

Master Trust Survey Results to 30 June 2001

The average return for the year ended 30 June 2001 was still negative but less so than last quarter. This shows the importance of selecting the right risk profiles fund and considering how long term your investments should be invested.

Conservative funds returned 3.6% which was 0.4% above the level of inflation. Over the year growth funds on average returned -2.6% while balanced funds returned -0.7%. Planit and Sovereign are the fastest growing funds, both from a relatively small base.

This survey we welcome the ASB Funds Management Conservative and Growth funds and the Tower Conservative, Growth and BT International Shares funds and Sovereign's Select Employer Retirement Plan. The (formerly Prudential) Sovereign Employer Superannuation Plan has been closed to new members. It has been replaced it with the new Select Employer Retirement Plan (SERP).

Tower has moved to an aggregate investment style for global bonds using a mixture of sovereign and investment grade non-government debt.

Economic Commentary

In the US the slowing economy and Bush's tax cuts have combined to shrink the likely Government surplus, allowing the Democrats to use their control of the Senate to limit Republican spending. Earnings forecasts are still dropping despite six rate cuts in the year to mid July which are unprecedented. Meanwhile inventories rise and sales fall.

Poor company results in the US and elsewhere are resulting in job cuts and the possibility of recession. Computer hardware and software companies have been especially affected. Oil prices have fallen but OPEC is considering further restrictions on oil supplies to keep prices around \$25 per barrel. Oil prices are having a major impact by slowing global growth. The US economic machine continues to move forward but is still slowing down despite Alan Greenspan's aggressive actions.

Another problem in the US has been the slowdown in company capital spending, following the spending boom during the late 1990's. Consumer spending has held up remarkably well. We believe a global recession is likely over the next six to eighteen months.

New Zealand and Australia have been largely unaffected by the downturn in the Northern Hemisphere so far. We are still benefiting from the export gains produced by soft currencies. Inflation in both countries has increased. New Zealand has been affected by the higher cost of imports, food price increases and structural changes from Government policy changes.

Legislative Changes

The Government has continued with its plans to put money into a dedicated New Zealand Superannuation Fund to partially pre-fund the future costs of New Zealand Superannuation. The bill setting up the Fund has had its first reading in Parliament and appears likely to pass now that the Labour and Alliance Coalition has the support of New Zealand First. The 2001 Budget included an initial \$600 million contribution towards the Fund to be held in reserve until the New Zealand Superannuation Bill is passed.

The Government Superannuation Fund Amendment Bill is expected to be passed in mid-August.

Housekeeping

This is the first edition of the Eriksen's Master Trust survey with differences between the mailed and emailed versions. As advised last time we have been under pressure to fit the growing number of funds onto one page, so we have excluded some from the printed copy. Currently the excluded funds are either closed to new members, or have less than \$1 million invested. All funds surveyed are shown on the emailed version.

The emailed version is now in Adobe Acrobat (.pdf) format and is sent out several days before the printed copy. It may be downloaded from our website at www.eriksens.co.nz. Adobe Acrobat files require the Acrobat reader software, which can be downloaded free from <http://www.adobe.com/products/acrobat/alternate.html>

Email us at head.office@eriksensglobal.com to get the emailed version each quarter.

Our Auckland office will be moving at the end of August, to 443 Lake Road in Takapuna.

The new location is close to our existing office and our email addresses, phone and fax numbers will remain unchanged.

Eriksen's Master Trust Survey Results to 30 June 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 ESP Australasian Equities	0.2	12.2	9.0	10.6	4.5	7.1	
Tower Focus NZ Shares	60.9	7.0	7.3	9.1	4.3	7.7	253
Jacques Martin Asset Growth	14.7	3.6	6.1	6.7			246
Tower ANZ Growth	1.5	0.9	4.6	3.9			250
Sovereign ESP Special Values	4.3	0.8	6.2	6.3	6.2	8.1	
Tower Growth							250
Tower BT International Shares	0.4						250
Sovereign SERP Dynamic Growth	0.9						
Sovereign SERP Colonial Managed Growth	0.4						
Sovereign SERP Colonial Dynamic Growth	0.2						
Tower BNZ Dynamic Growth	1.1	-1.2	4.1	4.0			250
GRT Individual Retirement Plan Growth	10.3	-3.2	3.4	5.9	6.4	7.9	
WestpacTrust Dynamic	206.6	-3.3	3.4	5.0	5.4	6.3	
Sovereign ESP International Equities	0.8	-4.8	7.7	7.7	8.1	9.3	
ASB Funds Management Growth		-5.7	4.5	6.3	4.9	3.9	
AMP High Equity	128.8	-6.1	2.9	6.0	7.0	8.6	528
Tower Focus International Shares	21.6	-6.4	-0.4	1.0	5.9	7.8	257
<i>All Growth Funds</i>	<i>452.7</i>	<i>-2.6</i>	<i>3.7</i>	<i>5.7</i>	<i>5.8</i>	<i>7.3</i>	
Balanced Funds							
Tower Investment Linked	382.0	3.4	4.2	4.5	6.0	7.3	296
Tower ANZ Market Balanced	0.9	3.3	4.5	3.8			250
Sovereign ESP Balanced Growth	10.6	3.0	6.4	6.8	5.7	7.5	
AMP ANZ Balanced	55.1	2.9	3.6	5.9	5.1	6.7	401
Tower BNZ Balanced Growth	2.4	0.9	4.2	3.5			250
Tower BT Managed Growth	18.9	0.5	6.4	6.7	5.6	7.3	250
Jacques Martin Balanced	97.0	0.5	3.9	5.5	5.5	6.7	246
AMP BT	30.6	0.1	5.3	5.8	5.0	6.5	343
Tower AJ SIL Balanced Fund	0.4						250
Sovereign SERP Balanced	4.2						
AXA NZ Managed	27.4	-0.2	4.2	5.4		6.0	
Royal & Sun Alliance Managed Fund	85.8	-0.3	4.0	5.1	5.2	6.7	23
GRT Individual Retirement Plan Balanced	18.4	-0.9	3.2	5.0	5.5	6.8	
WestpacTrust Balanced	346.6	-1.3	3.5	4.7	5.0	5.6	
AMP Balanced	371.5	-1.5	3.2	4.9	5.5	6.8	655
AXA NZ Balanced	20.7	-1.6	2.5	4.1		5.2	
Planit Plans Diversified	31.5	-2.4	2.1	4.6			
ASB Funds Management Balanced		-3.2	3.8	6.2	6.3	7.7	
Armstrong Jones SIL Balanced	332.7	-3.3	2.5	4.6	5.6	7.4	21
AMP AJ Balanced	7.3	-3.6					133
AXA NZ Spread Managers	66.1	-4.1	4.0	5.1		5.8	
Jacques Martin Growth Fund	53.8	-5.7	3.8	6.6	6.8	8.2	246
<i>All Balanced Funds</i>	<i>1,963.9</i>	<i>-0.7</i>	<i>3.5</i>	<i>4.9</i>	<i>5.1</i>	<i>6.6</i>	

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Fund Name	Fund Size \$ million	Annual Returns (Net of Tax & Expenses)					No of Employers
		1 Year	2 Year	3 Year	4 Year	5 Year	
Conservative Funds							
Tower Conservative	21.9	6.4	6.9	5.2			250
Jacques Martin Cash Management	4.4	5.6	4.6	3.9	4.4	4.7	246
AMP Capital Assured	39.3	5.3	5.0	5.0	5.0	5.0	210
Tower ANZ Capital Stable	0.1	5.2	4.2				250
Sovereign ESP Global Fixed Interest	0.3	4.9	3.3	3.9	4.3	5.4	
WestpacTrust Accumulation	42.3	4.6	3.7	4.1	4.4	4.7	
Royal & Sun Alliance Deposit Fund	32.2	4.3	4.0	4.0	4.2	4.5	10
Tower BNZ Conservative	0.9	4.3	3.3	2.3			250
Tower Focus Cash	10.0	4.0	3.6	3.5	3.8	4.3	259
Tower Focus Fixed Income	15.7	4.0	3.5	4.1	4.2	5.6	257
AXA NZ Capital Protected	19.6	3.8	3.8	4.1		4.2	
Sovereign ESP Conservative	2.9	3.7	3.3	3.8	4.3	4.4	
AXA NZ Low Risk	19.6	2.3	4.2	5.0		5.6	
GRT Individual Retirement Plan Stable	3.0	1.7	3.5	4.5	5.0	6.1	
AMP Capital Stable	39.5	1.6	3.3	4.3	4.4	5.3	231
Jacques Martin Capital Stable	40.3	1.3	4.0	4.9	5.2	5.9	246
ASB Funds Management Conservative		0.7	3.0	4.6	4.8	5.5	
Sovereign SERP Conservative	0.15						
<i>All Conservative Funds</i>	<i>292.2</i>	<i>3.6</i>	<i>4.1</i>	<i>4.5</i>	<i>3.9</i>	<i>5.1</i>	
Total Funds	2,708.8	-0.5	3.6	5.0	5.1	6.6	
Cash Benchmark (Net)		4.3	4.1	3.8	4.3	4.6	
CPI		3.2	2.6	1.6	1.6	1.5	

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

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