



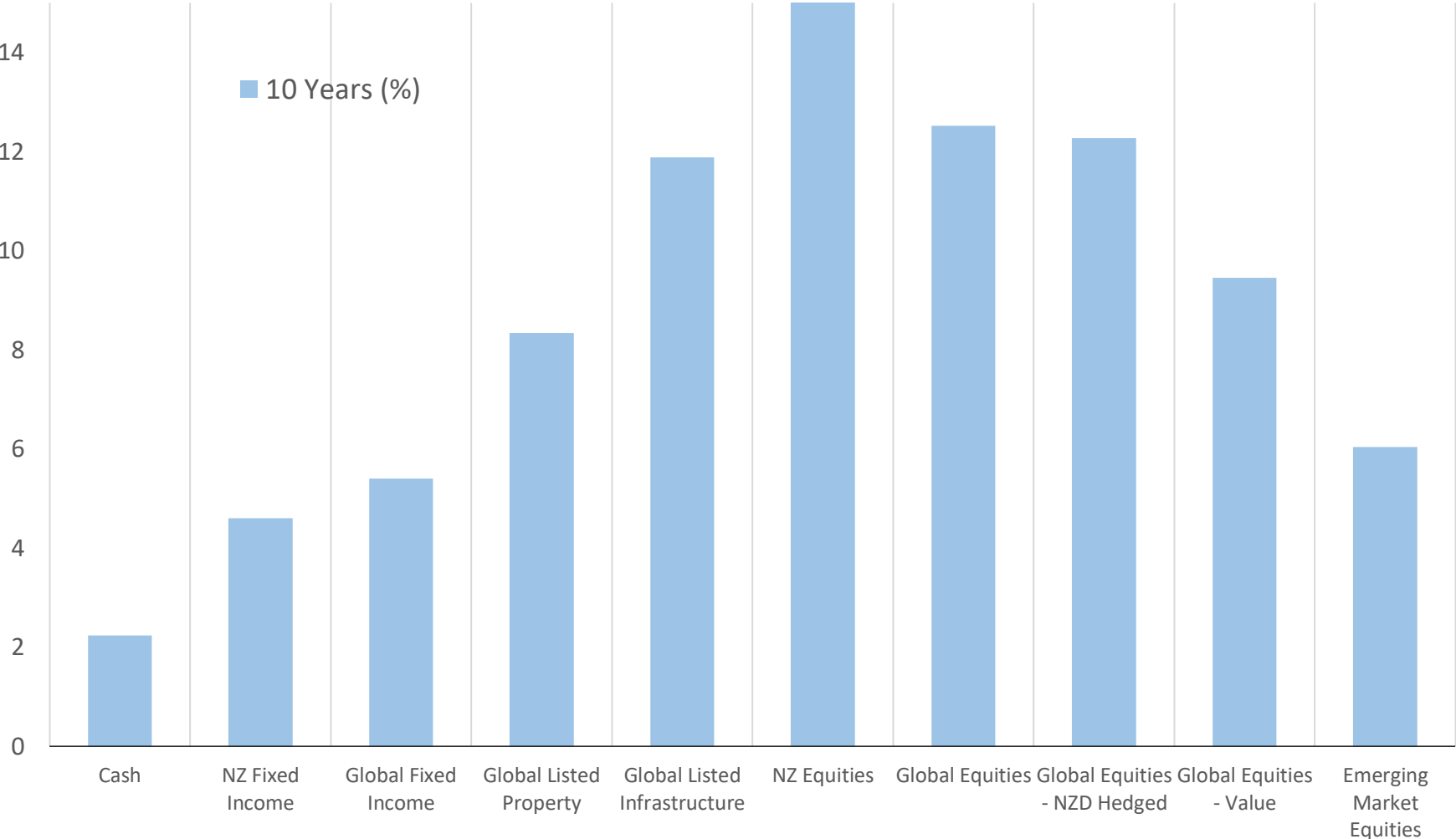
MyFiduciary

Summing it all up, the model portfolio

12 August 2021

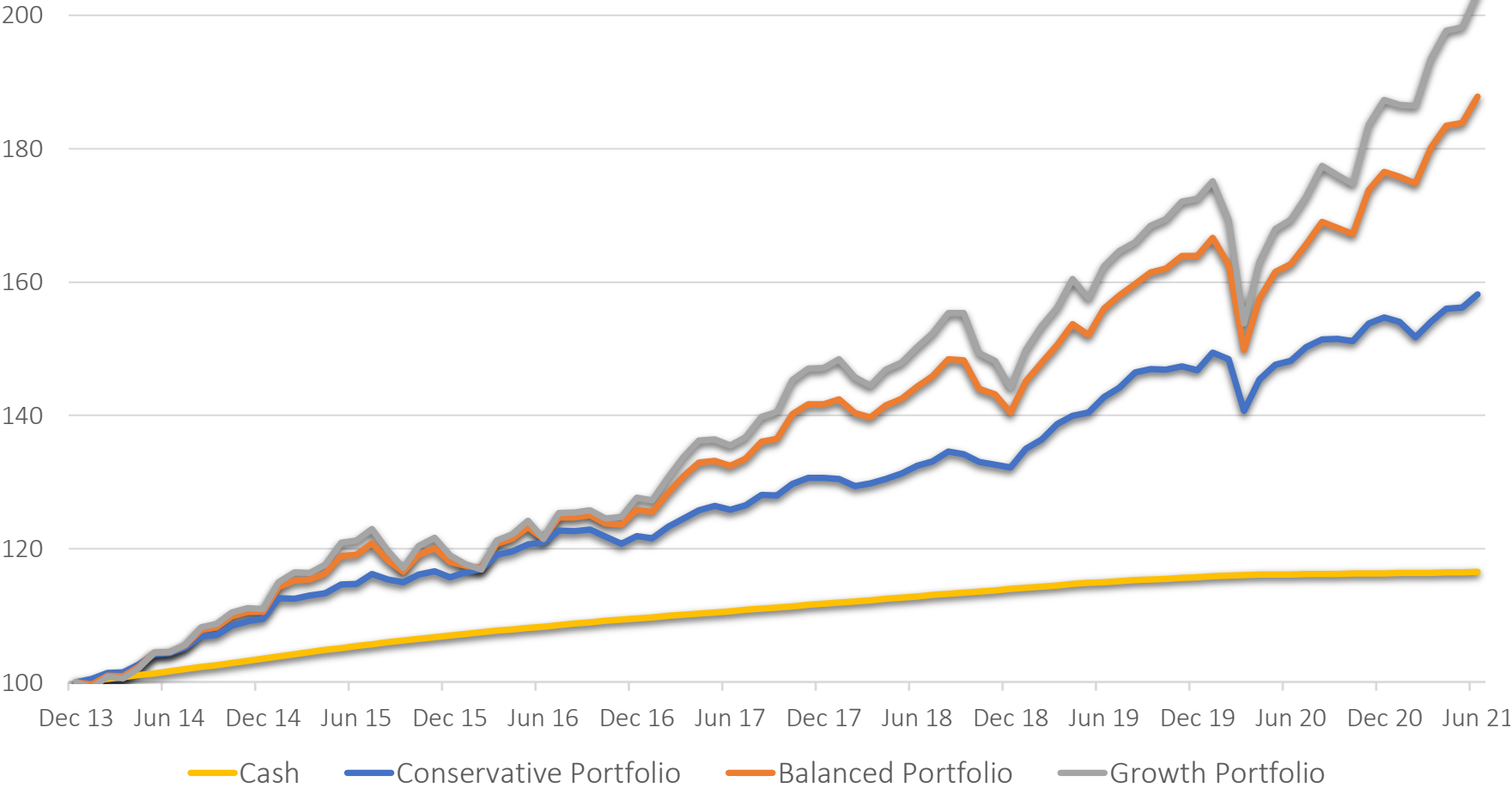
Market returns over the last 10-yr

Funds with a higher allocation to NZ equities and a growth and credit bias were the top performers.



Portfolio returns

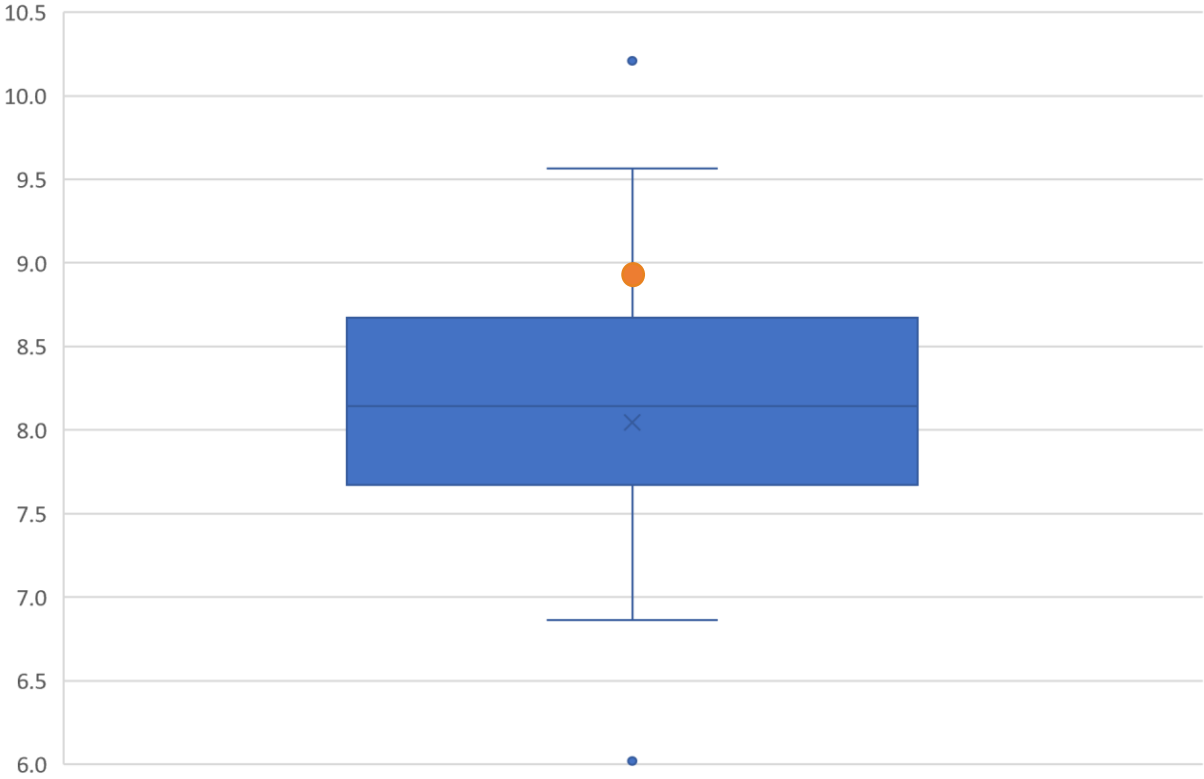
Moderate to growth risk profiles continue to reached new highs, while conservative funds have lagged



Source: MyFiduciary SRI Model Allocations & Morningstar

Range of balanced fund return outcomes over the last 5 yrs

Most balanced funds delivered a return between 7.7 to 8.7% over the last 5 years.
Funds with a higher allocation to NZ equities and a credit bias were the top performers.



Source: MyFiduciary & Morningstar

● MyFiduciary Balanced SRI Model Portfolio

Fund manager style has a huge influence on the performance

10 year returns of MSCI global indices to 31 July 2021

	Value	Core	Growth
Large	10%	14%	16%
Mid	11%	13%	14%
Small	11%	13%	15%

Source: Morningstar Direct

Fund manager style is a huge influence on the performance

2021 YTD

	Value	Core	Growth
Large	19%	19%	18%
Mid	20%	17%	14%
Small	21%	18%	14%

2020

	Value	Core	Growth
Large	-7%	9%	25%
Mid	-7%	8%	21%
Small	-4%	9%	21%

2019

	Value	Core	Growth
Large	21%	27%	33%
Mid	22%	27%	30%
Small	22%	25%	29%

2018

	Value	Core	Growth
Large	-5%	-3%	-1%
Mid	-8%	-8%	-8%
Small	-11%	-9%	-6%

2017

	Value	Core	Growth
Large	15%	20%	26%
Mid	18%	21%	23%
Small	16%	20%	25%

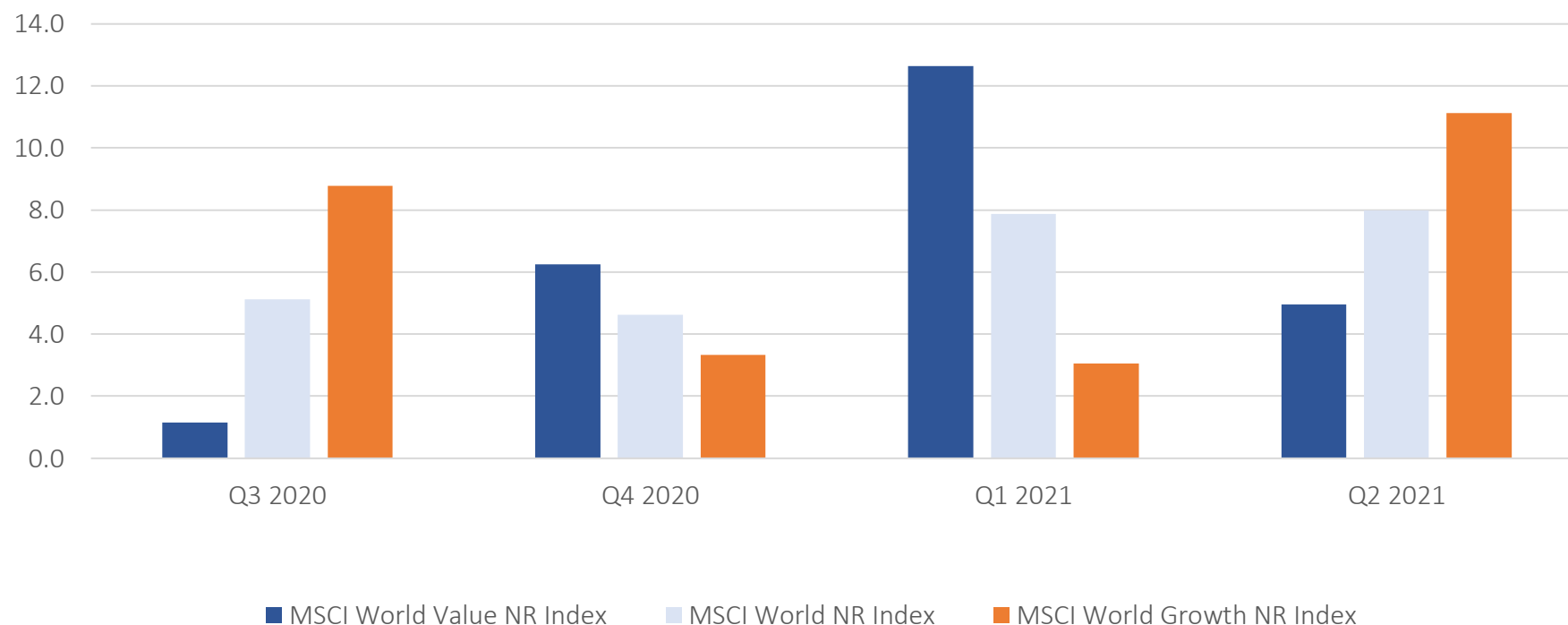
2016

	Value	Core	Growth
Large	10%	6%	1%
Mid	12%	6%	1%
Small	15%	11%	6%

Source: Morningstar Direct

Value did bounce back over the last year, but lagged in Q2 2021

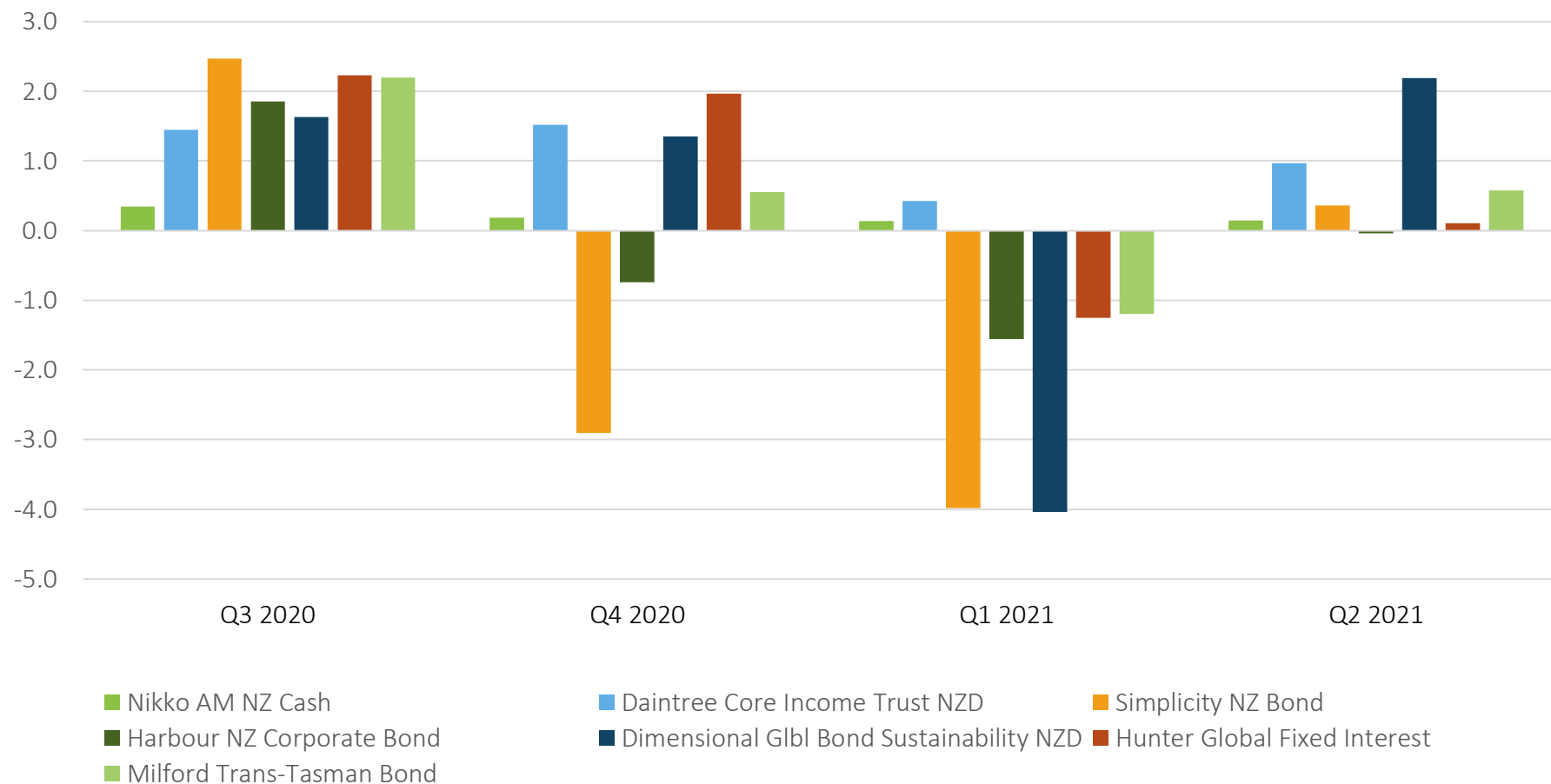
Global value managers had a reprieve in late 2020 and early 2021 bouncing back strong as cyclical companies delivered strong returns. However, it hasn't lasted, with growth-oriented funds the top performers in Q2 2021. We don't advocate extreme value 'tilts' vs. the market.



Source: Morningstar

Fixed interest fund funds have recently had more downside than equities

New Zealand and global long-duration fixed interest funds have posted negative returns in recent quarters, with Nikko AM NZ Cash and Daintree Core Income illustrating that they can remain positive when interest rates suddenly move higher.



Source: MyFiduciary & Morningstar

Fixed interest didn't provide down-side protection in the Covid sell-off

Fund	Strategy	COVID Feb-March 2020 Sell-off	Fund	Strategy	COVID Feb-March 2020 Sell-off
AMP Capital NZ Short Duration	Short Duration	-0.5	Dimensional Gbl Bond Sustainability NZD	Global IG Bonds	-2.7
Daintree Core Income Trust NZD	Short Duration	-2.0	Fisher BondPlus Fund	Global IG Bonds	-2.8
Fisher Funds Income	Short Duration	-1.1	Hunter Global Fixed Interest	Global IG Bonds	-3.5
Nikko AM NZ Cash	Short Duration	-0.2	Legg Mason Global Opp Fixed Income	Global IG Bonds	-10.8
			Nikko AM Global Bond	Global IG Bonds	-2.3
AMP Capital NZ Fixed Interest Fund	NZ IG Bonds	-0.2	OneAnswer SAC International Fixed Int	Global IG Bonds	2.5
Fisher New Zealand Fixed Inc Trust	NZ IG Bonds	0.3	Russell Investments Global Fixed Int	Global IG Bonds	-2.8
Harbour NZ Core Fixed Interest	NZ IG Bonds	0.0	Smartshares Global Bond	Global IG Bonds	-2.6
Nikko AM NZ Bond	NZ IG Bonds	-0.8			
OneAnswer SAC NZ Fixed Interest	NZ IG Bonds	0.6	Harbour NZ Corporate Bond	NZ Credit	-0.1
QuayStreet Fixed Interest	NZ IG Bonds	-0.8	Milford Trans-Tasman Bond	NZ Credit	-1.2
Simplicity NZ Bond	NZ IG Bonds	1.3	Nikko AM NZ Corporate Bond	NZ Credit	-1.3
			Milford Global Corporate Bond Fund	Global Credit	-4.9
Dimensional Gbl Bond Sustainability NZD	Global IG Bonds	-2.7	Bentham Global Income Fund NZD	High Yield	-10.1
Fisher BondPlus Fund	Global IG Bonds	-2.8	Daintree High Income Trust NZD	High Yield	-8.6
Hunter Global Fixed Interest	Global IG Bonds	-3.5			
Legg Mason Global Oppc Fxd Inc Fd	Global IG Bonds	-10.8			
Nikko AM Global Bond	Global IG Bonds	-2.3			
OneAnswer SAC International Fixed Intrst	Global IG Bonds	2.5			
Russell Investments Global Fixed Int	Global IG Bonds	-2.8			
Smartshares Global Bond	Global IG Bonds	-2.6			

Source: MyFiduciary & Morningstar

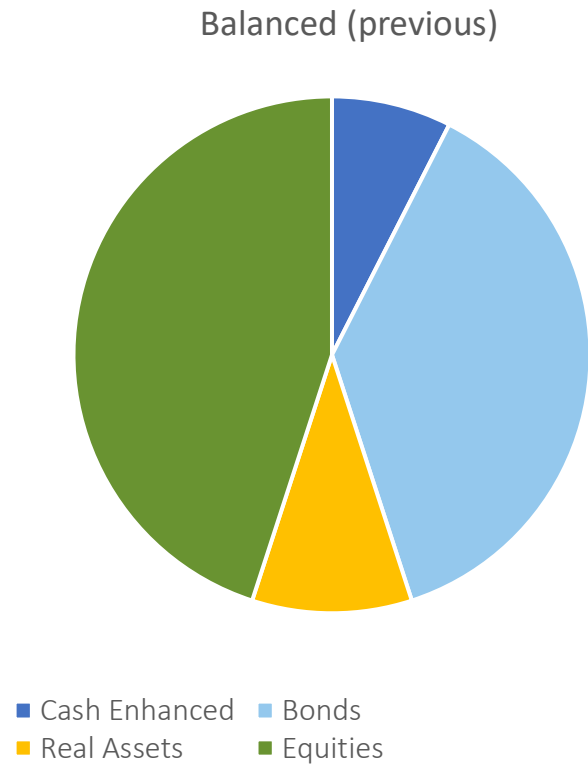
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Hunter Global Fixed Interest	Global IG Bonds	-3.5			
Legg Mason Global Oppc Fxd Inc Fd	Global IG Bonds	-10.8	Man AHL Alpha (AUD)	Alternative	5.3
Nikko AM Global Bond	Global IG Bonds	-2.3	ETFS Physical Gold ETC	Commodities	10.8
OneAnswer SAC International Fixed Intrst	Global IG Bonds	2.5			
Russell Investments Global Fixed Int	Global IG Bonds	-2.8			
Smartshares Global Bond	Global IG Bonds	-2.6			

Source: MyFiduciary & Morningstar

Asset allocation changes

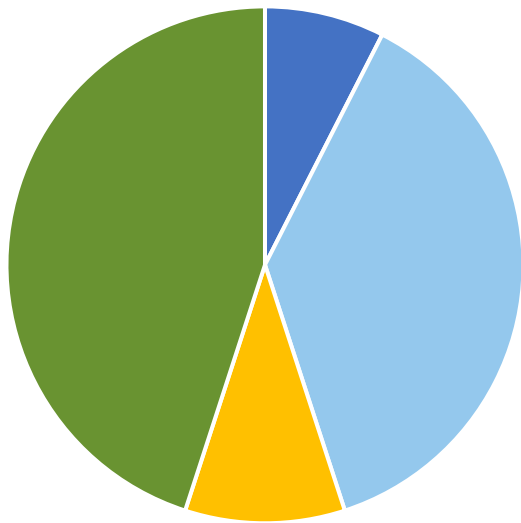
Over this year we have been reallocating client portfolios away from long duration assets and into cash and short-duration credit and alternatives



Asset allocation changes

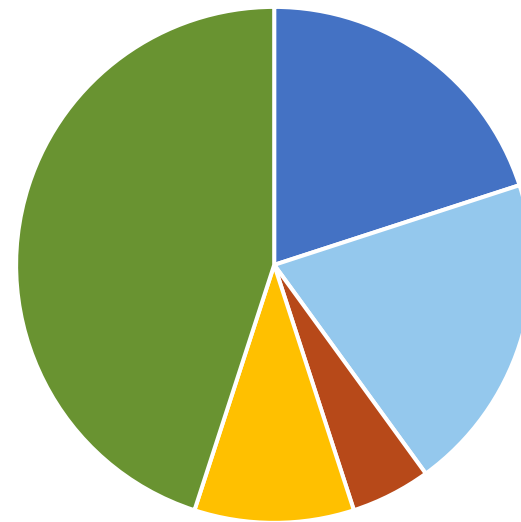
Over this year we have been reallocating client portfolios away from long duration assets and into cash and short-duration credit and alternatives

Balanced (previous)



■ Cash Enhanced ■ Bonds
■ Real Assets ■ Equities

Balanced (updated)



■ Cash Enhanced ■ Bonds
■ Alternatives ■ Real Assets
■ Equities

Appendices

Presenters



Chris Douglas

He is a Principal at MyFiduciary and Fi360 Pacific and leads our tools and fund manager monitoring services.

Chris serves the Investment Committees for a range of entities including Westpac NZ, PIA Group, Milestone Group and Saturn Advice.

He has over 20 years investment experience working in Auckland, London, Sydney and Chicago. His previous role was Director and Manager of Research for the Asia-Pacific region at Morningstar (Sydney). In this role Chris led Morningstar's qualitative and quantitative fund review processes, and chaired the Investment Committees for Australia, New Zealand and India. Prior to this role Chris worked in Chicago, and led a team of around 50 analysts across seven countries who collected Morningstar's managed investment data. Chris has also worked at AllianceBernstein and F&C Asset Management in London.

Chris is passionate about the advice industry after starting out his career in 1999 at New Zealand Financial Planning. Part of his role at MyFiduciary is to support advisers and other fiduciaries through the provision of world-class fund manager research.

Chris holds a Bachelor of Commerce Degree from Lincoln University (New Zealand) and the AIFA® designation.

Periodic Table of Market Performance

Best ↑	NZ Bonds 15.9	NZ Bonds 12.4	NZ Equities 25.9	Global Eq NZD Hdg 31.4	Global Prop NZDH 29.1	NZ Equities 15.1	Global Infra 11.1	Emerging Mkts 34.6	NZ Equities 6.0	NZ Equities 31.6	NZ Equities 14.6
	Global Bonds 11.2	Global Infra 9.7	Global Prop NZDH 20.0	Global Eq 27.0	Global Infra 26.4	Global Eq 13.2	Global Eq NZD Hdg 10.6	NZ Equities 23.6	Global Infra 5.6	Global Eq 26.9	Global Eq NZD Hdg 11.1
	Cash 8.5	Global Bonds 8.2	Global Eq NZD Hdg 16.7	Global Infra 18.8	NZ Equities 19.2	NZ Bonds 5.4	NZ Equities 10.1	Global Eq NZD Hdg 20.4	NZ Bonds 4.6	Global Eq NZD Hdg 26.9	Emerging Mkts 10.9
	Global Infra 4.7	Cash 2.9	Aust Equities 15.9	NZ Equities 17.9	Global Eq NZD Hdg 13.2	Global Prop NZDH 5.3	Aust Equities 9.2	Global Eq 20.0	Cash 2.0	Global Infra 25.7	Global Eq 8.6
	Global Eq -21.9	NZ Equities 0.4	Emerging Mkts 11.8	Global Prop NZDH 5.9	Global Bonds 11.1	Global Bonds 4.5	Emerging Mkts 9.2	Aust Equities 17.6	Global Bonds 1.8	Global Prop NZDH 25.6	NZ Bonds 5.5
	Global Prop NZDH -24.8	Global Prop NZDH -2.8	Global Eq 9.5	Aust Equities 5.0	Global Eq 10.5	Global Eq NZD Hdg 4.0	Global Prop NZDH 7.8	Global Infra 13.9	Global Eq -3.2	Aust Equities 23.1	Global Bonds 5.4
	NZ Equities -31.6	Global Eq NZD Hdg -3.6	Global Bonds 8.4	Cash 2.7	NZ Bonds 7.7	Aust Equities 3.7	Global Bonds 5.8	Global Prop NZDH 8.0	Global Prop NZDH -3.7	Emerging Mkts 17.7	Aust Equities 3.7
	Aust Equities -34.3	Global Eq -5.4	NZ Bonds 5.1	Global Bonds 2.2	Cash 3.5	Cash 3.3	Global Eq 5.6	NZ Bonds 5.6	Aust Equities -6.8	Global Bonds 7.5	Cash 0.5
	Global Eq NZD Hdg -37.9	Aust Equities -9.7	Global Infra 3.4	NZ Bonds -1.2	Emerging Mkts 3.0	Global Infra 2.0	NZ Bonds 3.6	Global Bonds 4.0	Global Eq NZD Hdg -7.3	NZ Bonds 5.0	Global Infra -6.2
	Emerging Mkts -38.5	Emerging Mkts -18.3	Cash 2.8	Emerging Mkts -2.4	Aust Equities 2.2	Emerging Mkts -2.9	Cash 2.4	Cash 2.0	Emerging Mkts -9.4	Cash 1.6	Global Prop NZDH -9.8
	2008	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020

Source: Morningstar Direct

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