

Asset Class NZD Returns: Winners & Losers

The table below depicts the annual returns of the Asset Classes used by Axiome to build client portfolios

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
NZ Cash (30day Bills)	6.73	6.34	6.49	8.97	9.41	7.63	7.27	4.62	6.33	5.80	5.56	5.45	6.01	7.02	7.49	8.21	8.06	3.14	2.90
NZ Govt 5yr Bond Yield	7.87	6.69	7.48	7.94	8.04	7.21	6.47	6.13	6.85	6.12	6.28	5.51	5.98	5.98	6.01	3.97	5.69	4.66	4.86
NZX50 Equities	10.83	47.85	-7.16	20.12	17.31	4.30	-4.42	13.29	-8.04	13.93	-1.17	25.62	25.05	9.99	30.38	-2.00	-31.40	20.60	3.10
NZSE Property		-5.56	2.79	13.87	23.32	6.61	4.80	-6.39	7.34	12.12	19.02	13.40	20.00	19.69	24.89	-4.30	-20.80	11.82	3.40
Global Bonds (NZD Hedged)	10.14	15.62	-1.95	19.97	15.78	10.86	10.64	3.39	6.83	8.68	12.07	6.94	8.56	6.45	6.37	8.30	8.50	6.44	7.33
Australian Value	8.29	45.81	-9.32	21.18	15.92	16.00	12.36	34.82	6.99	15.06	-7.14	29.31	28.07	18.10	29.79	11.60	-30.32	48.89	8.19
Australian Large	-7.11	28.97	-8.92	13.96	12.02	12.39	13.72	26.99	7.81	8.47	-18.85	21.30	20.27	21.24	28.51	18.00	-33.87	41.41	6.88
Australian Small	-8.24	49.39	-9.12	5.53	26.69	-2.53	7.35	35.20	-12.61	0.24	-15.62	45.91	23.50	13.92	37.76	24.40	-45.17	70.21	22.82
Global Value	11.50	25.79	-8.88	19.51	5.02	34.70	25.37	13.14	24.14	0.19	-29.11	13.54	12.45	18.61	22.88	-5.40	-27.35	9.08	5.27
Global Large (Hedged 2003+)	-0.25	10.37	-8.88	19.95	4.97	43.11	36.15	27.39	4.72	-10.58	-34.79	5.97	4.45	14.89	16.32	-0.70	-20.93	2.91	4.03
Global Small	1.25	16.96	-6.09	10.00	0.82	12.27	13.71	25.44	16.26	6.12	-25.97	24.52	12.95	20.08	16.47	-8.30	-20.52	8.23	17.50
Emerging Markets	6.49	66.89	-19.25	1.57	4.18	-0.91	0.48	76.13	-15.85	-0.78	-27.41	28.52	18.70	36.49	24.95	23.80	-33.29	40.44	13.37
Global Property	-1.41	27.89	-12.54	9.17	15.29	25.74	12.29	0.95	30.45	12.08	-7.45	13.30	24.82	14.24	38.66	-14.20	-39.25	6.85	11.69

In the second table, below, the returns of the Asset Classes have been ranked from highest to lowest for each year. The randomness of this chart clearly demonstrates the need for diversification across all the relevant Asset Classes.

Key:

	Highest Return	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Lowest Return
NZ Cash (30day Bills)		11.50	66.89	7.48	21.18	26.69	43.11	36.15	76.13	30.45	15.06	19.02	45.91	28.07	36.49	38.66	24.40	8.50	70.21	22.82	
NZ Govt 5yr Bond Yield		10.83	49.39	6.49	20.12	23.32	34.70	25.37	35.20	24.14	13.93	12.07	39.47	25.05	21.24	37.76	23.80	8.06	48.89	17.50	
NZX50 Equities		10.14	47.85	2.79	19.97	17.31	25.74	13.72	34.82	16.26	12.12	6.28	29.31	24.82	20.47	30.38	18.00	5.69	41.41	13.37	
NZSE Property		8.29	45.81	-1.95	19.95	15.92	16.00	13.71	27.39	7.81	12.08	5.56	28.52	23.50	20.08	29.79	11.60	-20.52	40.44	12.29	
Global Bonds (NZD Hedged)		7.87	28.97	-6.09	19.51	15.78	12.39	12.36	26.99	7.34	8.68	-1.17	25.62	20.27	19.69	28.51	8.30	-20.80	24.84	11.69	
Australian Value		6.73	27.89	-7.16	13.96	15.29	12.27	12.29	25.44	6.99	8.47	-7.14	24.52	20.00	18.61	24.95	8.21	-20.93	20.60	8.19	
Australian Large		6.49	25.79	-8.88	13.87	12.02	10.86	10.64	13.29	6.85	6.12	-7.45	21.30	18.70	18.10	24.89	8.00	-27.35	11.82	7.33	
Australian Small		1.25	16.96	-8.88	10.00	0.82	9.41	7.63	7.35	13.14	6.83	6.12	-15.62	13.54	13.47	14.89	22.88	3.97	-30.32	9.08	6.88
Global Value		-0.25	15.62	-8.92	9.17	8.04	7.21	7.27	6.13	6.33	5.80	-18.85	13.40	12.95	14.24	19.60	-0.70	-31.40	8.23	5.27	
Global Large		-1.41	10.37	-9.12	8.97	5.02	6.61	6.47	4.62	4.72	0.24	-25.97	13.30	12.45	13.92	16.47	-2.00	-33.29	6.85	4.86	
Global Large (Hedged 2003+)		-7.11	6.69	-9.32	7.94	4.97	4.30	4.80	3.39	-8.04	0.19	-27.41	6.94	8.56	9.99	16.32	-4.30	-33.87	6.44	4.03	
Global Small		-8.24	6.34	-12.54	5.53	4.18	-0.91	0.48	0.95	-12.61	-0.78	-29.11	5.97	6.01	7.02	7.49	-5.40	-37.87	4.66	3.40	
Global Property			-5.56	-19.25	1.57	0.82	-2.53	-4.42	-6.39	-15.85	-10.58	-34.79	5.51	5.95	6.45	6.37	-8.30	-39.25	3.14	3.10	
Emerging Markets													5.45	4.45	5.98	6.01	-14.20	-45.17	2.91	2.90	

* simulated returns to 2008

** net of fund management costs with exception of NZ index data