

Market returns	Quarter (%)	Year (%)		Quarter (%)	Year (%)
NZX 50 (including imputation credits)	5.2	15.2	NZX NZ Government Bond	2.7	9.4
S&P/ASX 200 (AUD)	10.3	14.1	NZX Corporate A Grade	2.1	8.1
MSCI World - Local Currency	4.9	14.0	NZ All Swaps	2.3	8.6
MSCI World - Hedged	5.6	17.6	Barclays Global Aggregate	3.0	11.4
MSCI World - Unhedged	6.6	22.7	Citigroup WGBI	3.1	12.2
MSCI Emerging Markets - Unhedged	6.6	16.2	90 Day Bank Bill	0.9	3.6
NZX Property	4.9	28.6	NZ \$ / US \$	-4.1	-13.6
UBS Global Property	7.2	30.2	NZ \$ / A \$	2.8	4.8

1 Quarterly market overview

NZ cash and fixed interest: There has been a lot of talk about the low returns from cash and this is clearly seen with the 0.9% for the quarter and 3.6% for the year. And it is hard not to escape the comment that in most other economies the returns would be worse with for example Switzerland paying a negative return on cash deposits. Comparing the results for NZ and global bonds we see similar results for the quarter. However global markets still outperforming NZ over the year 11.4% cf 9.4%. Interestingly the results for NZ show the lower returns for corporate bonds illustrating how spreads have widened as corporate bonds have been partly sold off.

Equities: The Australian market has been lagging the NZ market for some time but the quarter saw a reversal in their fortunes - interestingly at the same time as comments on the problems within the economy have heightened. The 1 year numbers, ignoring the currency are similar. The global market results have slightly cooled with the US Dow Jones down 26 bps for the quarter. But the unhedged numbers show returns in excess of 20% showing the impact of the 13.6% fall in the NZ\$ against the US\$. Commenting further on the NZ\$ while the expectation is that it will fall further against the US\$ it has managed to do what it always seems to do after a reasonable fall namely go through a period of sustained but gradual recovery.

With all the negative talk about the outlook for emerging market it was no surprise that they have done better than commentators expected achieving the same unhedged return as developed markets for the quarter. Looking further ahead our Tower Watson colleagues have a more favourable long term outlook for emerging markets.

2 KiwiSaver

KiwiSaver has been going since October 2007 so come October 2015 the scheme will be 8 years old. It has been very successful as witness the fact that those players who hesitated initially to launch a scheme realised that they had to be part of the market. At the same time we have seen some exits and merges of schemes.

Markets have continued to perform strongly and over both the last one and 3 year periods with double digit returns for the Balanced Funds. Looking longer term we have an average 5 year result of 8.7% per annum and a result since inception of 5.2%. The latter figure reflects the impact of the GFC and is not of serious importance to an investor as the level of funds they had invested over the GFC will have been minimal.

So who are the managers who have done well over the last 1 year period? The results range from 16.5% for ANZ's Balanced Growth Fund to Fisher Two's 10.3%. The survey shows that the ANZ fund is top for all the periods shown which reflects well on their overall funds management capability. The allocation to global shares is high and the fund has continued to perform. An interesting move over the last few years has been the increased allocation to global bonds which has occurred at a time when the difference between two sector's main index has been 3% per annum over the last 3 years. In the Balanced fund sector Kiwi Wealth, Kiwibank's offering has similarly strong numbers albeit that its strategy is very different and significantly different from the average fund.

Looking at the other risk profile funds over the last year we see strong numbers from Aon for the Conservative funds with 13.3% and 14.2% for the Moderate Funds. ANZ again do well in the Moderate Balanced fund sector with a 14.7% result. The 3 month numbers show the impact of exposure to the US\$ with ASB providing good result for Growth, Balanced and their Moderate Funds.

The results page includes numbers on the FUM of each sector with the Conservative funds dominating. Clearly the opportunity exists here for the managers to talk more to the investors about the longer term benefits of increasing their exposure to growth assets which in the long term is going to have a major influence on the value of their KiwiSaver balances at retirement.

Wholesale Fund Returns

NZ & Australian Shares		Australian Exposure/ Hedging %	FUM \$m	3 months % Rk	1 year % Rk	3 years % pa Rk	5 years % pa Rk	10 years % pa Rk	3 years pa			
									Tr	Err	IR	Rk
Australasian												
AMPCI	Active ₁	0/0	505.7	4.2 (8)	19.4 (6)	20.1 (11)	14.5 (9)	10.1 (5)	3.0	0.0	(11)	
AMPCI	Strategic ₂	0/0	162.3	4.6 (5)	21.8 (3)	21.6 (5)	13.9 (10)	11.1 (2)	3.7	0.4	(8)	
AMPCI	Responsible ₁	0/0	8.5	4.1 (9)	19.4 (5)	-	-	-	-	-		
ANZ	Australasian Share ₁	10/0	646.4	2.6 (12)	14.4 (9)	20.9 (9)	14.8 (6)	9.9 (6)	2.3	0.4	(9)	
ANZ	NZ Shares ₁	0/0	157.2	2.3 (15)	13.3 (12)	21.1 (8)	15.2 (5)	9.3 (8)	2.2	0.5	(5)	
DEV	NZ Core ₁	16/87	172.2	7.7 (1)	26.5 (2)	24.7 (1)	17.3 (3)	-	3.6	1.3 (1)		
FIS	Trans-Tasman ₁	30/23	496.1	3.6 (11)	14.2 (10)	19.6 (13)	13.4 (12)	9.4 (7)	3.7	-0.1	(13)	
HAM	Australasian Eq _x	27/29	576.4	2.3 (14)	8.6 (14)	19.9 (12)	13.7 (11)	-	4.2	0.0	(12)	
MAM	NZ Equities ₁	0/0	481.3	4.0 (10)	6.7 (15)	23.6 (2)	17.3 (2)	-	3.5	1.0	(2)	
MERCER	Trans-Tasman ₁	14/62	344.1	4.9 (4)	14.1 (11)	21.1 (7)	14.5 (8)	10.5 (4)	2.4	0.5	(7)	
MNT	Trans-Tasman ₁	15/97	69.0	4.6 (6)	18.3 (7)	23.5 (3)	18.2 (1)	-	3.7	0.9	(3)	
NIK	Core ₁	10/0	254.0	4.3 (7)	17.0 (8)	20.4 (10)	13.4 (13)	8.9 (9)	2.1	0.2	(10)	
RUS	Harbour Australasian ₁	4/0	88.8	2.6 (13)	13.0 (13)	-	-	-	-	-		
SALT	NZ Share Plus ₁	6/98	410.6	5.0 (3)	21.4 (4)	21.4 (6)	14.6 (7)	10.5 (3)	3.1	0.5	(6)	
SALT	Dividend Share ₁	0/0	74.4	5.2 (2)	26.9 (1)	22.8 (4)	16.0 (4)	11.9 (1)	3.4	0.8	(4)	
<i>Median</i>				4.2	17.0	21.1	14.6	10.1	3.4	0.5		
Other												
ANZ	ESF ₄		34.0	1.2	11.5	19.2	13.2	10.4	4.1	-0.2		
DEV	Trans-Tasman ₁₊₃		107.1	10.4	24.5	25.6	14.9	13.7	5.7	1.0		
DEV	Alpha _x		101.6	7.2	19.9	26.6	-	-	6.8	1.0		
DEV	Equity Income ₁₊₃		87.5	8.8	30.5	23.8	-	-	6.3	0.6		
FIS	NZ Grow th _x		128.6	0.8	9.4	20.0	16.1	11.0	5.6	0.0		
HAM	Equity Income _x		82.9	7.0	27.5	23.1	-	-	5.1	0.6		
MAM	Dynamic (small cap) _x		135.5	11.0	18.4	-	-	-	-	-		
MAM	Trans-Tasman ₁₊₃		290.2	6.7	11.5	19.1	14.6	-	5.3	-0.2		
NIK	Concentrated ₄		52.0	6.9	23.5	21.1	11.7	14.2	5.7	0.2		
NIK	Small Companies _x		5.0	6.9	12.3	13.6	9.3	10.0	8.4	-0.8		
PIE	Australasian Grow th _x		65.4	9.8	24.3	23.2	24.6	-	10.8	0.3		
SALT	Focus Share ₂		59.1	5.8	20.8	23.7	15.8	-	4.7	0.8		
<i>Median</i>				7.0	20.3	23.1	14.8	11.0	5.7	0.3		
Indexed												
SMS	NZ Top 10		56.7	3.1	3.3	13.0	10.0	4.4	4.4	-1.6		
SMS	NZ Top 50		155.2	5.2	17.0	20.0	12.8	7.8	4.6	0.0		
SMS	NZ Mid Cap		54.3	5.5	25.7	25.3	14.4	7.5	5.1	1.0		
SMS	Aus Mid Cap		53.5	8.3	22.4	12.6	5.1	6.1	12.6	-0.6		
SMS	Aus Top 20		91.5	6.6	11.8	9.0	3.1	9.0	11.9	-0.9		
Australian												
AMPCI	Australian* ₃		32.3	7.1 (4)	12.7 (2)	9.4 (3)	4.4 (2)	9.0 (1)	2.1	0.8	(3)	
ANZ	Australian ₃		448.7	7.4 (3)	7.8 (4)	10.3 (2)	5.9 (1)	-	3.7	0.7	(4)	
DEV	Australian ₃		37.0	9.4 (1)	18.4 (1)	15.8 (1)	-	-	3.0	2.7 (1)		
FRK	Australian* ₃		0.0	7.5 (2)	9.8 (3)	9.4 (4)	4.3 (3)	8.8 (2)	1.4	1.2	(2)	
QAM	Australian* ₃		0.0	-	-	-	-	-	-	-		
Indexes												
NZX 50 incl. ICs ₁				5.2	15.2	20.0	13.8	8.3				
NZX 50 Portfolio ₂				5.9	18.7	22.0	14.1	9.4				
ASX 200 (NZD) ₃				7.3	8.9	7.8	3.5	7.6				
90 day BB + 5% pa ₄				2.2	8.9	8.2	8.2	10.3				

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.

*Unhedged.

Global Shares		Emging Mkts %	3 months % Rk	1 year % Rk	3 years % pa Rk	5 years % pa Rk	10 years % pa Rk	3 years pa Tr Err IR Rk			
Style Neutral											
AB	Style Blend ₁	9.2	9.4 (2)	26.8 (3)	16.20 (8)	7.5 (14)	4.2 (11)	2.7	0.2	(7)	
AMPCI	Core Global ₁	4.9	6.8 (12)	23.2 (9)	17.27 (4)	9.6 (6)	6.4 (6)	1.4	1.2	(2)	
ANZ	Int'l Eq ₂	5.4	7.1 (10)	24.2 (7)	17.21 (5)	10.8 (4)	8.3 (3)	2.3	0.7	(5)	
ART	Global Equity ₂	16.8	9.6 (1)	27.5 (2)	21.44 (1)	13.9 (1)	-	5.1	1.2	(3)	
FIS	International ₂	9.9	6.0 (14)	19.7 (14)	12.68 (15)	6.4 (15)	5.8 (10)	2.3	-1.2	(15)	
FRK	Templeton ₂	-	5.6 (15)	12.8 (15)	16.52 (7)	8.8 (12)	5.8 (9)	4.5	0.2	(9)	
IBB	Int'l Shares ₂	8.7	7.5 (7)	21.9 (12)	14.38 (13)	8.8 (10)	5.8 (8)	2.7	-0.4	(13)	
JANA	Core Global ₁	6.8	7.0 (11)	23.6 (8)	16.65 (6)	9.7 (5)	-	2.1	0.5	(6)	
MERCER	Share Plus ₁	-	8.5 (4)	26.0 (4)	15.40 (10)	8.0 (13)	-	3.7	0.0	(10)	
MFS	Global Eq ₁	2.8	7.4 (8)	24.2 (6)	18.41 (3)	11.8 (3)	9.4 (2)	2.8	1.0	(4)	
MLC	NCIT ₂	-	6.2 (13)	21.8 (13)	14.29 (14)	9.0 (9)	6.5 (5)	1.7	-0.8	(14)	
NIK	Multi-Manager ₁	9.8	7.9 (6)	22.8 (11)	15.37 (11)	9.5 (7)	-	2.2	-0.1	(11)	
RUS	ISF _x	7.5	7.2 (9)	23.2 (10)	16.00 (9)	9.2 (8)	6.0 (7)	2.0	0.2	(8)	
RUS	GOF _x	9.5	8.0 (5)	25.4 (5)	15.24 (12)	8.8 (11)	7.2 (4)	2.5	-0.1	(12)	
WEL	Opportunities ₂	6.3	8.9 (3)	30.8 (1)	20.59 (2)	12.2 (2)	9.7 (1)	3.0	1.7	(1)	
<i>Median</i>			<i>7.4</i>	<i>23.6</i>	<i>16.2</i>	<i>9.2</i>	<i>6.4</i>	<i>2.5</i>	<i>0.2</i>		
Value											
AB	Value		8.3 (1)	24.7 (1)	18.0 (2)	7.4 (6)	4.3 (4)	3.2	0.8	(2)	
ART	Value		4.8 (5)	21.4 (3)	19.7 (1)	13.4 (1)	-	3.1	1.4	(1)	
DFA	Value		6.2 (4)	16.2 (4)	15.7 (3)	8.0 (4)	5.7 (3)	3.6	0.0	(3)	
ELE	Value		4.5 (6)	10.0 (6)	11.3 (6)	8.5 (2)	-	4.2	-1.0	(5)	
GMO	Equity		7.0 (3)	15.9 (5)	12.6 (5)	7.7 (5)	6.1 (2)	2.4	-1.2	(6)	
WEL	Value		7.0 (2)	23.3 (2)	13.7 (4)	8.2 (3)	7.5 (1)	2.1	-0.9	(4)	
<i>Median</i>			<i>6.6</i>	<i>18.8</i>	<i>14.7</i>	<i>8.1</i>	<i>5.9</i>	<i>3.2</i>	<i>-0.4</i>		
Growth											
AB	Grow th Trends		10.1 (1)	27.9 (1)	13.9 (5)	7.3 (5)	3.8 (4)	3.8	-0.4	(5)	
ART	Global Opportunities ₂		9.7 (2)	26.0 (2)	17.6 (2)	14.8 (1)	-	6.4	0.3	(2)	
FRK	Equity		5.8 (5)	23.0 (5)	14.3 (4)	9.2 (4)	8.4 (1)	3.8	-0.3	(4)	
MFS	Grow th		6.7 (4)	24.6 (3)	15.0 (3)	9.5 (3)	8.1 (2)	2.5	-0.2	(3)	
WEL	Grow th		7.5 (3)	24.1 (4)	19.3 (1)	11.5 (2)	6.7 (3)	5.0	0.8	(1)	
<i>Median</i>			<i>7.5</i>	<i>24.6</i>	<i>15.0</i>	<i>9.5</i>	<i>7.4</i>	<i>3.8</i>	<i>-0.2</i>		
Indexed											
AMPCI	NWIN		6.7	23.1	16.1	9.3	-	0.2	2.4		
VAN			6.7	23.5	16.1	9.3	6.2	0.5	1.1		
Emerging											
AMPCI			5.3	18.4	6.5	4.1	5.6	2.3	1.4		
ART			5.1	14.6	2.0	-2.0	-	2.6	-0.5		
GMO			7.0	15.1	1.1	-0.1	7.0	3.7	-0.6		
MERCER			4.7	16.5	3.8	1.0	-	5.0	0.1		
Socially Responsible											
AMPCI	Responsible		6.5	21.9	15.7	8.8	6.8	1.4	0.1		
NIK	SRI		10.1	26.8	15.7	8.9	-	3.5	0.0		
PFAM	Global Water		6.6	14.4	15.6	-	-	10.7	0.0		
Other											
JANA	High Alpha		7.0	23.2	17.5	10.3	-	2.6	0.8		
Indexes											
MSCI 0% hedged ₁			6.6	22.7	15.6	8.8	5.9				
MSCI 100% hedged			5.6	17.6	18.3	13.3	7.9				
MSCI ACWI 0% hedged ₂			6.6	22.0	14.1	7.8	5.9				
MSCI Emerging 0% hedged			6.6	16.2	3.3	0.6	7.9				

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		3 years pa		
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Tr	Err	IR
NZ Listed															
AMPCI	NZ Listed	19.0	4.7	(3)	27.6	(3)	18.0	(2)	16.2	(3)	-		2.4	1.4	(3)
ANZ	Property Securities	138.9	4.4	(5)	27.0	(4)	19.2	(1)	17.0	(2)	11.3	(1)	3.1	1.4	(2)
MNT	Australasian	42.8	4.6	(4)	26.8	(5)	17.4	(4)	15.3	(4)	-		2.8	1.0	(5)
NIK	Property Securities	40.0	5.1	(2)	28.5	(2)	16.1	(5)	15.2	(5)	-		1.2	1.2	(4)
SALT	NZ Listed	269.9	5.5	(1)	30.2	(1)	17.9	(3)	17.0	(1)	11.1	(2)	1.7	1.8	(1)
<i>Median</i>			<i>4.7</i>		<i>27.6</i>		<i>17.9</i>		<i>16.2</i>		<i>11.2</i>		<i>2.4</i>	<i>1.4</i>	
NZ Direct															
FIS	Property Fund	338.3	3.4	(1)	12.6	(1)	13.4	(1)	10.2	(1)	10.4	(1)	2.9	1.1	(1)
TRU	Property Fund	0.0	1.8	(2)	7.4	(2)	8.7	(2)	7.9	(2)	8.3	(2)	8.3	-0.7	(2)
Global 100% Hedged															
ANZ	Ex Aus	421.6	7.4	(1)	30.3	(1)	18.9	(1)	17.1	(1)	9.6	(1)	1.7	-0.3	(1)
IBB	Int'l Property	25.4	3.5	(2)	20.7	(2)	8.7	(2)	9.1	(2)	-		7.1	-1.5	(2)
Global 139% Hedged															
AMPCI	GPSF	115.0	7.9	(2)	27.3	(2)	20.5	(2)	18.3	(1)	11.5	(1)	5.3	0.2	(2)
MERCER	Global Listed	79.6	8.6	(1)	30.3	(1)	22.2	(1)	-		-		5.7	0.5	(1)
Other															
ANZ	Trans-Tasman	331.2	5.8		28.7		21.4		16.4		-		5.0	1.3	
Indexes															
NZX Property			4.9		28.6		14.7		14.0		8.9				
UBS Global Real Estate			7.2		30.2		19.3		17.4		10.9				

NZ Bonds		FUM	3 months		1 year		3 years		5 years		10 years		3 years pa		
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Tr	Err	IR
AMPCI	AIF F ₁	1,708.3	2.9	(1)	10.4	(1)	5.9	(2)	7.1	(3)	7.7	(1)	0.5	2.6	(1)
ANZ	NZ Fixed Plus ₁	1,186.5	2.8	(3)	9.7	(3)	5.7	(4)	7.1	(2)	6.9	(4)	0.5	2.0	(2)
FIS	NZ Fixed Interest ₁	942.7	2.8	(2)	9.5	(4)	5.5	(5)	6.6	(4)	7.1	(3)	0.8	1.1	(4)
HAM	Core Fixed ₁₊₂	118.3	2.2	(6)	8.1	(6)	5.8	(3)	-		-		1.4	0.8	(5)
NIK	NZ Fixed Interest ₁	264.0	2.6	(4)	9.8	(2)	6.6	(1)	7.7	(1)	7.3	(2)	1.2	1.7	(3)
RUS	Harbour ₁₊₂	78.4	2.4	(5)	8.8	(5)	-		-		-		-	-	
<i>Median</i>			<i>2.7</i>		<i>9.6</i>		<i>5.8</i>		<i>7.1</i>		<i>7.2</i>		<i>0.8</i>	<i>1.7</i>	
Other															
AMPCI	Short Duration _x	186.1	1.6		6.5		5.3		5.3		-		2.6	0.2	
ANZ	Sovereign ₁	626.9	2.8		9.1		4.7		6.3		7.2		0.5	0.2	
ANZ	High Grade ₃	489.5	2.7		10.1		6.3		7.7		6.3		1.0	1.8	
HAM	Corporate Bonds ₂	197.4	2.0		7.7		6.0		6.2		-		2.1	0.7	
HAM	Short Duration _x	40.2	1.1		4.3		-		-		-		-	-	
MAM	Trans-Tasman _x	236.2	2.3		10.2		-		-		-		-	-	
NIK	Inv. Grade Corporate ₁	96.7	2.4		9.8		7.2		7.9		-		1.8	1.5	
Indexes															
NZX NZ Govt Stock ₁			2.7		9.4		4.6		6.1		6.5				
NZX Corporate A Grade ₂			2.1		8.1		5.8		6.6		7.0				
NZX All Swaps ₃			2.3		8.6		4.5		5.9		7.0				

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		3 years pa		
		%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Tr	Err	IR
Core														
AB	Global Plus ₁	2.9	(5)	11.5	(5)	7.8	(5)	8.3	(5)	8.4	(5)	0.5	0.5	(5)
AMPCI	AIF Q ₁	2.9	(6)	10.8	(7)	7.3	(8)	7.3	(8)	7.5	(7)	0.7	-0.5	(8)
FIS	PIMCo ₁	3.7	(2)	13.5	(2)	9.8	(2)	10.1	(2)	9.1	(4)	2.2	1.0	(4)
FIS	Wellington ₁	3.0	(4)	11.3	(6)	7.4	(6)	7.9	(6)	-		0.6	-0.4	(7)
MERCER	Global Aggregate ₁	2.8	(7)	12.0	(4)	8.9	(4)	9.5	(4)	9.3	(3)	1.2	1.1	(3)
NIK	GSAM ₁	2.6	(8)	9.4	(8)	7.3	(7)	7.7	(7)	7.9	(6)	1.0	-0.3	(6)
PIMCo	GIS ₁	3.8	(1)	14.1	(1)	9.9	(1)	10.5	(1)	9.8	(1)	1.4	1.6	(1)
RUS	Global Bond ₁	3.2	(3)	12.7	(3)	9.4	(3)	9.7	(3)	9.4	(2)	1.3	1.5	(2)
<i>Median</i>		<i>2.9</i>		<i>11.8</i>		<i>8.4</i>		<i>8.9</i>		<i>9.1</i>		<i>1.1</i>	<i>0.7</i>	
Other														
AMPCI	PIMCo Short Duration _x	1.7		5.9		5.4		5.8		-				
AMPCI	AIF HQ ₂	2.2		8.8		5.6		6.6		-				
ANZ	Sovereign _x	3.0		11.9		7.1		7.2		8.1				
ANZ	Credit _x	2.9		10.9		-		-		-				
DFA	5 year _x	2.3		7.5		5.4		6.3		7.0				
FIS	Absolute Return _x	3.8		9.2		7.7		-		-				
LMI	Brandywine GOFI ₂	5.3		21.0		14.4		13.6		12.0				
Indexes														
Barclays Global Agg ₁		3.0		11.4		7.6		7.6		8.0				
Citigroup WGBI ₂		3.1		12.2		7.8		7.5		7.9				

Cash	FUM \$m	3 months		1 year		3 years		5 years		10 years		3 years pa		
		%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Tr	Err	IR
AMPCI ₁	4,124.3	1.0	(3)	4.0	(3)	3.7	(3)	3.8	(3)	5.5	(3)	0.1	10.3	(1)
ANZ ₁	2,076.8	1.0	(4)	4.0	(4)	3.6	(4)	3.6	(4)	5.7	(2)	0.1	7.4	(3)
FIS ₁	935.6	1.0	(2)	4.2	(2)	4.1	(2)	3.8	(2)	5.4	(4)	0.3	3.2	(4)
NIK ₁	475.0	1.1	(1)	4.4	(1)	4.1	(1)	4.2	(1)	5.8	(1)	0.1	8.7	(2)
<i>Median</i>		<i>1.0</i>		<i>4.1</i>		<i>3.9</i>		<i>3.8</i>		<i>5.6</i>		<i>0.1</i>	<i>8.0</i>	
Index														
NZX 90 Day BB ₁		0.9		3.6		3.0		3.0		4.9				

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	AIF B	4.0	(5)	12.3	(6)	11.3	(7)	9.2	(6)	8.2	(4)	62.2	37.8	20.0
AMPCI	SRI	3.7	(6)	13.3	(5)	13.1	(4)	10.4	(3)	-		61.9	38.1	20.0
ANZ		5.0	(3)	17.2	(2)	15.0	(2)	12.1	(2)	9.4	(1)	63.8	36.2	24.8
ASB		5.1	(2)	15.3	(4)	12.1	(5)	9.3	(5)	-		59.4	40.6	-
FIS		3.5	(7)	12.2	(7)	11.6	(6)	9.0	(7)	8.4	(3)	56.5	43.5	4.0
MAM		5.9	(1)	17.7	(1)	16.8	(1)	12.2	(1)	-		63.0	37.1	50.0
NIK		4.8	(4)	15.6	(3)	13.4	(3)	10.0	(4)	8.6	(2)	73.3	26.7	24.0
<i>Median</i>		<i>4.8</i>		<i>15.3</i>		<i>13.1</i>		<i>10.0</i>		<i>8.5</i>		<i>62.2</i>	<i>37.8</i>	<i>22.0</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	3 years pa
		\$m	%	%	% pa	% pa	% pa	Volatility
Global Infrastructure								
AMPCI	139% hedged	180.1	7.1	25.4	-	-	-	-
CFS	100% hedged	500.5	3.8	16.3	12.4	11.9	-	9.2
MERCER	139% hedged	174.6	7.7	24.6	22.7	-	-	8.1
Commodities								
AMPCI		448.2	-5.2	-22.6	-7.9	-	-	11.9
PFAM		56.0	0.8	0.2	-2.2	-0.6	-	5.0
WEL		-	-0.7	-8.4	-8.6	-3.9	-	12.1
Australasian								
AAM		225.9	5.4	18.9	16.6	15.9	-	5.3
MAM	Income	1,101.4	4.2	20.2	17.9	15.2	-	3.0
MAM	Active Growth	822.4	5.3	14.1	22.4	16.6	-	4.9
NIK	Income Fund	4.7	2.0	8.6	7.6	7.9	-	2.1
SALT	Long/Short	11.2	3.2	-	-	-	-	-
Global								
FIS	Prop. & Infrastructure	51.2	3.1	20.5	19.0	12.4	-	5.4
K2	Diversity Fund	-	2.3	7.2	8.0	5.8	-	2.7
MERCER	Natural Resources	61.8	-1.3	-9.3	1.1	-	-	8.6
MERCER	Real Assets	49.3	5.8	16.5	14.8	11.3	-	4.9
MGH	US\$ fund	21.4	6.9	16.9	11.0	6.3	5.6	8.1
NIK	JPMAAM	135.0	4.0	8.3	10.7	10.2	9.3	3.3
NIK	Option	154.0	1.0	6.4	10.5	7.1	11.6	5.4
NZAM	Global	71.8	1.8	11.5	9.2	6.1	7.1	6.2
NZAM	Alpha	19.9	2.3	14.7	-	-	-	-
PFAM	Global Equity	32.3	8.2	26.8	15.1	-	-	8.9
QAM	International Equity	0.0	-	-	-	-	-	-

Acronym References

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

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.

KiwiSaver Results (Net of investment fees)

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

Returns and Risk		FUM Growth		3 months		1 year		3 years		5 years		Risk %pa	
		\$m	BM%	%	Rk	%	Rk	%	Rk	%	Rk	3 Yr	5 Yr
Growth Funds													
AMP	Growth	465.5	80.0	4.3	(9)	12.9	(9)	11.8	(9)	8.8	(7)	5.3	7.6
ANZ	Growth	1,455.2	80.0	5.6	(4)	18.2	(2)	16.3	(2)	12.0	(1)	5.4	6.7
AON	Russell Growth	21.5	75.0	4.7	(6)	15.9	(5)	14.1	(4)	10.9	(2)	5.6	8.5
ASB	Growth	634.6	80.0	5.9	(3)	16.9	(3)	13.6	(5)	9.6	(6)	4.5	6.5
BNZ	Growth	69.3	70.0	4.4	(8)	14.0	(8)	n.a		n.a		n.a	n.a
Fisher	Growth	911.1	70.0	5.1	(5)	11.0	(11)	12.7	(7)	8.4	(8)	4.4	6.7
Fisher Two	Growth	169.8	80.0	3.3	(11)	11.1	(10)	12.2	(8)	8.4	(9)	4.9	6.5
Grosvenor	Balanced Growth	137.6	77.5	4.6	(7)	14.0	(7)	10.3	(10)	n.a		3.8	n.a
Kiwi Wealth	Growth	765.5	85.0	6.8	(1)	22.2	(1)	17.8	(1)	10.9	(3)	7.4	8.6
Mercer	High Growth	70.8	89.5	6.0	(2)	16.0	(4)	14.4	(3)	10.2	(4)	4.8	6.6
Westpac	Growth	491.0	80.0	4.3	(10)	15.3	(6)	12.9	(6)	9.8	(5)	4.1	5.3
	<i>Median</i>		80.0	4.7		15.3		13.2		9.8		4.9	6.7
Balanced Funds													
AMP	Balanced	602.0	60.0	3.8	(8)	11.6	(9)	10.3	(9)	8.3	(9)	4.1	5.5
AMP	Nikko Balanced	18.8	62.0	3.7	(9)	14.0	(6)	11.7	(5)	8.7	(6)	3.7	5.0
ANZ	Balanced Growth	833.3	65.0	5.0	(2)	16.5	(2)	14.3	(2)	10.9	(2)	4.5	5.4
AON	Russell Balanced	42.2	60.0	4.3	(6)	15.2	(4)	12.7	(4)	10.3	(3)	4.8	7.1
ASB	Balanced	628.7	60.0	5.0	(3)	14.7	(5)	11.4	(6)	8.7	(5)	3.6	4.8
Fisher Two	Balanced	455.3	55.0	3.1	(10)	10.3	(10)	10.1	(10)	7.6	(10)	3.6	4.4
Kiwi Wealth	Balanced	943.1	55.0	4.7	(4)	15.9	(3)	12.8	(3)	9.1	(4)	4.3	4.9
Mercer	Balanced	76.7	62.0	4.7	(5)	13.0	(8)	11.3	(7)	8.6	(8)	3.5	4.3
Milford	Balanced	67.8	61.0	5.4	(1)	17.1	(1)	16.3	(1)	11.8	(1)	3.4	4.2
Westpac	Balanced	789.6	60.0	3.8	(7)	13.3	(7)	11.0	(8)	8.6	(7)	3.3	4.4
	<i>Median</i>		60.0	4.5		14.4		11.6		8.7		3.6	4.9
Moderate Balanced Funds													
AMP	Moderate Balanced	383.8	50.0	3.4	(4)	10.8	(4)	9.3	(2)	7.6	(2)	3.6	4.8
ANZ	Balanced	1,011.8	50.0	4.5	(1)	14.7	(1)	12.2	(1)	9.7	(1)	3.6	4.1
BNZ	Balanced	95.9	50.0	3.9	(3)	13.0	(2)	n.a		n.a		n.a	n.a
Grosvenor	Balanced	288.0	50.0	4.0	(2)	12.7	(3)	8.7	(3)	6.3	(3)	3.0	3.7
	<i>Median</i>		50.0	4.0		12.8		9.3		7.6		3.6	4.1
Moderate Funds													
AMP	Moderate	262.7	40.0	3.1	(5)	9.9	(5)	8.3	(4)	7.1	(4)	2.9	3.5
ANZ	Cons Balanced	484.6	35.0	3.8	(2)	12.8	(2)	10.2	(2)	8.5	(2)	2.8	3.0
AON	Russell Moderate	13.7	40.0	3.7	(3)	14.2	(1)	11.1	(1)	9.6	(1)	3.9	5.0
ASB	Moderate	822.3	40.0	4.0	(1)	12.0	(3)	9.0	(3)	7.5	(3)	2.8	3.3
BNZ	Moderate	131.4	35.0	3.5	(4)	11.9	(4)	n.a		n.a		n.a	n.a
	<i>Median</i>		40.0	3.7		12.0		9.6		8.0		2.9	3.4
Conservative Funds													
AMP	Conservative	226.9	25.0	2.6	(8)	8.8	(10)	7.0	(7)	6.5	(7)	2.2	2.3
AMP	Default	1,241.4	20.0	2.5	(11)	8.5	(12)	6.6	(10)	5.7	(11)	1.6	2.0
ANZ	Conservative	427.9	20.0	3.2	(2)	10.9	(2)	7.9	(3)	7.1	(2)	2.1	2.0
AON	Russell Cons	75.9	20.0	3.3	(1)	13.3	(1)	9.5	(1)	8.9	(1)	3.6	3.6
ASB	Conservative	2,632.3	20.0	2.9	(5)	9.1	(8)	6.6	(9)	6.0	(10)	1.9	1.8
BNZ	Conservative	166.4	20.0	2.6	(10)	9.5	(7)	n.a		n.a		n.a	n.a
Fisher Two	Conservative	100.1	30.0	2.6	(9)	8.9	(9)	7.5	(4)	6.6	(5)	2.2	2.2
Fisher Two	Default	581.5	20.0	2.5	(12)	8.8	(11)	7.0	(8)	6.1	(8)	1.9	1.8
Grosvenor	Conservative	103.2	25.0	3.0	(4)	9.7	(4)	6.4	(11)	6.0	(9)	2.6	2.5
Kiwi Wealth	Conservative	325.9	15.0	2.6	(7)	9.7	(3)	7.5	(6)	6.6	(6)	1.6	1.6
Mercer	Conservative	925.5	20.0	3.1	(3)	9.6	(6)	8.0	(2)	6.8	(3)	1.9	1.9
Westpac	Conservative	1,591.0	25.0	2.7	(6)	9.6	(5)	7.5	(5)	6.7	(4)	2.1	2.1
	<i>Median</i>		20.0	2.7		9.5		7.5		6.6		2.1	2.0
Other Funds													
AMP	Aggressive	210.1	90.0	4.7		13.7		12.8		9.2		6.1	8.9
Fisher	Conservative	308.4	10.0	3.6		8.8		7.9		6.5		2.2	2.1
Grosvenor	High Growth	131.2	100.0	4.9		15.3		11.9		6.3		4.6	7.0
Milford	Active Growth	354.5	n.a	4.6		12.2		19.5		14.3		4.3	5.1

Notes:

- The results for the ANZ Default and OneAnswer schemes have been excluded as the schemes have the same strategy and very similar results to the ANZ scheme shown above.
- Kiwi Wealth is the former Gareth Morgan Scheme which is now the main on-going Scheme for KiwiBank. This Scheme does not manage to a benchmark allocation and currently has no Australasian share holdings.

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	18.9	42.4		9.2	12.2	82.7	3.9	3.9		9.5	17.3
ANZ	Growth	17.0	53.1	6.0	5.9		82.0	3.4	7.8		6.8	18.0
AON	Russell Growth	24.3	50.8				75.0	5.1	19.9			25.0
ASB	Growth	27.8	44.5		6.9		79.1	8.8	8.5		3.5	20.9
BNZ	Growth	17.4	54.7				72.1	4.7	19.3		3.9	27.9
Fisher	Growth	37.9	45.1	1.2			84.2	0.3	3.2		12.3	15.8
Fisher Two	Growth	27.4	38.9	12.0			78.2	4.9	6.8		10.1	21.8
Grosvenor	Balanced Growth	18.6	45.0	3.3	3.3		70.1	11.8	12.0		6.0	29.9
Kiwi Wealth	Growth		82.6			3.4	86.0	0.6			13.4	14.1
Mercer	High Growth	17.8	55.9		16.8	1.5	91.9	2.1	2.2	1.5	2.3	8.1
Westpac	Growth	23.4	37.6	8.4		9.4	78.9	5.9	8.0		7.2	21.1
<i>Average</i>		<i>20.9</i>	<i>50.1</i>	<i>2.8</i>	<i>3.8</i>	<i>2.4</i>	<i>80.0</i>	<i>4.7</i>	<i>8.3</i>	<i>0.1</i>	<i>6.8</i>	<i>20.0</i>
Balanced Funds												
AMP	Balanced	15.0	30.2		7.3	10.0	62.7	11.9	11.9		13.5	37.3
AMP	Nikko Balanced	16.8	32.0	5.5		9.2	63.5	16.1	10.6	9.8		36.5
ANZ	Balanced Growth	13.1	43.9	5.0	4.9		66.9	6.2	15.6		11.4	33.1
AON	Russell Balanced	19.4	40.6				60.1	8.1	31.8			39.9
ASB	Balanced	19.8	32.6		6.9		59.4	16.7	17.0		6.9	40.6
Fisher Two	Balanced	19.2	24.3	13.1			56.6	13.8	18.0		11.6	43.5
Kiwi Wealth	Balanced		49.4			2.8	52.2	15.2	18.9		13.7	47.8
Mercer	Balanced	9.9	31.5		13.9	1.5	56.8	10.3	18.2	1.5	13.2	43.2
Milford	Balanced	45.4	17.5				63.0	5.8	22.2		9.0	37.1
Westpac	Balanced	19.0	29.1	3.9		6.9	58.8	14.0	19.0		8.2	41.2
<i>Average</i>		<i>17.8</i>	<i>33.1</i>	<i>2.7</i>	<i>3.3</i>	<i>3.0</i>	<i>60.0</i>	<i>11.8</i>	<i>18.3</i>	<i>1.1</i>	<i>8.8</i>	<i>40.0</i>
Moderate Balanced Funds												
AMP	Moderate Balanced	11.8	24.3		7.1	9.2	52.3	15.1	15.0		17.6	47.7
ANZ	Balanced	10.6	34.0	3.9	3.9		52.4	8.2	23.3		16.1	47.7
BNZ	Balanced	12.7	39.7				52.4	7.1	36.6		3.9	47.6
Grosvenor	Balanced	14.6	34.5	2.3	2.3		53.7	13.3	22.7		10.2	46.3
<i>Average</i>		<i>12.4</i>	<i>33.1</i>	<i>1.5</i>	<i>3.3</i>	<i>2.3</i>	<i>52.7</i>	<i>10.9</i>	<i>24.4</i>		<i>12.0</i>	<i>47.3</i>
Moderate Funds												
AMP	Moderate	9.4	18.6		5.6	8.6	42.2	18.1	18.1		21.6	57.8
ANZ	Cons Balanced	7.3	24.2	2.9	2.9		37.3	10.3	30.1		22.3	62.7
AON	Russell Moderate	13.6	26.4				40.0	12.1	47.8			60.0
ASB	Moderate	15.9	17.8		5.9		39.6	24.6	23.6		12.2	60.4
BNZ	Moderate	7.7	29.5				37.2	9.6	44.6		8.6	62.8
<i>Average</i>		<i>10.8</i>	<i>23.3</i>	<i>0.6</i>	<i>2.9</i>	<i>1.7</i>	<i>39.3</i>	<i>15.0</i>	<i>32.8</i>		<i>12.9</i>	<i>60.7</i>
Conservative Funds												
AMP	Conservative	5.0	10.3		4.7	7.3	27.4	22.1	22.1		28.5	72.6
AMP	Default	6.9	13.0				20.0	14.6	14.7		50.7	80.0
ANZ	Conservative	4.2	15.0	1.5	1.5		22.1	13.6	37.0		27.3	77.9
AON	Russell Cons	5.8	14.2				20.1	16.2	63.7			79.9
ASB	Conservative	8.9	10.9				19.8	29.5	28.3		22.3	80.2
BNZ	Conservative	5.3	15.2				20.4	10.8	34.8		34.0	79.6
Fisher Two	Conservative	7.9	11.9	11.3			31.2	16.6	22.2		30.0	68.8
Fisher Two	Default	5.6	9.4	8.1			23.1	19.9	23.8		33.2	76.9
Grosvenor	Conservative	8.9	13.1	1.5	1.5		25.0	29.7	28.7		16.6	75.0
Kiwi Wealth	Conservative		16.9			0.6	17.5	27.1	38.3		17.1	82.6
Mercer	Conservative	4.9	12.1		4.7		21.6	14.9	28.5		35.0	78.4
Westpac	Conservative	8.5	9.1	3.8		2.9	24.3	22.7	30.0		22.9	75.7
<i>Average</i>		<i>6.0</i>	<i>12.6</i>	<i>2.2</i>	<i>1.0</i>	<i>0.9</i>	<i>22.7</i>	<i>19.8</i>	<i>31.0</i>		<i>26.5</i>	<i>77.3</i>
Other Funds												
AMP	Aggressive	22.5	47.9		9.7	12.5	92.6	0.5	0.5		6.4	7.4
Fisher	Conservative	8.3	12.2	2.1			22.7	33.2	30.1		14.1	77.3
Grosvenor	High Growth	20.6	53.2	4.6	4.6		82.9	4.9	5.5		6.7	17.1
Milford	Active Growth	67.3	8.0				75.3	1.0	3.6		20.1	24.7

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 Alliance Bernstein and Legg Mason global bond fund performance use a simulated hedge back to the NZ dollar.
- 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.
- 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. 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.

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

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.

For further information please contact:

Mark Weaver 09 300 7156
mark.weaver@mjlw.co.nz

Ian Midgley 04 815 8888
ian.midgley@mjlw.co.nz

Bernard Reid 09 300 7163
bernard.reid@mjlw.co.nz

William Nelson 09 300 7150
william.nelson@mjlw.co.nz

Melville Jessup Weaver has taken every care in preparing this survey. However, we are not able to guarantee the accuracy of the information and strongly recommend that appropriate professional advice be obtained before any investment activity is undertaken. The contents of this investment survey may be reproduced, provided Melville Jessup Weaver is acknowledged as the source.