

Eriksen's Master Trust Survey Results To 31 March 1997

Welcome to this first edition of Eriksen's Master Trust Survey. Master trusts give smaller employers a cost-effective way of providing their employees with access to superannuation. The package includes professional trustee services, administration and often choice of investment manager. Most master trusts allow members who leave an employer to retain their membership as an individual which increases portability.

With the wave of legislation (Privacy Act, Human Rights Act and Disclosure Regime etc) threatening to swamp employers in compliance costs the master trust gives concerned employers an option to avoid winding up their schemes. The number of registered superannuation schemes is still falling but the \$630 million asset base of the master trusts surveyed is increasing at 40% per year.

The investment returns are quoted net of tax. All investment managers have beaten inflation. The asset weighted average return has not matched the net cash benchmark for the one and three year returns. The

Reserve Bank's high interest rate policy and volatile investment markets are the main reasons. The recent relative performances of different asset classes have not followed traditional investment theory especially in the year to 31 March 1995 when cash was king. However the two and four year figures show the benefits of diversified portfolios.

If you wish other colleagues or acquaintances to receive a copy of this survey regularly or wish to be removed from our mailing list please advise either Jonathan Eriksen or Fay Redwood.

We welcome your comments and suggestions.

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Fund Name	Fund Size 31/3/97 \$ million	Averaged Annual Returns (Net of Tax and Expenses)			
		1 Year	2 Year	3 Year	4 Year
AMP					
AMP Capital Assured Fund	13.60	5.1	4.2	4.1	4.1
AMP Balanced	65.68	5.8	7.5	5.4	7.2
AMP Low Equity	4.79	6.7	7.4	5.7	6.8
AMP High Equity	13.59	6.0	8.2	4.9	8.0
AMP Capital Stable Fund	9.56	6.0	6.9	5.4	5.8
ANZ Funds Mgmt Balanced	19.40	8.3	9.9	6.5	9.5
Southpac Balanced	6.84	5.1	6.3	4.1	5.4
BZW Balanced	2.11	6.6	7.8	4.7	6.1
Jacques Martin Hewitt					
Cash Management Fund	4.72	5.3	-	-	-
Capital Stable Fund	25.69	5.7	5.7	4.3	5.6
Balanced Fund	31.59	6.2	7.0	5.2	-
Growth Fund	8.52	5.6	8.2	4.6	-
Cornerstone Fund	2.47	4.4	5.1	-	-
Pathfinder Fund	10.58	4.4	6.1	-	-
Vanguard Fund	2.19	4.9	6.6	-	-
Norwich Union					
Deposit Fund	49.30	5.7	6.1	5.6	5.3
Managed Fund	95.00	5.1	7.2	-	-
Prudential					
Conservative Portfolio	0.28	3.3	4.0	-	-
Balanced Growth Portfolio	13.77	6.5	8.9	6.8	7.4
Special Values Portfolio	2.91	7.6	9.5	7.6	8.6
NZ Fixed Interest Portfolio	0.01	8.0	5.5	-	-
International Bond Portfolio	0.04	5.5	5.8	-	-
International Equities Portfolio	0.17	4.1	10.5	-	-
NZ Equity Management Portfolio	0.08	4.5	5.1	-	-
Tower					
Endurance Fund	1.25	5.9	6.2	-	-
Opportunity Fund	1.41	7.5	7.9	-	-
Pioneer Fund	2.08	8.0	9.0	-	-
Explorer Fund	0.38	7.8	10.2	-	-
Westpac					
Dynamic Fund	74.91	3.2	5.2	2.8	4.2
Balanced Fund	127.73	3.2	5.0	2.9	4.1
Accumulation Fund	47.27	5.4	5.2	4.6	4.5
All Funds	637.92	4.9	6.3	4.3	5.3
Cash Benchmark (net)		6.3	6.2	5.8	5.3
CPI Index		1.8	2.0	2.7	2.3

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