30.3	5.0	3.9		55.7	11.7	18.1		14.5	44.3
SIL	Balanced Growth	20.1	40.1	6.2	4.8		71.2	8.7	10.2		9.9	28.8
TOWER	Balanced	17.0	25.4	12.1			54.6	14.4	22.6		8.4	45.4
Westpac	Balanced	21.6	30.6	5.0		7.5	64.7	14.9	15.9		4.5	35.3
Average		18.5	31.8	4.9	2.4	1.6	59.3	17.4	15.5	0.6	7.2	40.7
<b>Moderate Funds</b>												
AMP	Moderate	9.4	26.5	3.0	2.5		41.4	23.0	14.1		21.5	58.6
AON	Russell Moderate	8.0	27.0		5.0		40.0	12.0	48.0			60.0
ASB	Moderate	14.3	17.0		8.8		40.1	20.6	26.8		12.5	59.9
OnePath	Cons Balanced	9.0	19.5	6.0			34.5	15.0	35.0		15.5	65.5
SIL	Cons Balanced	11.7	21.3	3.8	3.0		39.7	14.8	25.2		20.3	60.3
Average		10.5	22.2	2.6	3.9		39.1	17.1	29.8		14.0	60.9
<b>Conservative Funds</b>												
AMP	Conservative	6.5	18.1	1.9	2.0		28.5	28.0	17.6		25.9	71.5
AMP	Default	5.5	13.2	2.4	1.1		22.1	6.4	4.3		67.2	77.9
AON	Russell Conservative	4.0	13.5		2.5		20.0	16.0	64.0			80.0
ASB	Conservative	9.2	11.0				20.2	24.6	29.8		25.3	79.8
AXA	Conservative	5.9	13.5	3.6	1.6	5.3	29.9	24.0	21.7		24.4	70.1
AXA	Income Plus	8.6	15.0				23.6	16.7	14.6		45.1	76.4
Fidelity	Capital Guaranteed	7.9	5.3				13.1	17.9	16.9		52.1	86.9
Fidelity	Conservative	16.9	11.1	4.5			32.5	34.0	28.0		5.5	67.5
Fisher	Conservative	5.6	8.1	1.5			15.2	28.4	33.2		23.2	84.8
Grosvenor	Conservative	7.9	12.7				20.6	78.0			1.3	79.4
OnePath	Conservative	5.1	12.1	3.0			20.2	18.1	42.1		19.6	79.8
SIL	Conservative	6.5	13.2	1.9	1.5		23.1	17.8	32.1		27.0	76.9
TOWER	Conservative	8.8	10.3	11.0			30.1	24.9	26.3		18.7	69.9
TOWER	Default	4.6	8.5	7.1			20.2	28.7	25.8		25.3	79.8
Westpac	Conservative	11.1	10.3	5.0		2.5	28.9	22.9	24.8		23.4	71.1
Average		7.6	11.7	2.8	0.6	0.5	23.2	25.8	25.4		25.6	76.8