

PORTFOLIO OVERVIEW – 30 APRIL 2010

Needs category objective

- > To provide clients with an allocation of funds to grow their capital and, in doing so, provide for their future needs.

Investment objective

- > To invest in a wide range of income-producing and long-term growth assets, utilising active investment management.

Key features

- > A combination of growth and income strategies which currently includes: cash, global corporate bonds, New Zealand government bonds, global government bonds, Australasian shares, global shares, growth strategies and periodic foreign currency exposure.
- > Actively managed by a range of experienced investment managers whose commercial interests are aligned with that of New Zealand Funds Management's clients. Within the global shares allocation these include: Tweedy Browne Company, Platinum Asset Management, T Rowe Price and Odey Asset Management. Within the absolute returns allocation these are: Odey Asset Management, Eclectica Asset Management and Aspect Capital.

Risk management

- > Utilises New Zealand Funds Management's risk management strategy to actively manage risks associated with changes in interest rates, credit spreads, currency and share market volatility. New Zealand Funds Management's risk management strategy may result in a Portfolio's foreign currency exposure or global share exposure being fully hedged.
- > A permanent allocation to defensive income-producing investments which are expected to generate positive returns during periods of share market volatility.

Return enhancement

- > New Zealand Funds Management and its external managers invest in income and growth assets that are perceived to have superior valuation characteristics.
- > As Investment Manager, New Zealand Funds Management recognises that during some periods all investments can suffer as part of a wider market malaise. We aim to identify these periods around the points at which they begin and end, and seek to preserve clients' capital during these stages of the cycle.

MANAGER INSIGHT

Over the past month there has been tremendous concern in global financial markets over Greece's ability to continue servicing its debt. As a result, fears of contagion began spreading to other European countries such as Spain, Portugal and Italy. As discussed in the November 2009 'Manager insight', the level of government debt in a number of developed countries has now reached critical levels and this will be a major concern for financial markets.

Despite this view, the Growth Portfolios continue to hold government bonds. With the exception of the German bonds in the Portfolios, all the other bonds in the Portfolios are issued in the currency of the country that has issued the bonds. The German bonds have been issued in Euros, but Germany is seen as the anchor for the Euro.

It is very unusual for a Government to default on bonds issued in their own currency because, at the extreme, they can always print more money. One of the major risks, therefore, in holding these bonds is that the country will print money and essentially devalue their currency. The government bonds held in the Growth Portfolios are therefore protected from changes in exchange rates. Another implication of printing more money is that the country experiences higher inflation, partly due to their lower currency. Under this scenario, bond interest rates are likely to rise which will result in a decline in the price of the government bonds held in the Growth Portfolios. To protect the Portfolios against this risk, a strategy is used which protects the bonds from declines in prices if interest rates start to rise significantly. Over the past few months this strategy has been implemented a number of times, in particular on the United States, United Kingdom and Australian bonds held in

the Growth Portfolios. This strategy removes the interest rate sensitivity from the bonds through selling bond futures. In effect, this turns the government bonds held in the Portfolios into a cash holding and again, because the currency exposure is hedged back to the New Zealand dollar, this cash holding is essentially a New Zealand dollar cash holding.

This means that if the interest rate strategy is in place while the Growth Portfolios hold government bonds, in reality this is converted back to New Zealand dollar cash, but instead of being held at a bank the cash is effectively backed by the ability of governments to issue their own currency. In the current environment, despite the concern over the level of government debt, the bond holdings in the Growth Portfolios act as a stabiliser to the Portfolios and are unlikely to experience the difficulties currently seen in Greece.

TAX-ADJUSTED PERFORMANCE TO 30 APRIL 2010 FOR BALANCED GROWTH COMPOSITE STRATEGY* (PART 1)

BGP PERFORMANCE ATTRIBUTION	1 MONTH	3 MONTH	6 MONTH
Positive	Shares; currency	Australasian shares; global shares; currency	Australasian shares; global shares
Neutral	Cash	Cash	Cash
Negative	External manager performance	Bonds	Bonds



COMPARISON	BGP 1 MONTH	BGP 3 MONTH	BGP 6 MONTH	BGP 1 YEAR	COMPOSITE 2 YEAR PA	COMPOSITE 5 YEAR PA	COMPOSITE 7 YEAR PA	COMPOSITE SINCE INCEPTION ¹	COMPOSITE MAXIMUM DRAWDOWN ^x
Balanced Growth Composite Strategy*	0.60%	3.76%	2.52%	4.27%	0.73%	1.81%	4.89%	15.89%	-29.24%
Comparative index**	-0.43%	3.41%	6.01%	9.88%	0.34%	3.79%	4.52%	12.86%	-22.91%

¹ Pre-tax equivalent gross return. IMPORTANT: Please refer to the slide that follows for the footnotes relating to this slide.

TAX-ADJUSTED PERFORMANCE TO 30 APRIL 2010 FOR BALANCED GROWTH COMPOSITE STRATEGY* (PART 2)

Tax-adjusted Performance

- * The Balanced Growth Composite Strategy is a tax-adjusted composite strategy stated after portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Balanced Growth Composite Strategy

The Balanced Growth Composite Strategy is made up of the Conservative Growth Strategy (CGS) from 20 February 2001 to 28 February 2008, and the Balanced Growth Portfolio (BGP) from 28 February 2008 onwards.

CGS was established as an Australian Unit Trust. BGP is a PIE. The tax-adjusted composite strategy is designed to remove, as much as possible, the impact of the different tax regimes that applied during the calculation period. By doing so it enables the returns from CGS and BGP to be represented in a substantially consistent manner without tax distortions.

The Balanced Growth Composite Strategy covers four different tax regimes, and accordingly the use of different calculation methods is necessary to remove the impact of the various regimes. These are:

i) The period to 30 September 2005. Australian Unit Trust returns were generally not taxable to investors, and to provide a comparison the returns have been grossed up by 33% to reflect that actual returns were after tax.

ii) The period from 1 October 2005 to 31 March 2007. Investors were only taxable on distributions made by Australian Unit Trusts. The returns have therefore been grossed up by 33% and adjusted for any tax payable on distributions made.

iii) The period from 1 April 2007 to 28 February 2008. Australian Unit Trust holdings were subject to the Fair Dividend Rate regime. The returns have been grossed up by the tax amount payable under the Fair Dividend Rate regime.

iv) The period from 28 February 2008. PIE returns are reported gross of tax, and as such no adjustment has been made to returns attributable to BGP.

This calculation is undertaken for comparative purposes only, and should not be confused with the portfolio return generated from either CGS or BGP. More details on these calculations, together with the formulae used, are available on request from New Zealand Funds Management.

TAX-ADJUSTED PERFORMANCE TO 30 APRIL 2010 FOR BALANCED GROWTH COMPOSITE STRATEGY* (PART 3)

Comparative Index

** The comparative index is made up of 25% MSCI World Index (hedged), 25% MSCI World Index (unhedged) and 50% New Zealand Government Bond Index. All index figures are sourced from Bloomberg. A fee of 1.75% pa has been deducted to reflect the cost of obtaining a passive global share market exposure using an Exchange Traded Fund, the brokerage associated with purchasing it, the cost of hedging part of this exposure, and the spread on government bonds. The comparative index is stated on a pre-tax basis.

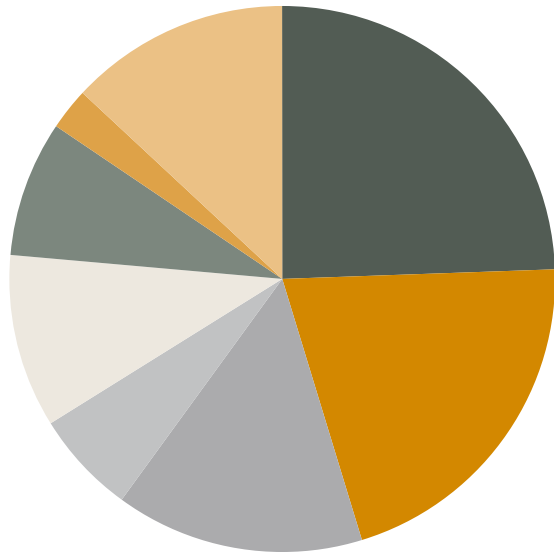
Maximum Drawdown

x Returns should be looked at in conjunction with the level of risk associated with an investment. For this reason, the 'maximum drawdown' is included for both the strategy and the comparison. The maximum drawdown is a measure of volatility and represents the largest decline in value experienced during the reporting period.

* The Balanced Growth Composite Strategy is a tax-adjusted composite strategy stated after portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

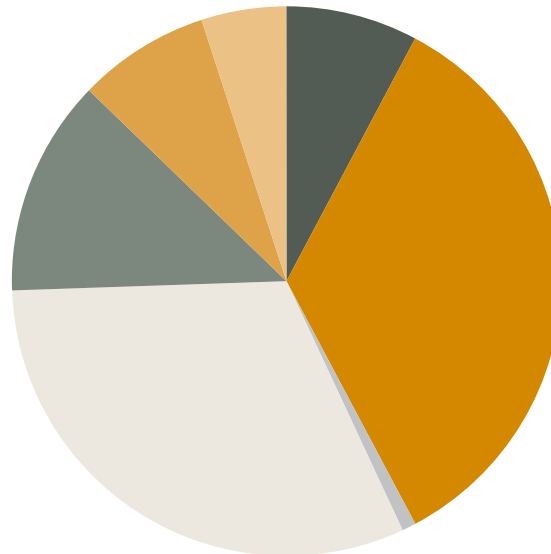
ASSET ALLOCATION (%)

January 2009



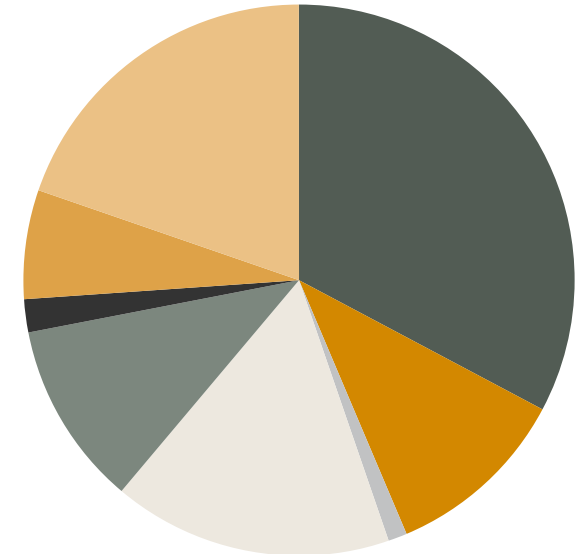
● CASH	28
● GOVERNMENT BONDS	24
● CORPORATE BONDS	17
● LOANS	7
● GLOBAL SHARES (HEDGED)	12
● AUSTRALASIAN SHARES (HEDGED)	9
● ABSOLUTE RETURN STRATEGIES	3
● CURRENCY STRATEGIES	15
TOTAL	115

January 2010



● CASH	8
● GOVERNMENT BONDS	35
● LOANS	1
● GLOBAL SHARES (UNHEDGED)	32
● AUSTRALASIAN SHARES (UNHEDGED)	13
● ABSOLUTE RETURN STRATEGIES	8
● CURRENCY STRATEGIES	5
TOTAL	102

April 2010



● CASH	42
● GOVERNMENT BONDS (PARTIALLY HEDGED)	14
● LOANS	1
● GLOBAL SHARES (UNHEDGED)	21
● AUSTRALASIAN SHARES (UNHEDGED)	14
● COMMODITIES	3
● ABSOLUTE RETURN STRATEGIES	8
● CURRENCY STRATEGIES	25
TOTAL	128

COMPLETE PORTFOLIO AS AT 29 APRIL 2010

PORTFOLIO SUMMARY

Yield ¹	4.5%
Income strategies	57%
Growth strategies	46%
Currency strategies	25%
Total economic exposure	128%

STRATEGY / SECURITY	MANAGER	ASSET CLASS	PORTFOLIO VALUE	PORTFOLIO ALLOCATION	YIELD
INCOME STRATEGIES				57.0%	
Bank deposits / Bank bills	NZ Funds	Cash	\$4,851,456	16.3%	2.6%
Global government bonds & global shares hedge	NZ Funds	Cash	\$7,629,144	25.6%	3.9%
New Zealand government bonds	NZ Funds	Government bonds	\$1,405,854	4.7%	5.9%
United States government bonds	NZ Funds	Government bonds	\$1,348,717	4.5%	6.2%
German government bonds	NZ Funds	Government bonds	\$1,329,671	4.5%	5.3%
Australian government bonds	NZ Funds	Government bonds	\$1,328,966	4.5%	4.1%
United Kingdom government bonds	NZ Funds	Government bonds	\$1,207,638	4.1%	6.1%
Loans (via Private Loan Trust)	Fidelity	New Zealand direct loans	\$388,766	1.3%	7.6%
Global government bonds – Futures	NZ Funds	Government bonds	-\$2,536,603	-8.5%	2.8%
GROWTH STRATEGIES				45.6%	
Australasian shares – High dividend yield	NZ Funds	Australasian shares	\$4,098,439	13.8%	6.7%
Global shares – Growth	T Rowe Price	Global shares	\$3,184,698	10.7%	5.2%
Global shares – High dividend yield	Tweedy Browne	Global shares	\$2,827,536	9.5%	6.6%
Global shares – Defensive	Platinum	Global shares	\$2,797,772	9.4%	2.3%
Global shares – Active	Odey	Global shares	\$2,500,137	8.4%	4.5%
Absolute returns – Global macro	Odey	Absolute returns	\$1,030,056	3.5%	n/a
Absolute returns – Opportunistic	Eclectica	Absolute returns	\$965,053	3.2%	n/a
Commodities – Futures	Standard & Poor's	Commodities	\$744,088	2.5%	n/a
Absolute returns – Managed futures	Aspect Capital	Absolute returns	\$505,028	1.7%	n/a
Global shares – Futures	NZ Funds	Global shares	-\$5,092,541	-17.1%	4.4%
CURRENCY STRATEGIES				25.0%	
United States Dollar/Euro	NZ Funds	Currency	\$1,488,177	5.0%	n/a
New Zealand Dollar/United States Dollar	NZ Funds	Currency	\$1,500,082	5.0%	n/a
New Zealand Dollar/Yen	NZ Funds	Currency	\$1,482,224	5.0%	n/a
Swiss Franc/Yen	NZ Funds	Currency	\$1,479,248	5.0%	n/a
Norwegian Krone/United States Dollar	NZ Funds	Currency	\$1,476,271	5.0%	n/a
TOTAL ECONOMIC EXPOSURE²			\$36,463,605	127.5%	

¹ The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the investment managers involved in managing the Portfolio, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this portfolio summary. The yield is not the return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from New Zealand Funds Management. ² Total economic exposure represents the total economic value of a Portfolio, which is the gross asset value of the Portfolio adjusted for the effect of direct or indirect derivative positions taken by the Portfolio. Note: Rounding may affect the subtotals and totals.

TAX-ADJUSTED PERFORMANCE TO 30 APRIL 2010 FOR DIVERSIFIED GROWTH COMPOSITE STRATEGY* (PART 1)

DGP PERFORMANCE ATTRIBUTION	1 MONTH	3 MONTH	6 MONTH
Positive	Shares; currency	Australasian shares; global shares; currency	Australasian shares; global shares
Neutral	Cash	Cash	Cash
Negative	External manager performance	Bonds	Bonds



COMPARISON	DGP 1 MONTH	DGP 3 MONTH	DGP 6 MONTH	DGP 1 YEAR	COMPOSITE 2 YEAR PA	COMPOSITE 5 YEAR PA	COMPOSITE 7 YEAR PA	COMPOSITE SINCE INCEPTION ¹	COMPOSITE MAXIMUM DRAWDOWN ^x
Diversified Growth Composite Strategy*	0.68%	5.09%	3.80%	7.45%	0.59%	5.09%	8.04%	178.55%	-38.83%
Comparative index**	-0.69%	4.47%	7.42%	13.10%	-2.45%	3.26%	4.41%	130.91%	-40.22%

¹ Pre-tax equivalent gross return. IMPORTANT: Please refer to the slide that follows for the footnotes relating to this slide.

TAX-ADJUSTED PERFORMANCE TO 30 APRIL 2010 FOR DIVERSIFIED GROWTH COMPOSITE STRATEGY* (PART 2)

Tax-adjusted Performance

- * The Diversified Growth Composite Strategy is a tax-adjusted composite strategy stated after portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Diversified Growth Composite Strategy

The Diversified Growth Composite Strategy is made up of the Balanced Selection Trust (SBT) from 30 November 1992 to 14 March 1995, the Medium Growth Portfolio Trust (PMG) from 14 March 1995 to 20 February 2001, the Diversified Growth Strategy (DGS) from 20 February 2001 to 28 February 2008, and the Diversified Growth Portfolio (DGP) from 28 February 2008 onwards.

SBT and PMG were New Zealand Unit Trusts, DGS was established as an Australian Unit Trust. DGP is a PIE. The tax-adjusted composite strategy is designed to remove, as much as possible, the impact of the different tax regimes that applied during the calculation period. By doing so it enables the returns from SBT, PMG, DGS and DGP to be represented in a substantially consistent manner without tax distortions.

The Diversified Growth Composite Strategy covers five different tax regimes, and accordingly the use of different calculation methods is necessary to remove the impact of the various regimes. These are:

- i) The period to 20 February 2001. New Zealand Unit Trust returns were reported net of tax and have been grossed up by 33% (being the tax rate applicable to New Zealand Unit Trusts) to reflect the pre-tax position.
- ii) The period 20 February 2001 to 30 September 2005. Australian Unit Trust returns were generally not taxable to investors, and to provide a comparison the returns have been grossed up by 33% to reflect that actual returns were after tax.
- iii) The period from 1 October 2005 to 31 March 2007. Investors were only taxable on distributions made by Australian Unit Trusts. The returns have therefore been grossed up by 33% and adjusted for any tax payable on distributions made.
- iv) The period from 1 April 2007 to 28 February 2008. Australian Unit Trust holdings were subject to the Fair Dividend Rate regime. The returns have been grossed up by the tax amount payable under the Fair Dividend Rate regime.
- v) The period from 28 February 2008. PIE returns are reported gross of tax, and as such no adjustment has been made to returns attributable to DGP.

This calculation is undertaken for comparative purposes only, and should not be confused with the portfolio return generated from either SBT, PMG, DGS or DGP. More details on these calculations, together with the formulae used, are available on request from New Zealand Funds Management.

TAX-ADJUSTED PERFORMANCE TO 30 APRIL 2010 FOR DIVERSIFIED GROWTH COMPOSITE STRATEGY* (PART 3)

Comparative Index

** The comparative index is made up of 35% MSCI World Index (hedged), 35% MSCI World Index (unhedged) and 30% New Zealand Government Bond Index. All index figures are sourced from Bloomberg. A fee of 1.75% pa has been deducted to reflect the cost of obtaining a passive global share market exposure using an Exchange Traded Fund, the brokerage associated with purchasing it, the cost of hedging part of this exposure, and the spread on government bonds. The comparative index is stated on a pre-tax basis.

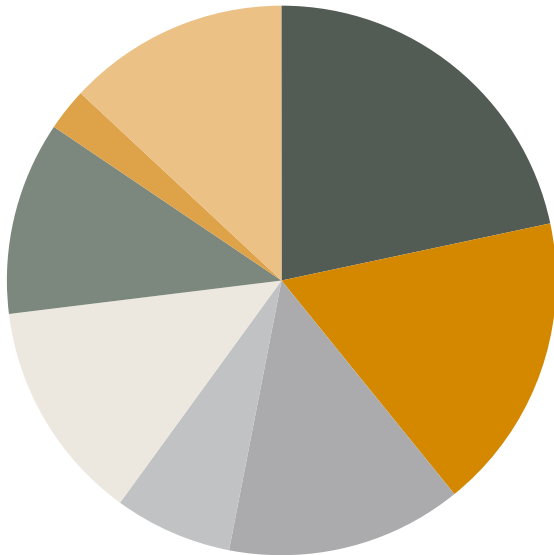
Maximum Drawdown

x Returns should be looked at in conjunction with the level of risk associated with an investment. For this reason, the 'maximum drawdown' is included for both the strategy and the comparison. The maximum drawdown is a measure of volatility and represents the largest decline in value experienced during the reporting period.

* The Diversified Growth Composite Strategy is a tax-adjusted composite strategy stated after portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

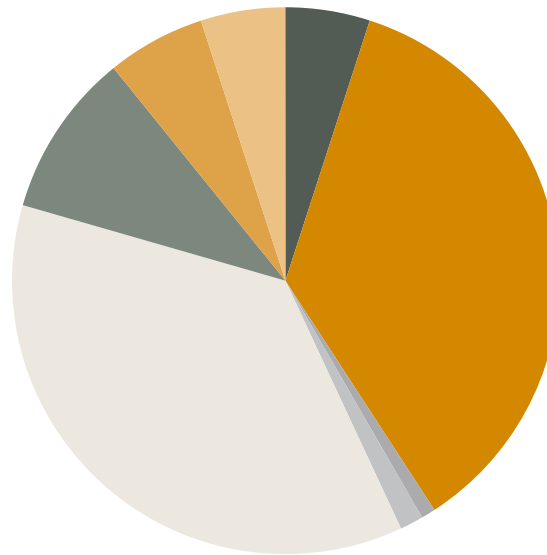
ASSET ALLOCATION (%)

January 2009



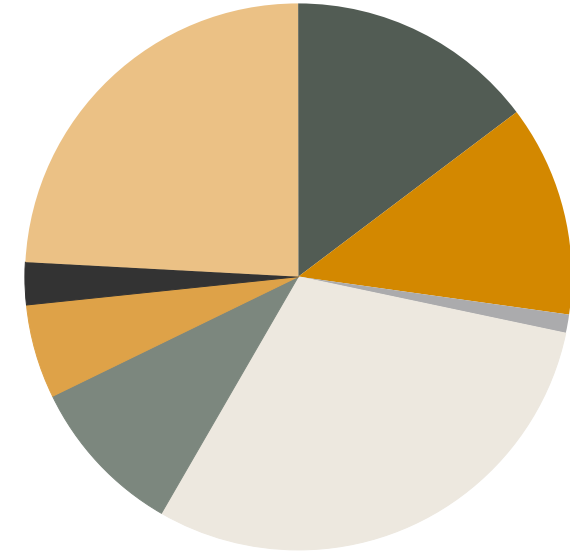
● CASH	25
● GOVERNMENT BONDS	20
● CORPORATE BONDS	16
● LOANS	8
● GLOBAL SHARES (HEDGED)	15
● AUSTRALASIAN SHARES (HEDGED)	13
● ABSOLUTE RETURN STRATEGIES	3
● CURRENCY STRATEGIES	15
TOTAL	115

January 2010



● CASH	7
● GOVERNMENT BONDS	49
● CORPORATE BONDS	1
● LOANS	2
● GLOBAL SHARES (UNHEDGED)	50
● AUSTRALASIAN SHARES (UNHEDGED)	13
● ABSOLUTE RETURN STRATEGIES	8
● CURRENCY STRATEGIES	7
TOTAL	137

April 2010



● CASH	21
● GOVERNMENT BONDS (PARTIALLY HEDGED)	18
● LOANS	2
● GLOBAL SHARES (UNHEDGED)	43
● AUSTRALASIAN SHARES (UNHEDGED)	14
● ABSOLUTE RETURN STRATEGIES	4
● COMMODITIES	8
● CURRENCY STRATEGIES	35
TOTAL	145

COMPLETE PORTFOLIO AS AT 29 APRIL 2010

PORTFOLIO SUMMARY

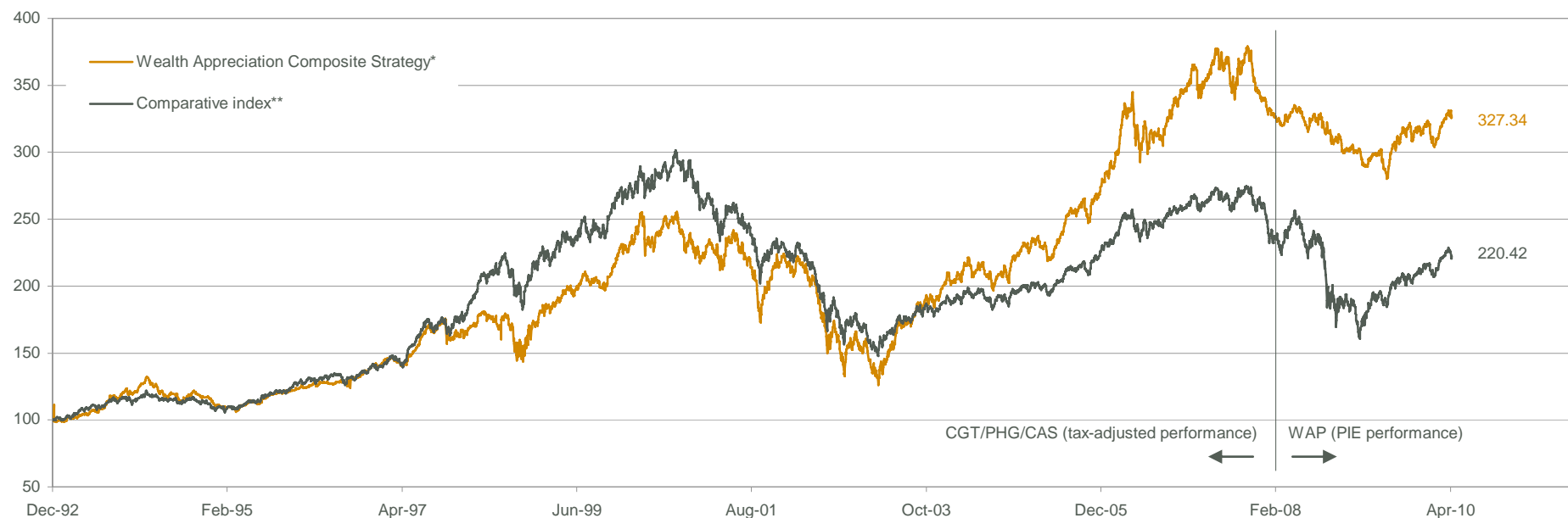
Yield ¹	4.9%
Income strategies	41%
Growth strategies	68%
Currency strategies	35%
Total economic exposure	145%

STRATEGY / SECURITY	MANAGER	ASSET CLASS	PORTFOLIO VALUE	PORTFOLIO ALLOCATION	YIELD
INCOME STRATEGIES				41.1%	
Bank deposits / Bank bills	NZ Funds	Cash	\$8,114,611	9.9%	2.6%
Global government bonds hedge	NZ Funds	Cash	\$9,255,115	11.3%	2.8%
New Zealand government bonds	NZ Funds	Government bonds	\$5,129,434	6.3%	5.9%
United States government bonds	NZ Funds	Government bonds	\$4,920,962	6.0%	6.2%
German government bonds	NZ Funds	Government bonds	\$4,851,472	5.9%	5.3%
Australian government bonds	NZ Funds	Government bonds	\$4,848,898	5.9%	4.1%
United Kingdom government bonds	NZ Funds	Government bonds	\$4,406,217	5.4%	6.1%
Loans (via Private Loan Trust)	Fidelity	New Zealand direct loans	\$1,415,452	1.7%	7.6%
Global government bonds – Futures	NZ Funds	Government bonds	-\$9,255,115	-11.3%	2.8%
GROWTH STRATEGIES				68.3%	
Australasian shares – High dividend yield	NZ Funds	Australasian shares	\$11,147,344	13.6%	6.7%
Global shares – Defensive	Platinum	Global shares	\$8,278,543	10.1%	2.3%
Global shares – High dividend yield	Tweedy Browne	Global shares	\$7,819,534	9.5%	6.6%
Global shares – Growth	T Rowe Price	Global shares	\$7,704,782	9.4%	5.2%
Global shares – Active	Odey	Global shares	\$6,803,159	8.3%	4.5%
Global shares – Futures	NZ Funds	Global shares	\$4,827,784	5.9%	4.4%
Commodities – Futures	Standard & Poor's	Commodities	\$2,868,802	3.5%	n/a
Absolute returns – Opportunistic	Eclectica	Absolute returns	\$2,622,905	3.2%	n/a
Absolute returns – Global macro	Odey	Absolute returns	\$2,590,118	3.2%	n/a
Absolute returns – Managed futures	Aspect Capital	Absolute returns	\$1,295,059	1.6%	n/a
CURRENCY STRATEGIES				35.0%	
United States Dollar/Euro	NZ Funds	Currency	\$5,737,604	7.0%	n/a
New Zealand Dollar/United States Dollar	NZ Funds	Currency	\$5,770,390	7.0%	n/a
New Zealand Dollar/Yen	NZ Funds	Currency	\$5,721,211	7.0%	n/a
Swiss Franc/Yen	NZ Funds	Currency	\$5,745,800	7.0%	n/a
Norwegian Krone/United States Dollar	NZ Funds	Currency	\$5,704,817	7.0%	n/a
TOTAL ECONOMIC EXPOSURE²			\$112,620,080	145.0%	

¹ The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the investment managers involved in managing the Portfolio, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this portfolio summary. The yield is not the return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from New Zealand Funds Management. ² Total economic exposure represents the total economic value of a Portfolio, which is the gross asset value of the Portfolio adjusted for the effect of direct or indirect derivative positions taken by the Portfolio. Note: Rounding may affect the subtotals and totals.

TAX-ADJUSTED PERFORMANCE TO 30 APRIL 2010 FOR WEALTH APPRECIATION COMPOSITE STRATEGY* (PART 1)

WAP PERFORMANCE ATTRIBUTION	1 MONTH	3 MONTH	6 MONTH
Positive	Shares; currency	Australasian shares; global shares; currency	Australasian shares; global shares
Neutral	Cash	Cash	Cash
Negative	External manager performance	Bonds	Bonds



COMPARISON	WAP 1 MONTH	WAP 3 MONTH	WAP 6 MONTH	WAP 1 YEAR	COMPOSITE 2 YEAR PA	COMPOSITE 5 YEAR PA	COMPOSITE 7 YEAR PA	COMPOSITE SINCE INCEPTION ¹	COMPOSITE MAXIMUM DRAWDOWN ^x
Wealth Appreciation Composite Strategy*	0.76%	6.52%	6.06%	10.30%	-0.41%	8.31%	11.56%	227.34%	-50.65%
Comparative index**	-0.95%	5.54%	8.82%	16.33%	-5.37%	2.60%	4.18%	120.42%	-51.04%

¹ Pre-tax equivalent gross return. IMPORTANT: Please refer to the slide that follows for the footnotes relating to this slide

TAX-ADJUSTED PERFORMANCE TO 30 APRIL 2010 FOR WEALTH APPRECIATION COMPOSITE STRATEGY* (PART 2)

Tax-adjusted Performance

- * The Wealth Appreciation Composite Strategy is a tax-adjusted composite strategy stated after portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Wealth Appreciation Composite Strategy

The Wealth Appreciation Composite Strategy is made up of the Capital Growth Trust (CGT) from 2 December 1992 to 14 March 1995, the High Growth Portfolio Trust (PHG) from 14 March 1995 to 20 February 2001, the Capital Appreciation Strategy (CAS) from 20 February 2001 to 28 February 2008, and the Wealth Appreciation Portfolio (WAP) from 28 February 2008 onwards.

CGT and PHG were New Zealand Unit Trusts. CAS was established as an Australian Unit Trust. WAP is a PIE. The tax-adjusted composite strategy is designed to remove, as much as possible, the impact of the different tax regimes that applied during the calculation period. By doing so it enables the returns from CGT, PHG, CAS and WAP to be represented in a substantially consistent manner without tax distortions.

The Wealth Appreciation Composite Strategy covers five different tax regimes, and accordingly the use of different calculation methods is necessary to remove the impact of the various regimes. These are:

- i) The period to 20 February 2001. New Zealand Unit Trust returns were reported net of tax and have been grossed up by 33% (being the tax rate applicable to New Zealand Unit Trusts) to reflect the pre-tax position.
- ii) The period 20 February 2001 to 30 September 2005. Australian Unit Trust returns were generally not taxable to investors, and to provide a comparison the returns have been grossed up by 33% to reflect that actual returns were after tax.
- iii) The period from 1 October 2005 to 31 March 2007. Investors were only taxable on distributions made by Australian Unit Trusts. The returns have therefore been grossed up by 33% and adjusted for any tax payable on distributions made.
- iv) The period from 1 April 2007 to 28 February 2008. Australian Unit Trust holdings were subject to the Fair Dividend Rate regime. The returns have been grossed up by the tax amount payable under the Fair Dividend Rate regime.
- v) The period from 28 February 2008. PIE returns are reported gross of tax, and as such no adjustment has been made to returns attributable to WAP.

This calculation is undertaken for comparative purposes only, and should not be confused with the portfolio return generated from either CGT, PHG, CAS or WAP. More details on these calculations, together with the formulae used, are available on request from New Zealand Funds Management.

TAX-ADJUSTED PERFORMANCE TO 30 APRIL 2010 FOR WEALTH APPRECIATION COMPOSITE STRATEGY* (PART 3)

Comparative Index

** The comparative index is made up of 45% MSCI World Index (hedged), 45% MSCI World Index (unhedged) and 10% New Zealand Government Bond Index. All index figures are sourced from Bloomberg. A fee of 1.75% pa has been deducted to reflect the cost of obtaining a passive global share market exposure using an Exchange Traded Fund, the brokerage associated with purchasing it, the cost of hedging part of this exposure, and the spread on government bonds. The comparative index is stated on a pre-tax basis.

Maximum Drawdown

x Returns should be looked at in conjunction with the level of risk associated with an investment. For this reason, the 'maximum drawdown' is included for both the strategy and the comparison. The maximum drawdown is a measure of volatility and represents the largest decline in value experienced during the reporting period.

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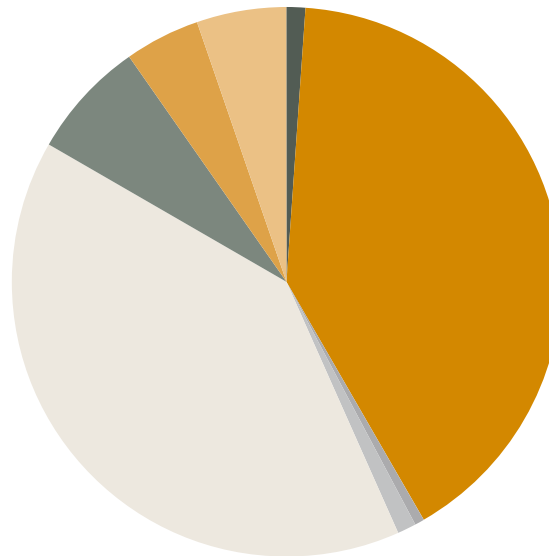
ASSET ALLOCATION (%)

January 2009



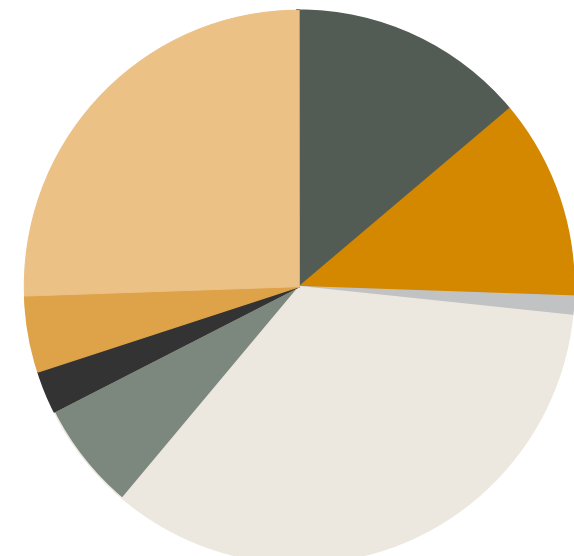
● CASH	25
● GOVERNMENT BONDS	15
● CORPORATE BONDS	14
● LOANS	7
● GLOBAL SHARES (HEDGED)	17
● AUSTRALASIAN SHARES (HEDGED)	18
● ABSOLUTE RETURN STRATEGIES	4
● CURRENCY STRATEGIES	15
TOTAL	115

January 2010



● CASH	2
● GOVERNMENT BONDS	70
● CORPORATE BONDS	1
● LOANS	2
● GLOBAL SHARES (UNHEDGED)	69
● AUSTRALASIAN SHARES (UNHEDGED)	12
● ABSOLUTE RETURN STRATEGIES	8
● CURRENCY STRATEGIES	9
TOTAL	173

April 2010



● CASH	25
● GOVERNMENT BONDS	21
● LOANS	2
● GLOBAL SHARES (UNHEDGED)	61
● AUSTRALASIAN SHARES (UNHEDGED)	12
● COMMODITIES	5
● ABSOLUTE RETURN STRATEGIES	8
● CURRENCY STRATEGIES	45
TOTAL	179

COMPLETE PORTFOLIO AS AT 29 APRIL 2010

PORTFOLIO SUMMARY

Yield ¹	5.8%
Income strategies	47%
Growth strategies	85%
Currency strategies	45%
Total economic exposure	179%

STRATEGY / SECURITY	MANAGER	ASSET CLASS	PORTFOLIO VALUE	PORTFOLIO ALLOCATION	YIELD
INCOME STRATEGIES				47.0%	
Bank deposits / Bank bills	NZ Funds	Cash	\$15,531,593	11.9%	2.6%
Global government bonds hedge	NZ Funds	Cash	\$16,708,548	12.8%	2.8%
New Zealand government bonds	NZ Funds	Government bonds	\$9,260,327	7.1%	5.9%
United States government bonds	NZ Funds	Government bonds	\$8,883,967	6.8%	6.2%
German government bonds	NZ Funds	Government bonds	\$8,758,513	6.7%	5.3%
Australian government bonds	NZ Funds	Government bonds	\$8,753,867	6.7%	4.1%
United Kingdom government bonds	NZ Funds	Government bonds	\$7,954,682	6.1%	6.1%
Loans (via Private Loan Trust)	Fidelity	New Zealand direct loans	\$2,256,847	1.7%	7.6%
Global government bonds – Futures	NZ Funds	Government bonds	-\$16,708,548	-12.8%	2.8%
GROWTH STRATEGIES				84.9%	
Global shares – Futures	NZ Funds	Global shares	\$35,787,923	27.4%	4.4%
Australasian shares – High dividend yield	NZ Funds	Australasian shares	\$15,009,523	11.5%	6.7%
Global shares – High dividend yield	Tweedy Browne	Global shares	\$11,616,065	8.9%	6.6%
Global shares – Growth	T Rowe Price	Global shares	\$10,793,805	8.3%	5.2%
Global shares – Active	Odey	Global shares	\$10,754,649	8.2%	4.5%
Global shares – Defensive	Platinum	Global shares	\$10,611,080	8.1%	2.3%
Commodities – Futures	Standard & Poor's	Commodities	\$5,873,291	4.5%	n/a
Absolute returns – Global macro	Odey	Absolute returns	\$4,248,086	3.3%	n/a
Absolute returns – Opportunistic	Eclectica	Absolute returns	\$3,980,003	3.0%	n/a
Absolute returns – Managed futures	Aspect Capital	Absolute returns	\$2,082,800	1.6%	n/a
CURRENCY STRATEGIES				45.0%	
United States Dollar/Euro	NZ Funds	Currency	\$11,746,583	9.0%	n/a
New Zealand Dollar/United States Dollar	NZ Funds	Currency	\$11,798,790	9.0%	n/a
New Zealand Dollar/Yen	NZ Funds	Currency	\$11,707,428	9.0%	n/a
Swiss Franc/Yen	NZ Funds	Currency	\$11,733,531	9.0%	n/a
Norwegian Krone/United States Dollar	NZ Funds	Currency	\$11,694,376	9.0%	n/a
TOTAL ECONOMIC EXPOSURE²			\$219,143,352	179.0%	

¹ The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the investment managers involved in managing the Portfolio, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this portfolio summary. The yield is not the return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from New Zealand Funds Management. ² Total economic exposure represents the total economic value of a Portfolio, which is the gross asset value of the Portfolio adjusted for the effect of direct or indirect derivative positions taken by the Portfolio. Note: Rounding may affect the subtotals and totals.

For further information or to request a copy of the Investment Statement, please contact New Zealand Funds Management Limited.

Past performance is not necessarily an indication of future returns.

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