

Investment Survey

March 2016

Content:

Quarterly market overview

KiwiSaver

Wholesale funds & KiwiSaver result

Market returns	Quarter %	Year %		Quarter %	Year %
NZX 50 (including imputation credits)	7.2	17.3	NZX NZ Government Bond	3.9	6.6
S&P/ASX 200 (AUD)	-2.7	-9.6	NZX Corporate A Grade	2.7	6.4
MSCI World - Local Currency	-1.9	-4.5	Barclays Global Aggregate	3.9	5.4
MSCI World - Hedged	-1.5	-1.6	Citigroup WGBI	4.5	6.0
MSCI World - Unhedged	-1.7	4.3	90 Day Bank Bill	0.7	3.2
MSCI Emerging Markets - Unhedged	4.2	-5.0	NZ \$ / US \$	1.4	-7.4
NZX Property	5.4	15.7	NZ \$ / A \$	-4.1	-8.1

1 Quarterly market overview

NZ cash and fixed interest The cut in the OCR rate to 2.25% was by and large a surprise to many commentators but was consistent with the importance to the RBNZ of pushing the CPI back up to its 2% target level. The outlook for cash returns is now even lower than the 3.2% achieved by the index over the last year. The fall in interest rates more generally produced solid bond returns both in NZ and globally.

Equities From a NZ perspective the strength in our share market stands in strong contrast to overseas markets, including Australia. The 17.3% NZ return is in stark contrast to the -9.6% return in Australia and the -4.5% global markets return. As one would expect the local listed property market also did extremely well, partly driven by investors looking for a positive yield and choosing to shun bond markets with their low returns.

Currencies The NZ dollar has retreated from high levels against both the US and the Australian dollar. A feature of the NZD/USD trade is the tendency of the NZ dollar to rise slowly against the US until an event occurs which causes a significant short-term fall – the so called “climbing up by the stairs and coming down in the escalator” syndrome.

Longer term outlook The assumptions for longer-term returns have naturally fallen given the current bond and share market valuations and the relatively cautious global outlook. The NZ cash rate 10 year forecasts are coming in below 4% and 10 year bond returns are around the 5% level. Similar views prevail overseas. Accordingly the message to the long-term investor is that having achieved above average returns over the last 5 years, one is unlikely to see these going forward and just achieving a positive return in each year is possibly all one might reasonably expect over the immediate future.

2 KiwiSaver

As the performance for each different fund is principally driven by the fund’s asset allocation, what happened over the last year in each of the asset sectors is the key driver of each manager’s return relative to another manager. The key highlights over the last year were strong local share market returns, weak Australian results and a small positive return on unhedged global shares with both bond markets producing around 5% to 6% returns. An outcome of these returns was that all the different risk profile funds produced similar results at around the 4% level. At the same time, as one would expect, individual manager results have varied with the AMP Nikko Balanced Fund achieving 8.7% for the year while the KiwiWealth Growth Fund returned a -5.8%. A review of the variance of the manager results shows how for the conservative funds the range of outcomes is just 2.3% while for the growth funds with their more diverse range of strategies we see a massive range of 16.5%.

2016 started with share markets retreating while bond markets rallied and come the middle of February, scheme managers and members were worried that they might end up with negative returns for the March year. However March came to the rescue with many balanced funds achieving more than 3% for the month, allowing funds to report a positive quarter and a positive return for the year. Looking longer term we now show results for 8 years reflecting that KiwiSaver funds have been going since 1 October 2007. All funds, with their risk profiles differing from growth to conservative, have similar results which is interesting given that the period includes the share market crash in 2008/09 and the subsequent recovery. Of course, going forward we would not expect this to be the case and a further point to note is that the level of funds invested when the markets crashed would have been minimal meaning that most contributions have enjoyed the benefit of the strong returns subsequently, particularly the growth funds.

Commenting on some individual managers, Milford and its Active Growth fund has done well over the longer term albeit that Milford results have been softer over the past 3 months. The ANZ funds have good longer term results although in the shorter term, their exposure to the Australian share market and its softer returns has seen relative rankings fall. The Aon Russell funds have been consistent performers although their high exposure to hedged global shares and global bonds makes them one of the more volatile schemes. We do not often mention Westpac but their results are in the top half of managers over the longer period.

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	Vol	IR	Rk
Australasian																
AMPCI	Active ₁	0/0	457	6.3	(10)	18.2	(8)	17.5	(12)	16.4	(9)	9.6	(5)	9.3	0.1	(9)
AMPCI	Strategic ₂	0/0	123	4.9	(14)	17.6	(9)	18.1	(9)	16.3	(10)	10.1	(3)	8.8	0.1	(11)
AMPCI	Responsible ₁	0/0	11	6.6	(7)	18.4	(6)	18.3	(6)	-	-	-	-	-	-	-
ANZ	Australasian Share ₁	7/0	779	7.1	(5)	15.1	(15)	16.9	(14)	16.2	(12)	8.7	(7)	9.2	0.1	(10)
ANZ	NZ Shares ₁	0/0	135	7.2	(4)	15.5	(13)	17.0	(13)	16.9	(5)	8.3	(10)	9.2	0.5	(5)
DEV	NZ Core ₁	17/87	228	7.9	(1)	12.7	(16)	20.4	(2)	17.7	(4)	-	-	9.2	0.5	(4)
FIS	Trans-Tasman ₁	29/72	548	5.9	(12)	15.1	(14)	14.7	(16)	15.9	(13)	8.4	(9)	9.6	0.0	(13)
HAM	Australasian Eq _x	28/34	699	5.4	(13)	21.7	(1)	17.7	(11)	15.8	(14)	-	-	9.9	0.0	(14)
MAM	NZ Equities ₁	0/0	253	4.4	(15)	21.2	(2)	19.8	(4)	19.4	(1)	11.7	(1)	9.1	1.1	(1)
MERCER	Trans-Tasman ₁	22/46	400	6.3	(9)	17.2	(10)	18.3	(5)	16.4	(8)	9.5	(6)	8.9	0.2	(7)
MNT	Trans-Tasman ₁	11/100	92	4.4	(16)	17.1	(11)	20.0	(3)	18.9	(2)	-	-	8.3	0.6	(3)
NIK	Core ₁	9/0	267	7.4	(3)	20.1	(4)	18.2	(7)	16.6	(6)	8.7	(8)	9.1	0.3	(6)
QAM	NZ Equity ₁	0/0	44	6.2	(11)	18.4	(7)	16.4	(15)	16.5	(7)	-	-	7.2	0.2	(8)
RUS	NZ Shares ₁	3/0	133	6.8	(6)	21.1	(3)	18.1	(8)	-	-	-	-	-	-	-
SALT	NZ Share Plus ₁	3/97	451	6.6	(8)	16.2	(12)	17.9	(10)	16.2	(11)	9.7	(4)	9.9	0.1	(12)
SALT	Dividend Share ₁	0/0	87	7.9	(2)	19.8	(5)	20.7	(1)	18.1	(3)	11.5	(2)	9.4	0.7	(2)
<i>Median</i>				6.5		17.9		18.1		16.5		9.5		9.2	0.2	
Other																
ANZ	ESF ₄		26	5.2		8.5		13.6		13.7		7.7		8.0		
DEV	Trans-Tasman ₁₊₃		123	2.0		11.5		21.4		15.9		11.5		9.2		
DEV	Alpha _x		99	1.3		4.3		19.3		15.1		-		8.1		
DEV	Dividend Yield ₁₊₃		47	4.4		15.1		20.2		-		-		-		
FIS	NZ Grow th _x		127	4.4		15.6		15.4		17.0		9.9		7.5		
HAM	Equity Income _x		91	3.0		8.0		15.8		-		-		-		
HAM	Focus ₁₊₃		56	2.7		24.2		-		-		-		-		
MAM	Dynamic (small cap) _x		161	-3.4		3.9		-		-		-		-		
MAM	Trans-Tasman ₁₊₃		235	2.6		9.5		12.3		15.3		-		8.9		
NIK	Concentrated ₄		90	7.0		21.9		19.2		15.5		14.3		8.9		
NIK	Small Companies _x		5	2.9		20.0		12.1		11.2		9.3		12.8		
PIE	Australasian Grow th _x		77	1.1		14.7		18.2		18.6		-		12.9		
QAM	Altum Fund _x		22	0.0		14.3		-		-		-		-		
SALT	Focus Share ₂		80	4.5		14.2		18.4		16.9		-		10.3		
<i>Median</i>				2.8		14.3		18.2		15.5		9.9		8.9		
Indexed																
SMS	NZ Top 10		68	9.8		17.8		12.8		12.2		4.4		10.2		
SMS	NZ Top 50		213	5.7		15.6		16.0		14.8		7.1		9.5		
SMS	NZ Mid Cap		64	3.2		17.0		19.0		17.5		7.6		9.0		
SMS	Aus Mid Cap		74	6.7		10.5		8.6		5.8		3.4		14.7		
SMS	Aus Top 20		83	-3.1		-8.9		-0.8		0.4		4.3		14.3		
Australian																
AMPCI	Australian ₃		78	-1.2	(4)	-2.7	(3)	2.5	(4)	2.4	(4)	4.7	(1)	13.0	0.4	(3)
ANZ	Australian ₃		543	0.6	(1)	-0.9	(2)	3.7	(2)	3.8	(2)	-	-	12.6	0.6	(2)
DEV	Australian ₃		45	0.1	(3)	5.8	(1)	10.8	(1)	7.1	(1)	-	-	12.5	1.7	(1)
FRK	Australian ₃		-	0.4	(2)	-5.1	(5)	0.6	(5)	1.7	(5)	4.6	(2)	14.3	0.1	(5)
QAM	Australian ₃		27	-4.2	(5)	-3.4	(4)	3.7	(3)	3.7	(3)	-	-	12.8	0.3	(4)
Indexes																
NZX 50 incl. ICs ₁				7.2		17.3		16.6		16.0		7.7		9.1		
NZX 50 Portfolio ₂				6.5		16.5		17.5		16.4		8.5		8.8		
ASX 200 (NZD) ₃				1.4		-1.7		1.4		1.5		3.9		13.5		
90 day BB + 5% pa ₄				2.0		8.5		8.4		8.2		9.8		0.1		

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 Shares (unhedged)		Emging Mkts %	3 months % Rk	1 year % Rk	3 years % pa Rk	5 years % pa Rk	10 years % pa Rk	5 years pa		
								Vol	IR	Rk
Style Neutral										
AB	Style Blend ₁	11.6	-2.1 (8)	2.1 (11)	14.7 (5)	7.4 (13)	0.4 (12)	11.9	-0.4	(14)
AMPCI	Core Global ₁	5.2	0.4 (2)	8.1 (1)	16.4 (2)	10.0 (5)	3.2 (6)	10.1	0.9	(4)
ANZ	Int'l Eq ₂	3.7	-0.6 (4)	7.4 (3)	15.5 (3)	11.0 (4)	5.5 (3)	10.7	1.1	(2)
ART	Global Equity ₂	3.5	-6.5 (15)	-0.5 (14)	13.0 (11)	12.0 (1)	-	11.8	0.7	(5)
FIS	International ₂	8.9	-1.4 (6)	3.1 (10)	11.6 (14)	5.8 (15)	2.6 (8)	9.8	-1.3	(15)
FRK	Templeton ₂	9.0	-3.7 (13)	-2.2 (15)	10.9 (15)	7.3 (14)	2.4 (10)	11.8	-0.3	(13)
IBB	High Opportunities ₂	-	-2.1 (9)	5.1 (5)	13.5 (9)	8.8 (7)	3.3 (5)	10.1	0.1	(7)
JANA	Core Global ₁	-	-2.1 (7)	1.5 (13)	13.0 (12)	8.7 (8)	2.1 (11)	10.4	0.1	(8)
MERCER	Share Plus ₁	8.0	-0.4 (3)	4.4 (6)	14.7 (7)	8.0 (11)	-	10.8	-0.1	(9)
MFS	Global Eq ₁	-	0.8 (1)	6.4 (4)	15.1 (4)	11.9 (2)	6.6 (1)	11.1	1.2 (1)	
MLC	NCIT ₂	8.5	-2.7 (11)	3.4 (9)	12.5 (13)	8.3 (9)	3.1 (7)	10.0	-0.1	(10)
NIK	Multi-Manager ₁	10.9	-0.9 (5)	7.9 (2)	14.7 (6)	9.9 (6)	-	9.5	0.6	(6)
RUS	ISF _x	7.4	-3.2 (12)	1.7 (12)	13.4 (10)	8.1 (10)	2.5 (9)	11.5	-0.2	(11)
RUS	GOF _x	9.3	-2.2 (10)	3.9 (7)	14.0 (8)	8.0 (12)	3.8 (4)	11.1	-0.2	(12)
WEL	Opportunities ₂	5.8	-4.3 (14)	3.9 (8)	17.3 (1)	11.4 (3)	6.3 (2)	11.6	1.0	(3)
<i>Median</i>			-2.1	3.9	14.0	8.7	3.1	10.8	0.1	
Value										
AB	Value		-0.8 (5)	1.6 (5)	15.5 (3)	7.2 (3)	0.6 (4)	12.1	-0.3	(3)
ART	Value		0.2 (4)	7.1 (3)	16.0 (2)	13.5 (1)	-	10.5	1.4 (1)	
DFA	Value		-3.3 (7)	-1.1 (7)	11.2 (6)	6.1 (6)	1.9 (3)	11.6	-0.6	(5)
ELE	Value		5.9 (1)	10.7 (2)	12.0 (4)	8.3 (2)	-	9.0	0.0	(2)
GMO	Equity		0.6 (3)	1.6 (4)	10.1 (7)	7.1 (4)	2.8 (2)	9.5	-0.4	(4)
MERCER	Low Volatility		3.4 (2)	14.9 (1)	16.5 (1)	-	-	-	-	
WEL	Value		-2.3 (6)	0.5 (6)	11.7 (5)	6.5 (5)	4.0 (1)	11.0	-1.0	(6)
<i>Median</i>			0.2	1.6	12.0	7.2	2.4	10.8	-0.4	
Growth										
AB	Grow th Trends		-3.5 (6)	2.3 (7)	13.5 (6)	7.0 (6)	0.0 (4)	12.3	-0.4	(6)
ART	Global Opportunities ₂		-1.8 (4)	11.5 (1)	17.3 (1)	12.6 (2)	-	12.2	0.7	(2)
FRK	Equity		-1.7 (3)	11.4 (2)	15.6 (4)	10.0 (5)	5.5 (1)	11.2	0.3	(5)
HAM	T Row e Price		-2.0 (5)	4.0 (6)	-	-	-	-	-	
MAG	Global		-0.4 (2)	11.2 (3)	16.5 (3)	16.5 (1)	-	11.1	1.4 (1)	
MFS	Grow th		2.6 (1)	9.2 (4)	15.1 (5)	10.5 (4)	5.4 (2)	10.6	0.6	(3)
WEL	Grow th		-5.6 (7)	5.7 (5)	16.9 (2)	10.8 (3)	3.6 (3)	12.8	0.4	(4)
<i>Median</i>			-1.8	9.2	16.1	10.7	4.5	11.7	0.5	
Indexed										
AMPCI	NWIN		-1.6 (1)	4.7 (2)	14.1 (2)	9.1 (2)	-	10.1		
VAN			-1.7 (2)	4.9 (1)	14.5 (1)	9.1 (1)	3.3 (1)	10.3		
Emerging										
AMPCI			3.7 (4)	-4.8 (5)	3.0 (2)	0.6 (1)	0.8 (2)	11.9		
ART			5.2 (2)	1.7 (1)	3.8 (1)	-3.0 (5)	-	13.2		
GMO			7.9 (1)	-1.0 (2)	1.3 (5)	-2.9 (4)	1.1 (1)	12.8		
MERCER			3.2 (5)	-2.0 (3)	2.7 (4)	-0.5 (3)	-	12.9		
RUS			4.1 (3)	-4.6 (4)	2.9 (3)	-0.3 (2)	-	13.8		
Socially Responsible										
AMPCI	Responsible		-2.1 (2)	0.7 (3)	12.6 (3)	7.5 (3)	3.4 (1)	10.2		
NIK	SRI		-3.4 (3)	3.5 (2)	13.8 (2)	8.8 (1)	-	11.8		
PFAM	Global Water		-1.7 (1)	8.4 (1)	13.9 (1)	7.8 (2)	-	11.4		
Other										
JANA	High Alpha		-2.9	3.6	14.6	9.8	3.5	11.0		
MERCER	Small Companies		-2.1	3.6	15.5	10.4	-	12.5		
Indexes										
MSCI 0% hedged ₁			-1.7	4.3	13.7	8.5	3.0	10.2		
MSCI 100% hedged			-1.5	-1.6	11.9	10.9	5.4	11.7		
MSCI ACWI 0% hedged ₂			-1.2	3.3	12.4	7.2	2.8	7.2		
MSCI Emerging 0% hedged			4.2	-5.0	1.7	-2.3	1.7	12.4		

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.

Property		FUM	3 months		1 year		3 years		5 years		10 years		5 years pa		
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol	IR	Rk
NZ Listed															
AMPCI	NZ Listed	21	4.9	(4)	16.6	(1)	15.6	(3)	17.3	(3)	-	-	7.1	0.8	(3)
ANZ	Property Securities	160	4.6	(5)	15.7	(5)	16.6	(1)	18.2	(1)	10.3	(2)	7.6	0.9	(2)
MNT	Australasian	55	5.2	(2)	16.1	(3)	15.1	(4)	16.7	(4)	-	-	6.6	0.5	(5)
NIK	Property Securities	74	5.1	(3)	16.1	(4)	15.0	(5)	16.4	(5)	-	-	7.2	0.8	(4)
SALT	NZ Listed	341	5.9	(1)	16.3	(2)	16.0	(2)	17.6	(2)	10.3	(1)	6.9	1.3	(1)
<i>Median</i>			<i>5.1</i>		<i>16.1</i>		<i>15.6</i>		<i>17.3</i>		<i>10.3</i>		<i>7.1</i>	<i>0.8</i>	
NZ Direct															
FIS	Property Fund	366	4.1	(1)	14.2	(1)	14.0	(1)	11.7	(1)	9.7	(1)	4.3		
TRU	Property Fund	102	1.3	(2)	10.0	(2)	8.8	(2)	8.7	(2)	8.0	(2)	1.7		
Global															
AMPCI	100% hedged	149	2.1		3.1		13.9		13.8		7.4		13.7		
ANZ	100% hedged (ex Aus)	549	3.3		3.0		12.5		13.1		5.8		14.2		
IBB	100% hedged (AUD)	15	5.5		4.6		10.9		12.3		-		12.8		
MERCER	139% hedged	92	0.7		-3.1		12.6		12.7		-		15.0		
RUS	100% hedged	365	2.5		1.0		-		-		-		-		
Australasian															
ANZ	Trans-Tasman	408	4.9		14.7		17.4		17.9		-		8.1		
MERCER	Direct Property	94	2.6		12.6		13.6		10.6		-		3.0		
Indexes															
NZX Property			5.4		15.7		13.9		15.5		8.6		7.4		

NZ Bonds		FUM	3 months		1 year		3 years		5 years		10 years		5 years pa		
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol	IR	Rk
Core															
AMPCI	AIF F ₁	1,650	3.8	(3)	6.5	(6)	5.5	(4)	7.0	(2)	7.6	(1)	3.0	1.9	(1)
ANZ	NZ Fixed Plus ₁	1,655	3.9	(2)	7.1	(4)	5.3	(5)	6.8	(3)	6.6	(4)	3.0	1.2	(2)
FIS	NZ Fixed Interest ₁	446	4.0	(1)	7.3	(2)	5.5	(3)	6.7	(4)	7.1	(3)	2.5	0.7	(4)
HAM	Core Fixed ₁₊₂	178	3.7	(4)	7.4	(1)	5.7	(2)	-		-		-	-	
NIK	NZ Fixed Interest ₁	258	3.5	(6)	7.0	(5)	6.1	(1)	7.4	(1)	7.1	(2)	2.4	1.1	(3)
RUS	Harbour ₁₊₂	108	3.6	(5)	7.2	(3)	5.2	(6)	-		-		-	-	
<i>Median</i>			<i>3.7</i>		<i>7.2</i>		<i>5.5</i>		<i>6.9</i>		<i>7.1</i>		<i>2.8</i>	<i>1.2</i>	
Other															
AMPCI	Short Duration _x	232	2.0		5.9		5.4		5.4		-		0.8		
ANZ	Sovereign ₁	879	3.9		6.7		4.5		6.3		6.8		3.3		
ANZ	High Grade ₃	670	3.9		7.5		5.9		7.1		6.1		2.8		
HAM	Corporate Bonds ₂	250	2.6		6.4		5.8		6.2		-		1.4		
HAM	Short Duration _x	44	1.2		4.2		4.2		-		-		-		
MAM	Trans-Tasman _x	306	2.0		4.9		-		-		-		-		
NIK	Inv. Grade Corporate ₁	179	3.0		7.1		6.6		7.5		-		2.0		
QIC	Australian Fixed Interest* _x	711	2.3		2.7		5.5		6.4		6.9		2.7		
QIC	Inflation Plus* _x	1,243	0.3		2.2		3.6		3.8		-		1.6		
Indexes															
NZX NZ Govt Stock ₁			3.9		6.6		4.7		6.1		6.3		3.1		
NZX Corporate A Grade ₂			2.7		6.4		5.7		6.1		6.9		6.1		
NZX All Sw aps ₃			3.9		7.9		5.4		5.8		6.9		2.6		

*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	Vol	IR	Rk
Core														
AB	Global Plus ₁	4.0	(2)	5.3	(2)	6.6	(5)	7.8	(5)	8.2	(5)	2.8	0.2	(5)
AMPCI	AIF Q ₁	3.5	(5)	3.9	(6)	6.2	(8)	6.6	(8)	7.2	(7)	2.6	-0.3	(8)
FIS	PIMCo ₁	3.5	(6)	3.0	(8)	6.4	(7)	8.9	(2)	8.7	(4)	3.6	0.3	(3)
FIS	Wellington ₁	3.9	(3)	5.2	(3)	6.5	(6)	7.6	(6)	-		2.7	0.0	(6)
MERCER	Global Aggregate ₁	3.0	(8)	3.7	(7)	6.8	(3)	8.3	(4)	9.0	(3)	2.6	0.3	(4)
NIK	GSAM ₁	3.6	(4)	5.9	(1)	6.8	(4)	7.4	(7)	7.7	(6)	2.4	-0.1	(7)
PIMCo	GIS ₁	3.3	(7)	4.1	(5)	7.1	(1)	9.4	(1)	9.5	(1)	3.3	0.5	(1)
RUS	Global Bond ₁	4.2	(1)	4.7	(4)	7.1	(2)	8.8	(3)	9.0	(2)	3.1	0.4	(2)
<i>Median</i>		3.6		4.4		6.7		8.0		8.7		2.7	0.2	
Other														
AMPCI	PIMCo Short Duration _x	1.5		3.9		4.7		5.0		-		1.5		
AMPCI	AIF HQ ₂	3.8		7.1		6.2		6.8		-		2.6		
ANZ	Sovereign _x	4.1		5.1		6.2		7.2		7.8		3.0		
ANZ	Credit _x	4.0		3.7		-		-		-		-		
DFA	5 year _x	2.9		5.5		5.1		6.1		6.9		2.2		
FIS	Absolute Return _x	2.5		4.9		6.4		-		-		-		
IBB	Global Active (AUD)	3.8		3.0		6.5		8.5		-		3.0		
LMI	Brandywine GOFI ₂	6.2		0.5		8.0		11.5		10.5		5.8		
MERCER	Global Sovereign	3.8		4.8		9.2		9.2		-		3.3		
MERCER	Global Credit	3.5		4.4		8.5		9.7		-		3.7		
QIC	Alpha (AUD)	-2.3		0.1		2.2		2.0		6.5		5.9		
WEL	Global Aggregate (AUD)	3.8		4.8		6.2		8.2		8.1		2.9		
Indexes														
Barclays Global Agg ₁		3.9		5.4		6.8		7.5		7.9		2.6		
Citigroup WGBI ₂		4.5		6.0		7.3		7.8		7.8		2.8		

Cash		FUM \$m	3 months		1 year		3 years		5 years		10 years		5 years pa		
			%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol	IR	Rk
AMPCI ₁		3,939	0.8	(3)	3.6	(3)	3.7	(3)	3.6	(3)	5.1	(2)	0.1	4.0	(1)
ANZ ₁		3,085	0.8	(4)	3.5	(4)	3.6	(4)	3.5	(4)	5.1	(3)	0.1	3.1	(3)
FIS ₁		563	0.9	(1)	3.8	(2)	3.9	(2)	3.8	(2)	5.1	(4)	0.4	1.2	(4)
NIK ₁		667	0.8	(2)	3.9	(1)	4.0	(1)	4.1	(1)	5.5	(1)	0.1	4.0	(2)
<i>Median</i>			0.8		3.7		3.8		3.7		5.1		0.1	3.5	
Index															
NZX 90 Day BB ₁			0.7		3.2		3.2		3.0		4.5		0.1		

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	1.1	(6)	1.6	(7)	8.5	(7)	9.0	(5)	-		65.0	35.0	20.0
ANZ		1.8	(5)	5.5	(5)	11.3	(3)	11.2	(2)	7.7	(1)	57.7	42.3	24.1
ASB		2.2	(4)	5.5	(4)	9.9	(5)	8.8	(7)	-		59.4	40.6	-
FIS		2.8	(1)	6.7	(2)	9.5	(6)	8.8	(6)	7.1	(3)	59.0	41.0	12.0
MAM		0.8	(7)	6.6	(3)	12.3	(1)	12.7	(1)	-		57.3	42.7	15.0
MERCER		2.3	(3)	4.7	(6)	10.5	(4)	9.3	(4)	6.5	(4)	57.1	42.9	18.3
NIK		2.4	(2)	10.0	(1)	12.1	(2)	10.5	(3)	7.4	(2)	72.5	27.5	12.9
<i>Median</i>		2.2		5.5		10.5		9.3		7.2		59.0	41.0	16.7

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	Vol
Global Infrastructure								
AMPCI	100%/139% hedged	211	2.4	-8.0	11.4	-	-	-
FSI	100% hedged	152	9.0	6.8	-	-	-	-
MAG	100% hedged (AUD)	1,062	7.3	13.1	18.3	16.8	-	7.4
MERCER	139% hedged (listed)	160	6.4	-0.4	15.3	14.8	-	10.6
MERCER	139% hedged (unlisted)	106	4.9	14.3	15.0	12.8	-	6.5
Commodities								
AMPCI		273	1.7	-15.4	-12.6	-10.8	-	14.2
PFAM		64	0.2	-1.1	-0.6	-4.2	-	7.6
WEL		-	1.7	-13.1	-10.6	-10.1	-	13.1
Australasian								
AAM		285	2.7	15.9	14.9	15.7	15.1	6.9
HAM	Income Fund	72	2.8	7.0	-	-	-	-
MAM	Income	1,246	3.8	10.9	14.1	15.4	-	3.6
MAM	Active Growth	715	-0.2	9.9	15.9	17.8	-	5.9
NIK	Income Fund	9	2.8	10.4	7.7	7.6	-	4.3
SALT	Long/Short	71	2.8	21.6	-	-	-	-
Global								
FIS	Prop. & Infrastructure	55	6.0	7.8	15.2	11.9	-	7.2
K2	Diversity Fund	267	-0.2	-1.0	5.4	4.5	-	3.0
MERCER	Natural Resources	73	0.1	-8.9	-2.8	-3.3	-	8.8
MERCER	Real Assets	63	3.4	2.7	12.2	10.5	5.3	6.6
MERCER	Liquid Alternatives	95	-0.3	-0.1	-	-	-	-
MGH	US\$ fund	24	-0.1	12.4	12.5	7.1	3.6	9.4
NIK	Multi-Strategy	173	-2.4	1.4	7.4	7.4	7.9	3.6
NIK	Option	184	2.4	18.3	11.3	8.4	11.4	14.5
NZAM	Global	533	-2.3	1.1	7.1	5.1	3.8	6.0
NZAM	Alpha	50	-0.8	0.5	6.5	-	-	-
PFAM	Global Equity	33	-4.4	-0.9	11.7	-	-	-
QIC	Alternative Beta (AUD)	523	-0.3	3.7	8.8	8.1	-	2.5

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	KAM	Kingtide Asset Management	QIC	QIC
ASB	ASB Group Investments	LMI	Legg Mason Inc	RUS	Russell Investment Group
DEV	Devon Funds Management	MAG	Magellan Asset Management	SALT	Salt Funds Management
DFA	Dimensional Fund Advisors	MAM	Milford Asset Management	SMS	SmartShares
ELE	Elevation Capital	MERCER	Mercer	TRU	Trust Management
FIS	Fisher Funds Management	MFS	MFS Investment Management	NIK	Nikko Asset Management
FRK	Franklin Templeton Investments	MGH	MGH Asset Management	VAN	Vanguard Investments Australia
FSI	First State Investments	MLC	MLC	WEL	Wellington Management Company
GMO	GMO	MNT	Mint Asset Management		

KiwiSaver Results – Return and Risk (net of investment fees)

Fund Profile	FUM Growth		3 months		1 year		5 years		8 years		Vol % pa	
	\$m	BM%	%	Rk	%	Rk	%	Rk	%	Rk	5 Yr	8 Yr
Growth												
AMP - Aggressive	222	90.0	1.1	(9)	-1.1	(12)	7.5	(9)	4.6	(10)	9.2	11.5
AMP	513	80.0	1.3	(7)	-0.6	(11)	7.2	(10)	4.9	(9)	8.0	9.7
ANZ	1,748	80.0	1.2	(8)	4.2	(5)	11.2	(2)	8.2	(2)	6.9	9.1
AON - Russell	25	75.0	1.1	(10)	5.2	(2)	10.2	(3)	7.3	(4)	8.2	11.8
ASB	801	80.0	1.7	(2)	4.7	(4)	8.9	(7)	6.6	(5)	6.5	9.6
BNZ	107	70.0	0.6	(11)	2.0	(10)	-		-		-	-
Fisher Tw o	197	75.0	1.4	(5)	3.8	(7)	8.0	(8)	5.7	(7)	6.6	9.4
Grosvenor - Bal. Grow th	165	77.5	1.3	(6)	3.3	(9)	6.1	(11)	-		5.6	-
Kiw i Wealth	826	85.0	-3.6	(13)	-5.8	(13)	9.1	(5)	5.5	(8)	9.2	10.1
Mercer	26	75.0	1.8	(1)	3.7	(8)	-		-		-	-
Mercer - High Grow th	96	88.5	1.6	(3)	3.9	(6)	9.4	(4)	6.4	(6)	6.8	10.8
Milford - Active Grow th	448	80.0	-0.2	(12)	8.7	(1)	14.9	(1)	13.7	(1)	5.4	5.5
Westpac	605	80.0	1.5	(4)	5.1	(3)	9.1	(6)	7.3	(3)	5.4	7.1
<i>Median</i>		<i>80.0</i>	<i>1.3</i>		<i>3.9</i>		<i>9.1</i>		<i>6.6</i>		<i>6.7</i>	<i>9.6</i>
Balanced												
AMP	690	60.0	1.6	(6)	0.7	(9)	7.0	(10)	5.7	(9)	5.9	7.0
AMP - Nikko	29	62.0	1.8	(4)	8.7	(1)	9.0	(4)	7.0	(3)	4.9	6.8
ANZ - Bal. Grow th	1,069	65.0	1.5	(8)	4.3	(7)	10.2	(2)	7.9	(1)	5.6	7.4
AON - Russell	68	60.0	1.6	(7)	5.2	(3)	9.5	(3)	7.4	(2)	6.8	9.9
ASB	773	60.0	2.1	(2)	5.0	(4)	8.1	(6)	6.5	(5)	4.9	7.3
Fisher Tw o	510	57.0	1.9	(3)	4.4	(6)	7.2	(9)	6.0	(8)	4.6	6.3
Kiw i Wealth	1,046	55.0	-1.2	(10)	-1.3	(10)	7.9	(7)	6.1	(7)	5.2	5.9
Mercer	240	53.5	2.1	(1)	4.0	(8)	8.2	(5)	6.4	(6)	4.4	7.7
Milford	87	62.0	0.5	(9)	5.6	(2)	11.7	(1)	-		4.7	-
Westpac	926	60.0	1.7	(5)	4.5	(5)	7.9	(8)	6.8	(4)	4.3	5.8
<i>Median</i>		<i>60.0</i>	<i>1.6</i>		<i>4.5</i>		<i>8.2</i>		<i>6.5</i>		<i>4.9</i>	<i>7.0</i>
Moderate Balanced												
AMP	459	50.0	1.8	(1)	1.4	(4)	6.5	(2)	5.5	(3)	5.0	5.9
ANZ - Balanced	1,299	50.0	1.8	(2)	4.3	(1)	9.2	(1)	7.5	(1)	4.3	5.6
BNZ - Balanced	140	50.0	1.4	(4)	2.5	(3)	-		-		-	-
Grosvenor - Balanced	322	50.0	1.6	(3)	3.2	(2)	6.0	(3)	5.7	(2)	4.2	5.9
<i>Median</i>		<i>50.0</i>	<i>1.7</i>		<i>2.9</i>		<i>6.5</i>		<i>5.7</i>		<i>4.3</i>	<i>5.9</i>
Moderate												
AMP	323	40.0	2.0	(5)	1.7	(6)	6.2	(4)	5.7	(4)	3.9	4.2
ANZ - Cons. Balanced	625	35.0	2.0	(4)	4.3	(3)	8.0	(2)	6.9	(2)	3.1	3.9
AON - Russell	16	40.0	2.3	(2)	4.9	(2)	8.9	(1)	7.7	(1)	4.9	7.2
ASB	1,008	40.0	2.5	(1)	5.1	(1)	7.1	(3)	6.3	(3)	3.4	5.0
BNZ	191	35.0	1.7	(6)	2.6	(5)	-		-		-	-
Mercer	34	35.0	2.0	(3)	4.2	(4)	0.8	(5)	0.5	(5)	3.4	3.4
<i>Median</i>		<i>37.5</i>	<i>2.0</i>		<i>4.3</i>		<i>7.1</i>		<i>6.3</i>		<i>3.4</i>	<i>4.2</i>
Conservative												
AMP	273	25.0	2.1	(9)	2.6	(14)	5.8	(10)	6.1	(4)	2.5	2.7
AMP - Default	1,219	20.0	1.5	(13)	3.3	(11)	5.4	(12)	5.1	(11)	2.2	2.4
ANZ	534	20.0	2.3	(3)	4.2	(7)	6.8	(3)	6.3	(3)	2.1	2.4
AON - Russell	77	20.0	2.8	(1)	4.3	(6)	8.1	(1)	7.7	(1)	3.6	4.8
ASB	3,034	20.0	2.3	(7)	4.8	(2)	5.9	(9)	5.8	(8)	1.9	2.5
BNZ	262	20.0	1.8	(12)	3.2	(12)	-		-		-	-
Fisher	398	0.0	2.3	(4)	4.1	(9)	6.3	(5)	-		2.2	-
Fisher Tw o	113	30.0	2.3	(5)	4.6	(4)	6.4	(4)	5.8	(6)	2.4	3.7
Fisher Tw o - Default	643	21.0	2.5	(2)	4.9	(1)	6.2	(7)	5.6	(10)	1.9	2.4
Grosvenor	115	25.0	2.3	(6)	4.0	(10)	5.7	(11)	5.8	(9)	2.6	3.8
Kiw i Wealth	422	15.0	1.2	(14)	3.0	(13)	6.0	(8)	5.8	(7)	1.7	2.2
Mercer	979	20.0	2.2	(8)	4.6	(3)	6.9	(2)	6.5	(2)	2.0	3.4
Milford	21	15.0	2.1	(10)	4.4	(5)	-		-		-	-
Westpac	1,858	25.0	2.1	(11)	4.2	(8)	6.3	(6)	5.9	(5)	2.2	2.6
<i>Median</i>		<i>20.0</i>	<i>2.2</i>		<i>4.2</i>		<i>6.2</i>		<i>5.8</i>		<i>2.2</i>	<i>2.6</i>
Other												
Fisher - Grow th	1,045	95.0	0.5		4.4		7.2		8.7		6.6	10.7
Grosvenor - High Grow th	146	98.0	0.7		2.7		6.1		4.7		7.2	10.1

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

KiwiSaver Results – Asset Allocation

Fund Profile	NZ/Aus Shares %	Global Shares %	NZ/Aus Prop %	Global Prop %	Alt Assets %	Growth Assets %	NZ Bonds %	Global Bonds %	Alt Assets %	Cash %	Income Assets %
Growth											
AMP - Aggressive	23.0	52.5		10.1	9.8	95.4	0.5	0.5		3.6	4.6
AMP	19.7	45.2		9.6	10.8	85.4	4.0	4.0		6.7	14.6
ANZ	17.3	43.7	6.2	6.1		73.3	4.8	7.7		14.2	26.7
AON - Russell	25.9	49.5				75.4	5.0	19.6			24.6
ASB	27.7	44.6		7.0		79.3	8.7	8.9		3.2	20.7
BNZ	18.9	51.5				70.5	5.0	19.9		4.6	29.5
Fisher Tw o	26.4	33.8	9.1			69.3	15.1	3.9		11.6	30.7
Grosvenor - Bal. Grow th	18.9	43.3	3.4	3.4		69.0	12.4	11.2		7.4	31.0
Kiw i Wealth		80.2			5.3	85.5	1.4			13.1	14.5
Mercer	11.7	46.5		15.8	3.7	77.7	4.8	10.7		6.8	22.3
Mercer - High Grow th	17.4	56.2		15.0	2.0	90.6	1.9	2.4	2.0	3.2	9.4
Milford - Active Grow th	59.8	9.4				69.2	1.5	3.5		25.7	30.8
Westpac	24.5	36.5	9.0		8.3	78.2	7.0	8.0		6.8	21.8
<i>Average</i>	<i>22.3</i>	<i>45.0</i>	<i>2.3</i>	<i>4.7</i>	<i>2.5</i>	<i>76.9</i>	<i>6.0</i>	<i>8.3</i>	<i>0.2</i>	<i>8.6</i>	<i>23.1</i>
Balanced											
AMP	15.4	35.1		7.5	7.1	65.1	12.0	11.9		11.0	34.9
AMP - Nikko	22.1	25.8	5.1		9.7	62.6	9.8	12.7	9.9	4.9	37.4
ANZ - Bal. Grow th	13.5	34.4	5.0	4.9		57.8	8.5	15.4		18.3	42.2
AON - Russell	20.8	39.8				60.5	8.0	31.5			39.5
ASB	19.8	32.7		7.0		59.4	16.5	17.7		6.4	40.6
Fisher Tw o	18.2	23.6	9.7			51.5	24.1	12.3		12.0	48.5
Kiw i Wealth		48.2			3.8	51.9	9.9	28.6		9.6	48.1
Mercer	9.3	31.1		12.8	1.9	55.2	9.7	18.3	1.9	14.9	44.8
Milford	38.6	18.9				57.5	3.8	27.9		10.8	42.5
Westpac	19.4	28.6	4.5		6.3	58.9	15.0	19.0		7.1	41.1
<i>Average</i>	<i>17.7</i>	<i>31.8</i>	<i>2.4</i>	<i>3.2</i>	<i>2.9</i>	<i>58.1</i>	<i>11.7</i>	<i>19.5</i>	<i>1.2</i>	<i>9.5</i>	<i>41.9</i>
Moderate Balanced											
AMP	12.7	29.7		6.7	6.0	55.1	14.8	14.7		15.4	44.9
ANZ - Balanced	10.7	25.8	4.0	3.9		44.4	11.3	23.4		21.0	55.6
BNZ - Balanced	14.5	36.9				51.4	7.5	37.4		3.7	48.6
Grosvenor - Balanced	15.2	33.8	2.4	2.4		53.9	14.6	21.7		9.9	46.1
<i>Average</i>	<i>13.3</i>	<i>31.6</i>	<i>1.6</i>	<i>3.3</i>	<i>1.5</i>	<i>51.2</i>	<i>12.0</i>	<i>24.3</i>		<i>12.5</i>	<i>48.8</i>
Moderate											
AMP	9.7	24.0		5.7	5.6	45.0	18.0	18.0		19.1	55.0
ANZ - Cons. Balanced	7.6	16.5	3.0	2.9		29.9	14.2	30.4		25.5	70.1
AON - Russell	14.6	25.9				40.6	12.0	47.4			59.4
ASB	15.8	17.8		6.0		39.6	24.2	24.6		11.6	60.4
BNZ	8.8	27.3				36.1	10.1	45.3		8.6	63.9
Mercer	6.2	18.9		8.3	3.8	37.1	12.8	22.4		27.7	62.9
<i>Average</i>	<i>10.4</i>	<i>21.7</i>	<i>0.5</i>	<i>3.8</i>	<i>1.6</i>	<i>38.0</i>	<i>15.2</i>	<i>31.3</i>		<i>15.4</i>	<i>62.0</i>
Conservative											
AMP	5.1	15.5		5.1	4.3	30.0	22.1	22.0		25.9	70.0
AMP - Default	7.1	17.3				24.4	14.8	14.8		46.0	75.6
ANZ	4.2	9.5	1.5	1.5		16.7	17.4	38.9		27.1	83.3
AON - Russell	6.3	14.0				20.3	16.1	63.6			79.7
ASB	8.9	10.9				19.8	29.0	29.5		21.7	80.2
BNZ	5.9	14.2				20.1	10.8	35.1		34.1	79.9
Fisher	7.4	8.6	1.8			17.8	39.1	27.8		15.3	82.2
Fisher Tw o	7.9	9.9	9.3			27.1	39.5	20.8		12.6	72.9
Fisher Tw o - Default	6.0	6.5	6.8			19.2	43.9	24.2		12.7	80.8
Grosvenor	8.9	12.8	1.6	1.6		24.8	29.8	27.7		17.7	75.2
Kiw i Wealth		14.0			0.8	14.8	19.4	56.0		9.8	85.2
Mercer	4.2	12.4		3.6		20.2	14.8	28.8		36.1	79.8
Milford	7.9	3.1				11.1	20.9	51.8		16.3	89.0
Westpac	8.8	8.8	4.5		2.2	24.3	24.0	30.0		21.8	75.7
<i>Average</i>	<i>6.2</i>	<i>11.9</i>	<i>2.0</i>	<i>0.9</i>	<i>0.6</i>	<i>21.5</i>	<i>24.7</i>	<i>32.2</i>		<i>21.6</i>	<i>78.5</i>
Other											
Fisher - Grow th	32.6	38.1	2.2			72.9	7.8	9.6		9.7	27.1
Grosvenor - High Grow th	20.9	52.8	4.8	4.8		83.3	5.2	5.1		6.4	16.7

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 Willis 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. Willis Towers Watson has 39,000 associates in 120 countries around the world and is located on the web at willistowerswatson.com

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