

**MEETING OF THE
RISK & ASSURANCE COMMITTEE**

THURSDAY 4 FEBRUARY 2021

commencing at 10.30 am

at the Council Chambers

1 Rosebank Terrace

BALCLUTHA

CLUTHA DISTRICT COUNCIL

Notice is hereby given that a Meeting of the Risk & Assurance Committee will be held in the Council Chambers, 1 Rosebank Terrace, Balclutha on Thursday 4 February 2021, commencing at 10.30 am.

Steve Hill
CHIEF EXECUTIVE OFFICER

Stephen Halliwell (Independent Chair)

Mayor Bryan Cadogan
Councillor Stewart Cowie (Deputy Mayor)
Councillor Ken Payne (Corporate & Property Committee Chair)
Councillor Bruce Vollweiler (Regulatory & Policy Committee Chair)
Councillor Bruce Graham (Service Delivery Chair)
Councillor John Herbert
Councillor Alison Ludemann

RISK & ASSURANCE COMMITTEE

4 February 2021

APOLOGIES

None at the time of the agenda being produced.

DECLARATION OF INTEREST

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

URGENT BUSINESS

PUBLIC FORUM

Item	Page #	Title
1.	9	Audit & Risk Committee Minutes <i>(For the Committee's Confirmation)</i> Minutes of the Audit and Risk Committee held 26 November 2020.
2.	15	Health & Safety, Risk and Major Projects Report <i>(For the Committees Information)</i> This report contains a commentary as an attachment on the status of Category A Projects and a risk assessment on these projects.
3.	20	Treasury Management Report <i>(For the Committee's Information)</i> This new report brings together the Treasury Services Advisory Report and the Investment Portfolio Compliance & Monitoring Report.
3A	26	Nikko Investment Portfolio report
3B	34	Bancorp Treasury report
3C	44	MJW Investment Survey
4.	57	Financial Strategy Review <i>(For the Committee's Recommendation)</i> The Long-Term Plan requires the inclusion of a Financial Strategy which is required to be reviewed by the Risk & Assurance Committee. This is a placeholder report for a Workshop to receive feedback on the Financial Strategy.
5.	58	Policy on Financial Contribution <i>(For the Committee's Recommendation)</i> This report is a placeholder for a workshop to receive feedback on the Policy on Financial Contribution.
6.	59	Revenue and Financing Policy

Item	Page #	Title
		This report is a placeholder for a workshop to generate feedback on the Draft Revenue and Financing Policy 2021
7.	60	Management Accounts Report <i>(For the Committee's Information)</i> Management accounts for the period July 2020 to December 2020.
8.	63	Risk & Assurance Committee Work Programme Update <i>(For the Committee's Information)</i> Update on the Risk & Assurance Committee work programme.

Risk & Assurance Committee - Delegations

Constitution	<p>Members of the Committee will be made up of an Independent Chair, Mayor, Deputy Mayor, Chair of the Corporate & Property, Service Delivery and Regulatory and Policy Committees and three other Councillors appointed by Council.</p> <p>Members will be appointed for an initial period not exceeding three years after which they will be eligible for extension or re-appointment, after a formal review of their performance. The Chief Executive and the General Manager Corporate Services will not be members of the Committee but may attend meetings as observers as determined by the Chairperson. The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Council. At least one independent member of the Committee should have accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment.</p>
Meeting Frequency	<p>6 times per year, or as required.</p> <p>To oversee aspects relating to audit and risk management.</p> <p>The Risk & Assurance Committee is an independent committee of Council.</p> <p>The purpose of the committee is to oversee:</p> <ul style="list-style-type: none">• risk management• internal control• external accountability• internal audit• external audit and• compliance with legislation, policies and procedures.
Objective	<p>The Committee has no executive powers and will conduct itself in accordance with the values and ethics of the Council. The Committee is directly responsible and accountable to the Council for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must always recognise that primary responsibility for management of the Council rests with the Chief Executive. The responsibilities of the Committee may be revised or expanded in consultation with, or as requested by, the Clutha District Council from time to time.</p> <p>The Council, at its meeting on 31 October 2019, established the Risk and Assurance Committee for the 2019-21 triennial.</p> <p>The Council authorises the Committee, within the scope of its role and responsibilities, to:</p> <ul style="list-style-type: none">• obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);• discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);

- request the attendance of any employee, including the Chief Executive and the General Managers of Corporate Services, Service Delivery and Regulatory and
- obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the Council's expense

Quorum

5 members

Additional Attendees

The Committee may invite various parties to attend its meetings. These parties may include other members of senior management or line managers as appropriate. When the Committee is considering a report, the manager responsible for the area under review will be given the opportunity to discuss the report with the Committee. Other elected members may attend but have no voting rights.

Areas of responsibility

1. Risk Management

- Ensure that Council has in place a current and comprehensive risk management framework and associated procedures and review for effective identification and management of Council's financial and business risks including fraud.
- Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings
- Review the effect of the Council's risk management framework on its control environment and insurance arrangements.
- Review whether a sound and effective approach has been followed in establishing the Council's business planning continuity arrangements, including whether disaster recovery plans have been tested periodically and
- Review the Council's internal controls in relation to preventing fraud and satisfy itself that the Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information and to ensure appropriate action is taken against perpetrators of fraud.

2. Internal Control

Review whether management's approach to maintaining an effective internal control framework, including over external parties such as contractors and advisers, is sound and effective.

Review whether management has in place relevant policies and procedures, and that these are periodically reviewed and updated.

Determine whether the appropriate processes are in place to assess, at least once a year, whether policies and procedures are complied with.

Review whether appropriate policies and procedures are in place for the management and exercise of delegations.

Consider how management identifies and required changes to design or implementation of internal controls and

review whether management has taken steps to embed a culture that is committed to ethical and lawful behaviour.

3. External Accountability

The Committee's responsibilities are to:

Review the financial statements and provide advice to the Council, including whether appropriate action has been taken in response to audit recommendations and adjustments.

Satisfy itself that the financial statements are supported by appropriate management sign-off on the statements and on the adequacy of the systems of internal controls.

Review the processes in place designed to ensure that financial information included in the Council's annual report is consistent with the signed financial statements.

Review the processes and risk assessment are in place for the development and adoption of the Council's Long-Term Plan.

Satisfy itself that the Council has appropriate mechanisms in place to review and implement, where appropriate, relevant external audit reports and recommendations; and

Satisfy itself that the Council has a performance management framework that is linked to organisational objectives and outcomes.

4. Internal audit

The Committee's responsibilities are to:

Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors.

Review the internal audit coverage and annual work plan, ensure that the plan is based on the Council's risk management plan, and recommend approval of the plan on behalf of the Council.

Advise the Mayor and Chief Executive on the adequacy of resources to carry out the internal audit, including completion of the approved internal audit plan.

Oversee the co-ordination of audit programs conducted by the internal and external auditors and other review functions.

Review all audit reports and provide advice to the Council on significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of good practice.

Monitor management's implementation of the internal auditor's recommendations.

Review the internal audit charter to ensure that appropriate organisational structures, authority, access, and reporting arrangements are in place.

5. External audit

The Committee's responsibilities are to:

Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors.

Provide input and feedback on the financial statements and the audit coverage proposed by the external auditor and provide feedback on the audit services provided.

Review all external plans and reports for planned or completed audits and monitor management's implementation of audit recommendations.

Oversee the co-ordination of audit programs conducted by the internal and external auditors and other review functions and

Provide advice to the Council and Chief executive on action taken on significant issues raised in relevant external audit reports and good practice guides.

6. Compliance with legislation, standards and good practice guidelines

The Committee's responsibilities are to:

Determine whether management has appropriately considered legal and compliance risks as part of the Council's risk assessment and management arrangements and

Review the effectiveness of the system for monitoring the Council's compliance with relevant laws regulations, and associated government policies.

Financial Delegations

7. Financial delegations are identified in Appendix C – Financial Delegations.

Power to resolve

8. In exercising the delegated powers, the risk & assurance committee will operate within policies, plans, standards or guidelines that have been established and approved by Council, the overall priorities of Council, the needs of the local communities and the approved budgets for the activity.

Power to recommend to Council

9. Strategic Finance

Financial Strategy.

Revenue and Financing Policy matters (excluding rates reviews).

Treasury Management and Borrowing and Investment Policies.

Adoption of Annual Report.

Investment strategy.

Borrowing.

Management policies (e.g. fraud, sensitive expenditure).

10. Risk

Risk Management Policy (setting Council's appetite for risk).

Risk Management outside of budgets (e.g. insurance).

Risk Management outside of Risk Management Policy.

Delegations Policy to Chief Executive and direct to officers where required.

Insurance (including self-insurance) within policy and budgets.

Power to monitor

11. Strategic Finance

Investment Policy compliance.

Debt Policy compliance.

Financial Strategy compliance

i. risk and opportunities monitoring

ii. capital programme monitoring.

Financial Strategy monitoring.

Investment monitoring (including return on investment for cash and property. ~~and forestry~~)

Debt monitoring.

12. Risk

Risk management framework.

Major project monitoring.

Debt risk management.

External audit.

Internal control framework

i. internal audit

ii. sensitive expenditure

iii. conflicts of interest.

Legal compliance.

Health and Safety culture and compliance.

Risk & Assurance Committee

Item for CONFIRMATION

Report	Confirmation of Minutes
Meeting Date	4 February 2021
Item Number	1
Prepared By	Karen Piercy – Corporate Services Administrator
File Reference	507367

REPORT SUMMARY

Attached are the unconfirmed minutes of the Council's Risk & Assurance Committee meeting held 26 November 2020.

RECOMMENDATION

- 1. That the Risk & Assurance Committee confirms as a true and correct record the minutes of the Risk & Assurance Committee held 26 November 2020.**

Risk & Assurance Committee

Minutes of the meeting of Risk & Assurance Committee held in the Council Chambers, 1 Rosebank Terrace, Balclutha on Thursday 26 November 2020, commencing at 10.34 am.

Present	Stephen Halliwell (Chairperson), His Worship the Mayor Bryan Cadogan, Councillors, Stewart Cowie, Bruce Graham, John Herbert, Alison Ludemann, Ken Payne, and Bruce Vollweiler.
In Attendance	Steve Hill (Chief Executive), John Scott (Group Manager Corporate Services), Christina Johnston (Risk Management Support Officer) Larissa Brown (Strategic Planning Manager), Karen Piercy (Corporate Services Administrator) and Councillors, Wayne Felts and Carol Sutherland.
Apologies	Councillor Michele Kennedy <i>Moved Councillor Herbert/Mayor Cadogan and Resolved:</i> <i>“That the apology be sustained.”</i>

DECLARATIONS OF INTEREST

There were no declarations of interest.

URGENT BUSINESS

There was no urgent business.

PUBLIC FORUM

There was no public forum.

1. CONFIRMATION OF MINUTES

The minutes of a meeting of the Risk & Assurance Committee held on 8 October 2020 were submitted for confirmation.

Moved Councillors Payne/Ludemann and Resolved:

“That the Risk & Assurance Committee confirms as a true and correct record the minutes of the Risk & Assurance Committee held 8 October 2020.

Moved Councillors Ludemann/Payne and Resolved:

“That the Public Excluded minutes of the meeting of the Risk & Assurance Committee held on 8 October 2020 are brought into public.”

Moved Councillors Ludemann/Vollweiler and Resolved:

“That the Risk & Assurance Committee confirms as a true and correct record the public excluded minutes of the Risk & Assurance Committee held 8 October 2020.”

2. HEALTH AND SAFETY, RISK MANAGEMENT AND MAJOR PROJECTS REPORT

The Risk Management Support Officer submitted the Health and Safety, Risk and Major Projects report.

Four management staff from Andrew Haulage were in attendance. They spoke about company and health and safety processes and requirements. They confirmed that health and safety is always a company priority and they would like to see health and safety in Clutha District Council contracts elevated to the top. They commented that there are additional costs associated with health & safety.

Andrew Haulage management meet with the Capital Delivery Manager every two months and at this meeting any issues are identified.

There have been some problems with visitors entering sites managed by Andrew Haulage without appropriate safety equipment. It was noted that these should be reported as incidents. It was also noted that when Andrew Haulage is working on a site and this work would create potential hazards, lead contractors (e.g. City Care) and owners (e.g. Council) would need to be inducted onto their own site.

Andrew Haulage staff left the meeting at 10.58 am

Councillor Payne left the meeting at 10.58 am.

Councillor Payne returned at 10.59 am.

2.1 Category A Projects

2.1.1 Organisational Risk

The Risk Management Support Officer is to produce a status update of the legislative compliance programme for the next meeting.

The Risk of contractor non-performance has been reviewed as requested at the last meeting. The residual risk is being worked on.

Rongahere Road recommendations were not actioned a year ago. A list of issues not addressed is now being looked at weekly by the management team.

Possible delays in Balclutha Community Hub will be added as another line of risk.

Project management and oversight risks will be modified in the register recognising the challenges facing the Milton community hub group.

Moved Councillors Cowie/Graham and Resolved:

“That the Risk & Assurance Committee receives the Health and Safety, Risk and Major Projects report. ”

The Risk Management Support Officer left the meeting at 11.35am.

3. INVESTMENT PORTFOLIO COMPLIANCE & MONITORING REPORT

The Management Accountant submitted the Investment Portfolio Compliance & Monitoring report showing returns and compliance for the months of April 2020 to October 2020.

The report on page 25 containing a rates subsidy drawdown tracking is a new table. Staff were asked to consider whether it might be appropriate to draw these funds from the portfolio given the potential volatility of the market. This would need to be considered in a whole of treasury activities context.

Councillor Ludemann left the meeting at 11.39 am and returned at 11.39 am.

Moved Councillors Vollweiler/Cowie and Resolved:

“That the Risk & Assurance Committee receives the Investment Portfolio Compliance and Monitoring Report.”

4. NIKKO RISK REPORT

The Group Manager Corporate Services presented the Nikko Risk Report which provided estimated returns for the coming ten-year period.

Ben Trollip, Melville Jessop Weaver joined the meeting via zoom. He answered questions on the Nikko portfolio fund.

He advised that normative returns are set based on academic and numerical projections on long term neutral cash rates in NZ.

Without having a detailed look at the portfolio, he would not recommend any major changes. The portfolio is currently balanced 50/50 risk and returns.

Moved Councillors Payne/Herbert and Resolved:

“That the Risk & Assurance Committee receives the Nikko Risk Report.”

5. MANAGEMENT ACCOUNTS REPORT

The Finance Manager presented the Management Accounts report for the Committee’s information.

Moved Councillors Vollweiler/Ludemann and Resolved:

“That the Risk & Assurance Committee receives the Management Accounts report.”

6. TREASURY ADVISORY SERVICES REPORT

The Group Manager Corporate Services presented the Treasury Advisory Services Report for the period ending 30 September 2020. This report focuses on debt.

Modelling was on floating rates, but funds were inadvertently drawn at fixed rates, therefore an updated table was tabled. This error has been advantageous as the floating rate has lifted.

Councillor Thomson joined the meeting at 12.00 pm.

Community project funds have been allocated but yet not drawn down. The interest is being accumulated and will contribute to increased return for discretionary allocation at 31 March 2021.

Moved Councillors Cowie/Vollweiler and Resolved:

“That the Risk & Assurance Committee receives the Treasury Advisory Services Report.”

7. INTERNAL BORROWING RATE REPORT

The Group Manager Corporate Services presented the Internal Borrowing Report which provided a three-year estimate of the three year all up rate used as a basis for charging interest on internal loans in terms of the Treasury Management Policy.

The report asked the Risk & Assurance Committee to consider recommending that Council adopt 1.52% as an assumption for Council’s internal loan rate for the 2021-31 Long Term Plan.

The budgeted return is 3.5%, therefore it still makes sense not to break the investment.

Moved Mayor Cadogan/Councillor Vollweiler and Resolved:

1. “That the Risk & Assurance Committee receives the Internal Rate of Return Report.”

2. “That the Risk & Assurance Committee recommends to Council that it adopts 1.52% as an assumption for Council’s internal loan rate for the 2021-31 Long Term Plan.”

8. THREE WATERS REFORM

The Chief Executive left the meeting at 12.25pm and returned at 12.26pm.

The Group Manager Corporate Services presented the Three Waters Reform report for discussion on the following:

- Changing the business fundamentally by losing the control and management of a large infrastructure asset base.
- How losing a significant portion of the rating base will affect supporting the overhead structure.

- The risk of losing local jobs internally, as well as by contractors.
- Understanding what is left when the water activity is no longer there.
- Opportunities to receive something in return from Central Government.
- The impact of these Requests for Information on council.

At present there is insufficient information on the Three Waters Reform to develop a risk assessment on the outcome of the reforms and how this will affect council's day to day business and financial sustainability. A project to may need to be created to consider options. The best way to manage risk at the moment is to be actively involved and informed.

Moved Stephen Halliwell/ Councillor Herbert and Resolved:

"That the Risk & Assurance Committee receives the Three Water Reform Report."

9. RISK & ASSURANCE COMMITTEE WORK PROGRAMME

The Group Manager Corporate Services presented the Risk & Assurance Committee Work Programme.

Moved Councillors Cowie/Vollweiler and Resolved:

"That the Risk & Assurance Committee receives the Risk & Assurance Committee Work Programme report."

The meeting closed at 12.42 pm.

Read and Confirmed

Stephen Halliwell
CHAIRPERSON

Risk & Assurance Committee

Item for INFORMATION

Report	Health and Safety, Risk and Major Projects Report
Meeting Date	4 February 2021
Item Number	2
Prepared By	Christina Johnston – Risk Management Support Officer
File Reference	507369

REPORT SUMMARY

This report provides a summary of the activities of the Clutha District Council to meet the requirements of the Health and Safety at Work Act 2015 and our efforts to ensure everyone goes home safe and well every day.

This report also contains a commentary on our organisational risk profile.

The Major Projects - Category A Risk Register is included in this report.

RECOMMENDATIONS

That the Risk & Assurance Committee:

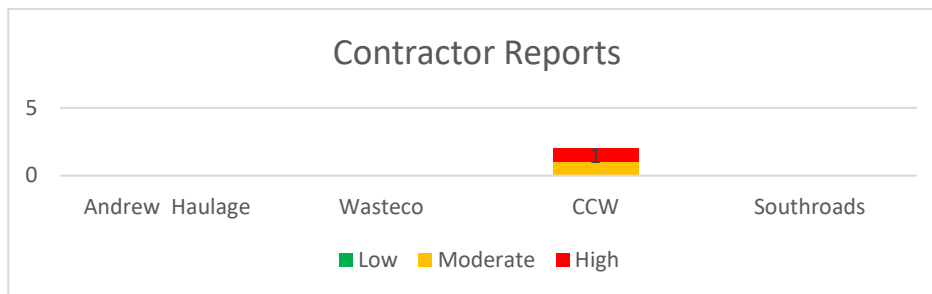
- a. Receives the Health and Safety, Risk and Major Projects Report**
- b. Provides any feedback on the paper**
- c. Provides any guidance to aid the future direction**

Health and Safety Updates

- No change to the H&S high risk profile
- H&S Training has been a key focus to ensure staff have the understanding required to safely complete tasks ie Confined spaces, working at heights first aid, H&S Representative training
- H&S Committee focussing on visible leadership and communication
- February/March 'CDC H&S Convo' will cover COVID-19

22 staff events reported.

1	Verbal abuse - Public verbally abused Freedom camping ranger
2	Verbal abuse – Public verbally abused Freedom camping ranger
3	Verbal abuse – customer developed rash after swimming and became abusive when reporting concern
4	Vehicle dint
5	Chemical leak
6	Dog bite
7	Sunburn
8	Stress
8-12	4 x electrical hazards
13-20	8x minor pool incidents
21	Security report
22	Flood in office due to full spouting and heavy rain



Please note that the remaining Main Contractor meetings are still to be held for the year.

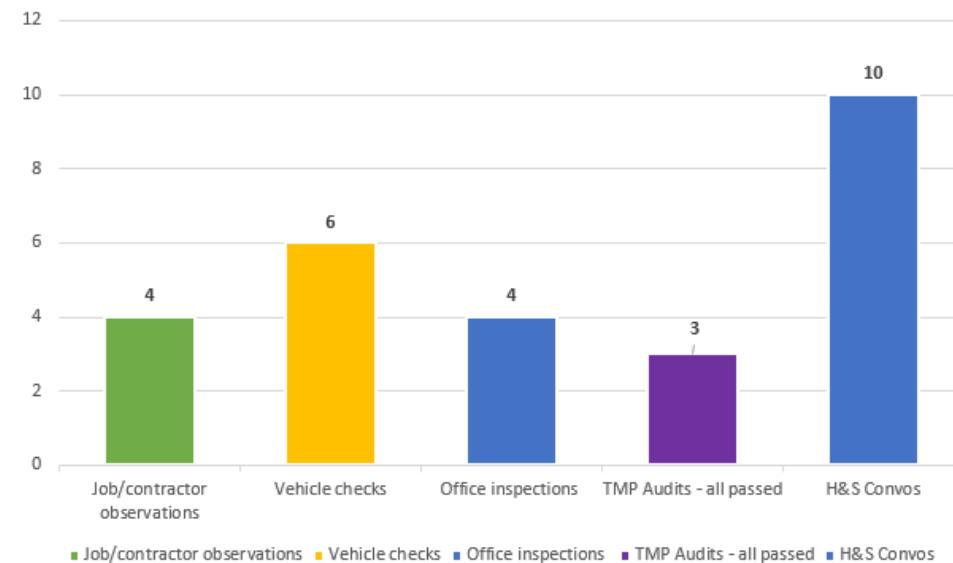
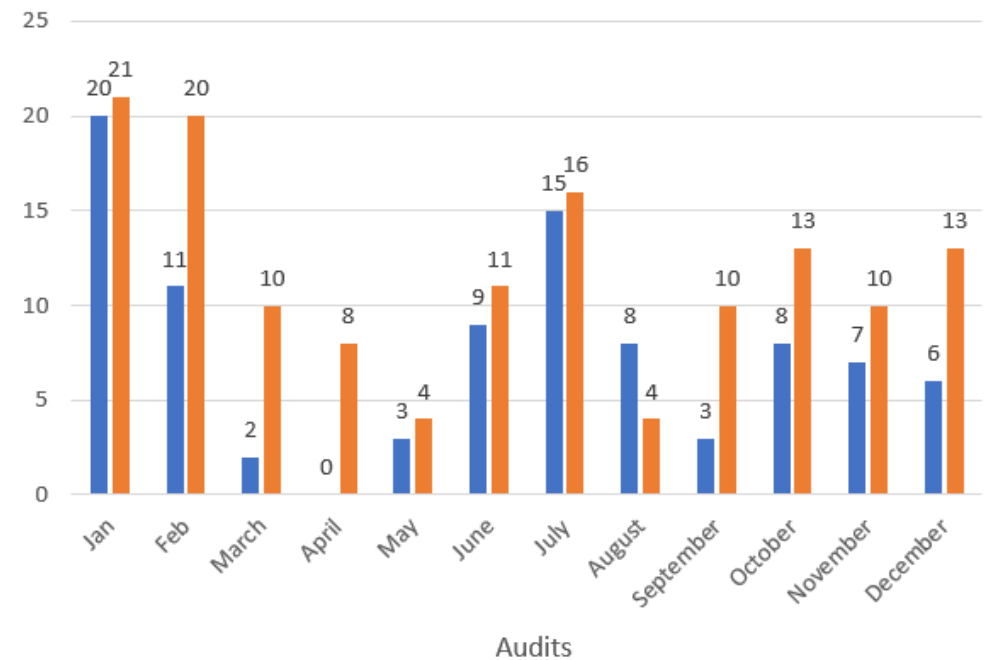
1 x Contractor risk report –

Puerua Mains repair –

Staff stopped work because weather conditions made work unsafe.

Staff reports 16

Comparisons graph 2019/2020



CDC Top 10 risks are reflected in the below table. Residual score movement indicates if the risk score has changed following the latest review (Health and safety risks have been separated from this table).

#	Risk	Residual risk score	Residual score movement	Rating	Reasons moved/what are we doing?
1	The risk of Contractor non-performance	12.8		High	No change to risk assessment <i>Compliance Plans developed for every plant for ORC. Increased staffing - recruitment process underway</i>
	The risk of legislation non-compliance resulting in enforceable undertakings, fines and, or penalties	12.8		High	No change to risk assessment <i>Legislative compliance modules programme underway</i>

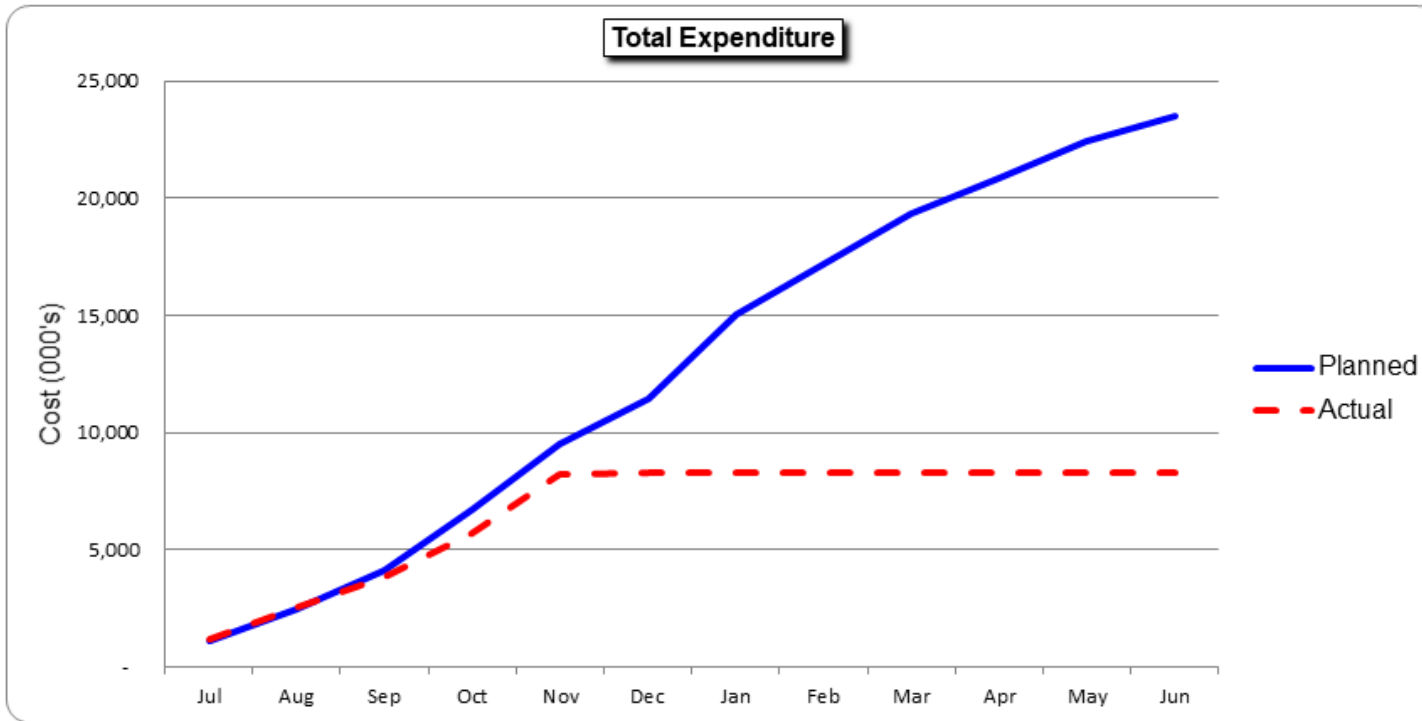
2	Legal Compliance Modules		Status	Department
	Alcohol Regulation			Regulatory
Aquaculture Consenting			Regulatory	
Building Control			Regulatory	
Bylaw Making			CE	
Dog Control			Regulatory	
Enforcement			Regulatory	Complete
Employment			CE	Started
Health and Safety at Work			CE	Not Started
Land Information Memoranda (LIM)			Regulatory	
Local Government Official Information and Meetings Act (LGOIMA) - Information Requests			CE	
Local Government Official Information and Meetings Act (LGOIMA) - Council Meetings			CE	
National Dog Database			Regulatory	
Privacy Act			CE	
Property Sales Acquisitions & Leases			Corporate Services	
Rates Rebates			Corporate Services	
Rating - Biling and Collection Process			Corporate Services	

	Resource Consents				Regulatory	18
	Tendering and Procurement				Service Delivery	
3	The risk of illness of members of the public from water borne organisms	12.0		High	No change to risk assessment <i>Assessment Report of water tanks complete</i>	
4	The risk of health and resource consent breaches by contractor managing treatment plants	10.0		High	No change to risk assessment <i>Compliance Plans developed for every plant for ORC. Increased staffing - recruitment process underway</i>	
5	The risk of operational failures when changing major contractors	9.6		Moderate	No change to risk assessment <i>Additional treatments required</i>	
6	The risk of water services assets and/or operations failure	9.6		Moderate	No change to risk assessment <i>Direct Monitoring of Contractors - via Reporting and onsite visits</i>	
7	The risk of organisation personnel not having the capability to deliver quality council operations and projects.	8.0		Moderate	REDUCED <i>Additional controls put in place now adequate</i>	
8	The risk of the lack of business continuity following a disruption event	7.5		Moderate	No change to risk assessment <i>Action plan in place to improve redundancy at Rosebank</i>	
9	The risk of tree failure resulting in falling trees causing damage or harm	7.5		Moderate	No change to risk assessment	
10	The risk of ineffective project management	6.0		Moderate	No change to risk assessment <i>Reporting in place. Additional Project position created. Project Management training options being investigated.</i>	

REMOVED FROM TOP 10

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1 Roothing financials - Planned vs actual spending



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Planned	1,100	2,459	4,123	6,682	9,501	11,416	15,033	17,162	19,316	20,876	22,425	23,492
Actual	1,193	2,542	3,807	5,706	8,249	8,276	8,276	8,276	8,276	8,276	8,276	8,276
	5%	10%	18%	28%	40%	49%	64%	73%	82%	89%	95%	100%
	108%	103%	92%	85%	87%	72%	55%	48%	43%	40%	37%	35%

Risk & Assurance Committee

Item for INFORMATION

Report	Treasury Management Report
Meeting Date	4 February 2021
Item Number	3
Prepared By	John Scott – Group Manager Corporate Services
File Reference	507382

REPORT SUMMARY

This new report brings together the Treasury Services Advisory Report and the Investment Portfolio Compliance & Monitoring Report into one as requested by the Committee last year.

The Nikko Investment Portfolio report shows the monthly returns and compliance with agreed portfolio allocations for the months of April to December 2020:

The main points for noting with respect to this quarter are:

- Longer-term expectations are for the returns to continue to improve but we are in uncharted territory.
- We made a \$523k gain in December.
- Note there is a small breach in the Multi Strategy Fund's Investment Allocation.
- We are yet to withdraw the Rates Subsidy lumpsum out of the fund, but we are planning to do that shortly inclusive of the return at an estimated \$960k.

Bancorp's Treasury report for the period ending 31 December 2020 follows Nikko reporting.

The MJW Investment Survey follows the Bancorp Treasury report.

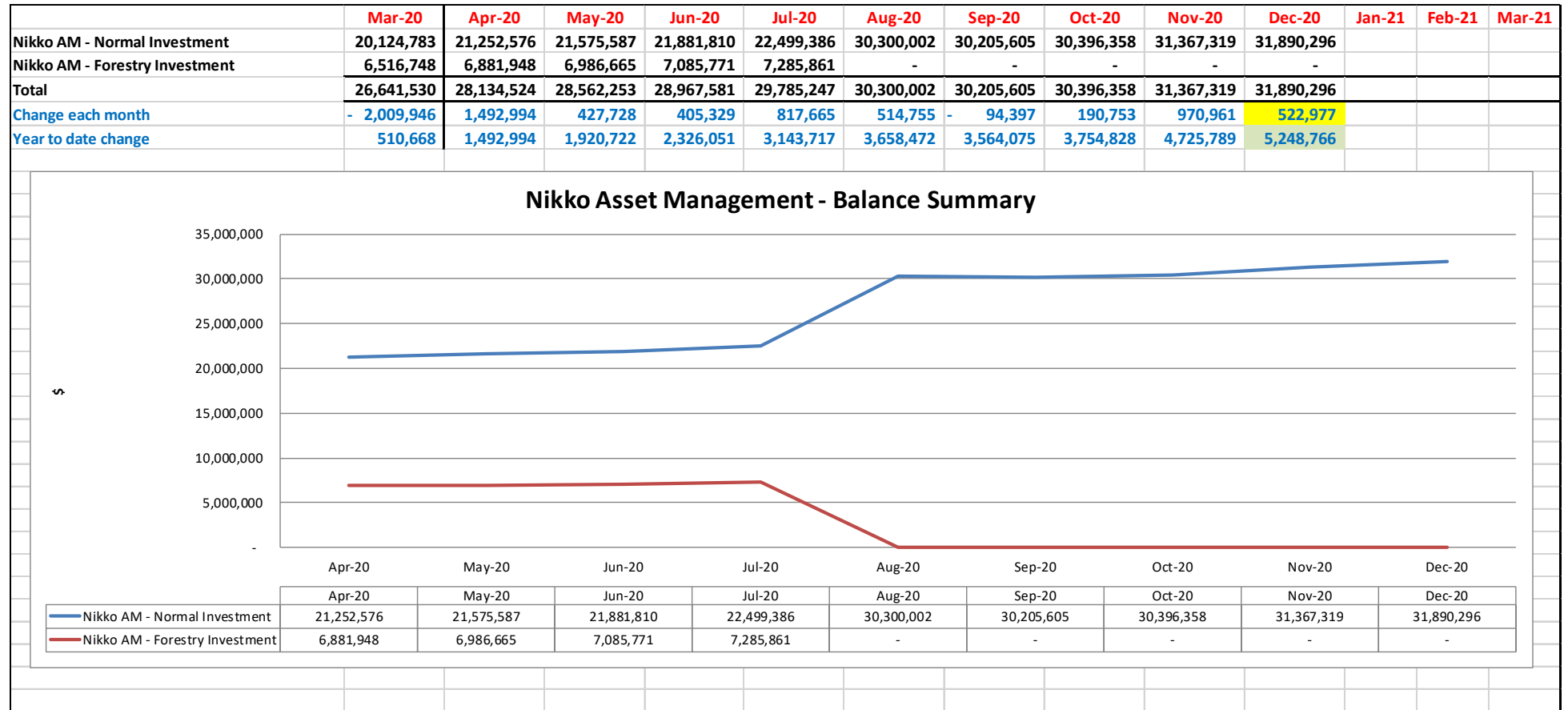
The Nikko Quarterly Report follows the MJW Investment Survey.

RECOMMENDATION

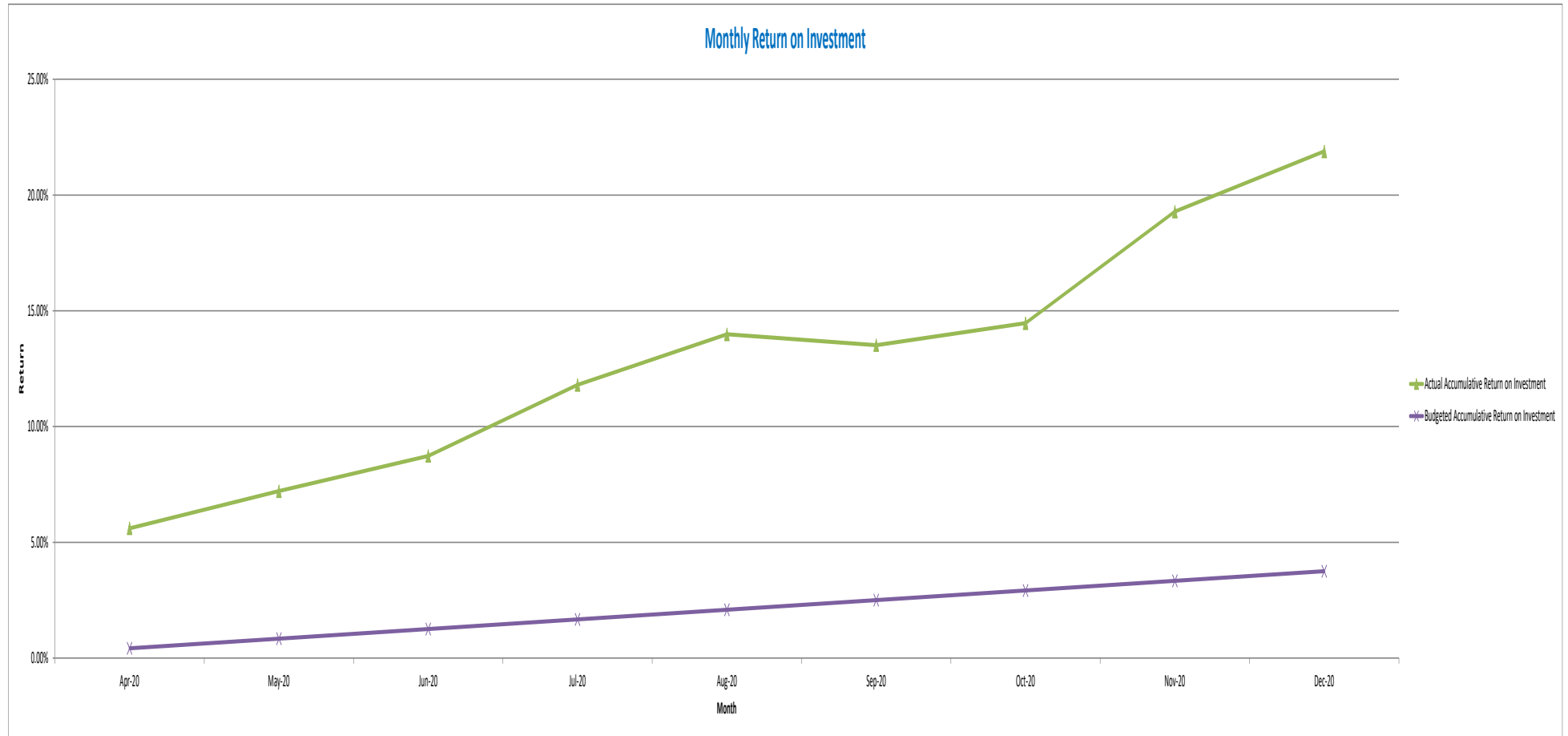
- 1. That the Risk & Assurance Committee receives the Treasury Management Report.**

1 NIKKO INVESTMENT PORTFOLIO REPORT

1.1 Combined Nikko Investment Portfolio



1.2 Normal Nikko Investment Portfolio Return on Investment



1.3 Monitoring of Nikko Asset Management’s Investment Portfolio

Clutha District Council - Monitoring of Nikko Asset Management's Investment Portfolio																				
Actual Balances	Apr-20		May-20		Jun-20		Jul-20		Aug-20		Sep-20		Oct-20		Nov-20		Dec-20			
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%		
TW0605 - Nikko AM Wholesale NZ Bond Fund	2,785,956	13.11%	2,830,999	13.12%	2,829,512	12.93%	2,855,307	12.69%	3,838,937	12.67%	3,866,543	12.80%	3,871,478	12.74%	3,808,318	12.14%	3,797,463	11.91%		
TW0606 - Nikko AM Wholesale NZ Cash Fund	972,732	4.58%	975,226	4.52%	976,799	4.46%	950,576	4.22%	1,259,871	4.16%	1,261,541	4.18%	1,223,439	4.02%	1,224,364	3.90%	1,225,523	3.84%		
TW0607 - Nikko AM Wholesale Core Equity Fund	2,061,221	9.70%	2,112,832	9.79%	2,220,416	10.15%	2,297,070	10.21%	3,080,986	10.17%	3,014,338	9.98%	3,102,503	10.21%	3,271,733	10.43%	3,362,168	10.54%		
TW0610 - Nikko AM Wholesale Global Bond Fund	6,860,792	32.28%	6,942,792	32.18%	7,047,041	32.21%	7,171,147	31.87%	9,455,949	31.21%	9,491,126	31.42%	9,511,211	31.29%	9,642,242	30.74%	9,680,641	30.36%		
TW0617 - Nikko AM Wholesale Multi-Strategy Fund	1,594,895	7.50%	712,627	3.30%	1,002,355	4.58%	1,126,417	5.01%	1,666,123	5.50%	1,748,764	5.79%	1,786,308	5.88%	1,906,225	6.08%	1,975,886	6.20%		
750617C - Nikko AM W/S Multi-Strategy Fund-MAR20	-	0.00%	815,424	3.78%	550,177	2.51%	444,327	1.97%	440,714	1.45%	361,016	1.20%	314,305	1.03%	262,941	0.84%	253,027	0.79%		
TW0618 - Nikko AM Wholesale Global Equity Unhedged Fund	4,039,584	19.01%	4,123,134	19.11%	4,109,935	18.78%	4,283,239	19.04%	5,877,143	19.40%	5,845,520	19.35%	5,869,281	19.31%	6,125,409	19.53%	6,256,268	19.62%		
TW0619 - Nikko AM Wholesale Global Equity Hedged Fund	2,046,098	9.63%	2,136,846	9.90%	2,205,564	10.08%	2,360,447	10.49%	3,296,202	10.88%	3,194,785	10.58%	3,220,741	10.60%	3,621,951	11.55%	3,778,404	11.85%		
TW0622 - Nikko AM Wholesale Property Fund	891,298	4.19%	925,707	4.29%	940,012	4.30%	1,010,855	4.49%	1,384,076	4.57%	1,421,972	4.71%	1,497,093	4.93%	1,504,135	4.80%	1,560,918	4.89%		
Total	21,252,576	100%	21,575,587	100%	21,881,810	100%	22,499,386	100%	30,300,002	100%	30,205,605	100%	30,396,358	100%	31,367,319	100%	31,890,296	100%		
Standard Investment Allocation	Apr-20		May-20		Jun-20		Jul-20		Aug-20		Sep-20		Oct-20		Nov-20		Dec-20		Range Limit	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	+/-	
TW0605 - Nikko AM Wholesale NZ Bond Fund	2,762,835	13.00%	3,128,460	14.50%	3,172,862	14.50%	3,262,411	14.50%	4,393,500	14.50%	4,379,813	14.50%	4,407,472	14.50%	4,548,261	14.50%	4,624,093	14.50%	5.00%	-5.00%
TW0606 - Nikko AM Wholesale NZ Cash Fund	1,062,629	5.00%	1,618,169	7.50%	1,641,136	7.50%	1,687,454	7.50%	2,272,500	7.50%	2,265,420	7.50%	2,279,727	7.50%	2,352,549	7.50%	2,391,772	7.50%	5.00%	-5.00%
TW0607 - Nikko AM Wholesale Core Equity Fund	2,125,258	10.00%	2,696,948	12.50%	2,735,226	12.50%	2,812,423	12.50%	3,787,500	12.50%	3,775,701	12.50%	3,799,545	12.50%	3,920,915	12.50%	3,986,287	12.50%	5.00%	-5.00%
TW0610 - Nikko AM Wholesale Global Bond Fund	6,800,824	32.00%	6,041,164	28.00%	6,126,907	28.00%	6,299,828	28.00%	8,484,001	28.00%	8,457,569	28.00%	8,510,980	28.00%	8,782,849	28.00%	8,929,283	28.00%	6.00%	-6.00%
TW0617 - Nikko AM Wholesale Multi-Strategy Fund	1,593,943	7.50%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	5.00%	-5.00%
750617C - Nikko AM W/S Multi-Strategy Fund-MAR20	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	5.00%	-5.00%
TW0618 - Nikko AM Wholesale Global Equity Unhedged Fund	3,742,579	17.61%	4,351,796	20.17%	4,413,561	20.17%	4,538,126	20.17%	6,111,510	20.17%	6,092,471	20.17%	6,130,945	20.17%	6,326,788	20.17%	6,432,273	20.17%	6.00%	-6.00%
TW0619 - Nikko AM Wholesale Global Equity Hedged Fund	2,101,880	9.89%	2,444,514	11.33%	2,479,209	11.33%	2,549,180	11.33%	3,432,990	11.33%	3,422,295	11.33%	3,443,907	11.33%	3,553,917	11.33%	3,613,171	11.33%	5.00%	-5.00%
TW0622 - Nikko AM Wholesale Property Fund	1,062,629	5.00%	1,294,535	6.00%	1,312,909	6.00%	1,349,963	6.00%	1,818,000	6.00%	1,812,336	6.00%	1,823,781	6.00%	1,882,039	6.00%	1,913,418	6.00%	4.00%	-4.00%
Total	21,252,576	100%	21,575,587	100%	21,881,810	100%	22,499,386	100%	30,300,002	100%	30,205,605	100%	30,396,358	100%	31,367,319	100%	31,890,296	100%		
Variance	Apr-20		May-20		Jun-20		Jul-20		Aug-20		Sep-20		Oct-20		Nov-20		Dec-20			
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%		
TW0605 - Nikko AM Wholesale NZ Bond Fund	23,121	0.11%	-297,461	-1.38%	-343,350	-1.57%	-407,104	-1.81%	-554,563	-1.83%	-513,269	-1.70%	-535,994	-1.76%	-739,943	-2.36%	-826,630	-2.59%	Nothing else out of range.	
TW0606 - Nikko AM Wholesale NZ Cash Fund	-89,897	-0.42%	-642,943	-2.98%	-664,337	-3.04%	-736,878	-3.28%	-1,012,629	-3.34%	-1,003,879	-3.32%	-1,056,288	-3.48%	-1,128,185	-3.60%	-1,166,249	-3.66%		
TW0607 - Nikko AM Wholesale Core Equity Fund	-64,037	-0.30%	-584,116	-2.71%	-514,811	-2.35%	-515,353	-2.29%	-706,514	-2.33%	-761,363	-2.52%	-697,042	-2.29%	-649,182	-2.07%	-624,119	-1.96%		
TW0610 - Nikko AM Wholesale Global Bond Fund	59,968	0.28%	901,628	4.18%	920,134	4.21%	871,319	3.87%	971,948	3.21%	1,033,557	3.42%	1,000,231	3.29%	859,393	2.74%	751,358	2.36%		
TW0617 - Nikko AM Wholesale Multi-Strategy Fund	951	0.00%	712,627	3.30%	1,002,355	4.58%	1,126,417	5.01%	1,666,123	5.50%	1,748,764	5.79%	1,786,308	5.88%	1,906,225	6.08%	1,975,886	6.20%	1.20% over range limit.	
750617C - Nikko AM W/S Multi-Strategy Fund-MAR20	-	0.00%	815,424	3.78%	550,177	2.51%	444,327	1.97%	440,714	1.45%	361,016	1.20%	314,305	1.03%	262,941	0.84%	253,027	0.79%		
TW0618 - Nikko AM Wholesale Global Equity Unhedged Fund	297,005	1.40%	-228,662	-1.06%	-303,626	-1.39%	-254,887	-1.13%	-234,368	-0.77%	-246,951	-0.82%	-261,665	-0.86%	-201,379	-0.64%	-176,005	-0.55%		
TW0619 - Nikko AM Wholesale Global Equity Hedged Fund	-55,781	-0.26%	-307,668	-1.43%	-273,646	-1.25%	-188,733	-0.84%	-136,788	-0.45%	-227,510	-0.75%	-223,166	-0.73%	68,034	0.22%	165,233	0.52%		
TW0622 - Nikko AM Wholesale Property Fund	-171,331	-0.81%	-368,828	-1.71%	-372,897	-1.70%	-339,108	-1.51%	-433,924	-1.43%	-390,364	-1.29%	-326,689	-1.07%	-377,904	-1.20%	-352,500	-1.11%		

1.4 Nikko Investments – Combined Summary of Transactions Since Inception to December 2020

<u>Nikko Investments - Combined</u>	No. of months						
	<u>Summary of transactions since inception</u>	3	12	12	12	6	45
		Year 1 - 2016/17	Year 2 - 2017/18	Year 3 - 2018/19	Year 4 - 2019/20	Year 5 - 2020/21	Inception to date
Opening Balance		22,822,899	22,971,320	25,519,659	27,210,811	28,984,496	22,822,899
Plus Capital Contributions		-	789,000	1,015,263	-	-	1,804,263
Plus Returns		148,421	2,669,443	2,124,598	1,885,278	3,001,240	9,828,980
Less Management Fees		-	119,056	140,446	111,593	75,452	446,547
Less Capital Withdrawals - Rates Subsidy		-	791,048	1,308,263	-	-	2,099,311
Consolidation of Investments		-	-	-	-	-	-
Closing Balance - per audited financial statements (fair price)		22,971,320	25,519,659	27,210,811	28,984,496	31,910,284	31,910,284
Budgeted Long Term Plan forecast balance		14,320,000	13,009,000	25,281,000	25,718,000	26,163,000	26,163,000
Overall Annual % Change in Fund Value - including Capital Withdrawals/Contributions		0.65%	11.09%	6.63%	6.52%	10.09%	39.82%
Overall Annual % Change in Fund Value - excluding Capital Withdrawals/Contributions		0.65%	11.10%	7.77%	6.52%	10.09%	41.11%

2 BANCORP TREASURY REPORT

Miles O'Connor will be zooming in during the meeting to answer any questions.

CLUTHA DISTRICT COUNCIL

Fund size

Total fund: \$31,890,296

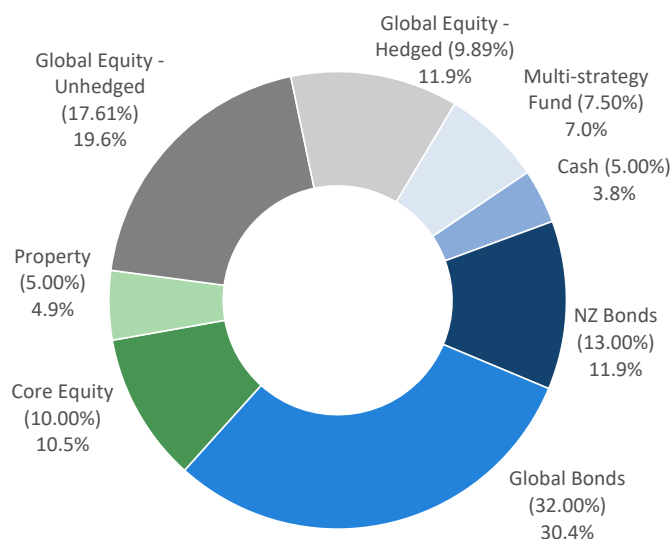
Compliance

The Clutha District Council's investments were within their investment ranges over the quarter.

The Nikko AM NZ funds held by Clutha District Council complied with their investment mandates over the quarter.

Asset allocation

Benchmark weightings in brackets



Performance (NZD gross returns)

	3 months		6 months		One year		Two years (% pa)		Three years (% pa)	
	Fund	B/mark	Fund	B/mark	Fund	B/mark	Fund	B/mark	Fund	B/mark
Cash	0.25%	0.07%	0.68%	0.14%	1.64%	0.60%	2.15%	1.11%	2.37%	1.39%
NZ Bonds	-1.78%	-2.18%	1.37%	-0.10%	7.33%	4.80%	6.92%	4.84%	6.36%	4.75%
Global bonds	2.02%	0.84%	3.75%	1.54%	9.50%	5.41%	9.65%	6.44%	7.03%	4.88%
Core Equity	11.59%	11.52%	14.81%	14.71%	14.81%	14.62%	21.39%	22.83%	14.94%	16.96%
Property	9.88%	8.69%	25.38%	23.27%	7.07%	5.02%	18.34%	17.90%	16.09%	15.51%
Global Equities - Unhedged	7.33%	5.29%	14.24%	10.88%	20.31%	8.93%	25.34%	17.08%	14.19%	9.61%
Global Equities - Hedged	17.95%	15.02%	27.90%	23.25%	22.41%	12.63%	26.79%	18.69%	12.74%	8.62%
Multi-strategy Fund	6.74%	0.82%	9.59%	1.66%	8.23%	3.66%				
Multi-strategy Fund SPV	2.73%	0.82%	6.82%	1.66%						
Total gross return	5.82%	4.03%	10.22%	7.32%	12.70%	7.72%	15.36%	8.11%	10.24%	8.11%

Indices used:

Global bond – Bloomberg Barclays Global Aggregate Bond Index – hedged to NZD
 Global Equities – MSCI ACWI 139% gross hedged to NZD and MSCI ACWI unhedged
 Multi-strategy – Bloomberg NZBond Bank Bill Index plus 3.0% per annum

Cash – Bloomberg NZBond Bank Bill Index
 NZ bond – Bloomberg NZBond Composite 0+ Yr Index
 Core equity – S&P/NZX 50 Index Gross with Imputation Index
 Property - S&P/NZX All Real Estate (industry Group) Gross Index (with imputation credits)

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New Zealand cash

Duration

Fund 113 days vs Benchmark 45 days

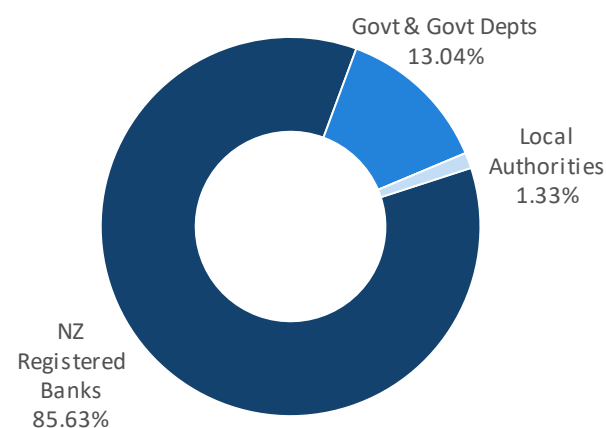
Yield

Fund (gross) 1.00% vs Benchmark 0.26%

Credit Quality (%)

AAA	-
AA	58.45
A	41.55
BBB	-

Asset Allocation (% of fund)



Top 5 Issuers (%)

ANZ Bank	18.05
Rabobank	13.66
Westpac	12.24
ASB Bank Ltd	9.83
Kiwibank	8.12

Market Commentary

The Reserve Bank's Funding for Lending Program (FLP) became available for drawdowns on December 7 with \$1.04 billion drawn over the month. To put this drawdown rate and size into context, drawdowns can be made any time in the next two years as required and the total size of the FLP is estimated to be between \$20b and \$30b. The FLP will be amongst the cheapest funding sources for banks with the only cheaper funding source coming from call accounts generally paying a rate of 0%. These funding dynamics should see interest rates for all other funding sources come under pressure until the FLP is near fully drawn. Despite the presence of the FLP, 90-day bank bill rates edged up a couple of points from flat at the OCR rate of 0.25% to 0.27% at

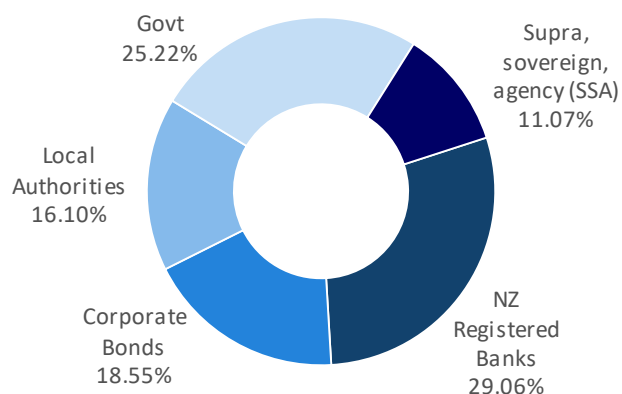
month end. With interest rates so low this movement up in bank bill reference rates will provide a negative drag on returns of securities priced over bank bill such as commercial paper and registered deposits, however we can see little reason for these increased rates to persist. There is logically little reason for bank balance sheets to pay up for bank bill funding when they can draw on the FLP at the OCR rate of 0.25%. Looking to domestic data released in December there were several notable positive releases. The 3Q20 GDP lifted a whopping 14% bouncing back from the previous quarter's lockdown induced decline and outperforming consensus expectations of 13%. The NZ economy looks to have been more resilient than expected and has recovered from the impact of the lockdown earlier in 2020 - with quarterly GDP now above pre-COVID levels. Amongst other data released in December we note October building consents up +8% MoM, REINZ November house sales grew +29.6% YoY and both business and consumer confidence increased. The question remains if this positive momentum can be sustained. Considering these various events, we expect short interest rates will continued to be anchored around their current levels with risk to the downside. The prospect of the RBNZ cutting the OCR remains, however is somewhat reduced considering improving domestic economic data, sizeable monetary and fiscal support already in place and the roll out of a COVID vaccine globally over 2021. In this environment we expect continued pressure on short interest rates and the fund's long duration position to perform well.

Fund Commentary

The fund performed well in December returning 0.09% a strong outperformance against the 90-day bank bill index which returned 0.02%. The fund holds a longer than benchmark duration position which provides a yield enhancement over the 90-day bank bill index with benefits accruing primarily from slope in the credit curve. December data shows the NZ economy has been more resilient than expected and has recovered from the impact of the COVID lockdown earlier in 2020, with quarterly GDP now above pre-COVID levels. This strong performance if maintained could lead to rising interest rates for longer tenors, however the RBNZ is operating very accommodative monetary policy: the OCR is at a record low of 0.25%, a quantitative easing program is in place and now the Funding for Lending Program is available for drawdown. These initiatives are likely to see short rates anchored around current levels. In this environment we expect continued pressure on short interest rates and the fund's long duration position to perform well.

New Zealand bonds

Asset allocation (% of fund)



Credit Quality	(%)
AAA	11.90
AA	59.78
A	24.25
BBB	2.65
BB	1.42

Top 5 Corporate Issuers*	(%)
NZ Local Govt. Funding Agency	11.03
Kommunalbanken	8.13
Kiwibank	5.21
Housing New Zealand	5.15
Fonterra Cooperative Group	4.87

*excludes central government

Duration
Fund 6.00 years vs Benchmark 5.27 years

Yield
Fund (gross) 1.04% vs Benchmark 0.74%

Market Commentary

The returns from NZ bonds continued to be negative for December as interest rates moved higher in yield. Over the month the yield curve steepened in shape as longer maturities had larger moves higher in yield than shorter maturity bonds. The best performers were the credit holdings of the fund which performed well relative to NZ government bonds. Swaps suffered with increases in yield causing mark-to-market losses. At month end, the 3-year government bond finished 10 basis points higher, the 10-year finished 15 basis points higher in yield, and the 2041

bond was 28 basis points higher in yield. Funds with longer duration positioning than benchmark had a larger negative contribution from duration, but on the positive side investing in longer maturity bonds with a steep yield curve helps build a higher yield relative to benchmark. This should help add value over time, and with yields now higher, the prospects for future returns from bonds look better. Government bonds linked to CPI inflation also did well as economic activity may boost inflation closer to the Reserve Bank's 2% goal.

We believe that the best strategy is to focus on positioning the funds to outperform over the medium to long term. The fund's relative duration position has shortened and is moderately longer than benchmark. Positioning the fund with a higher yield than benchmark and buying quality credit should continue to support returns.

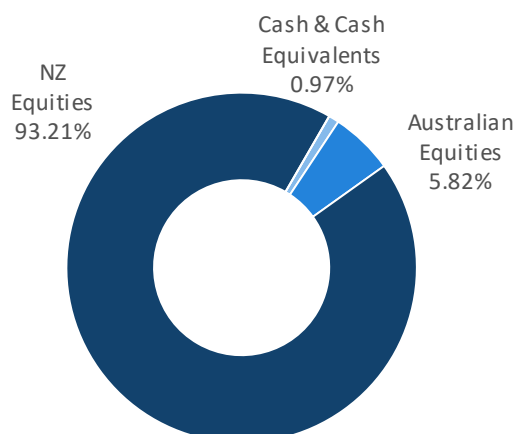
Looking forward, the NZ cash rate and shorter maturity bonds are likely to remain at low levels for some time, however longer-term rates are more difficult to predict. The current market consensus is that yield curves will likely continue to steepen as the world recovers from the negative impacts of the virus as vaccines get distributed, and the large amounts of stimulus support economic recovery. In counterbalance to expectations for higher interest rates, we have already had a reasonable move higher and steeper in NZ yield curves, and market positioning is vulnerable to some disappointment if the recovery is delayed. Globally, equity markets won't like rising yields which will temper how high rates can go. With a "more predictable" US president and absence of potential trade wars and other volatility, financial markets may hopefully be more stable through 2021.

Fund Commentary

The fund outperformed the Bloomberg NZ Bond Composite benchmark over the month albeit returns were negative. The main driver of negative returns was the rise higher in interest rates and the fund's longer duration positioning. Credit holdings and inflation linked bonds continued to perform well in comparison to swaps and government bonds.

Core domestic equities

Asset Allocation



Cash includes call cash, income due and settlements

Attribution to Performance

What Helped:		What Hurt:	
Summerset Group	OW	A2 Milk Company	OW
Contact Energy	OW	Fletcher Building	UW
Mainfreight	OW	Spark	OW

OW: overweight; UW: underweight; NH: no holding

Top 10 Holdings

Fisher & Paykel	14.96%	Auckland Int. Airport	6.25%
Spark New Zealand	8.80%	Mainfreight Limited	5.99%
A2 Milk	7.43%	Infratil Limited	5.52%
Contact Energy	6.93%	Summerset Group	5.29%
Meridian Energy	6.57%	EBOS Group	3.44%

Number of holdings 30

Sector Allocation	Fund	Benchmark
Health Care	25.63%	25.67%
Utilities	22.11%	21.09%
Industrials	12.24%	15.72%
Communication Services	11.24%	9.25%
Consumer Staples	7.89%	8.07%
Real Estate	4.75%	8.97%
Consumer Discretionary	4.19%	2.69%
Information Technology	3.96%	1.81%
Energy	3.88%	1.23%
Materials	2.38%	3.59%
Cash	0.98%	0.00%
Financials	0.75%	1.91%

Market Commentary

What a year 2020 was! As COVID-19 spread across the world early in the year it had a widespread impact: peoples' health, large reductions in GDP as borders were closed and lockdowns put in place along with large losses in equity markets. As central banks and governments responded with monetary and fiscal stimulus bond rates plummeted and resulted in investors seeking higher returns and putting money to work in equity markets. Despite equity markets - as measured by the MSCI World index, falling 20% in the first quarter of the year, by the end of the year the MSCI World index was up 14.2%. The final quarter of the year was particularly strong for equity markets as positive economic news, earnings results and vaccine approvals all provided confidence to investors. The year also saw the United States election where President Trump lost to President Elect Joe Biden and closer to home the Labour Party won the New Zealand election with enough votes to govern alone. So, while we say goodbye or good riddance to 2020, 2021 offers some hope of getting on top of COVID-19 as vaccines are rolled out.

Fund Commentary

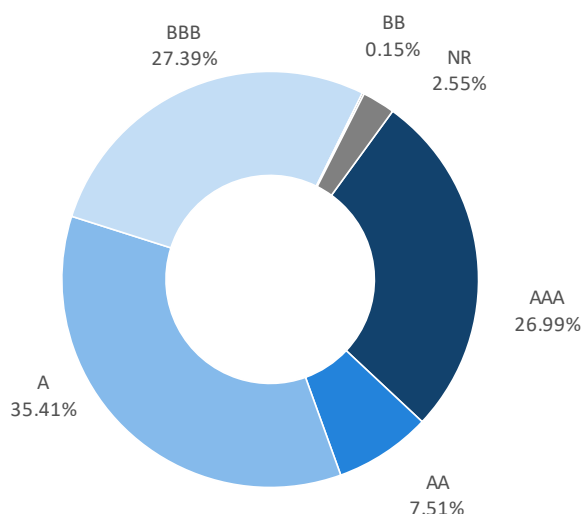
The fund ended the quarter up 11.6% and in line with the index return. The largest positive contributors to relative return were overweight positions in **Summerset (SUM)**, **Contact Energy (CEN)** and **Mainfreight (MFT)**. SUM rose 39.6% on the back of a strong residential property market along with announcing strong sales numbers for the September quarter. CEN ended the period up 34.0% with the stock benefiting from flows into exchange traded funds that focus on clean energy. MFT added 52.0% following a strong half year result and positive outlook for the remainder of their financial year.

The largest negative contributors to relative return were overweight positions **A2 Milk (ATM)** and **Spark (SPK)** and an underweight position in **Fletcher Building (FBU)**. ATM fell 21.3% over the quarter after downgrading its earnings guidance. SPK underperformed the index return, ending the quarter flat with no material news in the period. FBU rose 53.3% following a strong trading update and better than expected guidance for its half year earnings.

Key portfolio changes during the quarter: adding **ANZ Bank (ANZ)** to the fund, adding to positions in **Auckland International Airport (AIA)**, **Chorus (CNU)**, **NextDC (NXT)**, **Waypoint REIT (WPR)** and **Ryman Healthcare (RYM)**. The fund also added to its position in SPG through its capital raising. The fund reduced positions in CEN, SPK, **Infratil (IFT)**, **ERoad (ERD)**, **Summerset (SUM)**, **Mercury (MCY)**, and **Meridian Energy (MEL)**. The fund exited its positions in Orocobre (ORE) and Sanford (SAN).

(**Bold** denotes stocks held in the portfolio).

Global Bond Fund



Asset allocation

Cash includes call cash, income due and settlements

Sector Allocation (% of fund)	Fund	Index
Governments	27.43%	46.73%
Agency	0.53%	8.42%
Collateralised & MBS	29.12%	10.93%
Credit	39.51%	20.59%
Emerging market debt	8.72%	13.33%
Cash, derivatives, other*	-5.31%	0.00%

Duration

Fund 7.83 years vs Benchmark 7.33 years

Yield

Fund (gross) 1.64% vs Benchmark 0.93%

Market commentary

Vaccine discovery and the start of immunizations helped lift sentiment into year-end, despite steadily rising virus cases and renewed lockdowns. Risk sentiment was also bolstered by the removal of two long-standing overhangs in December: additional fiscal stimulus in the US and a post-Brexit trade deal between the UK and EU. Looking ahead, we expect virus spread to slow growth over the winter months before mass immunizations reaccelerate economic recoveries in the spring. Notwithstanding vaccine-driven growth improvements, the underlying inflation reality will remain benign due to slack in both economic output and employment. Central banks will keep monetary policy easy even as growth recovers given weak inflation. At the same time, the fiscal impulse is set to remain friendly. We entered 2021 with low policy rates, low government yields, and low fixed income spreads. To navigate this “status low, we seek to access and

diversify across the broad fixed income opportunity set including corporate and securitized credit alongside emerging market (EM) debt. We also look for openings to capture risk premiums created by market inefficiencies and see value in utilizing currencies as a hedge for risk asset exposures.

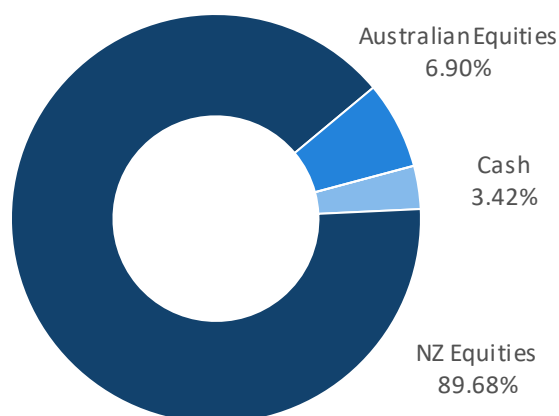
Fund commentary

The fund returned 0.40% in December, and 2.02% for the quarter, well ahead of benchmark. The largest positive contributors to performance over the quarter were cross sector and duration strategies and the fund’s allocation to corporate credit and collateralised and MBS assets. Country allocation strategy and the government bonds allocation negatively affected fund performance.

In the US, the Fed did not extend the average maturity of its Treasury purchases during December’s central bank meeting but did introduce dovish forward guidance stating that it will continue to increase its asset holdings at the current pace “until substantial further progress has been made toward the Committee’s maximum employment and price stability goals.” This guidance is deliberately vague, most likely to give the Fed some flexibility. In Europe, the European Central Bank (ECB) announced a multi-pronged package of easing measures, in line with expectations. We remain constructive on the Agency MBS sector given continued strong demand from both the Fed and US banks. We have however reduced our sector overweight marginally on the back of spread tightening in production coupon MBS. We continue to view lower coupon MBS as structurally attractive since Fed and US bank demand should keep carry elevated despite historically tight spread levels. In securitized credit sectors, we remain constructive on CMBS and have added exposure to BBB- rated CMBS cash bonds given recent underperformance relative to synthetics. We are selective in our exposures and tend to avoid CMBS bonds with greater exposure to hotel and retail properties. In securitised credit sectors, we remain constructive on CMBS and have added exposure to BBB-rated CMBS cash bonds given recent underperformance relative to synthetics. We are selective in our exposures and tend to avoid CMBS bonds with greater exposure to hotel and retail properties. Corporate credit markets continued to tighten in the last month of the year as risk sentiment was supported by encouraging vaccine developments and implications for medium-term growth. We believe that search-for-yield motives, central bank buying, and a vaccine-induced economic recovery will continue to support investment grade credit in 2021. We are overweight as we believe spreads continue to offer attractive compensation for downgrade risk and carry is favourable. That said, we remain mindful of macro uncertainties and idiosyncratic corporate challenges. We are overweight shorter-dated and intermediate maturity bonds.

Property

Asset allocation



Attribution to	(Quarter) (excludes effects of)		
What Helped	What Hurt		
Summerset Group	OW	Kiwi Property	UW
Goodman Property Trust	UW	Investore Property	OW
Stride Property Group	OW	Waypoint REIT	OW

OW: overweight; UW: underweight; NH: no holding.

Top 10 holdings			
Goodman Property	17.09%	Investore Property	7.87%
Argosy Property Limited	13.95%	Property for Industry	6.23%
Stride Stapled Units	13.35%	Vital Healthcare	4.24%
Kiwi Property Group	12.24%	Summerset Group	2.10%
Precinct Properties	10.91%	Waypoint REIT	1.98%
Number of holdings	15		

Market Commentary

What a year 2020 was! As COVID-19 spread across the world early in the year it had a widespread impact: peoples' health, large reductions in GDP as borders were closed and lockdowns put in place along with large losses in equity markets. As central banks and governments responded with monetary and fiscal stimulus bond rates plummeted and resulted in investors seeking higher returns and putting money to work in equity markets. Despite equity markets - as measured by the MSCI World index, falling 20% in the first quarter of the year, by the end of the year the MSCI World index was up 14.2%. The final quarter of the year was particularly strong for equity markets as positive economic news, earnings results and vaccine approvals all provided confidence to investors. The year also saw the United States election where President Trump lost to President Elect Joe Biden and closer to home the Labour Party won the New Zealand election with enough votes to govern alone. So, while we say goodbye or good riddance to 2020, 2021 offers some hope of getting on top of COVID-19 as vaccines are rolled out.

Fund Commentary

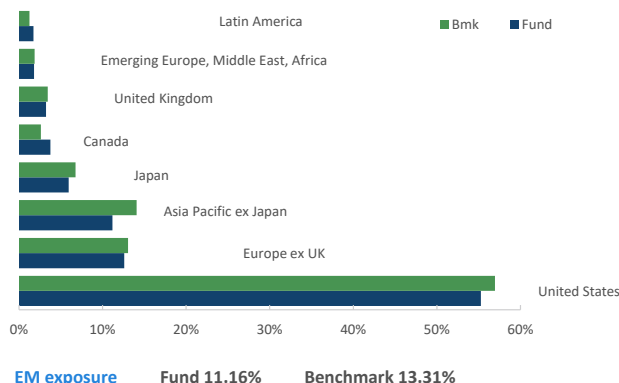
The fund ended the quarter up 9.9% and 1.2% ahead of the index which rose 8.7%. The largest positive contributors to relative return were overweight positions in Summerset (SUM) and Stride Property (SPG) and an underweight position in Goodman Property (GMT). SUM rose 39.6% on the back of a strong residential property market along with announcing strong sales numbers for the September quarter. The fund's holding in SPG rose 15.4% after delivering a good result along with a capital raising to fund an office acquisition. GMT fell 0.2% during the quarter after a strong run in the previous quarter.

The largest detractors from relative performance were an underweight position in Kiwi Property (KPG) and overweight positions in Investore Property (IPL) and Waypoint REIT (WPR). Both IPL and WPR delivered positive returns of 1.0% and 3.5% (in AUD) over the quarter but were behind the index return and as a result our overweight positions detracted from relative value. KPG continues to recover from its large sell off in the first quarter of the year and rose 18.0% over the quarter.

Key portfolio changes during the quarter included adding to SPG, Vital Healthcare (VHP), APN Industria REIT (ADI) and Centuria Industrial REIT (CIP) through their respective capital raising. KPG and GMT were also added to while a range of small divestments were made to fund the participation in the above-mentioned capital raisings.

Global equities

Geographical Allocation



Top 10 Holdings	Fund	MSCI	Country
Microsoft Corp	3.33%	2.70%	US
Amazon.com	3.13%	2.34%	US
Visa Inc	2.64%	0.62%	US
Taiwan Semiconductor	2.41%	0.78%	Taiwan
Progressive Corp	1.85%	0.10%	US
Tencent Holdings	1.85%	0.71%	China
Anglo American plc	1.80%	0.07%	SA
Steel Dynamics Inc	1.74%	0.01%	US
Safran SA	1.73%	0.08%	France
Mercadolibre Inc	1.73%	0.13%	US

Manager	Allocation	Active Return (Quarter)
NAM Europe	31.48%	1.92%
Royal London	36.66%	2.06%
WCM	29.00%	2.14%
Cash & Derivatives	2.85%	N/A

Market Commentary

Global equity markets continued to push higher into year end, buoyed by an extremely favourable liquidity environment and rising optimism regarding the extent of economic recovery likely in 2021. Governments across the world are rushing to administer vaccines for the coronavirus and this has allowed investors to look through the current deterioration in newsflow regarding the pandemic. News of several virus mutations emerged throughout the quarter and newly recorded infections surged higher. Restriction on mobility have been stepped up in an attempt to contain the spread and mitigate the pressure on healthcare workers. The hope is that these measures will buy enough time for the vaccines to offer a measure of protection to those most at risk from the virus. November saw 'Pfizer Monday', when news first broke regarding the encouraging efficacy of the vaccine developed by Pfizer and BioNTech. This news led to a sharp rebound in investor confidence. Materials and Financials both outperformed again in December and were among the best performing sectors in Q4. Industrials fared less well in December, reflecting higher investor expectations for the sector, though the

sector still outperformed over the quarter. Energy also slightly underperformed in December, despite the ongoing depreciation of the USD against its trading partners and continued positivity regarding commodity prices. November's strength, however, meant that Energy vied with Financials for the best performer in Q4. The main reason why December looked more like the rest of 2020 than November was found in the performance of the Information Technology sector. Having served as a source of funds for more cyclical investments in November, the Technology sector enjoyed a much better December, easily outperforming the market and rivalling Materials for the best performing sector. Defensive sectors underperformed fairly consistently this quarter. Healthcare, Consumer Staples, Real Estate and Utilities all failed to keep up with the market, with Real Estate, Healthcare and Consumer Staples actually delivering negative returns in absolute terms. a backdrop of mounting loan loss provisions and flat yield curves.

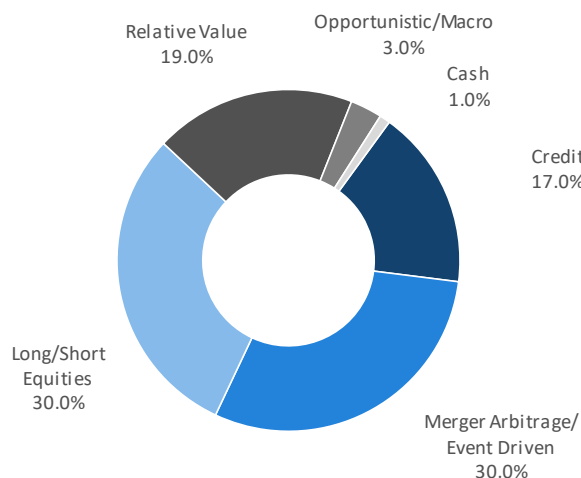
Fund Commentary

The fund returned 2.63% for the month and 7.33% over the quarter to outperform the Index. All three managers gained more than 7% over the quarter. Among the fund's top contributors to performance over the quarter were the South American online retailer Mercadolibre (WCM's top holding), Taiwan Semiconductor, HDFC Bank and SVB Financial Group. HDFC Bank benefitted from better than expected quarterly results and from signs that the Indian economy may have seen the worst of the impact from COVID-19. SVB Financial Group also performed strongly over the quarter. Whilst most banks are being impacted by ultra-low interest rates and lighter-than-usual demand for commercial loans, SVB continues to lend heavily to the venture capitalist community through capital call lines of credit, which offer higher interest rates. The fund continues to hold a combination of cyclicals and reasonably priced growth stocks, all of which we expect to deliver rising returns. With considerable uncertainty regarding the duration of some of the recent market moves, we believe that this balance will remain important going forward.

(*All return percentages expressed as unhedged NZD unless otherwise stated)

Multi Strategy

Strategy Allocations (by value of fund)



Performance Contribution by Strategy

Strategy	No. of funds	Cal YTD
Relative Value	1	5.34%
Long / Short Equities	5	5.05%
Opportunistic / Macro	1	-0.18%
Credit	2	1.34%
Merger Arbitrage / Event Driven	4	3.06%
Relative Value	1	5.34%

Fund Commentary (source: JPMAAM for underlying USD share class)

Equity and credit markets extended their strong performance through December and the end of 2020. Overall, global equities rose 4.3% in December in USD terms according to the MSCI World Index. Global fixed income returns were mixed with corporate credit outperforming government bonds.

The **Relative Value Strategy** continued to have strong performance in December. Gains were driven overwhelmingly by warrant volatility arbitrage trading, for which elevated levels of volatility and increased SPAC market activity has offered significant opportunities for active investors. Geographically, the strategy experienced its strongest gains in its North American positions and by asset class, Equity and Credit trades performed the best. Financials and Information Technology were the strongest contributing sectors.

The **Macro/Opportunistic Strategy** was positive in December, with trades in APAC and Europe outweighing some losses in North American trades. By sector, the strategy saw gains from its Equity and Commodity trades. The **Long/Short Equity Strategy** was positive in December, benefitting from market tailwinds and alpha opportunities resulting from continued dispersion. By sector, the strategy saw gains primarily from trades in Information Technology, Communication Services and Healthcare. By geography, gains in North American and European trades provided the strongest performance. Notable drivers for the strategy included a position in the New York Times Company

and Fate Therapeutics, a biopharmaceutical company that develops programmed cellular immunotherapies for cancer and immune disorders. The **Merger Arbitrage/Event Driven Strategy** delivered the highest contribution for December with positive returns from all managers and the strongest performance coming from the fund's tactical allocation to SPACs. By Geography, North American positions provided the strongest gains while, trades in financials were the strongest contributors by sector. By security, gains came from FinServ and LiveOak SPACs who made business combination announcements during the month. The **Credit Strategy** positive in December with gains attributed to North American positions primarily in asset backed securities. By security, gains came from a position in the HY municipal bonds of the Puerto Rico Electric Power Authority.

There continues to be three key areas of focus where we find interesting returns with limited downside. Long/Short Equity remains a core allocation, in which we are focused on strategies with lower levels of net equity exposure to maintain the fund's low beta profile. In credit, we focus on yield based strategies with structural benefits to help manage risk either through structural subordination or valuation protections. Lastly, we maintain significant exposure to less correlated strategies with natural downside protection but upside optionality such as SPACs and convertible bond arbitrage.

TREASURY REPORT

FOR



AS AT

31 DECEMBER 2020



BANCORP

BANCORP TREASURY SERVICES LIMITED

AUCKLAND • WELLINGTON • CHRISTCHURCH

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1. MARKET ENVIRONMENT

1.1 GLOBAL MARKETS OVERVIEW (AS AT 31 DECEMBER 2020)

Markets have had a lot to digest over the last quarter as COVID-19 second waves struck the Northern Hemisphere, the US election resulted in a change of President and central banks reinforced that they will do as much as they possibly can to engender economic growth. Despite a resurgence of COVID-19 cases in several countries, markets seem to be adopting a forward looking approach to a time when a vaccine(s) will halt the global pandemic. Risk remains the clear victor as US share markets posted record highs weekly, despite the 92 million COVID-19 cases recorded around the world and the never-ending geopolitical tensions, China, Iran etc.

The global benchmark interest rate, the US 10 year Treasury bond yield, started the September quarter at 0.67% and trended higher throughout the quarter, finishing December at 1.10%. This was due to the US Federal Reserve changing its inflation mandate to allow inflation to go beyond 2.0% which resulted in the market betting on the return of inflation in the medium term. This, along with the positive vaccine developments led to a 'risk on' market sentiment, resulting in US bond yields climbing.

It was different story for European bond yields as the German 10 year Bund remained relatively flat over the same period. Historically, Treasuries and Bunds have a relatively strong correlation, but over the quarter the correlation weakened dramatically. This was due, once again, to the 'average inflation' policy announced by the Fed, allowing inflation to move above 2.0% in the medium term. Another factor contributing to the deterioration of the correlation was the profit taking on US bonds and the expectation of inflation reaching its central bank target faster in the US than in Europe.

Reserve Bank of Australia ("RBA") Governor, Phillip Lowe, in November cut the cash rate and the target for the 3-year swap rate to 0.10% as expected, and the RBA confirmed that it would purchase \$100 billion of 5 to 10-year Government and State bonds over the next six months to push longer term rates lower. The RBA again ruled out a negative cash rate, stating it sees little benefit from such a move. It did, however, commit to maintaining the current cash rate of 0.10% well into 2023.

The Chinese economy is recovering quickly with GDP, retail sales and industrial production all up over the September quarter. The IMF is now projecting a 1.9% increase in GDP for China over 2020 and 8.2% over 2021. President Xi Jinping recently outlined his focus for the next five years with his Government earmarking hundreds of billions of dollars for infrastructure spending, a staggering US\$1.4 trillion for technology research, and a 'dual circulation' strategy that will see an increasing focus on domestic consumption, and further opening up of the Chinese economy. This is expected to support average annual GDP growth of around 5.0%.



1.2 NEW ZEALAND MARKET OVERVIEW (AS AT 31 DECEMBER 2020)

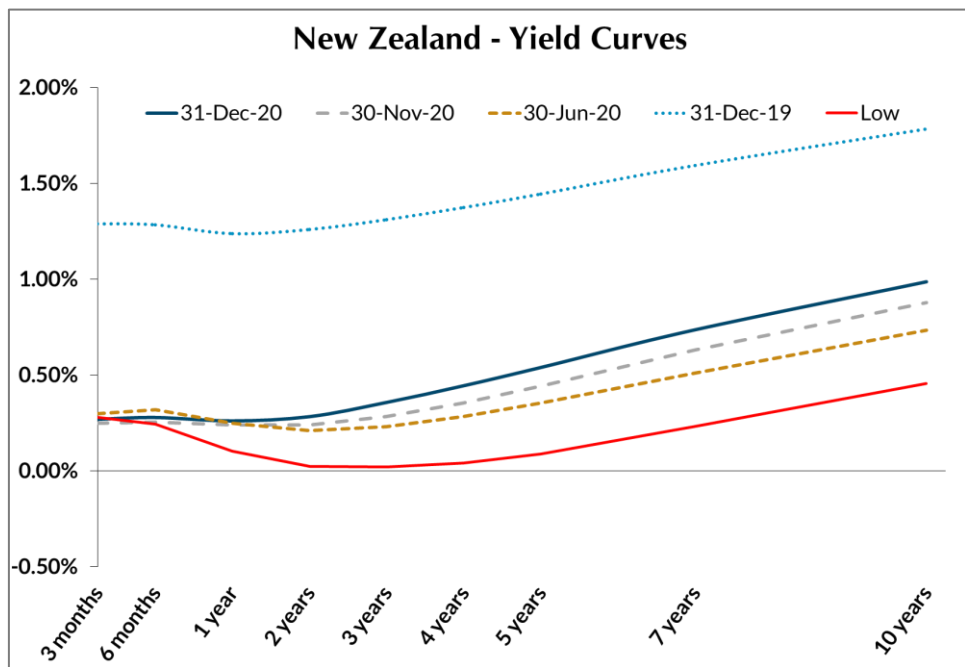
	OCR	90 day	2 years	3 years	5 years	7 years	10 years
30 Sep 2020	0.25%	0.31%	0.05%	0.05%	0.13%	0.28%	0.51%
31 Dec 2020	0.25%	0.27%	0.28%	0.36%	0.54%	0.74%	0.99%
Change	0 bps	-4bps	+23bps	+31bps	+41bps	+46bps	+48bps

In the November *Monetary Policy Statement* (“MPS”), the Monetary Policy Committee of the Reserve Bank of New Zealand (“RBNZ”) “reached a consensus to hold the OCR at 0.25 percent, in accordance with the guidance issued on 16 March, maintain[ed] the existing Large Scale Asset Purchase (“LSAP”) programme of a maximum of \$100 billion by June 2022; and direct[ed] the Bank to implement a Funding for Lending Programme (“FLP”) in early December 2020.” The FLP involves the RBNZ providing banks with medium-term funding at the level of the OCR, secured against high-quality collateral. The programme aims to promote lending to businesses and households at lower interest rates, increasing investment and consumption.

Market expectations regarding future changes to the OCR changed dramatically after the November MPS, due to the unexpectedly bullish (or less dovish) tone of the statement. Prior to the MPS, markets were assigning a 100% probability of the OCR falling to zero by April 2021 and a 92% probability to it being at minus 0.25% by October 2021. By the end of December, market pricing implied an 8% chance that the OCR would be at zero by April and a 16% chance that it would be at zero by October. Bank economists also pared back expectations for a negative OCR in 2021 as the extent of the economic recovery became apparent.

NZ September quarter GDP skyrocketed 14.0% after contracting a revised 11.0% in June, achieving a so-called V shaped recovery as massive fiscal and monetary stimulus fuelled consumer spending. The economy grew 0.4% for the year, confounding the consensus forecast for a 1.8% decline. Still, the RBNZ and some economists have cautioned the economy may contract in the fourth quarter of 2020 and even face a double-dip recession early in 2021, citing slower global growth and the possibility that the border will remain closed to most visitors until at least the second half of 2021.

Swap rates have recovered aggressively since the Octobers lows, as the 10 year rate bottomed out at 0.45%, finishing the quarter at 0.99% This has been a similar story across the entire yield curve as bets on a negative OCR fall away, inflation expectations increase and the correlation with US interest rates returns. The first chart on the following page shows the New Zealand 10 year swap (blue line) and the US 10 year Treasury bond (red line). The second chart shows the changes in the shape of the yield curve going back to December 2019, including the low in interest rates which was reached in October 2020.



1.3 LOCAL AUTHORITY SECTOR

Listed below are the credit spreads and applicable interest rates as at 13 January (these were not published at the end of December) for Commercial Paper (“CP”), Floating Rate Notes (“FRN”) and Fixed Rate Bonds (“FRB”), at which Clutha District Council (“HDC”) could source debt from the Local Government Funding Agency (“LGFA”).

Maturity	Margin	FRN (or CP) Rate	FRB
3 month CP	0.25%	0.52%	N/A
6 month CP	0.25%	0.535%	N/A
May 2021	0.46%	0.73%	0.74%
April 2022	0.55%	0.82%	0.80%
April 2023	0.55%	0.82%	0.84%
April 2024	0.57%	0.84%	0.95%
April 2025	0.62%	0.89%	1.08%
April 206	0.63%	0.90%	1.23%
April 2027	0.69%	0.96%	1.36%
April 2029	0.75%	1.02%	1.69%
April 2033	0.95%	1.22%	2.12%
April 2037	1.07%	1.34%	2.55%

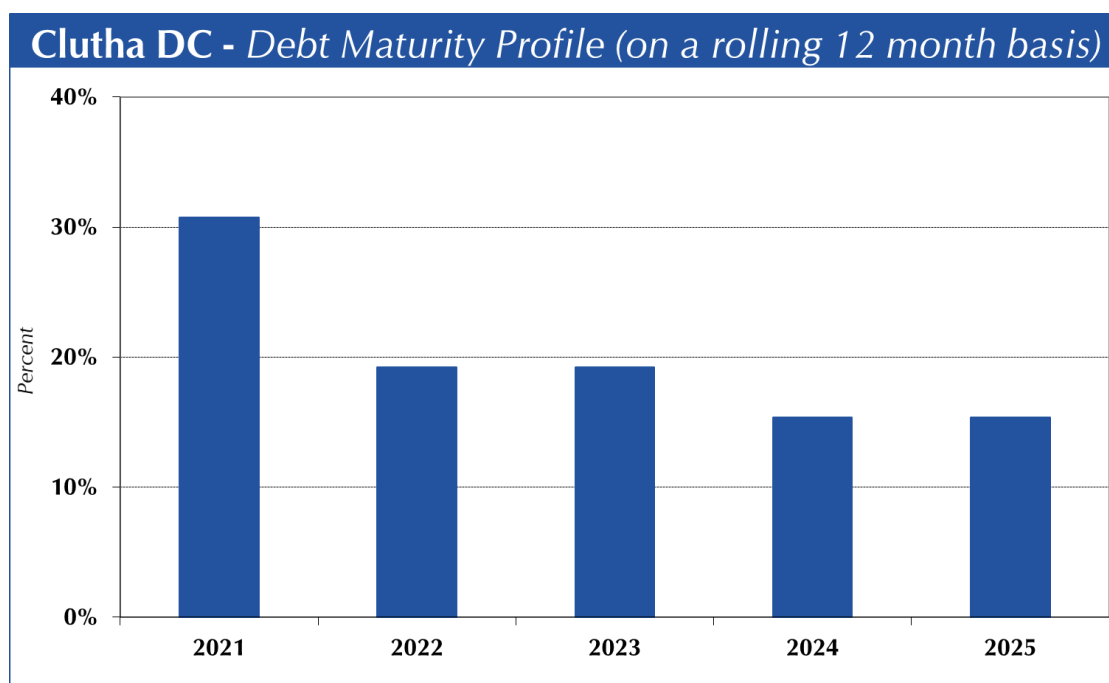
During the quarter credit spreads for LGFA debt declined in line with an overall fall in spreads for non-sovereign debt in New Zealand. Despite this decrease in credit spreads there has been a sharp increase in the yields for FRBs due to the rise in underlying swap rates. At the end of September, the April 2025, April 2029 and April 2037 FRBs were trading at 0.74%, 1.22% and 1.90% respectively. As at 13 January, they were at 1.08%, 1.69% and 2.55% respectively.

2. DEBT AND COVER PROFILES

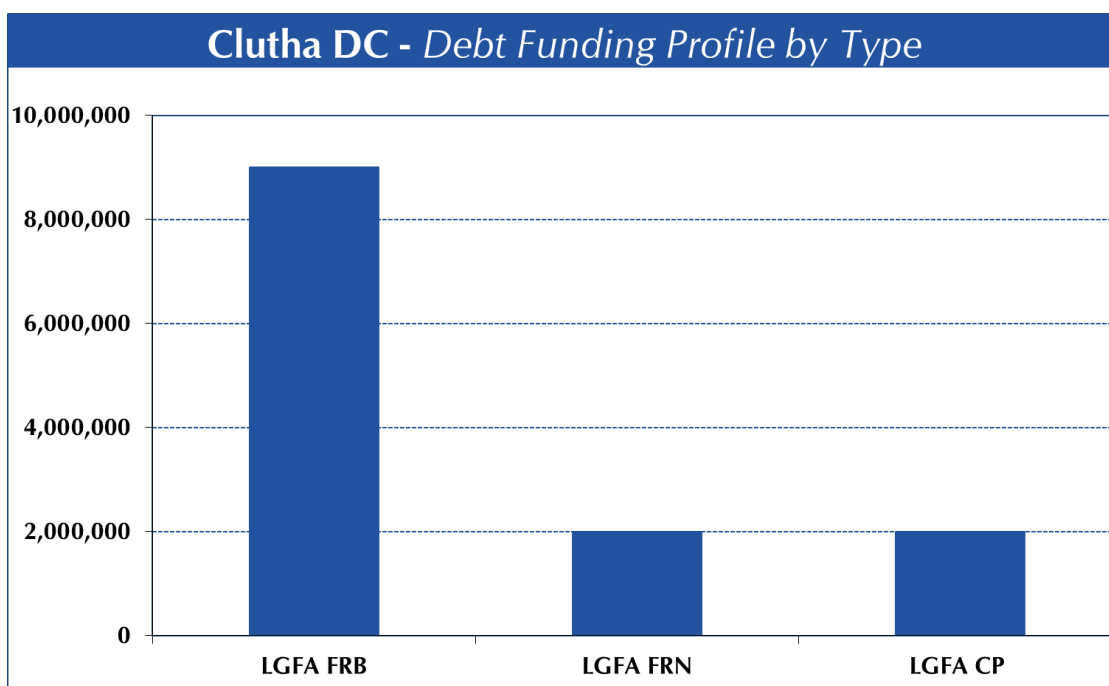
As at 31 December 2020, CDC had \$13.0 million of debt, which was sourced from the LGFA using one CP, one FRN and four FRBs. The debt is detailed below with the two tranches highlighted in bold raised during the December quarter.

Instrument	Maturity	Rate	Amount
LGFA CP	25-Feb-21	0.5182%	\$2,000,000
LGFA FRN	15-Apr-21	1.10%	\$2,000,000
LGFA FRB	14-Apr-22	2.29%	\$2,500,000
LGFA FRB	15-Apr-23	2.44%	\$2,500,000
LGFA FRB	15-Apr-24	0.74%	\$2,000,000
LGFA FRB	15-Apr-25	0.78%	\$2,000,000
		Total	\$13,000,000

The debt maturity profile, based on a rolling 12 month period, is depicted in the following chart. As at 31 December, CDC was compliant with Section 93 of the Liability Management Policy which states that *“To ensure that all debt is not exposed to excessive refinancing risk at any one time, no more than 40% of all debt facilities should mature within a rolling twelve-month period.”*



The debt funding profile categorised according to its type (based on a dollar amount) is depicted in the chart on the following page.



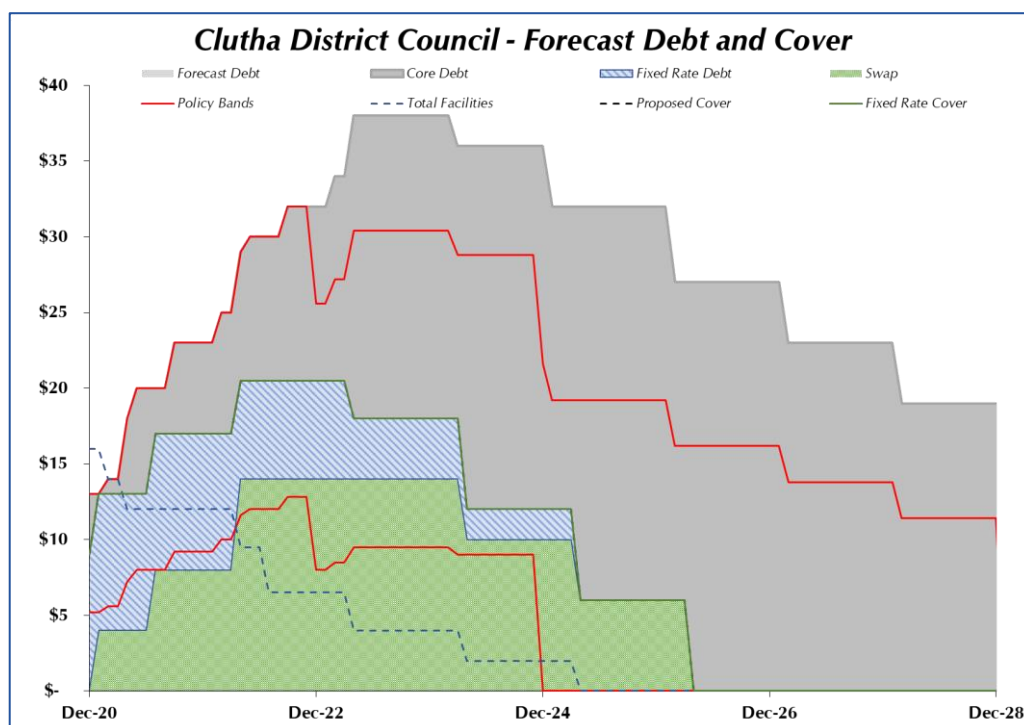
To manage its interest rate exposures, CDC's LMP incorporates fixed rate hedging percentages that specify the minimum and maximum amount of fixed rate cover to which CDC shall adhere. These parameters are as follows:

Fixed Rate Hedging Percentages		
	Minimum Fixed Rate	Maximum Fixed Rate
0 – 2 years	40%	100%
2 – 4 years	25%	80%
4 – 8 years	0%	60%

CDC has entered into three forward starting interest rate swaps to meet policy compliance; details of the swaps are as follows:

Counterparty	Start Date	Maturity Date	Rate	Amount
Westpac	15-Jan-21	15-Apr-24	0.33%	\$4,000,000
Westpac	15-Jul-21	15-Apr-25	0.425%	\$4,000,000
Westpac	14-Apr-22	15-Apr-26	0.565%	\$6,000,000
			TOTAL	\$14,000,000

CDC's debt and hedging profile, based on projected future debt levels and incorporating the FRBs and interest rate swaps, is depicted in the chart on the following page. The chart shows that as at 31 December, CDC was policy compliant with the interest rate hedging bands. Also included in the chart is the debt facility profile (the dotted blue line) which depicts the individual LGFA debt tranches and the Westpac facility for \$3.0 million that expires in July 2022, but which was not utilised as at 31 December.



As at 31 December, CDC's cost of funds was 1.46% (inclusive of the bank line fee) and 1.39% (exclusive of the bank line fee) down from 1.85% and 1.75% respectively as at 30 September. CDC's cost of funds is one of the lowest in the local authority sector that Bancorp Treasury is aware of.

3. POLICY COMPLIANCE (AS AT 31 DECEMBER 2020)

	Yes/No
Are all treasury transactions in compliance with policy?	Yes
Are the fixed rate hedging percentages within policy control limits?	Yes
Is Council maintaining liquidity within policy control limits?	Yes
Is Council maintaining its funding profile within policy control limits?	Yes
Are all counterparty exposures within policy control limits?	Yes
Are all borrowing covenants/limits being complied with?	Yes

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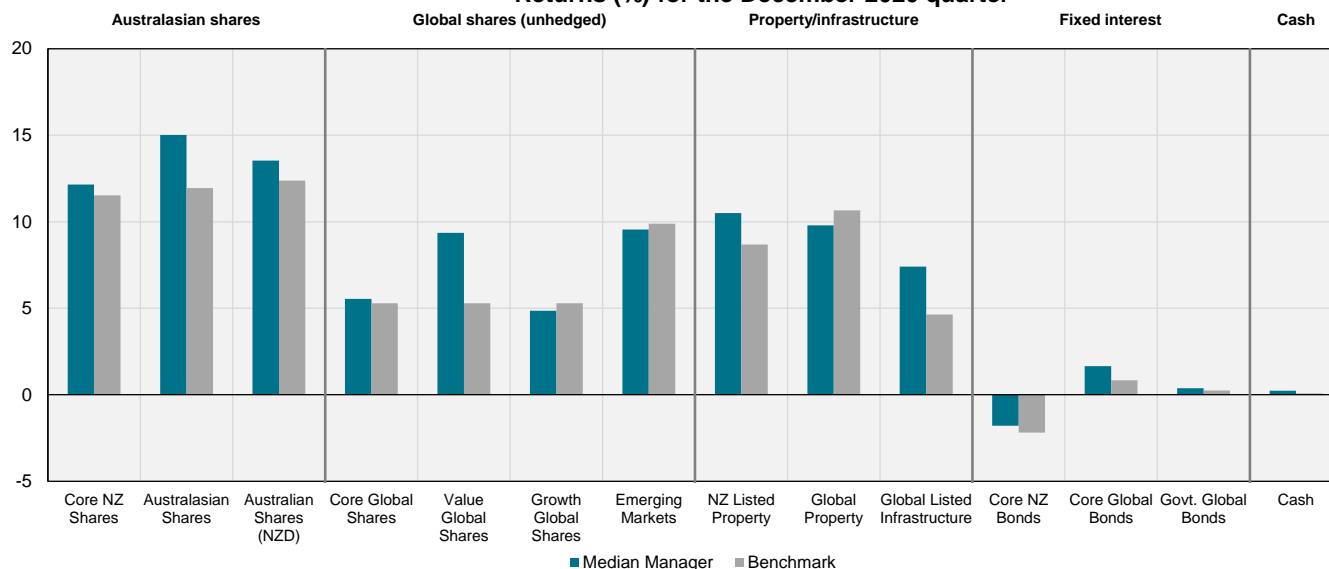


MJW Investment Survey

December 2020

Market Returns	Quarter	Year		Quarter	Year
	%	%		%	%
S&P/NZX 50 (including ICs)	11.5	14.6	Bloomberg NZBond Composite 0+ Yr	-2.2	4.8
S&P/ASX 200 - unhedged	12.4	4.3	S&P/NZX NZ Government Bond	-2.9	5.4
MSCI World - local currency	12.4	13.5	Bloomberg Barclays Global Aggregate	0.8	5.4
MSCI World - 100% hedged	12.1	13.2	FTSE World Government Bond	0.2	6.1
MSCI World - unhedged	4.6	8.6	S&P/NZX Bank Bills 90-Day	0.1	0.6
MSCI Emerging Markets - 0% hedged	9.9	10.9	NZD / USD	8.9	6.7
S&P/NZX All Real Estate (including ICs)	8.7	5.0	NZD / AUD	1.2	-2.8

Returns (%) for the December 2020 quarter



Market returns

Markets surged ahead throughout the final quarter of the year, spurred on by the news of a Biden victory in November and the prospect of a more predictable political trajectory for the United States. A slew of positive announcements regarding a COVID-19 vaccine added to investor confidence, with several pharmaceutical companies releasing the news that they had produced vaccines with 90% or greater efficacy against the virus.

A Biden administration stands a chance of being good news for the US economy. Biden has nominated former Federal Reserve chair Janet Yellen as his Treasury Secretary and both are pushing for a \$1.9 trillion relief plan to be passed early in his presidency. The recent Democratic victories in Georgia have granted the Democrats control of the senate by the smallest of margins, potentially removing one roadblock to enacting this plan.

A change of presidency is also an opportunity to reset trade relations to some extent and reconsider tariffs and other less productive parts of the current arrangements.

Regardless of how these events play out, the result has been a quarter where share markets have rivalled the stellar June 2020 quarter. The MSCI World Index was up over 12% and, interestingly, the value component of the MSCI index outpaced the growth component somewhat over the quarter. Prominent, high-growth stocks have dominated over 2020 and some might see this latest development as an indicator of a reversal of fortunes to come. Nevertheless, the road to recovery for value stocks is long: the 2020 local currency return for the MSCI Value Index was -3.3% compared to a staggering 31.1% for the equivalent growth index.

2020 Excess return: MSCI growth over MSCI value (LCT)



Emerging markets have had a particularly good quarter with the local currency index up over 16% in aggregate. Brazil was a standout performer (+26.3%) while India (+19.9%) and Russia (+16.6%) also produced respectable results.

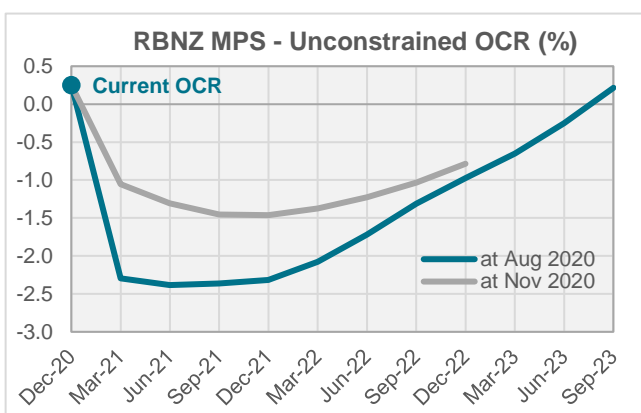
New Zealand proved a typical example of the strength in equity markets seen worldwide with the headline S&P/NZX 50 Index returning 11.5% over the quarter. This was despite the index's two largest stocks – Fisher & Paykel Healthcare and a2 Milk – posting negative returns for the quarter. The former was affected negatively by the positive news regarding vaccines and the latter has been hurting over recent months due to increased tensions between Australia and China. Both stocks reached their peak price in August 2020.

Global property and infrastructure stocks, which are of course a subset of the global equity sector, had respectable quarters – up 10.7% and 4.6% respectively. It is interesting to note,

however, that these stocks have not seen anywhere close to the same recovery as equities more broadly. Both sectors finished the 2020 calendar year down over 10%.

In this quarter's "risk-on" environment, interest rates rose: the yield on 10 year US Treasuries moved from 0.69% to 0.93%. The index return on global government stock was therefore weak at just +0.2%. The preference for riskier assets however resulted in a tightening credit spreads and the aggregate return from global bonds was +0.8% over the quarter.

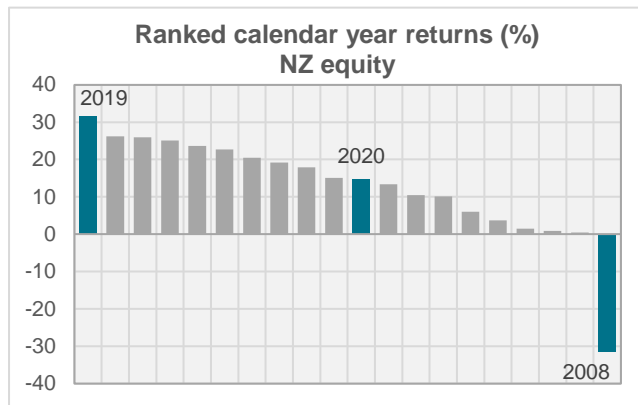
Last quarter, the almost unanimous consensus in New Zealand was to expect a negative official cash rate to occur in 2021. Since then, the Reserve Bank of New Zealand appears to have changed its stance. The Bank has been seeing political pressure around the effect of lower rates on the housing market and in a recent media release has acknowledged the risks that an inflated housing market may pose. The chart below shows how the RBNZ's views have changed over the recent months. Most of the major New Zealand banks have now excluded a negative OCR from their central projections in the near future.



The impact of this adjustment has been relatively significant with the yield on the S&P/NZX Government Bond Index rising from 0.31% to 0.66% over the quarter. As such, bond returns were poor with the government index down 2.9% and the aggregate index down 2.2%.

2020 has certainly been a turbulent year for investors and many funds will have seen a rise in their Risk Indicators over the year. However, when considering equity returns, the overall result has not been unusual when compared to the

recent past. The chart below shows how the return from New Zealand equities compares amongst the last 20 years.



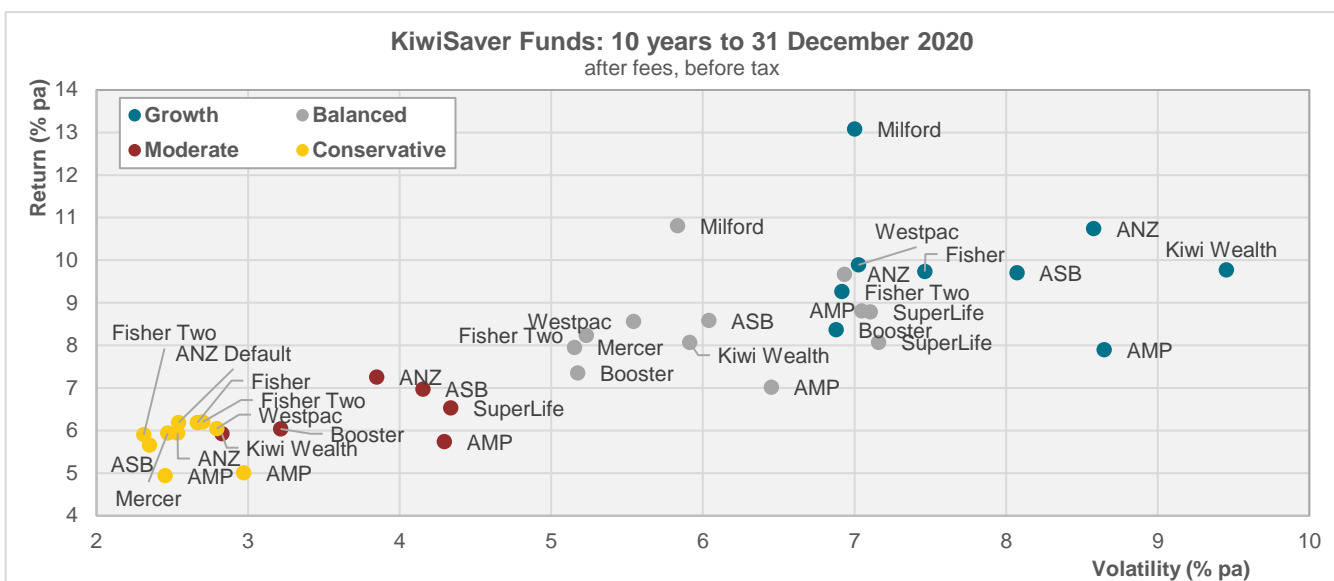
2020 has ranked 11th of the last 20 years. Interestingly, the best year was the 2019 year just before. If we exclude the 2008 year which includes the GFC period, all other years have had a positive return from this sector.

KiwiSaver

This quarter we look at the 10-year results from KiwiSaver funds as shown in the chart at the bottom of the page. As we would expect, fund category (or equivalently, allocation to growth assets) is the most obvious determinant of return. Over the long term, investors can generally expect growth assets to provide a boost to return and this is indeed the pattern we see here. While the separation between categories is clear, there is a relatively large overlap between the Growth and Balanced Funds.

Risk and return for the Conservative (and Moderate) categories are fairly tightly clustered but the spread within categories becomes more pronounced in the Balanced and Growth categories. The range of returns for Balanced Funds is around 4% while for Growth Funds it is over 5%. Thus, choice of provider is perhaps relatively more important for the more aggressive funds and relatively less important for the more conservative funds.

The Milford Balanced and Growth Funds are each outliers with high returns relative to their respective categories. By contrast, AMP's fund returns have been relatively low.



Wholesale Fund Returns (before fees and tax)

New Zealand & Australasian Shares		Aus. weight / hedging %	NZ FUM \$m	3 months		1 year		3 years		5 years		10 years		5 years pa		
				%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol.	IR ₁	Rk
New Zealand																
AMPC	Active ₁	0/0	529	13.9	(4)	22.7	(5)	17.8	(8)	16.5	(13)	16.2	(11)	11.1	-0.1	(14)
AMPC	Ethical Leaders ₁	0/0	46	12.8	(6)	22.8	(4)	19.7	(4)	17.9	(5)	-	-	11.8	0.4	(5)
ANZI	Australasian ₁	7/0	1,470	11.8	(11)	18.2	(10)	17.5	(10)	16.8	(11)	16.4	(10)	11.6	0.0	(11)
ANZI	NZ Shares ₁	0/0	242	12.2	(8)	17.7	(13)	17.7	(9)	17.0	(10)	16.8	(6)	11.0	0.1	(10)
CPF	Trans-Tasman ₁	0/0	11	15.3	(2)	28.0	(2)	23.3	(2)	23.5	(1)	-	-	13.5	1.5	(1)
DEV	NZ Core ₁	11/92	297	11.0	(15)	16.1	(16)	17.4	(11)	15.3	(17)	16.0	(14)	11.2	-0.5	(17)
FIS	NZ Growth ₁	0/0	288	17.9	(1)	29.4	(1)	25.3	(1)	22.6	(2)	20.4	(1)	13.9	1.0	(3)
HAM	Australasian Eq ₁	23/26	604	12.5	(7)	20.2	(7)	15.6	(16)	17.6	(7)	16.7	(8)	13.2	0.2	(7)
MAM	NZ Equities ₁	4/92	788	13.1	(5)	23.5	(3)	21.6	(3)	20.9	(3)	20.1	(2)	11.1	1.4	(2)
MERCER	Trans-Tasman ₁	13/41	677	11.5	(14)	17.9	(11)	16.7	(14)	16.2	(15)	16.2	(13)	11.6	-0.3	(15)
MNT	Australasian Equity ₂	13/95	330	9.5	(17)	17.8	(12)	18.0	(6)	17.1	(9)	18.1	(3)	9.7	0.1	(9)
NAM	Core ₁	6/0	487	11.6	(13)	14.8	(17)	14.9	(17)	17.2	(8)	16.6	(9)	12.0	0.1	(8)
NAM	SRI ₁	5/0	75	11.6	(12)	19.7	(8)	17.9	(7)	18.8	(4)	17.2	(4)	11.1	0.7	(4)
QAM	NZ Equity ₂	0/0	156	10.5	(16)	18.9	(9)	16.9	(13)	17.6	(6)	16.8	(5)	9.7	0.2	(6)
RUS	NZ Shares ₁	0/0	286	12.1	(10)	16.3	(15)	17.1	(12)	16.8	(12)	-	-	11.2	-0.1	(12)
SALT	Dividend Appreciation ₂	0/0	106	12.1	(9)	16.4	(14)	16.2	(15)	16.2	(16)	16.8	(7)	11.1	-0.3	(16)
SALT	NZ Share Plus ₂	0/0	1,197	13.9	(3)	22.4	(6)	18.1	(5)	16.5	(14)	16.2	(12)	11.4	-0.1	(13)
Median				12.1		18.9		17.7		17.1		16.8		11.2	0.1	
Australasian*																
DEV	Dividend Yield ₂₊₄		31	16.3	(2)	1.5	(6)	8.5	(6)	9.4	(6)	-	-	14.6		
DEV	Trans-Tasman ₂₊₄		115	13.2	(6)	4.1	(5)	10.9	(5)	11.6	(4)	13.2	(3)	13.0		
FIS	Trans-Tasman		1,642	15.9	(3)	25.6	(2)	21.8	(1)	19.3	(1)	17.2	(1)	13.5		
HAM	Equity Income		77	13.4	(5)	11.1	(4)	12.3	(4)	11.5	(5)	-	-	11.8		
HAM	Focus ₂₊₄		134	17.8	(1)	27.0	(1)	16.0	(3)	17.8	(2)	-	-	16.4		
MAM	Trans-Tasman ₂₊₄		707	14.2	(4)	19.9	(3)	16.8	(2)	17.4	(3)	16.5	(2)	12.7		
Median				15.0		15.5		14.1		14.5		16.5		13.2		
Other																
ANZI	Equity Selection Fund ₂₊₄		14	12.4	(2)	12.7	(4)	11.0	(3)	10.7	(3)	12.5	(2)	12.1		
DEV	Alpha ₂₊₄		112	10.9	(3)	9.4	(5)	9.2	(4)	9.5	(5)	11.9	(3)	11.6		
MAM	Dynamic (small cap)		513	12.7	(1)	22.7	(1)	16.0	(1)	15.4	(2)	-	-	15.4		
NAM	Concentrated		136	9.4	(5)	19.9	(2)	12.3	(2)	15.7	(1)	15.4	(1)	13.2		
QAM	Altum Fund		68	9.7	(4)	15.0	(3)	7.1	(5)	9.5	(4)	-	-	10.8		
Median				10.9		15.0		11.0		10.7		12.5		12.1		
Indexed/Smart Beta																
AMPC	Passive ₁		729	11.5		14.7		16.9		16.8		-		11.5		
HAM	Advanced Beta		268	15.3		13.1		14.9		15.4		-		12.5		
SMS	NZ Top 10		173	11.3		19.4		19.7		17.6		15.7		12.5		
SMS	NZ Top 50 ₃		873	16.3		15.5		17.0		17.0		16.1		12.6		
SMS	Dividend		103	19.6		9.6		12.8		13.1		-		15.2		
Indices																
S&P/NZX 50 (including ICs) ₁				11.5		14.6		17.0		16.8		16.1		11.4		
S&P/NZX 50 (excluding ICs) ₂				11.4		13.9		16.0		15.7		14.7		11.5		
S&P/NZX 50 Portfolio (including ICs) ₃				16.4		15.4		17.1		17.0		16.4		12.7		
S&P/ASX 200 (NZD) ₄				12.4		4.3		5.8		8.9		5.7		16.8		

Where possible, the subscript numbers show the correspondence between funds and their benchmark indices.

* The funds in this section adopt a variety of hedging positions on the Australian portion of their benchmarks.

Australian Shares		NZ FUM \$m	3 months		1 year		3 years		5 years		10 years		5 years pa		
			%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol.	IR ₁	Rk
AMPC	Australian	293	12.2	(5)	4.2	(2)	5.8	(2)	7.5	(3)	5.7	(4)	16.4	-0.9	(5)
AMPC	Schroder	293	13.6	(3)	1.6	(3)	4.4	(3)	9.5	(2)	-	-	17.2	0.2	(2)
ANZI	Australian	1,085	14.1	(2)	-6.0	(6)	-1.6	(6)	2.6	(6)	3.6	(5)	19.5	-1.4	(6)
DEV	Australian	12	13.5	(4)	-1.0	(5)	4.2	(4)	7.4	(4)	7.9	(2)	17.1	-0.4	(3)
FIS	Australian	81	15.2	(1)	21.9	(1)	16.5	(1)	14.5	(1)	10.1	(1)	15.5	0.9	(1)
QAM	Australian	57	12.1	(6)	1.6	(4)	3.6	(5)	5.9	(5)	6.0	(3)	14.3	-0.4	(4)
Median			13.5		1.6		4.3		7.4		6.0		16.8	-0.4	
Indices															
S&P/ASX 200 (NZD)			12.4		4.3		5.8		8.9		5.7		16.8		
S&P/ASX 200 (AUD)			13.7		1.4		6.7		8.7		7.8		15.0		

Property & Infrastructure		NZ FUM \$m	3 months		1 year		3 years		5 years		10 years		5 years pa		
			%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol.	IR ₁	Rk
Australasian Listed Property															
AMPC	Passive Australasian	183	10.6	(2)	2.3	(6)	11.8	(6)	10.8	(6)	-	-	15.0	-0.3	(6)
ANZI	NZ Property Securities	220	10.5	(4)	7.1	(1)	15.5	(3)	13.1	(3)	15.3	(2)	13.7	0.2	(3)
ANZI	Trans-Tasman	984	12.6	(1)	6.5	(4)	13.0	(5)	12.0	(5)	14.6	(3)	14.9	-0.1	(4)
MNT	Australasian Property	85	9.5	(6)	5.2	(5)	14.5	(4)	12.3	(4)	14.3	(5)	12.9	-0.3	(5)
NAM	NZ Property	56	9.9	(5)	7.1	(2)	16.1	(2)	13.2	(2)	14.5	(4)	13.6	0.2	(2)
SALT	NZ Listed	329	10.5	(3)	6.6	(3)	16.4	(1)	14.6	(1)	16.0	(1)	12.6	1.1	(1)
Median			10.5		6.6		15.0		12.7		14.6		13.6	0.0	
Australasian Direct Property															
FIS	NZ Property	378	1.4	(3)	0.3	(3)	4.3	(3)	6.4	(3)	8.7	(3)	3.8		
MERCER	Trans-Tasman	130	2.4	(2)	1.8	(2)	6.9	(2)	8.7	(2)	9.4	(2)	4.5		
TRU	NZ Property	255	4.7	(1)	6.9	(1)	9.4	(1)	10.3	(1)	9.6	(1)	3.0		
Median			2.4		1.8		6.9		8.7		9.4		3.8		
Global Listed Property															
AMPC	100% hedged	210	9.0	(4)	-7.0	(2)	4.3	(2)	4.9	(2)	9.8	(1)	14.5		
ANZI	100% hedged	1,247	5.7	(5)	-8.0	(3)	3.1	(3)	4.4	(3)	8.9	(3)	13.6		
MERCER	139% hedged	209	11.3	(1)	-6.1	(1)	5.0	(1)	6.5	(1)	9.7	(2)	16.6		
MIM	100% hedged (AUD)	0	10.6	(2)	-15.9	(5)	-0.4	(5)	3.1	(5)	7.5	(4)	15.9		
RUS	100% hedged	0	9.8	(3)	-10.0	(4)	1.9	(4)	4.3	(4)	-	-	15.0		
Median			9.8		-8.0		3.1		4.4		9.3		15.0		
Global Listed Infrastructure															
AMPC	100% hedged*	330	7.4	(3)	-10.7	(5)	5.6	(1)	8.0	(3)	-	-	14.3		
ANZI	100% hedged	567	7.5	(2)	-8.1	(4)	2.5	(5)	7.0	(5)	-	-	11.5		
FSI	100% hedged	271	6.7	(4)	-6.0	(1)	4.7	(2)	9.4	(1)	-	-	12.1		
MERCER	139% hedged	291	6.0	(5)	-7.0	(2)	4.6	(3)	8.8	(2)	11.4	(1)	12.0		
RUS	100% hedged*	0	9.4	(1)	-7.6	(3)	4.1	(4)	7.9	(4)	10.5	(2)	13.3		
Median			7.4		-7.6		4.6		8.0		10.9		12.1		
Other															
FIS	Property & Infrastructure	154	13.1		5.6		14.2		15.7		13.5		12.4		
MERCER	Global Unlisted Infrastructure	176	6.0		14.2		12.9		13.7		13.2		7.9		
Indices															
S&P/NZX All Real Estate (including ICs) ₁			8.7		5.0		15.5		12.8		14.0		12.8		
FTSE EPRA Nareit Global Real Estate			10.7		-13.2		0.5		3.7		8.7		16.0		
Dow Jones Brookfield Global Infrastructure			4.6		-10.3		3.1		7.5		-		12.3		

Where possible, the subscript numbers show the correspondence between funds and their benchmark indices.

* See notes.

Global Shares (unhedged)		Emerging markets %	NZ FUM \$m	3 months % Rk	1 year % Rk	3 years % pa Rk	5 years % pa Rk	10 years % pa Rk	5 years pa Vol. IR ₁ Rk			
Core												
AMPC	Core Global ₁	7.6	791	3.2 (13)	6.3 (11)	8.5 (8)	11.0 (6)	11.3 (5)	10.9	0.0	(6)	
AMPC	Ethical Leaders ₂	14.4	73	7.3 (3)	7.6 (8)	8.3 (9)	10.2 (8)	9.7 (9)	11.7	-0.4	(8)	
ANZI	Northern Trust/Vanguard*	0.0	235	4.3 (12)	9.6 (7)	10.9 (5)	-	-	-	-	-	
ANZI	Int'l Eq ₂	1.1	7,493	5.5 (7)	12.3 (3)	12.1 (3)	13.2 (2)	12.9 (1)	12.1	1.0	(1)	
ANZI	MFS	0.3	3,787	4.7 (11)	7.2 (9)	10.7 (7)	12.0 (5)	12.7 (2)	12.0	0.3	(5)	
FIS	International	13.3	1,633	5.5 (8)	4.9 (13)	8.0 (13)	10.1 (10)	8.8 (10)	11.5	-0.5	(9)	
KIWI	Quantitative ₂	12.2	1,295	4.9 (10)	9.7 (6)	8.2 (12)	-	-	-	-	-	
MERCER	Share Plus ₁	8.1	1,129	7.2 (4)	10.5 (5)	11.1 (4)	13.0 (3)	11.3 (6)	12.2	0.7	(3)	
MIM	High Opportunities ₂	9.7	0	6.2 (5)	12.9 (2)	12.3 (2)	12.4 (4)	11.6 (4)	11.2	0.5	(4)	
NAM	Multi-Manager ₂	11.2	260	7.3 (2)	20.3 (1)	14.2 (1)	13.8 (1)	12.6 (3)	12.0	0.9	(2)	
RUS	GOF ₂	15.4	193	7.5 (1)	7.1 (10)	8.3 (10)	10.9 (7)	10.4 (7)	12.2	-0.1	(7)	
RUS	ISF	3.8	0	5.7 (6)	5.8 (12)	8.3 (11)	10.2 (9)	10.3 (8)	12.4	-0.5	(10)	
RUS	Low Carbon	0.0	0	5.3 (9)	11.1 (4)	10.8 (6)	-	-	-	-	-	
Median				5.5	9.6	10.7	11.5	11.3	12.0	0.1		
Value												
AB	Value		0	8.3 (8)	-0.2 (6)	2.9 (7)	6.9 (9)	7.9 (6)	13.1	-1.1	(10)	
AMPC	Orbis		433	9.7 (4)	10.6 (3)	6.5 (2)	11.9 (2)	-	13.0	0.2	(2)	
AMPC	Hexavest		135	1.4 (10)	-5.4 (9)	4.0 (6)	7.2 (8)	-	11.2	-0.8	(9)	
AMPC	Arrow street		281	8.7 (7)	12.4 (2)	11.6 (1)	12.7 (1)	-	11.9	0.6	(1)	
ANZI	LSV		1,229	9.1 (6)	-5.3 (8)	2.8 (8)	7.7 (6)	9.6 (2)	14.0	-0.6	(7)	
ART	Value		0	12.0 (3)	1.0 (5)	5.5 (5)	9.2 (5)	11.9 (1)	14.4	-0.3	(5)	
DFA	Value		0	9.6 (5)	-9.5 (10)	0.1 (10)	6.2 (10)	7.5 (7)	15.0	-0.8	(8)	
ELE	Value		19	15.1 (2)	13.8 (1)	6.3 (4)	9.3 (4)	8.7 (5)	14.9	-0.2	(3)	
GMO	Equity		0	7.4 (9)	3.2 (4)	6.4 (3)	9.8 (3)	9.1 (3)	11.9	-0.3	(4)	
PZENA	Global Value World		0	20.0 (1)	-2.1 (7)	2.7 (9)	7.6 (7)	9.0 (4)	16.4	-0.4	(6)	
Median				9.4	0.4	4.8	8.4	9.0	13.5	-0.4		
Growth												
AMPC	GQG/Vontobel		195	-7.8 (13)	10.5 (12)	12.4 (13)	13.3 (9)	-	11.2	0.3	(9)	
AMPC	Global Companies*		74	6.1 (6)	35.9 (2)	26.0 (1)	-	-	-	-	-	
ANZI	Franklin		2,400	7.8 (3)	36.5 (1)	20.5 (4)	18.9 (2)	15.5 (3)	14.5	1.2	(3)	
ANZI	Vontobel		1,419	1.5 (10)	13.2 (11)	14.8 (10)	14.9 (7)	-	11.4	0.8	(7)	
ART	Global Opportunities ₂		0	1.7 (9)	32.6 (5)	20.8 (2)	18.9 (1)	17.0 (1)	12.5	1.2	(2)	
FIS	International Select Equities		810	6.6 (5)	26.2 (7)	20.4 (5)	16.8 (6)	-	14.0	1.0	(6)	
FRK	Equity		0	8.3 (1)	35.4 (4)	20.5 (3)	18.5 (4)	14.6 (5)	14.5	1.2	(4)	
HAM	T Row e Price		218	7.9 (2)	35.6 (3)	20.4 (6)	18.7 (3)	-	13.0	1.5	(1)	
KIWI	Thematic ₂		1,828	2.1 (8)	16.2 (10)	14.6 (11)	13.8 (8)	-	11.7	0.7	(8)	
MAG	Global		0	-4.8 (12)	4.2 (13)	12.7 (12)	12.5 (10)	15.0 (4)	11.7	0.2	(10)	
MAM	Global Select		1,009	1.4 (11)	22.8 (9)	17.5 (9)	-	-	-	-	-	
NAM	Global Shares ₂		340	7.5 (4)	22.9 (8)	18.2 (8)	-	-	-	-	-	
WEL	Grow th		0	4.8 (7)	31.5 (6)	19.1 (7)	17.9 (5)	15.8 (2)	14.3	1.2	(5)	
Median				4.8	26.2	19.1	17.4	15.5	12.8	1.1		
Passive												
AMPC	NWIN		533	4.6	9.8	11.1	11.9	11.1	12.0			
MERCER	Global Equities Index		211	4.6	9.8	10.0	12.1	-	12.0			
SMS	Total World		81	5.9	9.1	9.3	11.0	-	12.9			
VAN	World ex Australia		0	4.5	9.0	10.5	11.4	11.3	12.1			
Indices												
MSCI World - 0% hedged ₁				4.6	8.6	10.1	11.1	10.8	12.2			
MSCI World - 100% hedged				12.1	13.2	10.3	12.4	12.3	14.2			
MSCI ACWI - 0% hedged ₂				5.3	8.9	9.6	11.1	10.0	11.7			

Where possible, the subscript numbers show the correspondence between funds and their benchmark indices.

* See notes.

Global Shares (unhedged)		NZ FUM \$m	3 months		1 year		3 years		5 years		10 years		5 years pa		
			%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol.	IR ₁	Rk
Emerging markets															
AMFC		68	9.0	(6)	9.1	(4)	5.5	(5)	11.7	(5)	6.3	(1)	11.6	0.0	(5)
ART		0	12.8	(2)	15.3	(1)	8.4	(2)	15.1	(2)	5.3	(5)	12.9	0.9	(1)
GMO		0	5.6	(8)	-0.7	(7)	3.8	(7)	11.0	(6)	3.5	(6)	11.7	-0.2	(6)
MERCER		367	9.4	(5)	10.7	(3)	7.2	(3)	12.5	(3)	5.4	(4)	12.8	0.2	(3)
RUS		0	11.7	(3)	9.0	(5)	5.2	(6)	12.1	(4)	5.7	(2)	12.5	0.2	(4)
SCM		0	19.1	(1)	-2.3	(8)	0.6	(8)	7.3	(8)	5.5	(3)	13.5	-0.6	(8)
SMS	Indexed	134	8.5	(7)	8.1	(6)	5.5	(4)	10.4	(7)	-	-	13.7	-0.2	(7)
VAM		0	9.6	(4)	14.2	(2)	8.7	(1)	15.5	(1)	-	-	12.1	0.8	(2)
Median			9.5		9.0		5.5		11.9		5.5		12.7		
Other															
MERCER	Small Companies	184	16.3		14.6		10.0		10.8		11.8		17.0		
MERCER	Low Volatility	197	-3.3		-7.3		3.3		6.7		-		10.1		
PFAM	Global Water	32	9.4		9.2		11.1		9.7		9.2		11.9		
PFAM	Responsible Investment	28	8.2		15.7		11.8		-		-		-		
Indices															
MSCI Emerging - 0% hedged			9.9		10.9		5.7		11.7		4.5		12.0		

Alternatives/Other		NZ FUM \$m	3 months		1 year		3 years		5 years		10 years		5 years pa		
			%		%		% pa		% pa		% pa		Volatility % pa		
Commodities															
AMFC		85	10.3		-2.7		-2.4		2.3		-3.8		11.8		
MERCER	Natural Resources	48	6.4		5.6		6.4		7.2		1.9		7.8		
WEL		0	2.5		0.1		1.5		5.1		-2.1		11.6		
Australasian															
AAM		455	12.9		15.4		12.2		13.0		14.1		10.7		
CPF	Ranger	218	16.1		40.0		21.2		22.6		-		13.7		
SALT	Long/Short	50	14.3		8.1		5.6		7.2		-		10.1		
Global															
AMFC	GMAF	103	4.9		3.9		3.9		5.3		-		4.7		
CPF	5 Oceans	90	5.3		10.7		7.3		8.6		-		4.5		
LHF	Global Equity Fund	8	0.3		42.6		32.0		-		-		-		
MAM	Active Growth	1,380	7.8		12.6		12.2		12.3		15.3		9.1		
MERCER	Liquid Alternatives	136	4.5		-3.0		-1.6		0.6		-		5.1		
MGH		24	-2.2		-3.5		1.3		6.1		8.4		10.0		
NAM	Multi-Strategy	27	6.7		8.4		5.2		4.5		6.6		4.1		
NAM	Option	54	3.0		-25.3		-10.5		-4.1		2.6		13.9		
RUS	Multi-Asset Growth (AUD)	0	0.8		-1.7		2.2		4.0		-		6.4		
SLI	Absolute Return	0	3.8		8.6		4.4		3.9		6.2		4.3		

New Zealand Bonds & Cash		Modified Duration	NZ FUM	3 months		1 year		3 years		5 years		10 years		5 years pa		
		years	\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol.	IR _{1/4}	Rk
Core																
AMPC	AIF F ₁	5.4	2,102	-2.1	(7)	5.3	(7)	5.2	(6)	5.2	(6)	6.0	(4)	2.8	1.4	(3)
ANZI	NZ Fixed Plus ₂	4.9	2,258	-1.8	(5)	7.2	(2)	5.7	(3)	5.4	(3)	6.0	(3)	3.1	1.1	(6)
BTAM	Bond Fund ₁	5.3	1,713	-1.8	(3)	5.6	(6)	5.3	(5)	5.2	(7)	5.6	(5)	2.7	1.3	(4)
FIS	NZ Fixed Interest ₁	5.1	1,433	-1.9	(6)	6.1	(4)	6.4	(1)	6.0	(2)	6.1	(2)	3.0	2.0	(1)
HAM	Core Fixed ₁	5.5	466	-1.2	(1)	6.4	(3)	5.1	(7)	5.3	(5)	-	-	2.5	0.8	(7)
NAM	NZ Fixed Interest ₁	6.0	400	-1.8	(4)	7.3	(1)	6.4	(2)	6.0	(1)	6.6	(1)	3.2	1.2	(5)
RUS	Harbour/WAMCO ₁	5.3	206	-1.6	(2)	5.7	(5)	5.3	(4)	5.3	(4)	-	-	2.5	1.7	(2)
Median				-1.8		6.1		5.3		5.3		6.0		2.8	1.3	
Government																
ANZI	Sovereign ₂	5.9	1,051	-2.7		5.9		4.8		4.7		5.3		3.1		
Corporate																
ANZI	High Grade	3.9	1,207	-0.9	(5)	8.6	(1)	6.7	(1)	6.2	(1)	6.6	(2)	3.1		
BTAM	Corporate Bonds	3.1	1,283	-0.5	(2)	5.0	(5)	4.5	(5)	4.7	(5)	5.6	(4)	1.6		
HAM	Corporate Bonds ₃	3.8	487	-0.7	(3)	6.1	(4)	5.3	(4)	5.2	(4)	5.6	(3)	2.0		
MAM	Trans-Tasman Corporate	3.8	847	0.7	(1)	6.7	(3)	5.9	(3)	6.0	(3)	-	-	1.9		
NAM	Inv. Grade Corporate ₃	4.1	348	-0.8	(4)	7.0	(2)	6.2	(2)	6.1	(2)	6.8	(1)	2.7		
Median				-0.7		6.7		5.9		6.0		6.1		2.0		
Short Duration																
AMPC	Short Duration	2.0	542	-0.1	(2)	3.6	(1)	3.7	(1)	3.9	(1)	4.6	(1)	1.0		
HAM	Enhanced Cash	0.3	175	0.3	(1)	2.1	(2)	2.4	(2)	2.7	(2)	-	-	0.4		
Median				0.1		2.9		3.1		3.3		4.6		0.7		
Cash																
AMPC		0.2	3,263	0.1	(6)	1.0	(6)	1.8	(6)	2.1	(6)	2.9	(5)	0.2	10.7	
ANZI		0.3	5,848	0.2	(5)	1.4	(4)	2.1	(4)	2.4	(4)	3.0	(3)	0.2	5.6	
BTAM		0.3	1,320	0.2	(4)	1.3	(5)	2.1	(5)	2.3	(5)	3.0	(4)	0.2	5.8	
FIS		0.2	1,022	0.2	(3)	1.5	(3)	2.4	(2)	2.7	(3)	3.3	(2)	0.4	2.7	
KIWI		0.2	502	0.3	(1)	1.7	(1)	2.5	(1)	2.8	(1)	-	-	0.2	8.1	
NAM		0.3	829	0.3	(2)	1.6	(2)	2.4	(3)	2.7	(2)	3.4	(1)	0.3	3.0	
Median				0.2		1.4		2.2		2.5		3.0		0.2	5.7	
Indices																
Bloomberg NZB Composite 0+ Yr ₁		5.3		-2.2		4.8		4.7		4.6		5.2		2.5		
S&P/NZX NZ Government Bond ₂		5.9		-2.9		5.4		5.0		4.8		5.3		3.2		
S&P/NZX Corporate A Grade ₃		4.0		-1.0		5.4		5.0		5.0		5.6		2.1		
S&P/NZX Bank Bills 90-Day ₄		0.1		0.1		0.6		1.4		1.8		2.4		0.2		

Where possible, the subscript numbers show the correspondence between funds and their benchmark indices.

Global Bonds		Modified Duration years	NZ FUM \$m	3 months		1 year		3 years		5 years		10 years		5 years pa		
				%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol.	IR ₁	Rk
Core																
AMPC	AIF Q ₁	7.1	107	0.9	(9)	6.2	(8)	5.1	(9)	5.0	(8)	5.6	(7)	2.8	0.1	(8)
AMPC	Passive (AIF PQ) ₁	7.4	670	0.8	(10)	5.3	(9)	4.8	(10)	-	-	-	-	-	-	-
ANZI	PIMCO ₁	6.9	851	1.7	(6)	7.3	(5)	5.8	(4)	6.0	(5)	-	-	3.0	0.9	(2)
DFA	Core	7.7	0	1.5	(8)	7.4	(4)	6.2	(2)	6.0	(4)	-	-	3.9	0.7	(5)
FIS	PIMCO ₁	6.8	380	2.1	(1)	7.0	(7)	5.5	(7)	6.0	(6)	7.2	(2)	3.2	0.6	(6)
FIS	Wellington ₁	6.7	148	0.8	(11)	4.5	(10)	4.8	(11)	4.8	(9)	5.9	(6)	2.9	-0.1	(9)
HIM	PIMCO	6.8	993	2.1	(2)	7.2	(6)	5.6	(6)	-	-	-	-	-	-	-
MERCER	Global Aggregate ₁	7.3	786	1.6	(7)	4.4	(11)	5.2	(8)	5.4	(7)	6.7	(4)	3.3	0.3	(7)
NAM	GSAM ₁	7.8	414	2.0	(3)	9.5	(1)	7.0	(1)	6.3	(2)	6.5	(5)	3.6	0.8	(3)
PIMCO	GIS ₁	7.0	0	2.0	(4)	7.7	(3)	5.8	(5)	6.3	(1)	7.7	(1)	2.9	0.9	(1)
RUS	Global Bond ₁	7.8	667	1.8	(5)	8.4	(2)	6.0	(3)	6.1	(3)	7.1	(3)	3.4	0.8	(4)
Median				1.7		7.2		5.6		6.0		6.7		3.2	0.7	
Government																
AMPC	AMPC/Colchester	7.7	478	0.4	(2)	6.5	(1)	5.1	(2)	4.7	(2)	-	-	2.7	-	-
ANZI	Northern Trust/Vanguard*	7.7	2,619	-0.1	(3)	6.2	(2)	5.0	(3)	4.6	(3)	5.5	(2)	3.2	-	-
MERCER	Global Sovereign	8.0	311	1.2	(1)	5.7	(3)	6.2	(1)	5.7	(1)	6.9	(1)	3.3	-	-
Median				0.4		6.2		5.1		4.7		6.2		3.2		
Credit																
AMPC	Morgan Stanley	6.7	264	2.7	(1)	7.8	(1)	6.4	(1)	6.7	(1)	-	-	5.4	-	-
ANZI	Northern Trust/Vanguard*	7.4	2,904	2.4	(2)	5.5	(3)	5.2	(3)	6.0	(2)	-	-	5.2	-	-
MERCER	Global Credit	7.1	321	2.4	(3)	7.1	(2)	5.6	(2)	5.9	(3)	7.4	(1)	4.5	-	-
Median				2.4		7.1		5.6		6.0		7.4		5.2		
Short duration and other																
AMPC	PIMCO Short Duration	0.9	106	0.6		3.0		2.9		3.2		4.2		1.0		
AMPC	Wellington Securitised	5.5	135	0.7		2.9		3.3		3.5		-		2.4		
BAM	Global Income	0.2	66	4.5		6.9		4.4		6.3		-		5.5		
BAM	Syndicated Loan	1.5	53	4.4		2.2		3.5		6.0		-		6.9		
DFA	5 year	0.9	0	0.3		1.8		2.5		3.1		4.3		1.4		
FIS	Absolute Return	2.9	75	0.7		5.5		5.3		5.3		-		1.9		
FRK	Brandywine GOF ₂	3.2	0	7.3		6.2		4.9		6.3		-		6.9		
MAM	Global Corporate Bond	3.3	816	3.0		6.5		5.6		-		-		-		
MERCER	Global Absolute Return	3.2	379	3.0		3.9		3.2		-		-		-		
Indices																
Bloomberg Barclays Global Aggregate ₁		7.4		0.8		5.4		4.9		4.9		5.8		2.8		
FTSE World Government Bond ₂		9.1		0.2		6.1		5.2		4.9		5.9		3.2		

Where possible, the subscript numbers show the correspondence between funds and their benchmark indices.

* See notes.

Diversified		Growth		3 months		1 year		3 years		5 years		10 years		5 years pa Volatility % pa
		AA %	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk		
Balanced														
AMPC	Ethical Leaders	66.6	7.3	(3)	6.7	(7)	7.6	(6)	8.3	(7)	8.9	(7)		7.7
ANZI		70.9	7.7	(1)	10.1	(3)	9.3	(3)	9.8	(3)	10.8	(2)		8.2
ASB		59.7	6.0	(6)	7.6	(6)	8.2	(5)	9.3	(5)	9.2	(4)		7.2
FIS		55.9	5.1	(7)	9.2	(4)	8.9	(4)	9.3	(4)	9.1	(5)		5.4
MAM		65.8	6.9	(4)	11.7	(2)	10.6	(1)	10.8	(1)	12.0	(1)		7.1
MERCER		61.0	6.4	(5)	8.1	(5)	7.5	(7)	8.6	(6)	9.0	(6)		6.1
NAM		71.0	7.5	(2)	12.6	(1)	9.8	(2)	10.3	(2)	10.6	(3)		7.6
Median		65.8	6.9		9.2		8.9		9.3		9.2			7.2
Income														
AMPC		51.3	6.1	(2)	5.7	(4)	8.0	(2)	8.5	(2)	-			7.5
HAM		34.3	6.0	(3)	8.5	(1)	7.7	(3)	7.2	(3)	-			4.7
MAM		42.9	6.5	(1)	6.2	(3)	8.6	(1)	10.0	(1)	12.6	(1)		5.7
MNT		31.8	3.6	(5)	6.9	(2)	6.9	(4)	6.7	(4)	-			3.8
NAM		41.1	4.1	(4)	4.8	(5)	4.0	(6)	4.9	(6)	6.4	(2)		4.7
QAM		8.6	2.1	(6)	3.3	(6)	5.6	(5)	6.1	(5)	-			3.2
Median		37.7	5.0		6.0		7.3		7.0		9.5			4.7

Notes:

- Relative outperformance may be due to the different nature of the fund rather than to superior skill. Past performance is no guarantee of future performance.
- Where we consider the funds have reasonably similar mandates, we group the funds and rank the performance. Differences in style and mandates will have an impact on returns.
- KiwiSaver fund returns are shown gross of tax and net of fees. All other fund returns are shown gross of tax and fees.
- KiwiSaver funds are grouped based on benchmark growth asset allocation. Actual asset allocation may differ from this.
- Tracking error is the standard deviation of value added. Information Ratio (IR) is value added divided by tracking error and is therefore a risk-adjusted measure of performance.
- Returns having a New Zealand equity or property component are shown inclusive of imputation credits, which are not available to all investors.
- FUM (funds under management) relates to the size of the locally-domiciled collective investment vehicle. It does not include any overseas funds managed in the same strategy. Where single-manager strategies form part of a multi-manager fund, we show FUM for both separately even if there is inter-funding.
- The numbers shown are in some cases gross equivalents of the net returns achieved by the manager. Consequently, for a tax-exempt investor, returns realised may be different from those shown above.
- The index applied to calculate information ratios is not in all cases be the benchmark adopted by the manager for the fund.
- Global share results are on an unhedged basis. In some instances, hedging the currency is integral to the management of the fund and the client will not experience the results shown.
- AMPC Global Companies fund returns prior to December 2018 are from the Australian domiciled vehicle.
- AMPC Global Listed Infrastructure Fund was 139% hedged prior to June 2015.
- Russell Global Infrastructure is a blend of the AUD hedged fund prior to 1 December 2017 and NZD hedged fund post 1 December 2017.
- In October 2020, ANZI appointed Northern Trust as its new sub-manager for the two global bond funds and one global equity fund previous managed by Vanguard.

KiwiSaver Results – Return and Risk (after fees, before tax)

Returns and Risk		FUM	Growth BM	3 months		1 year		3 years		5 years		10 years		Risk pa	
Manager	Fund	\$m	%	%	Rank	%	Rank	% pa	Rank	% pa	Rank	% pa	Rank	5 year	10 year
Growth (70%-85% growth assets)															
AMP	Grow th	850	77.0	7.7	(8)	5.9	(14)	7.1	(13)	8.9	(12)	7.9	(9)	9.8	8.6
ANZ	Grow th	3,798	80.0	9.2	(2)	9.1	(9)	8.8	(9)	9.7	(9)	10.7	(2)	10.2	8.6
ASB	Grow th	3,811	80.0	7.8	(7)	6.5	(12)	8.1	(11)	9.9	(6)	9.7	(6)	9.6	8.1
BNZ	Grow th	907	70.0	6.8	(12)	11.3	(4)	9.6	(5)	10.4	(4)	-	-	7.9	-
Booster	Balanced Grow th	422	80.0	6.7	(14)	11.1	(5)	9.5	(6)	9.9	(5)	8.4	(8)	8.1	6.9
Fisher	Grow th	2,607	80.0	7.9	(6)	12.8	(1)	11.2	(1)	11.2	(1)	9.7	(5)	8.5	7.5
Fisher Tw o	Grow th	661	75.0	7.3	(11)	10.4	(8)	9.4	(7)	9.8	(7)	9.3	(7)	7.6	6.9
Generate	Grow th	907	82.5	8.8	(4)	8.1	(10)	10.6	(3)	10.5	(3)	-	-	9.6	-
Kiw i Wealth	Grow th	1,893	80.0	6.7	(13)	12.3	(2)	8.4	(10)	9.2	(10)	9.8	(4)	10.1	9.5
Mercer	Grow th	149	75.0	8.2	(5)	8.0	(11)	7.5	(12)	9.2	(11)	-	-	8.2	-
Milford	Active Grow th	1,976	78.0	7.6	(9)	10.7	(7)	10.6	(2)	10.7	(2)	13.1	(1)	8.6	7.0
Simplicity	Grow th	1,101	78.0	7.3	(10)	11.8	(3)	10.4	(4)	-	-	-	-	-	-
SuperLife	Grow th	31	80.0	10.1	(1)	5.9	(13)	6.4	(14)	8.6	(13)	-	-	11.0	-
Westpac	Grow th	1,977	80.0	9.0	(3)	11.0	(6)	9.3	(8)	9.8	(8)	9.9	(3)	8.6	7.0
<i>Median</i>			80.0	7.8		10.6		9.3		9.8		9.7		8.6	7.5
Balanced (55%-69% growth assets)															
AMP	Balanced	1,055	57.0	5.7	(10)	5.3	(14)	6.2	(14)	7.4	(13)	7.0	(12)	7.4	6.5
AMP	Nikko Balanced	98	65.0	7.6	(3)	10.7	(4)	8.2	(8)	8.6	(6)	8.8	(3)	8.9	7.0
AMP	RI Balanced	19	65.0	7.0	(5)	5.2	(15)	5.9	(15)	-	-	-	-	-	-
ANZ	Balanced Grow th	2,606	65.0	7.4	(4)	9.0	(10)	8.2	(7)	8.7	(4)	9.7	(2)	8.2	6.9
ASB	Balanced	2,365	60.0	6.1	(9)	7.0	(12)	7.5	(10)	8.7	(5)	8.6	(5)	7.2	6.0
Booster	Balanced	609	60.0	4.9	(13)	9.2	(9)	7.8	(9)	8.2	(9)	7.3	(11)	6.1	5.2
Booster	SRI Balanced	132	55.0	4.1	(15)	11.0	(1)	9.0	(3)	8.7	(3)	-	-	6.2	-
Fisher Tw o	Balanced	1,054	57.0	5.6	(11)	10.4	(6)	9.0	(4)	8.9	(2)	8.2	(7)	6.0	5.2
Kiw i Wealth	Balanced	1,988	55.0	4.4	(14)	10.9	(2)	7.5	(11)	7.6	(12)	8.1	(8)	6.7	5.9
Mercer	Balanced	481	55.0	6.2	(8)	7.3	(11)	6.7	(12)	7.8	(11)	7.9	(10)	6.0	5.2
Milford	Balanced	526	61.0	6.6	(7)	10.2	(7)	9.2	(1)	9.5	(1)	10.8	(1)	7.0	5.8
Simplicity	Balanced	281	56.0	5.1	(12)	10.7	(5)	9.1	(2)	-	-	-	-	-	-
SuperLife	Balanced	51	60.0	7.9	(2)	6.6	(13)	6.3	(13)	7.9	(10)	8.1	(9)	8.7	7.2
SuperLife	Ethica	47	60.0	8.0	(1)	10.9	(3)	8.6	(5)	8.4	(8)	8.8	(4)	9.1	7.1
Westpac	Balanced	1,917	60.0	6.8	(6)	10.2	(8)	8.2	(6)	8.5	(7)	8.6	(6)	6.7	5.5
<i>Median</i>			60.0	6.2		10.2		8.2		8.5		8.4		7.0	6.0
Moderate Balanced (45%-54% growth assets)															
AMP	Mod. Balanced	792	47.0	4.7	(2)	4.9	(3)	5.6	(3)	6.6	(3)	6.3	(2)	6.1	5.4
ANZ	Balanced	2,960	50.0	5.8	(1)	8.7	(2)	7.4	(2)	7.6	(2)	8.5	(1)	6.3	5.4
BNZ	Balanced	597	50.0	4.4	(3)	8.8	(1)	7.8	(1)	8.6	(1)	-	-	5.9	-
<i>Median</i>			50.0	4.7		8.7		7.4		7.6		7.4		6.1	5.4
Moderate (30%-44% growth assets)															
AMP	Income Generator	5	40.0	5.7	(1)	4.3	(11)	6.7	(3)	-	-	-	-	-	-
AMP	Moderate	610	37.0	3.6	(8)	4.3	(10)	5.1	(11)	5.8	(9)	5.7	(6)	4.9	4.3
ANZ	Cons. Bal.	1,456	35.0	4.2	(4)	8.2	(2)	6.5	(5)	6.4	(5)	7.3	(1)	4.5	3.8
ASB	Moderate	2,199	40.0	4.0	(6)	5.6	(7)	6.0	(8)	6.8	(3)	7.0	(2)	4.9	4.2
BNZ	Moderate	656	35.0	3.3	(9)	7.5	(4)	6.5	(4)	7.3	(1)	-	-	4.4	-
Booster	Moderate	211	40.0	2.6	(10)	6.8	(5)	6.1	(7)	6.2	(8)	6.0	(4)	3.7	3.2
Generate	Conservative	464	32.5	3.6	(7)	5.4	(9)	7.3	(1)	6.6	(4)	-	-	4.5	-
Kiw i Wealth	Conservative	959	30.0	1.7	(11)	8.5	(1)	6.2	(6)	5.7	(10)	5.9	(5)	3.6	2.8
Mercer	Moderate	169	35.0	4.1	(5)	6.3	(6)	5.6	(9)	6.2	(7)	-	-	3.9	-
SuperLife	Conservative	25	30.0	4.3	(3)	5.5	(8)	5.6	(10)	6.4	(6)	6.5	(3)	5.3	4.3
Westpac	Moderate	732	40.0	4.4	(2)	8.1	(3)	6.7	(2)	6.8	(2)	-	-	4.7	-
<i>Median</i>			35.0	4.0		6.3		6.2		6.4		6.3		4.5	4.0
Conservative (15%-29% growth assets)															
AMP	Conservative	440	24.0	2.3	(6)	3.7	(16)	4.4	(15)	4.8	(15)	5.0	(9)	3.5	3.0
AMP	Default	1,386	20.0	2.1	(9)	4.1	(15)	4.4	(16)	4.8	(14)	4.9	(10)	2.8	2.5
ANZ Default	Conservative	1,242	20.0	2.4	(4)	7.5	(2)	5.8	(5)	5.6	(6)	6.2	(2)	2.9	2.5
ANZ	Conservative	1,256	20.0	2.5	(3)	7.4	(3)	5.5	(8)	5.2	(13)	5.9	(6)	2.9	2.5
ASB	Conservative	4,253	20.0	2.0	(10)	5.1	(12)	5.2	(11)	5.5	(7)	5.7	(8)	2.8	2.3
BNZ	Conservative	918	20.0	1.6	(14)	4.8	(13)	4.6	(14)	5.3	(12)	-	-	2.5	-
BNZ	First Home Buyer	215	15.0	1.2	(16)	3.4	(17)	3.5	(17)	4.1	(16)	-	-	1.7	-
Booster	Default	116	20.0	1.7	(13)	5.3	(11)	5.3	(10)	5.3	(10)	-	-	2.6	-
Fisher	Conservative	1,025	27.5	2.2	(8)	6.3	(8)	6.0	(3)	5.9	(3)	6.2	(3)	3.1	2.7
Fisher Tw o	Conservative	175	27.5	2.2	(7)	6.4	(6)	6.0	(4)	6.0	(2)	6.2	(1)	3.1	2.7
Fisher Tw o	Default	734	22.5	1.9	(11)	6.6	(4)	5.8	(6)	5.8	(4)	5.9	(7)	2.7	2.3
Kiw i Wealth	Default	335	20.0	1.2	(17)	5.7	(10)	5.1	(12)	5.4	(8)	-	-	2.8	-
Mercer	Conservative	1,209	20.0	1.9	(12)	4.8	(14)	4.9	(13)	5.3	(11)	5.9	(5)	2.9	2.5
Milford	Conservative	182	18.0	3.1	(1)	6.5	(5)	6.0	(2)	6.7	(1)	-	-	3.3	-
Simplicity	Conservative	140	22.0	1.4	(15)	8.0	(1)	6.8	(1)	-	-	-	-	-	-
Westpac	Conservative	3,012	25.0	2.8	(2)	6.3	(7)	5.6	(7)	5.6	(5)	6.0	(4)	3.3	2.8
Westpac	Default	347	20.0	2.4	(5)	6.1	(9)	5.4	(9)	5.4	(9)	-	-	2.8	-
<i>Median</i>			20.0	2.1		6.1		5.4		5.4		5.9		2.9	2.5

KiwiSaver Results – Asset Allocation

Asset Allocation		NZ/Aus Shares	Global Shares	Property/ Infra	Alt. Assets	Growth Assets	NZ Bonds	Global Bonds	Alt. Assets	Cash	Income Assets
Manager	Fund	%	%	%	%	%	%	%	%	%	%
Growth											
AMP	Grow th	24.2	51.6	5.1	1.9	82.7	6.1	5.6		5.5	17.3
ANZ	Grow th	19.5	54.4	13.3		87.2	4.5	5.8		2.5	12.8
ASB	Grow th	34.9	40.5	4.4		79.9	10.5	7.4		2.2	20.1
BNZ	Grow th	26.4	51.7			78.1	3.0	13.9		5.1	21.9
Booster	Balanced Grow th	24.9	45.3	5.7		75.9	8.0	8.2		7.9	24.1
Fisher	Grow th	30.6	43.1	5.0		78.6	9.9	4.9		6.6	21.4
Fisher Tw o	Grow th	26.8	38.9	7.4		73.0	11.7	4.9		10.4	27.0
Generate	Grow th	24.1	43.9	13.9		81.9	10.3	0.5		7.3	18.1
Kiw i Wealth	Grow th	0.9	75.7	1.7	4.9	83.1	5.6	6.2		5.1	16.9
Mercer	Grow th	14.5	49.4	6.4	8.4	78.7	4.8	12.7	1.2	2.6	21.3
Milford	Active Grow th	41.6	39.6	6.4		87.5	0.9	9.7		2.0	12.5
Simplicity	Grow th	29.3	48.2			77.5	7.5	12.1		2.8	22.5
SuperLife	Grow th	21.3	51.4	5.9		78.6	5.8	12.0		3.6	21.4
Westpac	Grow th	28.1	39.8	8.3	4.7	80.9	7.9	8.7		2.5	19.1
Average		24.8	48.1	6.0	1.4	80.3	6.9	8.0	0.1	4.7	19.7
Balanced											
AMP	Balanced	16.7	41.0	4.0	1.7	63.4	14.1	13.8		8.7	36.6
AMP	Nikko Balanced	21.0	30.4	5.0	9.8	66.2	19.2	9.7	4.9		33.8
AMP	RI Balanced	18.5	37.1	11.1		66.6	12.1	11.2		10.0	33.4
ANZ	Balanced Grow th	15.3	44.2	11.3		70.8	7.9	15.2		6.1	29.2
ASB	Balanced	31.4	27.5	1.0		59.9	10.0	23.8		6.3	40.1
Booster	Balanced	18.0	33.7	4.8		56.5	12.6	19.3		11.6	43.5
Booster	SRI Balanced	18.0	33.2	4.4		55.6	12.4	20.5		11.5	44.4
Fisher Tw o	Balanced	18.4	31.2	6.8		56.5	17.5	17.7		8.3	43.5
Kiw i Wealth	Balanced	0.6	54.2	1.2	3.5	59.6	16.1	17.5		6.9	40.4
Mercer	Balanced	11.5	35.1	5.5	7.6	59.7	9.6	25.1	1.3	4.3	40.3
Milford	Balanced	29.3	30.9	6.8		67.0	5.0	22.0		6.0	33.0
Simplicity	Balanced	20.9	34.7			55.6	16.4	25.1		2.8	44.4
SuperLife	Balanced	17.2	37.7	5.9		60.7	11.0	24.6		3.6	39.3
SuperLife	Ethica	16.6	37.8	5.6		60.0	11.4	25.4		3.2	40.0
Westpac	Balanced	20.9	31.8	4.6	3.8	61.1	14.7	21.6		2.6	38.9
Average		18.3	36.0	5.2	1.8	61.3	12.7	19.5	0.4	6.1	38.7
Moderate Balanced											
AMP	Mod. Balanced	15.4	32.7	3.7	1.4	53.2	17.2	16.5		13.1	46.8
ANZ	Balanced	12.8	33.8	9.3		55.9	10.5	23.1		10.6	44.1
BNZ	Balanced	19.4	38.9			58.4	7.9	25.8		7.9	41.6
Average		15.9	35.1	4.3	0.5	55.8	11.9	21.8		10.5	44.2
Moderate											
AMP	Income Generator	33.4	9.2	8.8		51.3	21.7	23.3		3.8	48.7
AMP	Moderate	11.6	26.9	3.1	1.4	42.9	20.2	19.6		17.3	57.1
ANZ	Cons. Bal.	9.3	24.6	7.3		41.2	13.1	30.1		15.6	58.8
ASB	Moderate	28.4	7.5	3.9		39.8	26.4	21.3		12.5	60.2
BNZ	Moderate	12.2	26.4			38.6	9.9	33.7		17.8	61.4
Booster	Moderate	11.2	17.2	4.0		32.4	23.9	23.2		20.5	67.6
Generate	Conservative	12.3	14.1	7.2		33.6	54.2	1.8		10.3	66.4
Kiw i Wealth	Conservative	0.3	28.7	0.6	1.8	31.5	28.4	31.0		9.0	68.5
Mercer	Moderate	8.7	21.7	3.6	5.5	39.4	12.8	28.3	1.1	18.4	60.6
SuperLife	Conservative	8.4	16.0	5.8		30.1	21.7	44.0		4.2	69.9
Westpac	Moderate	13.7	19.7	4.6	2.8	40.8	23.8	28.6		6.8	59.2
Average		13.6	19.3	4.4	1.1	38.3	23.3	25.9	0.1	12.4	61.7
Conservative											
AMP	Conservative	6.6	20.0	2.5	1.3	30.4	24.2	23.7		21.7	69.6
AMP	Default	7.4	15.7			23.1	17.4	15.8		43.7	76.9
ANZ Default	Conservative	5.5	15.1	4.0		24.5	16.7	38.9		19.9	75.5
ANZ	Conservative	5.4	15.2	3.9		24.5	16.7	38.9		19.8	75.5
ASB	Conservative	15.9	4.0			19.9	22.4	37.1		20.5	80.1
BNZ	Conservative	6.0	12.9			18.9	12.7	40.8		27.6	81.1
BNZ	First Home Buyer	4.1	9.7			13.8	4.9	18.9		62.4	86.2
Booster	Default	6.3	12.9	1.3		20.5	18.4	28.9		32.2	79.5
Fisher	Conservative	7.7	14.8	6.1		28.5	28.8	25.5		17.3	71.5
Fisher Tw o	Conservative	7.7	14.7	5.9		28.3	28.2	25.5		17.9	71.7
Fisher Tw o	Default	7.6	13.2	2.8		23.6	34.2	18.0		24.3	76.4
Kiw i Wealth	Default	0.3	18.3	0.3		18.9	20.1	21.9		39.1	81.1
Mercer	Conservative	4.7	16.2			20.8	14.7	33.3		31.2	79.2
Milford	Conservative	8.1	7.7	3.2		19.0	23.9	48.6		8.5	81.0
Simplicity	Conservative	9.4	12.8			22.2	36.0	40.3		1.5	77.8
Westpac	Conservative	9.7	10.5	3.7	2.0	25.9	29.9	31.8		12.4	74.1
Westpac	Default	7.6	11.6	1.9		21.1	32.7	28.8		17.4	78.9
Average		7.1	13.2	2.1	0.2	22.6	22.5	30.4		24.6	77.4

Fund manager abbreviations

AAM	Aspiring Asset Management	FSI	First Sentier Investors	PIMCO	PIMCO
AB	AllianceBernstein	GMO	GMO	PZENA	PZENA Investment Management
AMPC	AMP Capital	HAM	Harbour Asset Management	QAM	QuayStreet Asset Management
ANZI	ANZ Investments	HIM	Hunter Investment Management	RUS	Russell Investment Group
ART	Artisan Partners	KIWI	Kiwi Investment Management	SALT	Salt Funds Management
ASB	ASB Group Investments	LHF	Lighthouse Funds	SCM	Somerset Capital Management
BAM	Bentham Asset Management	MAG	Magellan Asset Management	SLI	Standard Life Investments
BTAM	BT Funds Management	MAM	Milford Asset Management	SMS	Smartshares
CPF	Castle Point Funds	MERCER	Mercer	TRU	Trust Management
DEV	Devon Funds Management	MGH	MGH Asset Management	VAN	Vanguard Investments Australia
DFA	Dimensional Fund Advisors	MIM	Morningstar Investment Management	VAM	Vontobel Asset Management
ELE	Elevation Capital	MNT	Mint Asset Management	WEL	Wellington Management Company
FIS	Fisher Funds Management	NAM	Nikko Asset Management		
FRK	Franklin Templeton Investments	PFAM	Pathfinder Asset Management		

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- Performance monitoring against investment objectives and competitors.
- Manager research and selection.

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Risk & Assurance Committee

Item for RECOMMENDATION

Report	Financial Strategy Review
Meeting Date	4 February 2021
Item Number	4
Prepared By	Larissa Brown – Strategic Planning Manager
File Reference	419452

REPORT SUMMARY

The Long-Term Plan requires the inclusion of a Financial Strategy which is required to be reviewed by the Risk & Assurance Committee. This is a placeholder report for a Workshop to receive feedback on the Financial Strategy.

RECOMMENDATION

- 1. That the Risk & Assurance Committee receives the Financial Strategy Report.**

Risk & Assurance Committee

Item for RECOMMENDATION

Report	Policy on Financial Contribution
Meeting Date	4 February 2021
Item Number	5
Prepared By	John Scott – Group Manager Corporate Services Larissa Brown – Strategic Planning Manager
File Reference	419449

REPORT SUMMARY

This report is a placeholder for a workshop to receive feedback on the Policy on Financial Contribution.

RECOMMENDATION

- 1. That the Risk & Assurance Committee receives the Policy on Financial Contribution report.**

Risk & Assurance Committee

Item for RECOMMENDATION

Report	Draft Revenue and Financing Policy 2021
Meeting Date	4 February 2021
Item Number	Agenda administrator to complete
Prepared By	John Scott – Group Manager Corporate Services
File Reference	419448

REPORT SUMMARY

This report is a placeholder for a workshop to generate feedback on the Draft Revenue and Financing Policy 2021.

RECOMMENDATIONS

- 1. That the report Revenue and Financing Policy be received.**

Risk & Assurance Committee

Item for INFORMATION

Report	Management Accounts Report
Meeting Date	4 February 2021
Item Number	7
Prepared By	Sharon Jenkinson – Finance Manager
File Reference	507386

REPORT SUMMARY

Management accounts for the period 1 July 2020 to 31 December 2020 are reflected below.

Commentary has been added for major variances.

RECOMMENDATIONS

- 1 That the Risk & Assurance Committee receives the Management Accounts report.**

Clutha District Council - Statement of Comprehensive Revenue and Expenditure July 2020 to December 2020.

	YTD 2021 Actual \$000	YTD 2021 Budget \$000	YTD 2021 Variance \$000	Audited 2019/20 \$000	Comments
INCOME	-26,933	-27,640	707	-40,614	
Rates	-13,792	-13,687	-105	-26,696	
Stimulus Funding	-3,200	-6,400	3,200	0	This is paid in 2 tranches
Grants & Subsidies	-4,309	-5,088	779	-8,731	NZTA work program vs claims timing.
Fees & User Charges	-598	-403	-195	-797	Dog Registrations are \$83k under budget, Sewer Connections, Financial contributions and Resource consents income was ahead of budget by \$40, \$42k & \$17k
Permits & Licenses	-431	-378	-53	-631	
Other Fees	-783	-607	-177	-1,563	Mt Cooee well ahead of budget
Rental Revenue	-500	-474	-26	-1,074	
Interest Revenue	-3,076	-389	-2,687	-452	Loss on portfolio in Sept 2020, otherwise steady gains
Other Revenue	-244	-215	-30	-670	
Other Gains	0	0	0	0	
EXPENDITURE	23,417	20,650	2,768	40,994	
Grants Contributions & Sponsorship	399	277	122	670	Some grants paid in full at the beginning of the year.
Other Operating Expenditure	8,875	6,682	2,192	14,737	Consulting support in Policy \$95k, Transportation Manager role \$212k, AMP work & 3 waters reval \$242k, Mt Cooee operation \$294k over budget due to high Wasteco costs, Water costs \$1,375k over budget, includes O & M, non routine & sampling
Roading Repairs & Maintenance	3,754	2,976	778	6,517	\$673k emergency reinstatement, ongoing flood repairs
Personnel Costs	3,669	3,824	-155	6,040	
Depreciation & Amortisation	6,641	6,607	35	12,927	
Finance Costs	79	284	-205	93	Internal interest eliminated on reporting.
Operating Lease Payments	0	0	0	10	
Surplus for the year	-3,516	-6,990	3,474	380	

Clutha District Council - Management Accounts as at Month Indicated			
Statement of Financial Position			
	Jun 2020 Audited \$000	Dec 2020 Act \$000	Comments
Assets	1,135,240	1,142,203	
Current Assets	39,911	41,811	
Cash and cash equivalents	1,763	3,769	
Receivables and prepayments	5,309	2,244	Rates Invoicing Timing
Other financial assets	28,984	31,943	Nikko portfolio loss in September has recovered
Development Property	3,855	3,855	
Non-current assets held for sale	0	0	
Non-current assets	1,095,329	1,100,392	
Other financial assets	144	244	
Work in Progress	5,175	16,424	Assets built but not capitalised
Property, plant and equipment	1,089,241	1,082,955	
Intangible assets	769	769	
Liabilities	-16,149	-18,822	
Current Liabilities	-10,292	-12,976	
Payables and deferred revenue	-5,535	-4,243	
Borrowings and other financial liabilities	-4,000	-8,000	LGFA - \$4m in October borrowed
Derivative Financial Instruments	-32	-32	
Employee entitlements	-725	-701	
Non-current liabilities	-5,857	-5,846	
Borrowings and other financial liabilities	-5,020	-5,020	LGFA Loan Long Term Portion unchanged
Other Liabilities	-55	-55	
Provisions	-782	-771	
Equity	-1,119,091	-1,123,381	
Equity	-1,119,091	-1,123,381	
Equity	-218,178	-218,177	
Accumulated funds	-4,819	-6,813	
Reserves	-58,302	-60,600	
Revaluation Reserves	-837,792	-837,791	
Balance Check	0	0	

Risk & Assurance Committee

Item for INFORMATION

Report	Risk & Assurance Committee Work Programme
Meeting Date	4 February 2021
Item Number	8
Prepared By	John Scott – Group Manager Corporate Services
File Reference	507392

REPORT SUMMARY

The Risk & Assurance Committee has certain responsibilities reflected in its Terms of Reference.

To discharge these responsibilities a work programme has been devised.

As this is the first one for the calendar year, we are seeking input and agreement on the programme's focus.

In future 'green' highlights will reflect the work completed since the last committee meeting.

RECOMMENDATIONS

- 1. That the Risk & Assurance Committee receives the Risk & Assurance Committee Work Programme report.**
- 2. That the Risk & Assurance Committee approves the Work Programme report.**

Clutha District Council											
Risk & Assurance Committee Work Programme - January to December 2021											
Meeting Dates											
Approach	Action		4-Feb-21	18-Mar-21	29-Apr-21	9-Jun-21	22-Jul-21	2-Sep-21	7-Oct-21	25-Nov-21	
Areas of Responsibility											
Risk Management											
Ensure that Council has in place a current and comprehensive risk management framework and associated procedures and review for effective identification and management of Council's financial and business risks including fraud.	Document risks in ProMapp using the Risk Management Framework for assessing them.	<p>- About influencing the culture to become risk aware and moving from a compliance focus to meaningful use of Risk Management.</p> <p>- Risk should become part of our everyday narrative where we think about it all the time.</p> <p>- Be more structured in how we manage risk and what we report.</p> <p>- Present Risk work programme for the next year for input from the members.</p> <p>Key concerns around risks are the following:</p> <ul style="list-style-type: none"> • H & S Legislative Compliance. •The Nikko Investment portfolio and reputational impact after a long period of losses. •Suppliers complying with H&S inductions. •Legislative Compliance especially in Rates. •10 top risks. 		Review Top 10 Risks and make enquiries of management	Review Top 10 Risks and make enquiries of management	Review Top 10 Risks and make enquiries of management	Review Top 10 Risks and make enquiries of management	Review Top 10 Risks and make enquiries of management	Review Top 10 Risks and make enquiries of management	Review Top 10 Risks and make enquiries of management	Review Top 10 Risks and make enquiries of management
Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings	Provide a schedule of the top projects selected by Council with narrative around risks and mitigations	Critically interrogate presented projects with their related risks and mitigations for reasonableness.		Review Category A Projects List and make enquiries of management	Review Category A Projects List and make enquiries of management	Review Category A Projects List and make enquiries of management	Review Category A Projects List and make enquiries of management	Review Category A Projects List and make enquiries of management	Review Category A Projects List and make enquiries of management	Review Category A Projects List and make enquiries of management	Review Category A Projects List and make enquiries of management
Review the effect of the Council's risk management framework on its control environment and insurance arrangements.	Provide Report on Insurance Cover and Deloitte to have management excluded time to discuss any issues.	Review the Deloitte. Management Report for any weaknesses in the Control Environment and Review Annual Insurance Cover and Risk Profile.	Above ground insurance cover in place for the June 2021 year.					Review the summary of insured assets and risk approach.		Review Deloitte Management Report for Control Environment weaknesses if available.	
Review whether a sound and effective approach has been followed in establishing the Council's business planning continuity arrangements, including whether disaster recovery plans have been tested periodically.	Produce a Business Continuity Plan with an IT and Operational Focus	Review BCP for reasonableness.						Review BCP			
Review the Council's internal controls in relation to preventing fraud and satisfy itself that the Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information and to ensure appropriate action is taken against perpetrators of fraud.	Inform the committee of any fraud management is aware of.	Review reporting and evaluate risk on fraud going forward.	As and when required.					Conflicts of Interest Register's to be updated.			
Internal Control											
Review whether management's approach to maintaining an effective internal control framework, including over external parties such as contractors and advisers, is sound and effective	To some extent reliance is placed on our external auditors, Deloitte, whose Management Report has considered the Control Environment to be adequate in the past.	Keep watching brief to ensure culture and behaviours are being driven by the CE. Focus on a Post Implementation Review of Creditors Controls now that the new ERP has been bedded down.									
Review whether management has in place relevant policies and procedures, and that these are periodically reviewed and updated.	Produce Report on Polices and their prioritisation for review.	Consider whether additional resources are required due to large backlog.						Policy Review Update Report to be tabled			
Determine whether the appropriate processes are in place to assess, at least once a year, whether policies and procedures are complied with.	Focus on Treasury Management Policy rewrite.	<p>CDC to be more structured in managing its policies and by laws and what we report:</p> <p>- Policy and By Law Register reflecting what policies and by laws are out of date for a review - what is the organisational timeline to review over the next few years - are we on track ?</p> <p>- This will support achieving the broad oversight role the Committee has.</p> <p>Consider amendments and approve Treasury Management changes.</p>						Policy Review Update Report to be tabled			
Review whether appropriate policies and procedures are in place for the management and exercise of delegations.	Report on Ozone Controls versus delegation limits.	Review Report	Delegations Manual approved for current triennium.								
Consider how management identifies and required changes to design or implementation of internal controls.	As and when required.	Review Report									
Review whether management has taken steps to embed a culture that is committed to ethical and lawful behaviour.	To some extent reliance is placed on our external auditors, Deloitte, whose Management Report reflects any concerns around culture.	Keep watching brief to ensure culture and behaviours are being driven by the CE. Committee to have alone time with auditors.									
External Accountability											
Review the financial statements and provide advice to the Council, including whether appropriate action has been taken in response to audit recommendations and adjustments.	Provide Draft Annual Report for review and comment.	<p>Review and consider Draft Annual Report providing inputs as required.</p> <p>For Annual Report understand Auditor General focus areas.</p> <p>For Long Term Plan check timing for reasonableness and that Councils timetable fits in with agreed audit visits.</p>								Review Draft Annual Report	

Clutha District Council											
Risk & Assurance Committee Work Programme - January to December 2021											
Meeting Dates											
Approach	Action	4-Feb-21	18-Mar-21	29-Apr-21	9-Jun-21	22-Jul-21	2-Sep-21	7-Oct-21	25-Nov-21		
Areas of Responsibility											
Satisfy itself that the financial statements are supported by appropriate management sign-off on the statements and on the adequacy of the systems of internal controls	Discussion with Deloitte.	Enquire about DIA measures, bad debts provision, commitments. Check management has signed representations. Have meeting with auditors without management being present.					Audit Partner to be available to discuss audit plan		Audit Partner to be available to discuss annual report status.		
Review the processes in place designed to ensure that financial information included in the Council's annual report is consistent with the signed financial statements.	Discussion with Deloitte.	Have meeting without management being present.							Audit Partner to be available to discuss annual report status.		
Review the processes and risk assessment are in place for the development and adoption of the Council's Long-Term Plan.	Provide draft Financial Strategy and Asset Management Planning approach to the LTP	Provide inputs into FS and AMPs.		Review Financial Strategy for the LTP							
Satisfy itself that the Council has appropriate mechanisms in place to review and implement, where appropriate, relevant external audit reports and recommendations	Provide progress update on Management Letter Recommendations	Inspect progress on tracking document at each meeting. Determine whether progress is being made by number of items resolved versus new ones added. May have interim report as well at end of final audit to consider.						Report on MR progress.			
Satisfy itself that the Council has a performance management framework that is linked to organisational objectives and outcomes.	Part of the LTP review	Apply critical mind to review.				Review the LTP Performance Framework					
Internal audit											
Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors	At this stage we have a way to go here.	No internal audit work planned in 2021 year									
Review the internal audit coverage and annual work plan, ensure that the plan is based on the Council's risk management plan, and recommend approval of the plan on behalf of the Council.	At this stage we have a way to go here.	No internal audit work planned in 2021 year									
Advise the Mayor and Chief Executive on the adequacy of resources to carry out the internal audit, including completion of the approved internal audit plan.	At this stage we have a way to go here.	No internal audit work planned in 2021 year									
Oversee the co-ordination of audit programs conducted by the internal and external auditors and other review functions	At this stage we have a way to go here.	No internal audit work planned in 2021 year									
Review all audit reports and provide advice to the Council on significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of good practice.	At this stage we have a way to go here.	No internal audit work planned in 2021 year									
Review the internal audit charter to ensure that appropriate organisational structures, authority, access, and reporting arrangements are in place.	At this stage we have a way to go here.	No internal audit work planned in 2021 year									
External audit											
Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors.	For Annual Report understand Auditor General focus areas. For Long Term Plan check timing for reasonableness and that Councils timetable fits in with agreed audit visits.	AR and LTP engagement discussed and agreed.			Review Audit Engagement and Proposal Letters applicable						
Provide input and feedback on the financial statements and the audit coverage proposed by the external auditor and provide feedback on the audit services provided	As and when required	As and when required									
Review all external plans and reports for planned or completed audits and monitor management's implementation of audit recommendations.	As and when required	As and when required						Audit Partner to be at meeting to discuss progress of audit			
Oversee the co-ordination of audit programs conducted by the internal and external auditors and other review functions	As and when required	As and when required									
Provide advice to the Council and Chief executive on action taken on significant issues raised in relevant external audit reports and good practice guides	As and when required	As and when required									
Compliance with legislation, standards and good practice guidelines											
Determine whether management has appropriately considered legal and compliance risks as part of the Council's risk assessment and management arrangements	Take advantage of the SOLGM Toolbox on compliance and report accordingly.	Review results of each report.					Rating - Billing and Collection Process SOLGM Toolkit Review				
Review the effectiveness of the system for monitoring the Council's compliance with relevant laws regulations, and associated government policies	Largely a substantive approach	See if Deloitte flag any risk areas.									
Approach											
Action											
			0-Jan-00	4-Feb-21	18-Mar-21	29-Apr-21	9-Jun-21	22-Jul-21	2-Sep-21	7-Oct-21	25-Nov-21