

Eriksen's Master Trust Survey Results To 31 March 2001

Results for the first Eriksen's Master Trust Survey of this millennium are a reminder that markets go down as well as up. The average return for the last year was -1.2%, a spectacular but disappointing rather than exciting result.

During the last dozen or so years, people have been well rewarded for taking the additional risks of investing in equities. Over the last year the risk was there but the reward was not. Although a correction has been likely for some years, it was painful when it happened. Shockwaves from the resulting lack of confidence will be felt for some time.

Funds invested in the U.S. and global equity markets suffered most, as a result of the "correction" to the NASDAQ and the re-rating of technology stocks (especially the telcos and dot-coms).

Since the end of March the trend has reversed, with Alan Greenspan's consistent cutting of the Federal Reserve Rate, fund flows into U.S. and European markets and some positive economic data such as the U.S. economy's 2% first quarter growth rate.

The question now is whether the bounce back will be sustained. Amongst other factors this will depend on whether the U.S. economy can keep going forward, whether the new Japanese Prime Minister can really make progress, and whether OPEC can keep oil prices in the high 20's.

The Australian and New Zealand markets have also bounced back with positive growth in the last quarter, providing valuable diversification from the major equity markets for those local investors who did not hedge their currency.

Different investment styles have each performed in their own way. Value managers bounced back at the expense of growth managers and defensively invested portfolios survived with low but definitely positive rates of return and no red ink. This shows the importance of choosing the investment manager style and exposure to equities which best suits your risk tolerance. A longer term view is also needed to see beyond the immediate volatility.

The one year returns show the advantages of being defensively invested during turbulent economic conditions. Conservative funds averaged 3.4% whereas balanced funds lost 1.2% and growth funds lost 3.8%. With inflation a touch over 3%, conservative funds on average yielded a positive 0.3%. However this is still less than your money would have earned in the bank during the year.

Although the risks of an equity fall were signalled in the December quarter, very few members switched funds into the conservative offerings. Overall the proportion of funds in the various sectors remained much the same. Growth funds continue to attract 20% of total funds, balanced funds make up 70% of the total and conservative funds make up the remaining 10%.

This survey we welcome the ASB Funds Management Balanced Fund. We have also reclassified the BT balanced funds offered by AMP and Tower as balanced rather than growth funds since other balanced funds now have similarly high proportions of growth assets.

We are now including total value of all Tower funds (not just employer sponsored) for ease of comparison with other participants.

The Colonial funds have been renamed Sovereign, now that Sovereign has taken over Colonial First State's retail investment products. Colonial First State remains an active wholesale manager of those Sovereign products in addition to their wholesale clients.

Over the last four years we have been steadily adding new funds to the survey. However we now cannot fit any more funds on to the page. As a result, from the next survey, we will be offering separate electronic and paper versions.

Contact us at:

<i>Auckland</i>	<i>auckland@eriksensglobal.com</i>	<i>Ph 64 9 486 3144</i>
<i>Wellington</i>	<i>wellington@eriksensglobal.com</i>	<i>Ph 64 4 470 6144</i>
<i>Sydney</i>	<i>sydney@eriksensglobal.com</i>	<i>Ph 61 2 9223 3747</i>

Eriksen's Master Trust Survey

Results To 31 March 2001

Fund Name	Fund Size \$ million	Annual Returns (Net of Tax & Expenses)					No. of Employers
		1 Year	2 Year	3 Year	4 Year	5 Year	
Growth Funds							
Sovereign Australasian Equities	0.2	5.5	2.1	2.8	4.1	4.1	
Tower Focus NZ Shares	69.1	4.6	5.1	4.7	5.4	6.3	251
Jacques Martin Asset Growth	13.6	1.6	4.9	5.5			127
Tower ANZ Growth	1.0	0.7	4.2	3.2			244
Tower BNZ Dynamic Growth	2.1	-1.7	4.3	3.5			244
WestpacTrust Dynamic	202.3	-2.2	3.4	4.2	6.6	5.9	
Sovereign Special Values	4.3	-3.3	5.7	4.2	6.8	7.0	
GRT Individual Retirement Plan Growth	9.2	-6.0	3.2	4.7	8.1	7.3	
Sovereign International Equities	0.7	-8.2	9.1	7.1	9.2	8.1	
Tower Focus International Shares	42.6	-9.2	1.4	1.3	7.6	7.5	255
AMP High Equity	120.3	-9.9	1.9	4.9	8.7	8.0	
<i>All Growth Funds</i>	<i>465.4</i>	<i>-3.8</i>	<i>3.2</i>	<i>4.2</i>	<i>7.1</i>	<i>6.7</i>	
Balanced Funds							
Tower ANZ Market Balanced	0.7	3.7	4.2	3.2			244
Tower Investment Linked		2.9	4.2	4.6	7.0	7.1	298
AMP ANZ Balanced	54.4	2.8	3.7	4.8	6.2	6.5	
Jacques Martin Balanced	101.2	1.1	3.8	5.6	6.6	6.6	127
Tower BNZ Balanced Growth	0.8	1.0	4.0	3.2			244
WestpacTrust Balanced	354.9	0.9	3.8	4.5	6.0	5.4	
Tower BT Managed Growth	6.1	0.3	5.7	5.8	6.8	7.1	244
AXA NZ Managed	28.4	0.1	4.2	3.4	5.8	5.2	
Sovereign Balanced Growth	10.3	-0.1	5.8	5.0	6.4	6.4	
Royal & Sun Alliance Managed Fund		-0.3	3.7	4.8	6.5	6.2	23
AMP BT	27.3	-0.7	4.7	4.9	5.9	6.3	
AXA NZ Balanced	22.3	-1.8	2.1	2.6	5.0	4.8	
GRT Individual Retirement Plan Balanced	17.3	-2.3	2.9	4.5	6.9	6.5	
AXA NZ Spread Managers	67.9	-3.2	4.5	3.4	5.7		
Planit Plans Diversified	21.7	-3.6	4.2				
ASB Funds Management Balanced		-4.0	3.7	6.1	7.3	7.4	
AMP Balanced	357.6	-4.1	2.1	4.2	6.6	6.4	
Armstrong Jones SIL Balanced	339.8	-4.7	2.1	4.3	7.0	7.2	23
AMP AJ Balanced	5.9	-6.7					
Jacques Martin Growth Fund	52.5	-7.0	4.1	6.2	8.4	7.8	127
<i>All Balanced Funds</i>	<i>1,843.0</i>	<i>-1.2</i>	<i>3.3</i>	<i>4.4</i>	<i>6.5</i>	<i>6.2</i>	
Conservative Funds							
Tower Focus Fixed Income	16.9	6.3	3.5	5.3	5.6	5.6	251
Sovereign Global Fixed Interest	0.3	5.9	4.8	4.6	5.8	5.7	
Tower ANZ Capital Stable	0.1	5.7	3.7				244
Jacques Martin Cash Management	4.4	5.6	4.4	4.1	4.5	4.7	127
AMP Capital Assured	38.0	5.2	4.9	5.0	5.0	5.0	
Royal & Sun Alliance Deposit Fund		4.3	3.8	4.1	4.3	4.6	11
Tower Focus Cash	10.7	4.1	3.5	3.8	4.0	4.4	253
WestpacTrust Accumulation	47.2	4.0	3.1	3.8	4.2	4.4	
Tower BNZ Conservative		4.0	2.7	1.9			244
AXA NZ Capital Protected	20.6	3.8	3.8	4.1	4.2	4.2	
AXA NZ Low Risk	20.3	3.1	4.2	4.2	5.6	5.4	
Sovereign Conservative	2.8	2.8	3.5	3.6	4.4	4.2	
Jacques Martin Capital Stable	40.9	1.9	4.2	5.5	6.0	5.9	127
GRT Individual Retirement Plan Stable	2.9	1.9	3.4	4.9	6.2	6.0	
AMP Capital Stable	40.2	0.7	2.6	4.0	5.1	5.2	
<i>All Conservative Funds</i>	<i>245.4</i>	<i>3.4</i>	<i>3.7</i>	<i>4.5</i>	<i>5.0</i>	<i>5.0</i>	
Total Funds	2,553.9	-1.2	3.3	4.4	6.5	6.2	
Cash Benchmark (Net)		4.4	4.0	4.0	4.3	4.7	
CPI		3.1	2.3	1.5	1.4	1.5	

The material presented here has been compiled from publicly available sources and information from the respective Master Trust providers. Eriksen & Associates accepts no liability for any errors herein, or any decisions made as a consequence of the information shown. Investment decisions or comparisons should not be based on past performances in isolation from other factors.