

Investment Survey – June 2007

Returns for last quarter

Results for the quarter (with one year results in brackets)

• NZ Shares	+3.4%	(20.2%)
• Australian shares in A\$	+5.4%	(28.7%)
• Global Shares:		
• unhedged	-1.2%	(-1.9%)
• hedged	+7.0%	(25.7%)
• local currency	+6.1%	(22.1%)
• NZ Property	-2.5%	(21.7%)
• Global Property	-6.9%	(21.4%)
• NZ Bonds	-1.1%	(-1.9%)
• Global Bonds	-0.1%	(7.2%)
• Cash	+2.0%	(7.9%)
• NZ\$ against US\$	+8.1%	(26.6%)

Comment on the sector results

NZ shares had a slightly weaker quarter but for the year were 20% up. Similarly in the Australian market the quarter was quieter but they still achieved 28.7% in A\$ terms for the year. Overseas markets have been strong and in local currency the MSCI returned 22.1%. Adding in hedging delivered an extra 3.6% to give a total return of 25.7% for the year. In contrast, the impact of the very strong rise in the NZ\$ saw unhedged returns in negative territory.

Both NZ listed and global property had a poor quarter although the one year results are still very strong. In contrast, and as expected, NZ direct property had a good quarter and a very good year, as values were increased to reflect the low valuation yields. NZ bonds had a tough time with rates rising but also did not perform well in comparison to global bonds.

Cash continues to deliver solid regular returns and will continue to do so with the OCR rate looking set to stay high for some time. This of course has driven the NZ\$ higher.

Comment on Balanced Fund results

There has been a wide range of quarterly results, with AMP Capital having a very strong 4.1%, ranging to a low for BT with a return of 0%.

The one year gross results vary from a strong 14.7% from AMP Capital to a mild 5.9% return for BT. As one of the key factors driving these results was the managers' exposure to currency, it follows that BT has high currency exposure.

ING's 3 month and 1 year performance has dropped off from previous years.

TAM has returned a good 1 year gross performance at 12.2%, ranking second overall. Tyndall's results have improved, partly on the back of improving Capital International global shares numbers.

The Arcus fund continues to perform well.

However the Alliance Bernstein fund continues to struggle despite good global asset sector results.

The Mercer Global investment fund has yet to achieve the returns that should be expected of such a multi-manager fund.

New funds included

Multi-manager funds: The interest in multi-manager funds continues to grow and for this quarter we have included overseas share funds from JANA (2) and In Tech, both Australian multi managers.

Responsible investing: Interest in this form of investing has been growing, particularly now that KiwiSaver providers will be required to disclose their approach to responsible investing. A joint working party with scheme providers will be set up to develop guidelines on responsible investing. In response we now include the AMP Capital SRI fund in the overseas "other" section.

Other new funds: The other new entries are an NZ and Australian share fund from Mint Asset Management, a hedge fund from MGI, a global bonds fund from MLC and a global shares growth fund from BNP.

Asset allocation changes pending

Product providers and fund managers have to focus on what changes they need to make to build efficient portfolios in the new tax environment. The major impact of the new regime is seen as follows:

- Overall the active returns which can now be achieved have risen, but so have the risk levels.
- Both overseas and Trans-Tasman shares will now provide higher net returns, but their volatility has increased.
- Trans-Tasman property returns have similarly increased thanks to the PIE regime.
- Offshore bonds, which were already attractive when compared to NZ bonds, are even more attractive when allowing for the impact of the FDR regime.
- Passive shares now have to be assessed solely on the basis of whether their lower fees outweigh the possible added value from active managers.

The response to date from the managers who have made changes to their diversified funds has been as follows:

- All the overseas share exposure is now active and any passive exposure has been dropped.
- The exposure to overseas bonds has increased strongly and the NZ bonds exposure has reduced to single digit percentages.
- Exposure to property has increased.
- The allocation to alternative assets has increased and in some cases is 10%.

The managers who have made changes to date are AMP Capital, MGI, and Tyndall.

Consequences of changes

The asset allocation for an average fund has changed. Below we show an example.

Asset allocation	Old %	Revised %	Change %
NZ Shares	15	15	0
Global Shares			
Active	25	35	10
Passive	10	0	-10
Total	35	35	0
Property	8	8	0
Growth Assets	58	58	0
NZ Bonds	18	5	-13
Global Bonds	18	30	13
Cash	8	8	0
Income Assets	43	43	0

This has seen the following change in the risk return results for the fund. Note the returns shown are geometric returns net of fees and tax.

	Old % p.a.	Revised % p.a.
Return	5.9	6.8
Risk	5.6	7.5

As expected, the probability of a negative return has increased as shown in the table below.

	Old %	Revised %
1 year	14.0	17.5
3 year	2.8	4.9
5 year	0.7	1.6

While the market is expected to stick with a Balanced Fund split of growth to income assets of about 60:40, this position will be tested when we eventually have a period of strong negative returns.

KiwiSaver fund options

As at 22 July there were 39 KiwiSaver schemes on the Ministry of Economic Development Schemes register. However not all of these schemes are available to the general public.

The range of fund options is substantial, with the providers offering the following choice of diversified funds:

Type	Growth %	Income %	Total %
Cash	0	100	100
Conservative	20	80	100
Moderate	40	60	100
Balanced	60	40	100
Growth	80	20	100
Shares	100	0	100

In addition, we show above an offering of a cash fund and a 100% share fund.

Monitoring all the funds on offer and comparing the fund managers is going to become a serious business once the market develops.

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, accident insurance, asset consulting and information technology.

The firm is an alliance partner of Towers Perrin, a global professional services firm that helps organisations around the world optimise performance through effective people, risk and financial management. Towers Perrin has offices in 25 countries and the business covers HR services, Reinsurance and Tillinghast.

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 selection exercises utilising Towers Perrin's expertise

Table 1 – NZ and Australian Share Funds

Manager	Type	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	Information Ratio % p.a.	Rank
NZ															
RUS	Multi	1.2	(2)	14.3	(2)	n.a		n.a		n.a		n.a		n.a	
TAM		2.7	(1)	20.1	(1)	19.2	(1)	19.1	(1)	1.8	(1)	1.5	(1)	1.2	(1)
Average		2.0		17.2		19.2		19.1		1.8		1.5		1.2	
Indexed															
Arcus		3.3		22.3		16.8		15.6		-0.7		2.0		-0.3	
AMPCI		3.5		20.5		17.1		16.9		-0.4		0.3		-1.2	
SMS	NZ Top 10	3.7		19.4		12.0		11.9		-5.5		5.7		-1.0	
SMS	NZ Top 50	0.3		13.1		n.a		n.a		n.a		n.a		n.a	
SMS	NZ Mid Cap	3.3		21.0		20.7		14.6		3.2		7.8		0.4	
SMS	Aus Mid Cap	3.5		20.4		n.a		n.a		n.a		n.a		n.a	
SMS	Aus Top 20	4.3		14.1		23.1		14.0		5.6		11.2		0.5	
Trans-Tasman															
AB		0.2	(11)	16.5	(9)	18.0	(10)	16.9	(10)	0.5	(10)	2.7	(5)	0.2	(10)
AB	High Growth	0.2	(10)	15.1	(11)	20.0	(6)	19.2	(7)	2.5	(6)	3.0	(7)	0.8	(9)
AMPCI	Active	3.4	(5)	23.4	(1)	19.9	(8)	19.2	(6)	2.4	(8)	1.6	(1)	1.5	(4)
Arcus	Multi	2.9	(6)	16.8	(8)	n.a		n.a		n.a		n.a		n.a	
BAM		5.3	(2)	18.7	(5)	19.9	(7)	18.3	(9)	2.4	(7)	2.6	(4)	0.9	(7)
BTFM		2.6	(8)	19.9	(3)	21.5	(4)	19.2	(5)	4.0	(4)	2.9	(6)	1.4	(5)
CFS		6.3	(1)	22.2	(2)	25.2	(2)	20.6	(3)	7.8	(2)	6.7	(10)	1.2	(6)
ING		2.1	(9)	16.3	(10)	22.4	(3)	21.7	(2)	4.9	(3)	3.2	(8)	1.5	(3)
JBW		2.9	(7)	19.0	(4)	28.2	(1)	22.6	(1)	10.7	(1)	5.0	(9)	2.1	(1)
MGI		3.6	(3)	17.0	(7)	21.0	(5)	18.6	(8)	3.5	(5)	2.2	(2)	1.6	(2)
TYN		3.6	(4)	17.8	(6)	19.5	(9)	19.5	(4)	2.0	(9)	2.3	(3)	0.9	(8)
Average		3.0		18.4		21.5		19.6		4.1		3.2		1.2	
Non core															
AMPCI	Strategic	2.7		20.2		24.1		22.1		6.6		10.7		0.6	
FIS		0.5		28.2		35.2		28.2		17.7		12.5		1.4	
ING		-2.2		8.6		25.4		n.a		7.9		7.4		1.1	
MAM		6.0		16.7		n.a		n.a		n.a		n.a		n.a	
MNT		4.4		n.a		n.a		n.a		n.a		n.a		n.a	
TYN	Aggressive	0.1		25.5		37.1		n.a		19.7		11.6		1.7	
WCM		-2.1		6.3		17.9		n.a		0.4		8.3		0.1	
Indices															
NZSX50 (incl IC's)		3.4		20.2		17.5		16.8							
ASX200		5.4		28.7		26.3		19.2							
Cash + 5% pa		3.2		12.9		12.4		11.7							

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. BAM NZ share fund is their 'Australasian Equities' Fund.
7. The ING property return shown is for the ING Property Securities Fund.
8. The index share funds are benchmarked against the standard share index and not against their own index.

Table 2 – Global Share Funds (unhedged)

Manager Type	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	Information Ratio % p.a.	Rank		
Unbiased No of managers																
AB	1		-0.2	(5)	-0.9	(3)	13.3	(1)	n.a		3.4	(1)	2.6	(8)	1.3	(2)
AMPCI	13		-0.5	(7)	-1.2	(4)	12.0	(2)	6.3	(1)	2.1	(2)	1.5	(1)	1.4	(1)
Arcus	5		1.8	(1)	0.6	(1)	n.a		n.a		n.a		n.a		n.a	
BNP	1		-1.9	(11)	-2.2	(8)	10.9	(4)	5.8	(2)	1.0	(4)	2.3	(7)	0.4	(5)
BTFM	1		-2.4	(12)	-3.3	(11)	8.8	(9)	3.6	(8)	-1.0	(9)	2.2	(6)	-0.5	(9)
ING	3		-1.9	(10)	-0.8	(2)	10.7	(5)	5.1	(4)	0.8	(5)	1.6	(3)	0.5	(4)
INT	9		-1.0	(9)	-2.3	(9)	9.8	(6)	4.3	(7)	-0.1	(6)	1.6	(2)	0.0	(6)
Jana	3		-0.5	(6)	-1.9	(7)	n.a		n.a		n.a		n.a		n.a	
MLC	7		0.0	(4)	-1.5	(5)	11.1	(3)	5.5	(3)	1.2	(3)	2.1	(5)	0.6	(3)
RUS	12		n.a		n.a		n.a		n.a		n.a		n.a		n.a	
RUS	4		-0.7	(8)	-1.9	(6)	n.a		n.a		n.a		n.a		n.a	
TYN	1		0.2	(2)	-3.1	(10)	9.7	(8)	4.6	(6)	-0.2	(8)	2.1	(4)	-0.1	(8)
WEL	1		0.2	(3)	-3.4	(12)	9.7	(7)	4.9	(5)	-0.1	(7)	2.8	(9)	-0.1	(7)
Average			-0.6		-1.8		10.7		5.0		0.8		2.1		0.4	
Value																
AB	1		1.5	(1)	3.1	(1)	16.4	(1)	9.1	(1)	6.5	(1)	2.9	(5)	2.3	(1)
CFS	1		1.0	(2)	-0.6	(5)	9.0	(6)	1.8	(6)	-0.9	(6)	4.0	(6)	-0.2	(6)
DFA	1		-0.7	(4)	1.2	(3)	14.7	(2)	8.5	(2)	4.9	(2)	2.2	(3)	2.2	(2)
GMO	1		-0.9	(5)	-2.3	(6)	10.7	(5)	6.2	(4)	0.9	(5)	1.6	(1)	0.5	(5)
TAM	4		-1.0	(6)	0.9	(4)	11.3	(4)	5.4	(5)	1.5	(4)	1.9	(2)	0.8	(4)
TEM	1		-0.2	(3)	1.9	(2)	12.5	(3)	7.3	(3)	2.6	(3)	2.8	(4)	0.9	(3)
WEL	1		-2.3	(7)	-2.9	(7)	n.a		n.a		n.a		n.a		n.a	
Average			-0.4		0.2		12.4		6.4		2.6		2.6		1.1	
Growth																
AB	1		-2.2	(4)	-4.8	(3)	10.2	(3)	5.3	(1)	0.3	(3)	14.0	(4)	0.0	(3)
BNP	1		-0.4	(2)	-1.4	(1)	10.3	(2)	n.a		0.4	(2)	11.7	(3)	0.0	(2)
GMO	1		-0.9	(3)	-3.3	(2)	11.5	(1)	n.a		1.7	(1)	3.9	(1)	0.4	(1)
WEL	1		1.1	(1)	-5.2	(4)	5.2	(4)	3.5	(2)	-4.7	(4)	6.4	(2)	-0.7	(4)
Average			-0.6		-3.7		9.3		4.4		-0.6		9.0		-0.1	
Indexed																
Arcus			-1.6		-3.7		7.9		3.0		-2.0		0.9		-2.3	
AMPCI			-1.5		-3.4		8.0		3.0		-1.9		1.0		-1.9	
Other																
AMPCI Emerging			-0.6		2.5		16.7		9.9		-12.7		10.6		-1.2	
AMPCI S Responsible			-0.2		-0.2		11.4		3.5		1.5		2.2		0.7	
Jana High Alpha			0.7		-2.4		n.a		n.a		n.a		n.a		n.a	
LMI Emerging			6.3		20.0		29.1		19.8		-0.2		2.7		-0.1	
NZAM Multi			-1.8		-5.6		10.7		10.5		0.8		4.1		0.2	
Indices																
MSCI 0% hedged			-1.2		-1.9		9.9		4.4							
MSCI 100% hedged			7.0		25.7		20.4		16.5							
MSCI Emerging 0% hedged			6.4		17.2		29.4		18.7							

Table 3 – 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	Information Ratio % p.a.	Rank		
NZ Listed																
AB			-1.5	(3)	23.9	(4)	23.6	(3)	20.0	(3)	2.3	(3)	1.9	(1)	1.2	(3)
BAM Infrastructure			3.0	(1)	27.3	(1)	n.a		n.a		n.a		n.a		n.a	
BTFM			-1.3	(2)	25.3	(3)	25.4	(2)	20.9	(2)	4.1	(2)	3.1	(3)	1.3	(2)
ING			-2.4	(6)	22.6	(5)	26.5	(1)	21.8	(1)	5.2	(1)	2.8	(2)	1.9	(1)
JBW Trans-Tasman			-2.1	(5)	26.9	(2)	n.a		n.a		n.a		n.a		n.a	
WCM Trans-Tasman			-1.7	(4)	18.6	(6)	20.3	(4)	n.a		-0.9	(4)	5.0	(4)	-0.2	(4)
Average			-1.0		24.1		24.0		20.9		2.7		3.2		1.1	
NZ Direct																
AMPCI			11.5	(1)	35.7	(1)	22.4	(1)	18.1	(2)	0.6	(1)	3.3	(1)	0.2	(1)
TAM			1.6	(2)	29.9	(2)	20.0	(2)	19.6	(1)	-1.9	(2)	7.2	(2)	-0.3	(2)
Average			6.6		32.8		21.2		18.8		-0.6		5.2		0.0	
Global																
AMPCI			-4.0	(1)	29.1	(1)	32.3	(1)	n.a		4.5	(1)	2.4	(2)	1.9	(1)
ING			-8.8	(4)	17.7	(3)	n.a		n.a		n.a		n.a		n.a	
RUS Multi			-5.9	(3)	n.a		n.a		n.a		n.a		n.a		n.a	
TYN			-5.0	(2)	22.1	(2)	24.6	(2)	n.a		-0.6	(2)	2.1	(1)	-0.3	(2)
Average			-5.9		23.0		28.4		n.a		2.0		2.2		0.8	
Indices																
NZSE Property			-2.5		21.7		21.3		18.1							
UBS Global Property			-6.9		21.4		27.7		n.a							

Table 4 – Bond and Cash Funds**4.1 New Zealand Bonds**

Manager	Type	3 Months		1 Year		3 Years		5 Years		3 Years					
		%	Rank	% p.a.	Rank	% p.a.	Rank	% p.a.	Rank	Excess Return		Tracking Error		Information Ratio	
AB		-0.4	(4)	2.2	(8)	5.3	(6)	5.9	(6)	0.3	(6)	0.6	(3)	0.5	(6)
AMPCI		0.1	(1)	2.5	(6)	5.6	(4)	6.3	(3)	0.6	(4)	0.9	(6)	0.7	(5)
Arcus	Multi	-0.1	(2)	3.5	(3)	n.a		n.a		n.a		n.a		n.a	
BTFM		-0.9	(8)	2.5	(5)	5.6	(5)	6.1	(4)	0.6	(5)	0.3	(1)	1.6	(3)
ING		-0.5	(5)	3.7	(1)	7.0	(1)	7.2	(1)	2.0	(1)	0.7	(5)	2.7	(2)
RUS	Multi	-0.6	(7)	2.4	(7)	n.a		n.a		n.a		n.a		n.a	
TAM		-0.1	(3)	3.3	(4)	5.7	(3)	6.1	(5)	0.7	(3)	0.7	(4)	1.0	(4)
TYN		-0.6	(6)	3.6	(2)	6.3	(2)	6.7	(2)	1.3	(2)	0.4	(2)	2.8	(1)
Average		-0.4		3.0		5.9		6.4		0.9		0.6		1.6	
Index															
NZ Govt Stock		-1.1		1.8		5.0		5.7							

4.2 Global Bonds (hedged)

Manager	Type/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		Information Ratio	
AB		-0.1	(6)	7.4	(3)	7.7	(7)	7.4	(8)	0.2	(7)	0.5	(1)	0.4	(3)
AMPCI	Multi	0.2	(3)	8.5	(1)	7.9	(3)	8.1	(6)	0.4	(3)	1.1	(6)	0.4	(5)
Arcus	Multi	-0.2	(7)	6.3	(8)	n.a		n.a		n.a		n.a		n.a	
BTFM	Principle Global	-0.5	(9)	5.7	(10)	7.9	(4)	8.3	(4)	0.3	(4)	1.2	(7)	0.3	(6)
CFS		-0.3	(8)	6.6	(7)	7.4	(9)	7.5	(7)	-0.2	(9)	0.6	(2)	-0.4	(9)
DFA		1.8	(1)	8.1	(2)	7.9	(5)	n.a		0.3	(6)	1.5	(9)	0.2	(7)
ING		0.0	(5)	7.0	(5)	8.6	(1)	8.2	(5)	1.1	(1)	0.7	(4)	1.5	(1)
RUS	Multi	0.3	(2)	6.7	(6)	8.2	(2)	8.7	(1)	0.7	(2)	1.3	(8)	0.5	(2)
TAM	PIMCO	-0.7	(10)	5.9	(9)	7.4	(8)	8.4	(3)	-0.1	(8)	0.6	(3)	-0.2	(8)
TYN	FFTW	0.2	(4)	7.1	(4)	7.9	(6)	8.5	(2)	0.3	(5)	0.9	(5)	0.4	(4)
Average		0.1		6.9		7.9		8.1		0.3		0.9		0.3	
A\$ Hedged															
INT		-4.1	(2)	n.a		n.a		n.a		n.a		n.a		n.a	
MLC		-0.8	(1)	5.6	(1)	6.5	(1)	7.7	(1)	9.7	(1)	8.5	(1)	1.1	(1)
Index															
Lehman		0.0		7.2		7.5		8.0							
Citigroup WGBI		-0.1		6.7		7.6		7.9							

4.3 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		Information Ratio		
AB	1.9	(10)	7.7	(9)	7.4	(9)	6.8	(7)	-0.1	(9)	0.1	(2)	-0.7	(10)	
AMPCI	2.0	(8)	7.8	(8)	7.4	(6)	6.8	(6)	0.0	(6)	0.1	(3)	0.3	(6)	
AMPCI	2.1	(1)	8.8	(1)	8.3	(2)	8.0	(1)	0.9	(2)	0.4	(8)	2.5	(2)	
Arcus	2.1	(2)	8.0	(5)	7.5	(5)	6.9	(5)	0.1	(5)	0.1	(4)	1.3	(5)	
BTFM	2.1	(3)	8.1	(3)	7.8	(3)	7.0	(4)	0.3	(3)	0.2	(7)	1.6	(4)	
CFS	2.0	(6)	6.2	(10)	7.0	(10)	n.a		-0.4	(10)	0.9	(10)	-0.5	(8)	
ING	2.0	(5)	8.3	(2)	8.8	(1)	7.7	(2)	1.4	(1)	0.5	(9)	3.0	(1)	
MGI	1.9	(9)	7.8	(7)	7.4	(8)	6.7	(9)	-0.1	(8)	0.1	(5)	-0.6	(9)	
TAM	2.0	(7)	7.8	(6)	7.4	(7)	6.7	(8)	0.0	(7)	0.1	(1)	0.0	(7)	
TYN	2.1	(4)	8.1	(4)	7.7	(4)	7.1	(3)	0.3	(4)	0.1	(6)	2.2	(3)	
Average		2.0		7.9		7.7		7.1		0.2		0.2		0.9	
Index															
90 Day Bank Bill		2.0		7.9		7.4		6.7							

Table 5 – Alternative Assets

Manager	Type	FX %	3 Months		1 Year		3 Years		5 Years		3 Years	
			%	Rank	% p.a.	Rank	% p.a.	Rank	% p.a.	Rank	Volatility	
BTFM	Multi	0.0	4.2		15.9		n.a		n.a		n.a	
FID		n.a	-1.3		12.1		16.6		n.a		5.7	
RUS	Multi	100.0	2.9		10.9		11.9		12.6		1.8	
MGH		0.0	-3.1		-6.8		8.5		n.a		10.4	
MGI		0.0	-0.9		1.1		n.a		n.a		n.a	
TAM	Commodity	100.0	-1.8		3.3		12.3		n.a		14.1	
TYN	Multi	100.0	4.6		16.6		14.2		12.2		3.5	
WEL	Commodity	0.0	-4.2		-12.7		13.1		n.a		16.0	
Average			0.1		5.0		12.8		12.4		8.6	
Index												
HFR FoF Hedged NZD			5.5		17.2		14.0		12.8			

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

Manager	Gross								Net							
	3 Months		1 Year		3 Years		5 Years		3 Months		1 Year		3 Years		5 Years	
	%	Rank	% p.a.	Rank	% p.a.	Rank	% p.a.	Rank	%	Rank	% p.a.	Rank	% p.a.	Rank	% p.a.	Rank
AB	0.8	(5)	8.0	(7)	12.0	(8)	9.5	(7)	0.2	(5)	5.9	(4)	8.3	(6)	6.5	(7)
AMPCI	4.1	(1)	14.7	(1)	14.3	(2)	11.6	(4)	1.5	(1)	7.7	(1)	9.3	(4)	7.3	(4)
Arcus	3.4	(2)	11.6	(3)	15.5	(1)	14.1	(1)	1.2	(4)	5.0	(6)	10.4	(2)	8.0	(3)
BTFM	0.0	(8)	5.9	(8)	12.3	(7)	10.4	(6)	-0.1	(7)	3.6	(8)	12.7	(1)	9.3	(1)
ING	0.3	(7)	8.0	(6)	13.6	(3)	12.1	(2)	-0.5	(8)	4.6	(7)	9.7	(3)	8.1	(2)
MGI	0.8	(6)	9.8	(5)	13.1	(5)	n.a		0.1	(6)	5.1	(5)	8.0	(8)	n.a	
TAM	1.2	(4)	12.2	(2)	13.1	(6)	11.2	(5)	1.2	(3)	7.5	(2)	9.0	(5)	7.1	(6)
TYN	2.0	(3)	10.1	(4)	13.3	(4)	11.8	(3)	1.3	(2)	6.0	(3)	8.1	(7)	7.2	(5)
Average	1.6		10.0		13.4		11.5		0.6		5.7		9.4		7.7	

6.2 Asset Allocation :

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

Manager	NZ shares		Overseas shares		Property		Alt Assets	Growth Assets	Fixed interest		Cash	Income Assets	Currency	
	Active	Passive	Active	Passive	NZ	Global			NZ	O'seas			Alloc	Outlook
AB	6.8	7.5	16.7	20.5	7.8	0.0	0.0	59.3	17.3	12.2	11.2	40.7	19.7	Neutral
AMPCI	13.1	0.0	36.8	0.0	9.9	2.7	0.0	62.6	0.0	29.8	7.7	37.4	23.0	Negative
Arcus	19.8	0.0	46.7	0.0	2.3	0.0	3.6	72.4	6.6	2.5	18.4	27.5	29.6	Negative
BTFM	20.4	0.0	34.0	0.0	4.6	0.0	5.3	64.3	15.1	10.0	10.7	35.7	34.0	Neutral
ING	17.0	0.0	37.9	0.0	10.1	2.0	2.4	69.4	16.0	11.5	3.1	30.6	24.6	Neutral
MGI	15.2	0.0	32.9	0.0	5.1	4.8	2.0	60.0	13.8	21.0	5.2	40.0	16.5	Neutral
TAM	9.7	0.0	35.1	0.0	18.6	0.0	0.0	63.5	7.7	19.9	8.9	36.5	24.5	Negative
TYN	15.0	0.0	34.3	0.0	0.0	4.6	7.7	61.7	19.0	14.1	5.3	38.4	17.2	Neutral
Average	14.6	0.9	34.3	2.6	7.3	1.8	2.6	64.1	11.9	15.1	8.8	35.9	23.6	

Table 7 – Additional information

(Funds under management relate to the overall organization)

	Acronym	Total FUM (\$m)	Manager	Acronym	Total FUM (\$m)
AllianceBernstein	AB	7,614.0	Legg Mason, Inc.	LMI	n.a
Arcus Investment Management	Arcus	5,209.0	Milford Asset Management	MAM	240.0
AMP Capital Investors	AMPCI	12,183.1	MLC	MLC	n.a
Brook Asset Management	BAM	1,439.0	MGH Asset Management Ltd	MGH	n.a
BNP Paribas Investment Management	BNP	n.a	Mercer Global Investments	MGI	1,209.9
BT Funds Management	BTFM	2,416.8	Mint Asset Management	MNT	n.a
Colonial First State	CFS	5,724.0	New Zealand Assets Management	NZAM	696.2
Dimensional Fund Advisors	DFA	n.a	Russell Investment Group	RUS	n.a
Fidelity Life	FID	420.7	SmartShares	SMS	371.6
Fisher Funds Management	FIS	1,054.0	Tower Asset Management	TAM	4,980.3
GMO	GMO	n.a	Templeton	TEM	n.a
ING	ING	8,236.2	Tyndall Investment Management	TYN	3,599.0
Intech	INT	n.a	Walker Capital Management	WCM	210.3
Jana	Jana	n.a	Wellington Management Company	WEL	n.a
Goldman Sachs JBWere	JBW	n.a			

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