



STOCK TAKES



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STAPLE DIET

Globally sharemarkets have performed dismally over the past year, but exposure to companies not affected by global economic growth or sovereign debt show that it is possible to buck the trend, according to NZ Funds Management.

Officially the bear market ended nearly two years ago but for investors it may look like it is ongoing, said chief investment officer Michael Lang.

So far this year the global sharemarket has returned 2.6 per cent, the Australian stock exchange has fallen by 4.4 per cent and the New Zealand sharemarket has eked out a 3.1 per cent return. Usually it is a high risk proposition to try to pick an individual company to buck market trends. But Lang says in some cases fundamentals have little to do with the global economic growth, or sovereign debt

“An alternative approach is to buy a diversified portfolio of shares from a sector such as consumer staples, healthcare or utilities where the underlying business model does not depend on the strength of the economy.”

Year-to-date figures show the global consumer staples sharemarket returned 7.2 per cent and the global healthcare sector 11.4 per cent.