

MELVILLE JESSUP WEAVER

Multi-Manager Investment Survey September 2011

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Market Returns	Quarter (%)	Year (%)		Quarter (%)	Year (%)
NZX 50	-2.4	6.9	NZX NZ Government Bond Index	3.5	7.8
S&P/ASX 200 in A\$	-11.6	-8.6	NZX Corporate A Grade	2.2	7.7
MSCI World – Local Currency	-14.7	-4.5	NZ All Swaps	3.4	6.8
MSCI World – Hedged	-14.8	-4.9	Barclays Global Aggregate	3.7	5.6
MSCI World – Unhedged	-9.9	-8.0	Citigroup WGBI	4.7	5.3
MSCI Emerging Markets	-17.5	-18.3	NZ \$ / US	-7.4	3.9
NZX Property Index	1.6	15.0	NZ \$ / A\$	2.0	3.5

Commentary

We are pleased to present the results of our multi-manager investment survey.

The charts shown in this survey are 3 year risk-return charts, highlighting the multi-manager funds. On the charts we have illustrated the single manager results (hollow circles) as a frame of reference. The horizontal and vertical lines indicate medians for all funds. The performance expectation of a multi-manager fund compared to a single manager fund is that the fund will achieve above average performance for below average risk.

We include tables showing the sub-managers employed and their target allocation. We show the sub-managers for all the asset classes where there are multi-manager funds available.

Melville Jessup Weaver has performed a number of multi-manager searches. In these assignments our analysis covers both the overall fund results (as illustrated in this document) and a review of the underlying manager results. We use the global expertise of our alliance partner, Towers Watson, for research into the underlying managers.

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 www.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 selection exercises utilising Towers Watson's expertise.

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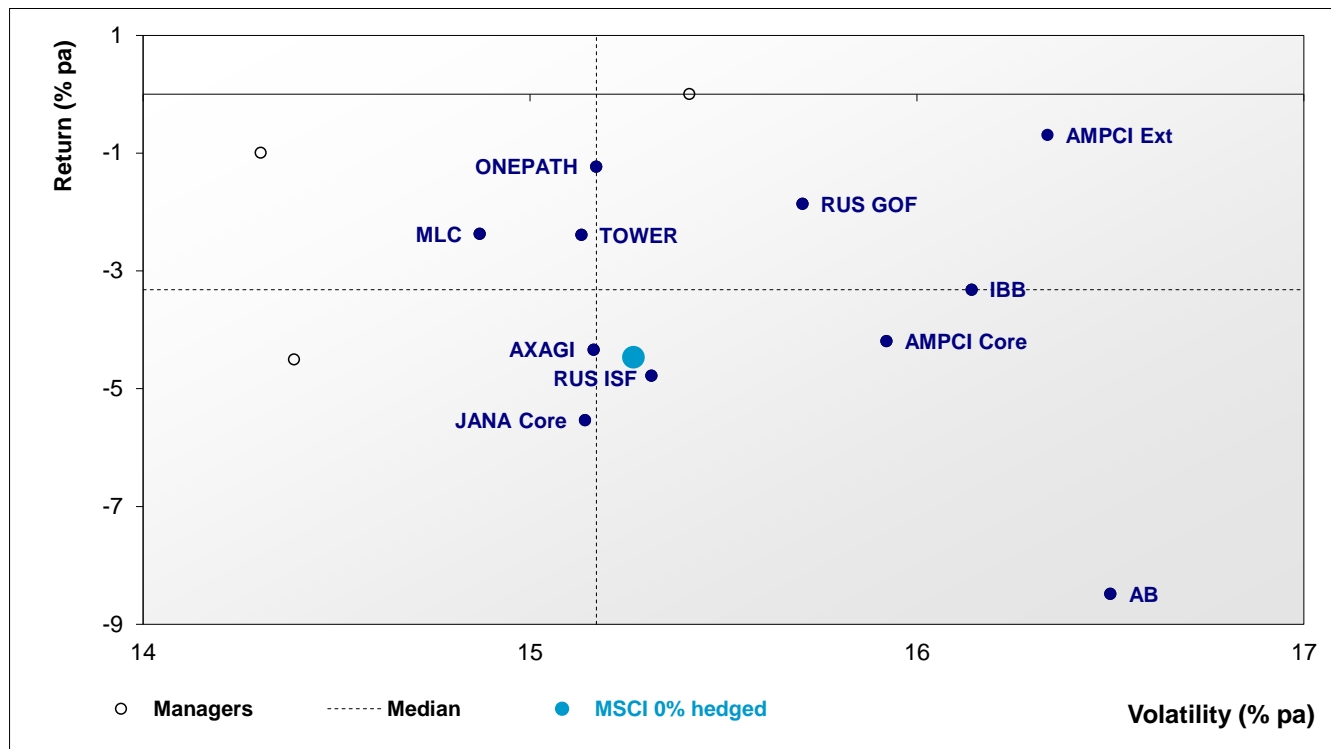
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Melville Jessup Weaver has taken every care in preparing this survey. However, we are not able to guarantee the accuracy of the information and strongly recommend that appropriate professional advice be obtained before any investment activity is undertaken.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

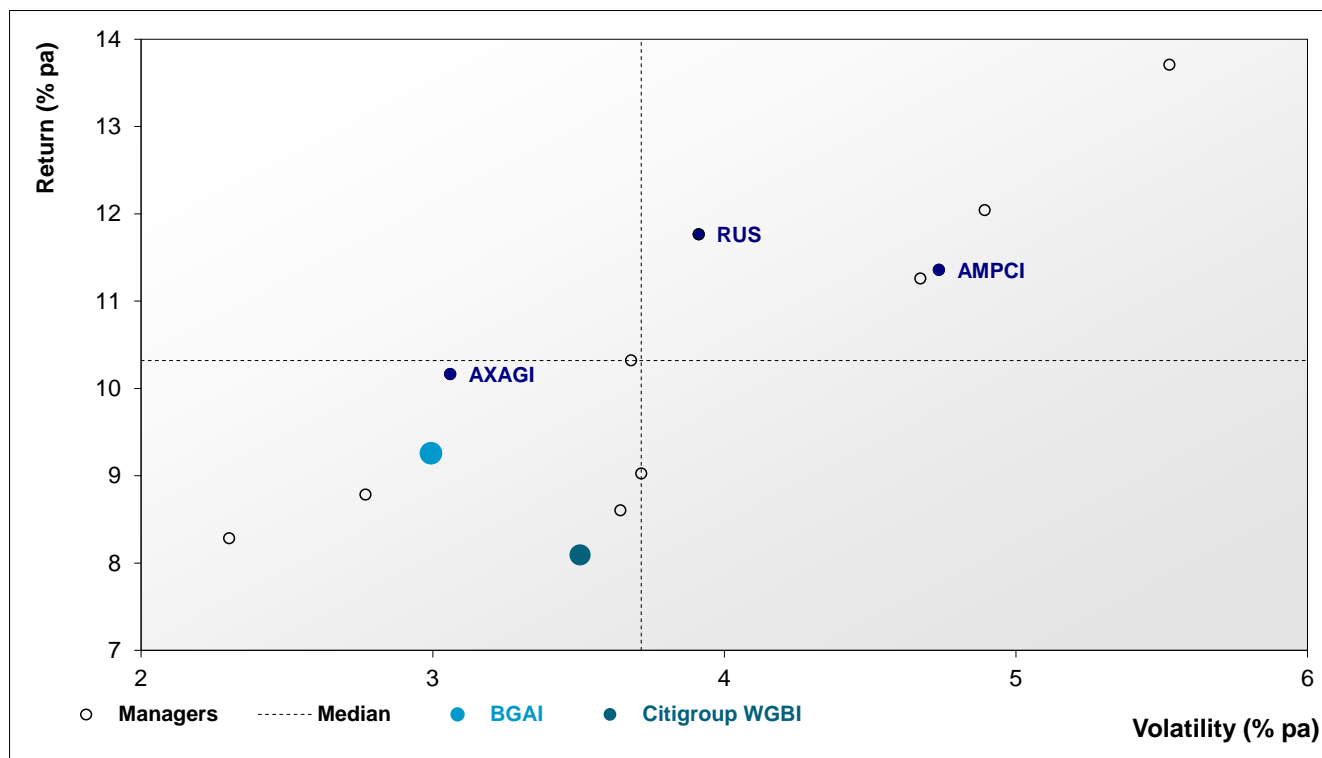
Global Shares



Global Shares		3 months % Rank	1 year % Rank	3 years % pa Rank	5 years % pa Rank	10 years % pa Rank
Core						
AB	Style Blend	-13.7 (11)	-14.0 (11)	-8.5 (10)	-9.9 (10)	n.a
AMPCI Core	FDF Core Int'l Share	-10.1 (3)	-8.6 (5)	-4.2 (6)	-5.8 (6)	n.a
AXAGI	Multi-manager	-13.0 (10)	-12.0 (10)	-4.3 (7)	-5.0 (5)	n.a
IBB	Int'l Shares	-11.8 (8)	-9.7 (9)	-3.3 (5)	-6.1 (8)	-3.1 (4)
JANA Core	Core Global	-10.5 (4)	-7.7 (3)	-5.5 (9)	-7.1 (9)	n.a
MLC	NCIT	-9.0 (2)	-7.6 (2)	-2.4 (3)	-4.2 (4)	-1.2 (3)
ONEPATH	Int'l Eq	-11.4 (6)	-7.7 (4)	-1.2 (1)	-2.8 (1)	-0.7 (2)
RUS ISF	ISF	-12.4 (9)	-9.6 (8)	-4.8 (8)	-6.0 (7)	n.a
RUS GOF	GOF	-11.5 (7)	-8.7 (6)	-1.9 (2)	-3.5 (2)	n.a
TOWER	International	-10.5 (5)	-9.3 (7)	-2.4 (4)	-3.9 (3)	-0.6 (1)
TYN	Multi-Manager	-7.8 (1)	-5.8 (1)	n.a	n.a	n.a
Median		-11.4	-8.7	-3.8	-5.4	-0.9
Other						
AMPCI Ext	Extended	-14.5	-11.4	-0.7	-2.4	n.a
JANA High Alpha	High Alpha	-11.2	-10.2	-3.0	-5.2	n.a
Indexes						
MSCI 0% hedged		-9.9	-8.0	-4.5	-5.3	-2.6
MSCI 100% hedged		-14.8	-4.9	-0.8	-2.7	3.4
MSCI Emerging 0% hedged		-17.5	-18.3	0.3	1.2	9.2

Comment: The global share universe is dominated by multi-manager funds. With some notable exceptions, multi-manager funds have had volatility at the same level or lower than the index. Over 3 years, on average multi-manager funds have added value.

Global Bonds



Global Bonds		3 months % Rank	1 year % Rank	3 years % pa Rank	5 years % pa Rank	10 years % pa Rank
Global Bonds						
AMPCI	AIF Q	0.5 (3)	3.5 (3)	11.4 (2)	7.5 (3)	7.9 (2)
AXAGI	Multi-manager	3.5 (1)	5.7 (1)	10.2 (3)	8.4 (2)	n.a
RUS	Global Bond	2.8 (2)	5.0 (2)	11.8 (1)	9.3 (1)	9.2 (1)
Indexes						
Barclays Global Agg		3.7	5.6	9.3	8.6	8.6
Citigroup WGBI		4.7	5.3	8.1	8.4	8.4

Comment: Over the 3 year period, the expected relationship between risk and return is very evident. That is, the higher the return the higher the risk. Given the limited universe it is hard to make a judgement whether multi-manager funds have been successful in having lower than average volatility.

Acronym References

AAML	Aspiring Asset Management Ltd	DFA	Dimensional Fund Advisors	MNT	Mint Asset Management
AB	Alliance Bernstein	ELE	Elevation Capital	ONEPATH	OnePath
AMPCI	AMP Capital Investors	FIS	Fisher Funds Management	PFAM	Pathfinder Funds
ASB	ASB Group Investments	GMO	GMO	PIE	Pie Funds
AXAGI	AXA Global Investors	HAM	Harbour Asset Management	RUS	Russell Investment Group
BAM	Brook Asset Management	IBB	Ibbotson Associates	SMS	SmartShares
BLK	BlackRock Investment Management	Jana	Jana	TCO	Tower Commodities
BNP	BNP Paribas Investment Management	LMI	Legg Mason Inc	TOWER	TOWER Asset Management
BTFM	BT Funds Management	MAM	Milford Asset Management	TYN	Tyndall Investment Management
CIP	Craigs	MGH	MGH Asset Management Ltd	VAN	Vanguard Investments Australia
DEV	Devon Funds Management Ltd	MLC	MLC	WEL	Wellington Management Company

Sub-Manager Information

Australasian Shares

AXAGI		Devon Funds Management	Australasian Equities	25.0%
		Harbour Asset Mgmt	Australasian Equity	25.0%
		Milford Asset Management	NZ Equities	30.0%
		Schroders	Australian Value	20.0%

Global Shares

AB	Style Blend	Bernstein Value Equities	Value	50.0%
		Alliance Growth Equities	Growth	50.0%
AMPCI	FDF Core	Baillie Gifford	Concentrated Growth	10.0%
		Bernstein Value Equities	Concentrated Value	20.0%
		Epoch	Shareholder yield	15.0%
		Schroders	Quality/value/core	20.0%
		T Rowe Price	Growth	10.0%
		THS	Thematic	20.0%
		State Street	Passive	5.0%
AXAGI	Global Eq	RCM	Growth	30.0%
		Bernstein	Global Value	25.0%
		Capital International	Core	20.0%
		Arrowstreet	Core	25.0%
IBB	Int'l Shares	Ibbotson HOT Active (UH)	High alpha multi-manager	60.0%
		AQR	Core (global)	25.0%
		Dimensional	Value (global)	15.0%
Jana	Core Global	Acadian	Quantitative	35.0%
		Alliance Bernstein Blend	Growth & Value	35.0%
		Capital	Neutral	30.0%
MLC	NCIT	Dimensional	Value	12.5%
		Mondrian	Value	12.5%
		Tweedy, Browne	Value	12.5%
		Capital International	Market	12.5%
		Carnegie	Market	12.5%
		Harding Loevner	Growth	12.5%
		Sands Capital	Growth	12.5%
		Walter Scott	Growth	12.5%
ONEPATH	Int'l Eq	MFS	Core	52.5%
		Franklin Global Advisors	Growth	29.0%
		LSV Asset Management	Value	18.5%
Russell	ISF	Barrow Hanley	Value (non US)	17.0%
		ICAP	Large cap, value US, global	12.0%
		MFS	Growth – concentrated (non US)	17.0%
		Marsico	Growth (global)	14.0%
		Columbus Circle Investors	Growth – momentum (US)	12.0%
		Sanders	Value (global)	10.0%
		Snow	Value - Large cap	9.0%
		Pzena	Value - Market oriented	9.0%
Russell	GOF	MFS	Growth: valuation sensitive	25.00%
		Arrowstreet	Style neutral: quantitative	20.00%
		T. Rowe Price	Growth: momentum	20.00%
		Harris	Value: large cap	15.00%
		Tradewinds	Value: long term	10.00%
		Delaware	Emerging markets	5.00%
		Goodman	Aggressive growth	5.00%

Global Shares				
TOWER	International	TOWER Global		75%
		Capital International	Emerging Markets	10%
		Marathon	Value	15%
Tyndall	Multi-manager	Walter Scott	Growth	20.0%
		Principal Global Investors	Growth	20.0%
		Epoch	Value	20.0%
		Davis Advisors	Value	20.0%
		Schroders	Emerging Markets	10.0%
		Cash		5.0%
AMPCI	Extended	AXA Rosenberg	Asia ex Japan small cap	4.1%
		AXA Rosenberg	Japan small cap	2.2%
		Copper Rock	US small cap	9.2%
		Deutsche	European small cap	9.5%
		Oddo	European small cap	9.5%
		Rheos	Japan small cap	4.3%
		River Road	US small cap	10.7%
		London Company	US small cap	10.7%
		Schroders	Thematic/Core emerging	4.0%
		Macquarie	Macro/Core emerging	8.0%
		Hexam	Thematic/Growth emerging	8.0%
		Lazard	Quantitative emerging	8.0%
		Investec	Value emerging	12.0%
Jana	High Alpha	Baillie Gifford	Growth	28.0%
		Pzena	Value	32.0%
		Wellington GSE	GARP	40.0%

Property				
Russell	Global RE	AEW	Core global	33.0%
		INVESCO	North American	33.0%
		Cohen&Steers Rel Value	World ex Nth America	34.0%

Global Bonds				
AMPCI	Global Fixed	Franklin Templeton	Global aggregate	25.0%
		Putnam	Global aggregate	25.0%
		Mondrian	Global aggregate	23.0%
		AllianceBernstein	Global aggregate	12.0%
		Wellington	Global credit and securitised	15.0%
AXAGI		PIMCO		50.0%
		BlackRock		50.0%
Russell	Global Bonds	PIMCO	Sector specialist	35.0%
		Colchester Global	Global macro value	20.0%
		Loomis	Core global	35.0%
		Hyperion Brookfield	Sector specialist	10.0%