

# Media Release

20 APRIL 2011

## Quarter volatile but growth assets continue to perform strongly

Despite a sharp correction during March, shares ended the first quarter with positive returns, as listed risk assets, including global property, again supported the AMP Capital diversified funds performance over the quarter and year to 31 March 2011.

Bob Cunneen, senior economist with AMP Capital's Investment Strategy Team, said there was plenty of event risk over the quarter. "Intensifying tensions in the Middle East led to soaring oil prices while the Japanese earthquake and reactor problems added to volatility in the quarter. These came at a time when shares have had strong gains since August last year and a correction was overdue."

AMP Capital's Conservative Fund returned 2.1% for the quarter and 6.8% for the year, its Balanced Fund returned 2.8% for the quarter and 8.2% for the year and its Growth Fund returned 3.6% and 9.5% respectively. The Balanced Responsible Investment Fund returned 3.0% for the quarter and 8.3% for the year.

Locally, the news of the earthquake in Christchurch devastated the nation with significant loss of life and massive damage. Signs that the economy was beginning to recover into 2011 have been more than offset by the quake as it caused a substantial disruption to business activity. Not surprisingly business confidence and consumer confidence deteriorated sharply.

The New Zealand dollar fell sharply following the earthquake before strengthening towards the end of the quarter. The decline in the New Zealand dollar over the quarter provided unhedged global equities with a strong performance. The Unhedged Global Equities Fund returned 8.0% for the quarter and 6.2% for the year; Hedged Global Equities returned 3.8% and 13.4% respectively; and New Zealand Equities average return was 4.0% for the quarter and 7.6% for the year.

The New Zealand equity market remains of good value relative to bonds but expensive relative to global counterparts.

Both global and domestic returns for income assets were positive for the quarter and the year. The New Zealand Fixed Interest Fund returned 2.3% for the quarter and 7.0% for the year, and Global Fixed Interest returned 0.3% and 6.0% respectively.

Global property returns were again strong at 4.5% for the quarter and 22.3% for the year. Conversely New Zealand commercial property had negative performances at -3.6% and -1.2% respectively.

## AMP Capital Investors Fund Returns to 31 March 2011

	Quarter Return 31/3/11	Annual Return 31/3/11	3-Year Return p.a. 31/3/11	5-year Return p.a. 31/3/11
<b>Individual Sectors – Before Tax and Fees</b>				
Strategic Equity Growth	3.5%	6.2%	4.5%	4.2%
NZ Equities Active	4.5%	8.9%	3.9%	3.1%
NZ Equity (Average)	4.0%	7.6%	4.2%	3.7%
Global Equities - Unhedged	8.0%	6.2%	-0.6%	N/A
Global Equities - Hedged	3.8%	13.4%	-3.7%	N/A
Property	-3.6%	-1.2%	-14.9%	0.1%
New Zealand Fixed Interest	2.3%	7.0%	10.4%	8.1%
Global Fixed Interest	0.3%	6.0%	N/A	N/A
Cash	1.1%	4.3%	5.6%	6.7%
Global Property	4.5%	22.3%	-1.2%	N/A
Australian Equities	6.5%	7.2%	8.2%	7.1%
<b>Managed Funds – Before Tax and Fees</b>				
Conservative Fund	2.1%	6.8%	7.2%	6.7%
Balanced Fund	2.8%	8.2%	4.4%	4.5%
Growth Fund	3.6%	9.5%	1.1%	2.0%
Balanced Fund - Responsible	3.0%	8.3%	N/A	N/A
<b>Passive Funds – Before Tax and Fees</b>				
Global Equities – Passive	7.3%	6.5%	2.4%	-1.6%
<b>Index Performance</b>				
MSCI Gross Index - Unhedged	7.3%	5.5%	0.8%	-2.3%
MSCI Gross Index - Hedged	4.4%	10.8%	0.9%	2.1%
NZSX50 Comp w/IC's	4.3%	6.6%	1.1%	0.1%
NZX Bills Gross Index	0.8%	3.1%	4.5%	6.0%
NZX Bond Index	2.2%	6.9%	7.8%	6.6%
Citigroup World Government Bond Index	0.0%	4.4%	N/A	N/A

ENDS

### Media enquiries:

Sue Ryan

T 04 494 2260

M 029 494 2260

E [sue.ryan@ampcapital.co.nz](mailto:sue.ryan@ampcapital.co.nz)