

MANAGER INSIGHT – 30 APRIL 2010

The driver of the Portfolio's performance is the level of interest rates offered on the call deposits it holds with a range of New Zealand banks. In turn, the returns from these call deposits are driven by New Zealand's Official Cash Rate which is set by the Reserve Bank of New Zealand (RBNZ).

The Portfolio has returned 0.18%¹ for April versus the NZX Call Index return of 0.21%². Over the past 12 months it has returned 2.21%¹ versus the NZX Call Index return of 2.53%².

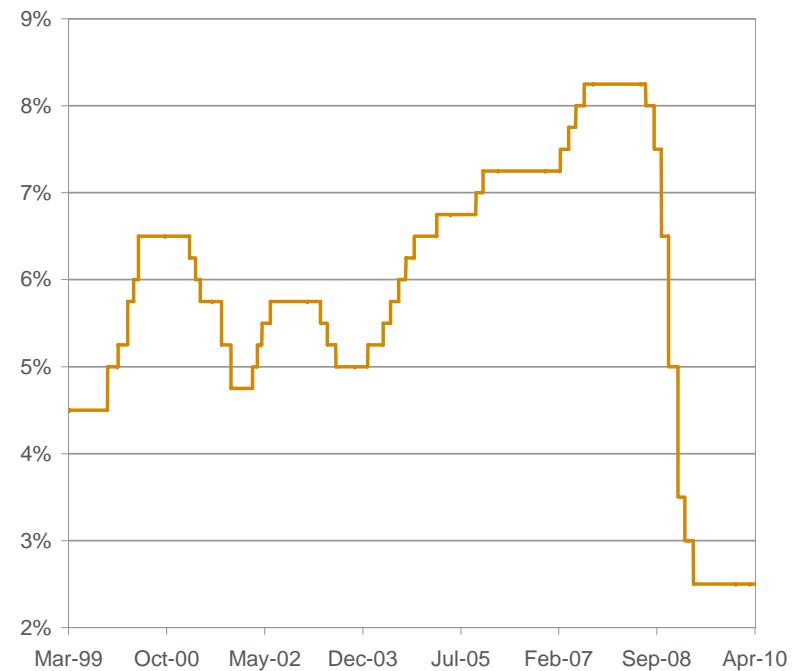
At the end of April, the RBNZ again left the Official Cash Rate at 2.50%. This is the lowest it has been since inception in 1999. This level represents a 5.75% decline from its highs when the Official Cash Rate was 8.25%, as shown in the accompanying chart. This rapid reduction in the Official Cash Rate was in response to the deteriorating global outlook, tightening credit conditions, widening interest rate spreads and continued contraction in the New Zealand economy. The stimulus provided by the low Official Cash Rate has contributed to the New Zealand economy recovering broadly as expected by the RBNZ and growth is predicted to pick up further through 2010.

The RBNZ reiterated that they expect to increase the Official Cash Rate "over the coming months". The Official Cash Rate the RBNZ will be targeting will be to a neutral level of around 5.00%. As we get closer to these Official Cash Rate rises, the rates available from the call deposits are likely to rise.

The Portfolio remains invested in call deposits with four New Zealand banks. This provides a diversified, liquid bank exposures to which the Crown Deposit Guarantee Scheme is applied. By investing in these call deposits, the

Portfolio will be able to benefit immediately from the Official Cash Rate hikes. These hikes are expected to start around June or July this year.

New Zealand Official Cash Rate (OCR)

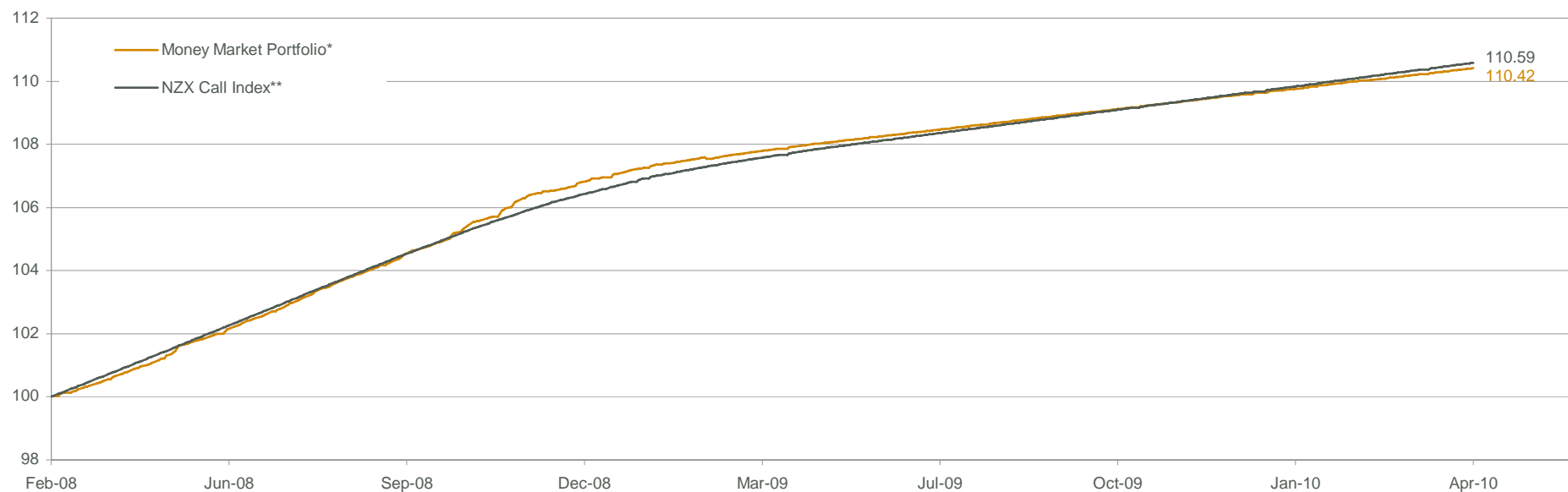


Source: Bloomberg.

¹ Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns. ² Source: Bloomberg.

PERFORMANCE SINCE INCEPTION (28 FEBRUARY 2008) TO 30 APRIL 2010 (PART 1)

MMP PERFORMANCE ATTRIBUTION	1 MONTH	3 MONTH	6 MONTH
Positive	Running yield	Running yield	Running yield
Neutral	Interest rate unchanged	Interest rate unchanged	Interest rate unchanged
Negative	n/a	n/a	n/a



COMPARISON	1 MONTH	3 MONTH	6 MONTH	1 YEAR	2 YEAR PA	5 YEAR PA	7 YEAR PA	SINCE INCEPTION	MAXIMUM DRAWDOWN*
Portfolio*	0.18%	0.53%	1.09%	2.21%	4.45%	-	-	10.42%	-0.04%
NZX Call Index**	0.21%	0.62%	1.25%	2.53%	4.43%	-	-	10.59%	0.00%

IMPORTANT: Please refer to the slide that follows for the footnotes relating to this slide.

PERFORMANCE SINCE INCEPTION (28 FEBRUARY 2008) TO 30 APRIL 2010 (PART 2)

Money Market Portfolio

- * Returns are stated after portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Comparative Index

- ** The comparative index is the NZX Call Index. Source: Bloomberg.

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 Portfolio and the comparison. The maximum drawdown is a measure of volatility and represents the largest decline in value experienced during the reporting period.

COMPLETE PORTFOLIO AS AT 30 APRIL 2010

PORTFOLIO SUMMARY

Number of bank exposures	4
Yield	2.3% ¹
Weighted average credit rating	A1+
Weighted average credit spread duration	0 days
Weighted average interest rate duration	0 days

SECTOR / SECURITY	PORTFOLIO VALUE	PORTFOLIO ALLOCATION	WEIGHTED AVERAGE LIFE	S&P RATING	GROSS YIELD
BANK DEPOSITS					
ASB call account	\$12,399,580	25.7%	0 days	A1+	2.5%
BNZ call account	\$12,111,428	25.1%	0 days	A1+	2.5%
ANZ call account	\$12,105,040	25.1%	0 days	A1+	2.6%
Westpac call account	\$11,384,808	23.6%	0 days	A1+	2.5%
Westpac current account	\$229,376	0.5%	0 days	A1+	2.5%
TOTAL ECONOMIC EXPOSURE²	\$48,230,233	100.0%			

¹ The yield is stated after the deduction of management, custodial and trustee fees. The yield is not the actual return of the Portfolio, nor is it a projection or forecast. 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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