

MJW Survey – December 2015

Content: Quarterly market overview
KiwiSaver



Wholesale funds & KiwiSaver results

December 2015

Market returns	Quarter %	Year %		Quarter %	Year %
NZX 50 (including imputation credits)	13.2	15.1	NZX NZ Government Bond	-0.4	5.4
S&P/ASX 200 (AUD)	6.5	2.6	NZX Corporate A Grade	-0.1	5.8
MSCI World - Local Currency	6.2	2.1	Barclays Global Aggregate	0.8	4.5
MSCI World - Hedged	7.2	5.5	Citigroup WGBI	0.8	4.6
MSCI World - Unhedged	-1.4	13.2	90 Day Bank Bill	0.7	3.4
MSCI Emerging Markets - Unhedged	-5.9	-2.9	NZ \$ / US \$	7.0	-12.4
NZX Property	9.5	15.1	NZ \$ / A \$	3.3	-1.5

1 Quarterly market overview

NZ cash and fixed interest It was a poor quarter for local bonds with the return on NZ government stock down 0.4% while the return on the Corporate A-Grade Index was down 0.1%. In contrast to the results over the last year, global bonds had a better quarter with a return of 0.8%. On a total year basis we saw similar returns with NZ bonds up 5.4% and global bonds achieving a modest 4.5% return.

Cash returns by definition are steady and for the year we saw a result of 3.4% on the NZX 90 Day Bank Bill Index. The Official Cash Rate continued its decline, falling to 2.5% on 10th December. At 31 May the rate was still at 3.5%. Where the rate goes over 2016 will be followed with interest with most commentators talking of it remaining at the current 2.5% level.

Equities After the weak September quarter, markets returned into positive space with the MSCI World Index up 6.2% in local currency terms. However over the year the index moved up just 2.1%. Of course an NZ investor with exposure to the fall in the NZ would have seen a higher return – a solid 13.2%. Emerging markets struggled, as has been the case for recent years, and fell 5.9% for the year in NZ dollar terms. Over the last five years they have returned -2.3% compared to 10.5% for developed markets.

For individual countries there were both standout results from Belgium, New Zealand and Finland, all up 10-15% while Canada was the one developed market to experience a negative return – down 1.7%. Although the Japanese economy is still struggling, the market returned 9.8% for the year.

In the emerging markets for the year we saw much of South America down with Brasil down 3.9%, Columbia at -6.8% and Peru at -8.1%.

2 KiwiSaver

While a manager's skill is going to impact on a fund's return the big drivers for performance will be the market returns in the different asset sectors and a fund's relative exposure to each of the sectors. For the December quarter the performance drivers were a fund's exposure to NZ shares and the level of hedging for global shares. These two factors drove the good results for BNZ and Milford over the December quarter for each of the 5 risk return fund categories illustrated below. In this regard and looking at the 1 year numbers the ASB funds have done well assisted by the fall in the NZ dollar and their exposure to the NZ dollar.

An interesting feature of both the last 3 months and the last year has been the ongoing weakness of the Australian share market with the ASX 200 up just 2.6% for the year compared with 15.1% for the NZX 50. As a result, those KiwiSaver funds having a large exposure to Australia within their Australasian share allocation have slipped off the pace during these periods. An example of this is the ANZ funds.

The Aon Russell managed funds continue to do well and have benefitted from their large hedging position within global share. This is in contrast to earlier periods where their large exposure to global bonds marginally hurt them with local NZ bonds leading the market in 2015.

A review of other managers' results shows good, above average results for the Mercer Conservative Fund and Growth Funds over the 5 year period. KiwiWealth has done well with its growth fund over the 3 and 5 year periods. A feature of the Westpac results is their relatively low level of risk incurred for the return achieved. The Fisher Two results, the old TOWER funds, have been variable but they recorded better results for the quarter for their Growth and Balanced Funds. The AMP results remain soft due to a combination of factors including their exposure to commodities and emerging markets and limited exposure to the NZ\$.

Wholesale Fund Returns

NZ & Australian Shares		Australian Exposure/Hedging %	FUM \$m	3 months		1 year		3 years		5 years		10 years		5 years pa			
				%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Risk	IR	Rk	
Australasian																	
AMPCI	Active ₁	0/0	490	13.7	(4)	15.9	(8)	18.2	(11)	16.0	(10)	10.2	(4)	8.5	0.2	(9)	
AMPCI	Strategic ₂	0/0	153	13.6	(6)	17.3	(4)	19.2	(6)	16.0	(12)	11.3	(3)	8.1	0.2	(12)	
AMPCI	Responsible ₁	0/0	11	13.6	(5)	15.5	(10)	18.6	(10)	-	-	-	-	-	-	-	
ANZ	Australasian Share ₁	9/0	746	12.4	(11)	10.2	(16)	17.4	(13)	16.1	(7)	9.2	(7)	8.3	0.3	(8)	
ANZ	NZ Shares ₁	0/0	126	12.1	(12)	10.3	(15)	17.6	(12)	16.6	(5)	8.8	(10)	8.4	0.6	(4)	
DEV	NZ Core ₁	18/77	214	10.2	(16)	12.4	(14)	21.1	(3)	17.5	(3)	-	-	8.3	0.6	(5)	
FIS	Trans-Tasman ₁	31/63	533	11.4	(15)	12.7	(13)	15.3	(15)	15.1	(14)	9.0	(8)	9.2	-0.1	(14)	
HAM	Australasian Eq _x	28/47	692	16.0	(2)	18.1	(2)	19.2	(5)	15.9	(13)	-	-	9.1	0.1	(13)	
MAM	NZ Equities ₁	0/0	245	16.5	(1)	20.7	(1)	21.9	(2)	19.4	(1)	12.7	(1)	8.3	1.3	(1)	
MERCER	Trans-Tasman ₁	23/64	422	13.2	(9)	15.6	(9)	19.1	(7)	16.2	(6)	10.1	(5)	8.0	0.4	(6)	
MNT	Trans-Tasman ₁	10/100	85	12.1	(13)	17.4	(3)	22.3	(1)	19.1	(2)	-	-	7.7	0.8	(2)	
NIK	Core ₁	8/0	260	13.2	(8)	16.7	(6)	18.7	(9)	16.0	(8)	9.0	(9)	8.2	0.4	(7)	
QAM	NZ Equity ₁	0/0	41	11.8	(14)	14.5	(11)	17.1	(14)	16.0	(9)	-	-	6.4	0.2	(11)	
RUS	Harbour Australasian ₁	5/0	123	15.5	(3)	16.3	(7)	-	-	-	-	-	-	-	-	-	
SALT	NZ Share Plus ₁	6/93	447	12.6	(10)	14.4	(12)	18.7	(8)	16.0	(11)	10.0	(6)	8.7	0.2	(10)	
SALT	Dividend Share ₁	0/0	84	13.3	(7)	16.8	(5)	21.0	(4)	17.4	(4)	11.7	(2)	8.3	0.7	(3)	
<i>Median</i>						13.2		15.8		18.7		16.1		10.0		8.3	0.3
Other																	
ANZ	ESF ₄		32	10.1		4.4		14.3		14.2		8.8		7.2			
DEV	Trans-Tasman ₁₊₃		122	9.4		20.6		23.8		17.0		12.9		8.6			
DEV	Alpha _x		100	6.5		10.3		21.6		15.4		-		7.7			
DEV	Dividend Yield ₁₊₃		41	12.1		19.9		22.2		-		-		-			
FIS	NZ Grow th _x		126	11.9		11.6		16.4		17.2		11.2		7.0			
HAM	Equity Income _x		89	6.3		12.1		18.1		-		-		-			
HAM	Focus ₁₊₃		44	18.1		24.0		-		-		-		-			
MAM	Dynamic (small cap) _x		167	9.0		19.4		-		-		-		-			
MAM	Trans-Tasman ₁₊₃		232	8.9		13.9		15.0		15.7		-		8.1			
NIK	Concentrated ₄		85	6.9		21.8		19.7		15.0		14.9		7.8			
NIK	Small Companies _x		5	11.5		24.6		14.8		10.8		10.3		12.2			
PIE	Australasian Grow th _x		76	10.1		24.7		20.9		21.2		-		13.2			
QAM	Altum Fund _x		21	9.6		19.5		-		-		-		-			
SALT	Focus Share ₂		79	13.0		15.6		20.2		17.1		-		9.2			
<i>Median</i>						9.8		19.4		19.7		15.7		11.2		8.1	
Indexed																	
SMS	NZ Top 10		61	11.7		10.6		11.7		10.3		4.2		9.4			
SMS	NZ Top 50		200	12.7		15.1		16.1		14.1		8.0		8.9			
SMS	NZ Mid Cap		60	14.0		19.5		20.8		16.9		8.6		8.6			
SMS	Aus Mid Cap		64	4.7		12.2		9.0		4.8		4.4		14.4			
SMS	Aus Top 20		86	2.2		0.1		3.3		1.8		6.3		13.7			
Australian																	
AMPCI	Australian ₃		25	3.2	(4)	5.4	(4)	4.8	(4)	3.9	(4)	6.9	(1)	13.0	0.7	(2)	
ANZ	Australian ₃		534	4.6	(3)	5.8	(3)	6.9	(3)	4.6	(3)	-	-	12.3	0.5	(4)	
DEV	Australian ₃		47	7.0	(2)	15.7	(1)	13.1	(1)	8.5	(1)	-	-	12.2	1.8	(1)	
FRK	Australian ₃		-	1.9	(5)	1.6	(5)	3.4	(5)	3.1	(5)	6.3	(2)	14.2	0.4	(5)	
QAM	Australian ₃		28	11.0	(1)	9.6	(2)	7.1	(2)	6.0	(2)	-	-	12.7	0.5	(3)	
Indexes																	
NZX 50 incl. ICS ₁				13.2		15.1		17.3		15.4		8.1					
NZX 50 Portfolio ₂				13.3		15.9		18.7		15.8		9.3					
ASX 200 (NZD) ₃				3.1		4.1		3.2		2.6		5.5					
90 day BB + 5% pa ₄				2.0		8.7		8.4		8.3		9.9					

Benchmark indexes

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Global Shares		Emging Mkts %	3 months		1 year		3 years		5 years		10 years		5 years pa		
			%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Risk	IR	Rk
Style Neutral															
AB	Style Blend ₁	12.7	-2.7 (14)	14.0 (8)	17.6 (6)	9.3 (14)	2.5 (12)	12.1	-0.4 (14)						
AMPCI	Core Global ₁	5.0	-1.8 (9)	15.0 (6)	18.7 (3)	11.6 (5)	5.1 (7)	10.5	0.8 (5)						
ANZ	Int'l Eq ₂	3.2	-1.3 (5)	15.7 (5)	18.1 (4)	12.7 (4)	7.5 (3)	11.0	0.9 (2)						
ART	Global Equity ₂	9.4	-2.1 (10)	16.7 (3)	19.1 (2)	14.6 (1)	-	11.7	0.9 (4)						
FIS	International ₂	7.7	-2.2 (12)	10.8 (14)	13.6 (15)	7.5 (15)	4.6 (9)	10.0	-1.4 (15)						
FRK	Templeton ₂	11.5	-3.2 (15)	7.2 (15)	14.0 (14)	10.1 (11)	4.6 (10)	12.0	-0.1 (10)						
IBB	High Opportunities	-	-0.7 (2)	16.0 (4)	16.6 (11)	10.8 (8)	5.4 (5)	10.3	0.1 (8)						
JANA	Core Global ₁	4.7	-2.2 (11)	11.0 (13)	16.8 (10)	10.8 (7)	4.1 (11)	10.6	0.1 (7)						
MERCER	Share Plus ₁	8.9	-0.1 (1)	13.8 (9)	16.1 (12)	9.6 (13)	-	10.9	-0.2 (12)						
MFS	Global Eq ₁	2.2	-2.6 (13)	13.5 (10)	17.7 (5)	13.1 (3)	8.5 (2)	11.3	0.9 (3)						
MLC	NCIT ₂	8.8	-1.1 (4)	12.9 (11)	15.1 (13)	10.3 (10)	5.2 (6)	10.2	-0.1 (11)						
NIK	Multi-Manager ₁	9.5	-1.7 (8)	17.6 (2)	17.0 (7)	11.4 (6)	-	9.6	0.4 (6)						
RUS	ISF _x	6.7	-1.5 (7)	12.5 (12)	16.9 (9)	10.5 (9)	4.7 (8)	11.6	0.0 (9)						
RUS	GOF _x	8.7	-1.0 (3)	14.8 (7)	17.0 (8)	9.9 (12)	6.0 (4)	11.2	-0.2 (13)						
WEL	Opportunities ₂	-	-1.4 (6)	18.2 (1)	21.6 (1)	13.8 (2)	8.7 (1)	11.6	1.2 (1)						
<i>Median</i>			<i>-1.7</i>	<i>14.0</i>	<i>17.0</i>	<i>10.8</i>	<i>5.2</i>	<i>11.0</i>	<i>0.1</i>						
Value															
AB	Value		-3.4 (5)	10.9 (2)	18.4 (2)	8.9 (2)	2.7 (4)	12.5	-0.4 (2)						
ART	Value		-2.2 (1)	12.1 (1)	18.9 (1)	14.7 (1)	-	10.6	1.2 (1)						
DFA	Value		-2.3 (2)	8.5 (5)	14.6 (4)	8.9 (3)	4.2 (3)	12.1	-0.4 (3)						
ELE	Value		-2.9 (4)	9.3 (4)	13.2 (5)	8.2 (6)	-	8.7	-0.4 (4)						
WEL	Value		-2.7 (3)	10.1 (3)	14.6 (3)	8.5 (4)	6.1 (1)	11.2	-0.9 (6)						
<i>Median</i>			<i>-2.8</i>	<i>9.7</i>	<i>14.6</i>	<i>8.7</i>	<i>4.4</i>	<i>10.9</i>	<i>-0.4</i>						
Growth															
AB	Grow th Trends		-1.6 (5)	16.8 (5)	16.6 (5)	9.1 (6)	2.1 (4)	12.3	-0.4 (6)						
ART	Global Opportunities ₂		1.0 (1)	24.6 (1)	19.8 (3)	15.1 (2)	-	12.3	0.8 (2)						
FRK	Equity		0.9 (2)	19.9 (3)	17.8 (4)	12.0 (4)	7.6 (1)	11.1	0.4 (4)						
HAM	T Row e Price		0.2 (3)	16.1 (6)	-	-	-	-	-						
MAG	Global		-2.3 (7)	19.0 (4)	20.4 (2)	17.6 (1)	-	11.3	1.2 (1)						
MFS	Grow th		-2.0 (6)	13.7 (7)	15.9 (6)	10.9 (5)	7.0 (2)	10.7	0.1 (5)						
WEL	Grow th		0.0 (4)	20.5 (2)	21.8 (1)	13.7 (3)	6.1 (3)	12.7	0.6 (3)						
<i>Median</i>			<i>0.0</i>	<i>19.0</i>	<i>18.8</i>	<i>12.8</i>	<i>6.5</i>	<i>11.8</i>	<i>0.5</i>						
Indexed															
AMPCI	NWIN		-1.3	13.5	17.0	10.4	-	10.3							
VAN			-1.4	13.9	17.5	11.1	5.3	10.7							
Emerging															
AMPCI			-6.1	-3.4	1.5	1.2	2.6	11.6							
ART			-0.1	1.7	0.5	-3.8	-	13.0							
MERCER			-4.1	-0.4	0.8	-1.2	-	12.5							
RUS			-4.2	-2.9	1.1	-0.5	-	13.4							
Socially Responsible															
AMPCI	Responsible		-2.9	9.5	15.3	9.3	5.7	10.3							
NIK	SRI		-0.4	18.0	17.8	10.2	-	11.7							
PFAM	Global Water		-3.3	17.6	16.7	9.4	-	11.4							
Other															
JANA	High Alpha		-0.9	14.2	18.4	12.0	5.7	11.0							
Indexes															
MSCI 0% hedged ₁			-1.4	13.2	16.7	10.5	4.9								
MSCI 100% hedged			7.2	5.5	16.2	12.2	6.2								
MSCI ACWI 0% hedged ₂			-1.9	11.5	14.6	8.9	4.7								
MSCI Emerging 0% hedged			-5.9	-2.9	-0.8	-2.3	3.6								

Benchmark indexes

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Property		FUM	3 months		1 year		3 years		5 years		10 years		5 years pa		
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Risk	IR	Rk
NZ Listed															
AMPCI	NZ Listed	20	9.5	(3)	16.4	(1)	16.1	(3)	17.0	(2)	-	-	6.9	1.0	(3)
ANZ	Property Securities	154	10.2	(1)	15.5	(4)	17.5	(1)	17.6	(1)	10.3	(1)	7.3	1.0	(2)
MNT	Australasian	53	9.4	(4)	15.4	(5)	15.7	(4)	16.3	(4)	-	-	6.4	0.6	(5)
NIK	Property Securities	74	9.8	(2)	16.0	(2)	15.3	(5)	15.8	(5)	-	-	6.9	0.9	(4)
SALT	NZ Listed	318	9.0	(5)	15.9	(3)	16.2	(2)	16.9	(3)	10.2	(2)	6.7	1.4	(1)
<i>Median</i>			<i>9.5</i>		<i>15.9</i>		<i>16.1</i>		<i>16.9</i>		<i>10.2</i>		<i>6.9</i>	<i>1.0</i>	
NZ Direct															
FIS	Property Fund	333	1.0	(2)	13.4	(1)	14.4	(1)	10.9	(1)	10.3	(1)	4.2		
TRU	Property Fund	102	4.3	(1)	10.5	(2)	9.1	(2)	8.7	(2)	8.3	(2)	1.8		
Global															
AMPCI	139%/100% hedged	124	5.5		9.0		16.0		14.9		9.2		15.7		
ANZ	100% hedged (ex Aus)	527	5.8		7.1		14.1		13.5		7.1		13.6		
IBB	100% hedged (AUD)	-	6.4		5.5		11.6		12.1		-		12.7		
MERCER	139% hedged	92	9.3		4.5		15.4		13.0		-		13.9		
RUS	100% hedged	378	5.0		6.0		-		-		-		-		
Other															
ANZ	Trans-Tasman	391	9.4		15.6		18.1		17.3		-		7.9		
Indexes															
NZX Property			9.5		15.1		14.1		14.8		8.1				

Australasian Bonds		FUM	3 months		1 year		3 years		5 years		10 years		5 years pa		
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Risk	IR	Rk
AMPCI	AIF F ₁	1,613	-0.5	(6)	5.6	(6)	4.5	(4)	6.7	(2)	7.4	(1)	3.0	1.9	(1)
ANZ	NZ Fixed Plus ₁	1,468	-0.4	(4)	5.9	(3)	4.3	(5)	6.5	(3)	6.4	(4)	2.9	1.3	(3)
FIS	NZ Fixed Interest ₁	1,025	-0.4	(5)	6.0	(2)	4.6	(3)	6.3	(4)	6.8	(3)	2.5	0.7	(4)
HAM	Core Fixed ₁₊₂	138	0.3	(1)	5.9	(5)	4.9	(2)	-		-		-	-	
NIK	NZ Fixed Interest ₁	257	-0.4	(3)	6.0	(1)	5.2	(1)	7.2	(1)	7.0	(2)	2.4	1.3	(2)
RUS	Harbour ₁₊₂	100	0.0	(2)	5.9	(4)	-		-		-		-	-	
<i>Median</i>			<i>-0.4</i>		<i>5.9</i>		<i>4.6</i>		<i>6.6</i>		<i>6.9</i>		<i>2.7</i>	<i>1.3</i>	
Other															
AMPCI	Short Duration _x	220	0.5		5.5		5.0		5.2		-		0.8		
ANZ	Sovereign ₁	813	-0.4		5.5		3.5		5.9		6.7		3.3		
ANZ	High Grade ₃	569	-0.4		6.3		4.8		6.9		6.0		2.8		
HAM	Corporate Bonds ₂	243	0.1		5.7		5.2		6.1		-		1.4		
HAM	Short Duration _x	38	0.8		4.1		4.1		-		-		-		
MAM	Trans-Tasman _x	262	0.4		5.2		-		-		-		-		
NIK	Inv. Grade Corporate ₁	159	-0.1		6.5		6.0		7.4		-		2.0		
QIC	Australian Fixed Interest* _x	650	1.1		3.6		5.1		6.5		6.8		2.7		
QIC	Inflation Plus* _x	1,316	1.1		3.2		3.8		4.1		-		1.6		
Indexes															
NZX NZ Govt Stock ₁			-0.4		5.4		3.7		5.7		6.1				
NZX Corporate A Grade ₂			-0.1		5.8		5.0		6.1		6.9				
NZX All Sw aps ₃			-0.1		6.2		4.1		5.5		6.8				

*The QIC Australian Fixed Interest Fund and Inflation Plus Fund notionally hedged returns presented are theoretical NZD hedged returns calculated by QIC.

Benchmark indexes

These are shown in subscript where applicable. An 'x' indicates that the fund is either not benchmarked against any of the indexes shown or does not have a benchmark.

Global Bonds		3 months		1 year		3 years		5 years		10 years		5 years pa		
		%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Risk	IR	Rk
Core														
AB	Global Plus ₁	0.5	(6)	4.1	(4)	5.7	(6)	7.1	(5)	7.8	(5)	2.7	0.3	(5)
AMPCI	AIF Q ₁	0.1	(8)	3.2	(7)	5.4	(7)	6.2	(8)	6.8	(7)	2.6	-0.2	(8)
FIS	PIMCo ₁	1.1	(3)	3.1	(8)	5.8	(5)	8.4	(2)	8.4	(4)	3.6	0.4	(4)
FIS	Wellington ₁	0.8	(5)	4.4	(3)	5.4	(8)	7.0	(6)	-		2.6	0.1	(6)
MERCER	Global Aggregate ₁	0.9	(4)	3.5	(6)	6.1	(3)	8.0	(4)	8.7	(2)	2.6	0.5	(3)
NIK	GSAM ₁	1.1	(2)	4.9 (1)		6.0	(4)	6.8	(7)	7.4	(6)	2.4	0.0	(7)
PIMCo	GIS ₁	1.2 (1)		4.6	(2)	6.6 (1)		9.0 (1)		9.2 (1)		3.2	0.6 (1)	
RUS	Global Bond ₁	0.4	(7)	3.7	(5)	6.2	(2)	8.3	(3)	8.6	(3)	3.1	0.5	(2)
<i>Median</i>		<i>0.9</i>		<i>3.9</i>		<i>5.9</i>		<i>7.6</i>		<i>8.4</i>		<i>2.7</i>	<i>0.3</i>	
Other														
AMPCI	PIMCo Short Duration _x	0.9		4.1		4.6		5.2		-		1.5		
AMPCI	AIF HQ ₂	0.1		5.4		5.1		6.1		-		2.4		
ANZ	Sovereign _x	0.3		4.2		5.4		6.4		7.4		2.9		
ANZ	Credit _x	0.7		2.8		-		-		-		-		
DFA	5 year _x	0.3		4.9		4.5		5.6		6.7		2.1		
FIS	Absolute Return _x	0.5		6.3		6.1		-		-		-		
IBB	Global Active (AUD)	0.1		2.7		5.8		8.2		-		2.9		
LMI	Brandywine GOFI ₂	1.5		-0.3		7.3		10.5		10.0		5.7		
QIC	Alpha (AUD)	2.1		3.6		3.8		3.5		7.1		5.9		
WEL	Global Aggregate (AUD)	0.6		3.9		5.1		7.7		7.7		2.8		
Indexes														
Barclays Global Agg ₁		0.8		4.5		5.9		6.8		7.5				
Citigroup WGBI ₂		0.8		4.6		6.2		6.8		7.3				

Cash		FUM	3 months		1 year		3 years		5 years		10 years		5 years pa		
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Risk	IR	Rk
AMPCI ₁		3,963	0.8	(2)	3.8	(3)	3.7	(3)	3.7	(3)	5.3	(2)	0.1	4.2 (1)	
ANZ ₁		2,751	0.8	(4)	3.7	(4)	3.6	(4)	3.6	(4)	5.3	(3)	0.1	3.2	(3)
FIS ₁		775	0.8	(3)	3.9	(2)	3.9	(2)	3.8	(2)	5.2	(4)	0.4	1.2	(4)
NIK ₁		668	0.9 (1)		4.1 (1)		4.1 (1)		4.1 (1)		5.6 (1)		0.1	4.2	(2)
<i>Median</i>			<i>0.8</i>		<i>3.8</i>		<i>3.8</i>		<i>3.8</i>		<i>5.3</i>		<i>0.1</i>	<i>3.7</i>	
Index															
NZX 90 Day BB ₁			0.7		3.4		3.1		3.0		4.6				

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	SRI	2.4	(6)	4.2	(6)	10.1	(5)	9.4	(4)	-		64.8	35.2	20.0
ANZ		3.5	(3)	8.8	(3)	12.8	(3)	11.7	(2)	8.5 (1)		61.0	39.0	22.0
ASB		3.2	(5)	8.5	(4)	10.8	(4)	9.1	(5)	-		59.0	41.0	-
FIS		3.4	(4)	7.5	(5)	10.1	(6)	8.9	(6)	7.7	(3)	59.5	40.5	12.1
MAM		4.9 (1)		12.1	(2)	14.4 (1)		13.1 (1)		-		58.1	42.0	15.0
NIK		3.9	(2)	12.9 (1)		13.0	(2)	11.0	(3)	8.0	(2)	72.5	27.5	12.9
<i>Median</i>		<i>3.5</i>		<i>8.7</i>		<i>11.8</i>		<i>10.2</i>		<i>8.0</i>		<i>60.2</i>	<i>39.8</i>	<i>15.0</i>

Benchmark indexes

These are shown in subscript where applicable. An 'x' indicates that the fund is either not benchmarked against any of the indexes shown or does not have a benchmark.

Alternatives/Other		FUM	3 months	1 year	3 years	5 years	10 years	5 years pa
		\$m	%	%	% pa	% pa	% pa	Risk
Global Infrastructure								
AMPCI	100%/139% hedged	178	-0.3	-3.7	14.7	-	-	-
FSI	100% hedged	143	1.8	4.9	-	-	-	-
MAG	100% hedged (AUD)	896	4.9	12.6	18.5	16.9	-	7.3
MERCER	139% hedged	160	6.6	0.8	15.9	14.0	-	9.9
Commodities								
AMPCI		385	-7.8	-21.1	-13.4	-9.5	-	14.4
PFAM		65	-0.7	-0.6	-1.8	-1.9	-	8.4
WEL		-	-17.4	-15.2	-12.4	-8.9	-	13.4
Australasian								
AAM		268	9.8	18.9	16.7	15.3	-	6.4
HAM	Income Fund	72	1.8	7.4	-	-	-	-
MAM	Income	1,200	5.1	11.3	14.8	15.2	-	3.4
MAM	Active Growth	712	8.0	15.9	18.8	18.4	-	5.4
NIK	Income Fund	7	1.5	9.6	7.3	8.0	-	4.3
SALT	Long/Short	48	8.0	22.0	-	-	-	-
Global								
FIS	Prop. & Infrastructure	53	4.6	4.9	15.4	11.3	-	6.9
K2	Diversity Fund	-	1.8	1.5	6.5	4.9	-	3.0
MERCER	Natural Resources	73	-2.2	-10.0	-2.3	-3.1	-	8.8
MERCER	Real Assets	63	5.5	5.1	12.3	10.3	-	6.2
MGH	US\$ fund	24	-0.4	20.3	15.0	8.1	5.3	9.4
NIK	Multi-Strategy	173	2.4	8.0	10.0	9.2	8.7	3.7
NIK	Option	180	5.4	16.7	11.8	9.9	11.8	14.7
NZAM	Global	557	0.4	5.4	9.8	6.2	6.0	6.0
NZAM	Alpha	41	0.0	3.6	7.5	-	-	-
PFAM	Global Equity	35	2.6	12.1	16.5	-	-	-
QIC	Alternative Beta (AUD)	504	-0.1	6.2	9.8	8.7	-	2.4

Acronym References

AAM	Aspiring Asset Management	HAM	Harbour Asset Management	NZAM	NZ Asset Management
AB	Alliance Bernstein	IBB	Ibbotson Associates	PFAM	Pathfinder Funds
AMPCI	AMP Capital Investors	JANA	Jana	PIE	Pie Funds
ANZ	ANZ Investments	K2	K2 Advisors	QAM	QuayStreet Asset Management
ART	Artisan Partners	LMI	Legg Mason Inc	QIC	QIC
ASB	ASB Group Investments	MAG	Magellan Asset Management	RUS	Russell Investment Group
DEV	Devon Funds Management	MAM	Milford Asset Management	SALT	Salt Funds Management
DFA	Dimensional Fund Advisors	MERCER	Mercer	SMS	SmartShares
ELE	Elevation Capital	MFS	MFS Investment Management	TRU	Trust Management
FIS	Fisher Funds Management	MGH	MGH Asset Management	NIK	Nikko Asset Management
FRK	Franklin Templeton Investments	MLC	MLC	VAN	Vanguard Investments Australia
FSI	First State Investments	MNT	Mint Asset Management	WEL	Wellington Management Company
GMO	GMO				

KiwiSaver Results (Net of investment fees)

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
Growth Funds													
AMP	Growth	498.6	80.0	4.2	(7)	2.4	(11)	8.7	(10)	7.2	(9)	6.7	7.4
ANZ	Growth	1,687.9	80.0	4.2	(6)	8.8	(4)	13.8	(3)	11.8	(2)	6.6	6.7
AON	Russell Growth	24.4	75.0	5.0	(4)	8.9	(3)	13.1	(4)	10.3	(4)	6.0	7.9
ASB	Growth	761.2	80.0	4.1	(8)	9.1	(2)	12.3	(6)	9.5	(7)	5.9	6.2
BNZ	Growth	98.5	70.0	6.1	(2)	5.9	(8)	-	-	-	-	-	-
Fisher Two	Growth	190.2	79.0	5.0	(3)	5.8	(9)	10.2	(8)	8.1	(8)	5.6	6.3
Grosvenor	Balanced Growth	157.5	77.5	2.6	(10)	6.6	(7)	8.9	(9)	6.8	(10)	5.0	5.4
Kiwi Wealth	Growth	853.3	85.0	2.0	(11)	4.4	(10)	15.6	(2)	10.3	(3)	8.4	8.9
Mercer	High Growth	92.5	90.0	4.9	(5)	8.5	(5)	12.9	(5)	9.8	(5)	6.0	6.4
Milford	Active Growth	427.1	80.0	7.4	(1)	14.0	(1)	16.2	(1)	15.5	(1)	5.1	4.9
Westpac	Growth	577.9	80.0	3.9	(9)	8.0	(6)	11.6	(7)	9.6	(6)	4.7	5.1
<i>Median</i>			80.0	4.2		8.0		12.6		9.7		6.0	6.3
Balanced Funds													
AMP	Balanced	664.1	60.0	3.1	(6)	2.8	(10)	7.6	(10)	7.0	(10)	5.2	5.5
AMP	Nikko Balanced	25.1	62.0	3.7	(3)	10.6	(2)	11.4	(4)	9.3	(4)	3.9	4.5
ANZ	Balanced Growth	1,012.1	65.0	3.4	(5)	8.0	(3)	12.1	(2)	10.7	(2)	5.5	5.4
AON	Russell Balanced	61.6	60.0	4.0	(2)	7.9	(5)	11.5	(3)	9.6	(3)	5.2	6.6
ASB	Balanced	735.0	60.0	3.1	(7)	8.0	(4)	10.2	(6)	8.5	(6)	4.7	4.7
Fisher Two	Balanced	493.0	57.0	3.5	(4)	5.6	(8)	8.5	(9)	7.3	(9)	4.1	4.4
Kiwi Wealth	Balanced	1,048.4	55.0	1.0	(10)	4.6	(9)	11.0	(5)	8.5	(5)	5.0	5.1
Mercer	Balanced	231.5	55.0	3.0	(8)	6.7	(7)	10.0	(7)	8.2	(8)	4.1	4.2
Milford	Balanced	83.8	61.0	4.7	(1)	10.8	(1)	13.7	(1)	12.2	(1)	4.4	4.4
Westpac	Balanced	889.5	60.0	2.9	(9)	6.8	(6)	9.6	(8)	8.3	(7)	3.9	4.2
<i>Median</i>			60.0	3.3		7.4		10.6		8.5		4.5	4.6
Moderate Balanced Funds													
AMP	Moderate Balanced	437.7	50.0	2.6	(3)	3.0	(4)	7.0	(3)	6.5	(3)	4.4	4.7
ANZ	Balanced	1,221.9	50.0	2.7	(2)	7.1	(1)	10.2	(1)	9.4	(1)	4.4	4.2
BNZ	Balanced	130.1	50.0	4.4	(1)	5.1	(3)	-	-	-	-	-	-
Grosvenor	Balanced	312.2	50.0	2.1	(4)	5.7	(2)	7.3	(2)	6.5	(2)	4.1	4.0
<i>Median</i>			50.0	2.6		5.4		7.3		6.5		4.4	4.2
Moderate Funds													
AMP	Moderate	306.3	40.0	2.0	(4)	2.8	(5)	6.2	(4)	6.1	(4)	3.7	3.6
ANZ	Cons Balanced	582.3	35.0	1.9	(5)	6.2	(3)	8.4	(2)	8.1	(2)	3.4	3.1
AON	Russell Moderate	15.9	40.0	2.7	(2)	6.3	(2)	9.3	(1)	8.7	(1)	4.3	4.8
ASB	Moderate	952.9	40.0	2.3	(3)	6.7	(1)	7.9	(3)	7.2	(3)	3.5	3.2
BNZ	Moderate	177.4	35.0	3.0	(1)	4.4	(4)	-	-	-	-	-	-
<i>Median</i>			40.0	2.3		6.2		8.1		7.6		3.6	3.4
Conservative Funds													
AMP	Conservative	259.1	25.0	1.1	(11)	3.0	(14)	5.3	(12)	5.7	(11)	2.6	2.4
AMP	Default	1,208.7	20.0	1.9	(2)	4.3	(12)	5.8	(10)	5.3	(12)	2.1	2.1
ANZ	Conservative	499.5	20.0	1.1	(12)	5.1	(5)	6.4	(4)	6.7	(2)	2.5	2.1
AON	Russell Cons	75.8	20.0	1.3	(9)	4.7	(9)	7.1	(2)	7.9	(1)	3.8	3.5
ASB	Conservative	2,900.0	20.0	1.5	(6)	5.5	(4)	5.9	(9)	5.8	(10)	2.2	1.9
BNZ	Conservative	237.8	20.0	1.9	(1)	4.0	(13)	-	-	-	-	-	-
Fisher	Conservative	371.3	21.0	0.9	(13)	5.5	(2)	6.3	(5)	6.4	(4)	2.5	2.2
Fisher Two	Conservative	107.7	30.0	1.6	(4)	4.9	(7)	6.2	(7)	6.3	(6)	2.5	2.3
Fisher Two	Default	618.5	21.0	1.3	(8)	4.9	(8)	5.8	(11)	5.9	(8)	2.2	1.8
Grosvenor	Conservative	110.8	25.0	1.1	(10)	4.6	(10)	5.0	(13)	5.9	(9)	2.8	2.6
Kiwi Wealth	Conservative	392.8	15.0	-0.1	(14)	4.5	(11)	6.2	(6)	6.1	(7)	2.0	1.8
Mercer	Conservative	947.8	20.0	1.6	(5)	5.5	(3)	7.1	(3)	6.6	(3)	2.2	2.0
Milford	Conservative	19.1	15.0	1.4	(7)	6.1	(1)	11.7	(1)	-	-	3.2	-
Westpac	Conservative	1,773.1	25.0	1.6	(3)	4.9	(6)	6.1	(8)	6.3	(5)	2.3	2.1
<i>Median</i>			20.0	1.4		4.9		6.2		6.2		2.5	2.1
Other Funds													
AMP	Aggressive	217.2	90.0	4.9		2.4		9.4		7.5		7.5	8.6
Fisher	Growth	1,018.2	95.0	4.9		9.2		11.6		7.9		5.5	6.3
Grosvenor	High Growth	142.1	98.0	3.2		7.0		10.6		7.1		5.9	7.0

Asset Allocation		NZ/Aus Shares	Global Shares	NZ/Aus Prop	Global Prop	Alt Asset	Growth Assets	NZ Bonds	Global Bonds	Alt Assets	Cash	Income Assets
Growth Funds												
AMP	Growth	19.7	45.2		9.6	10.8	85.4	4.0	4.0		6.7	14.6
ANZ	Growth	17.7	47.3	6.1	6.1		77.3	4.0	7.7		11.0	22.7
AON	Russell Growth	26.2	48.7				74.9	5.0	20.0			25.1
ASB	Growth	28.7	43.2		6.9		78.9	8.9	9.2		3.0	21.1
BNZ	Growth	19.2	52.8				72.1	4.9	19.3		3.8	27.9
Fisher Two	Growth	26.5	36.8	9.4			72.6	14.9	4.0		8.5	27.4
Grosvenor	Balanced Growth	18.0	43.9	3.2	3.2		68.4	12.9	11.7		7.1	31.6
Kiwi Wealth	Growth		82.9			3.4	86.3	1.7			12.0	13.7
Mercer	High Growth	18.5	55.0		15.7	2.0	91.3	2.5	2.4	2.0	1.8	8.7
Milford	Active Growth	58.5	11.4				69.9	1.9	2.8		25.4	30.1
Westpac	Growth	25.0	37.0	9.0		8.4	79.4	7.0	8.0		5.6	20.6
<i>Average</i>		<i>23.5</i>	<i>45.8</i>	<i>2.5</i>	<i>3.8</i>	<i>2.2</i>	<i>77.9</i>	<i>6.1</i>	<i>8.1</i>	<i>0.2</i>	<i>7.7</i>	<i>22.1</i>
Balanced Funds												
AMP	Balanced	15.5	33.2		7.6	8.9	65.2	11.9	11.9		11.0	34.8
AMP	Nikko Balanced	20.9	25.1	4.9		10.3	61.2	9.7	13.2	10.8	5.1	38.8
ANZ	Balanced Growth	13.9	38.5	5.1	5.0		62.4	7.0	15.3		15.3	37.6
AON	Russell Balanced	21.0	38.9				59.9	8.0	32.0			40.1
ASB	Balanced	20.5	31.7		6.9		59.1	16.9	18.3		5.7	40.9
Fisher Two	Balanced	18.5	25.5	9.7			53.7	23.5	13.1		9.8	46.3
Kiwi Wealth	Balanced		49.2			2.6	51.8	12.6	25.4		10.2	48.2
Mercer	Balanced	10.8	30.0		12.9	1.9	55.6	10.8	20.0	1.9	11.6	44.4
Milford	Balanced	28.0	23.0	9.0		2.0	62.0	11.0	20.0		7.0	38.0
Westpac	Balanced	20.0	28.7	4.4		6.3	59.4	15.0	19.1		6.5	40.6
<i>Average</i>		<i>16.9</i>	<i>32.4</i>	<i>3.3</i>	<i>3.2</i>	<i>3.2</i>	<i>59.0</i>	<i>12.6</i>	<i>18.8</i>	<i>1.3</i>	<i>8.2</i>	<i>41.0</i>
Moderate Balanced Funds												
AMP	Moderate Balanced	12.7	27.3		6.8	7.8	54.6	15.0	15.1		15.3	45.4
ANZ	Balanced	11.1	28.9	4.0	4.0		48.0	9.4	23.1		19.5	52.0
BNZ	Balanced	13.9	38.3				52.3	7.3	36.6		3.8	47.7
Grosvenor	Balanced	14.6	34.1	2.2	2.2		53.2	15.0	22.0		9.9	46.8
<i>Average</i>		<i>13.1</i>	<i>32.1</i>	<i>1.6</i>	<i>3.3</i>	<i>1.9</i>	<i>52.0</i>	<i>11.7</i>	<i>24.2</i>		<i>12.1</i>	<i>48.0</i>
Moderate Funds												
AMP	Moderate	9.9	21.8		5.7	7.3	44.7	18.0	18.0		19.3	55.3
ANZ	Cons Balanced	7.5	19.5	3.1	3.0		33.0	11.7	30.0		25.3	67.0
AON	Russell Moderate	14.7	25.3				39.9	12.1	48.0			60.1
ASB	Moderate	16.4	17.2		5.9		39.6	24.7	25.4		10.3	60.4
BNZ	Moderate	8.5	28.5				36.9	9.9	44.5		8.7	63.1
<i>Average</i>		<i>11.4</i>	<i>22.4</i>	<i>0.6</i>	<i>2.9</i>	<i>1.5</i>	<i>38.8</i>	<i>15.3</i>	<i>33.2</i>		<i>12.7</i>	<i>61.2</i>
Conservative Funds												
AMP	Conservative	5.0	13.4		4.8	6.2	29.4	21.9	22.1		26.5	70.6
AMP	Default	7.1	15.4				22.5	14.7	14.7		48.1	77.5
ANZ	Conservative	4.3	11.6	1.5	1.6		19.0	15.7	38.4		27.0	81.0
AON	Russell Cons	6.3	13.6				19.9	16.1	64.0			80.1
ASB	Conservative	9.2	10.5				19.7	29.7	30.5		20.1	80.3
BNZ	Conservative	5.7	14.7				20.4	10.7	34.4		34.5	79.6
Fisher	Conservative	8.0	10.0	3.0			21.0	36.7	28.9		13.4	79.0
Fisher Two	Conservative	7.9	10.8	9.0			27.7	38.9	21.4		12.0	72.3
Fisher Two	Default	5.9	7.0	6.6			19.6	43.1	24.7		12.7	80.4
Grosvenor	Conservative	8.6	12.8	1.5	1.5		24.4	30.3	27.8		17.5	75.6
Kiwi Wealth	Conservative		14.6			0.5	15.2	25.9	50.6		8.4	84.8
Mercer	Conservative	5.4	11.9		3.5		20.8	15.7	28.3		35.1	79.2
Milford	Conservative	8.9	2.5				11.4	25.8	44.1		18.7	88.6
Westpac	Conservative	8.9	8.8	4.4		2.5	24.6	24.0	30.0		21.4	75.4
<i>Average</i>		<i>6.5</i>	<i>11.3</i>	<i>1.9</i>	<i>0.8</i>	<i>0.7</i>	<i>21.1</i>	<i>24.9</i>	<i>32.9</i>		<i>21.1</i>	<i>78.9</i>
Other Funds												
AMP	Aggressive	23.5	50.2		10.0	11.5	95.2	0.5	0.5		3.8	4.8
Fisher	Growth	34.3	41.8	2.8			78.9	7.0	8.8		5.2	21.1
Grosvenor	High Growth	20.4	54.3	4.6	4.6		83.8	5.2	5.3		5.7	16.2

Notes:

- Tracking error is the standard deviation of value added.
- 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.
- Information Ratio (IR) is value added divided by tracking error, i.e. risk adjusted performance.
- Returns in the NZ share sector are shown inclusive of imputation credits, which are not available to all investors.
- 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.
- 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.
- 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.
- The Alliance Bernstein and Legg Mason global bond fund performance use a simulated hedge back to the NZ dollar.

Rankings

Where we consider the funds have reasonably similar mandates we group the funds and rank the performance. However, differences in the mandates still apply and will result in different expected return outcomes.

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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