



# ASPIRE (AXA's State Sector Retirement Savings Scheme) Fund Fact Sheet

31 December 2009

**ASPIRE provides investor choice and flexibility. It offers access to a range of investment portfolios and fund managers, with a variety of styles and processes.**

**Please note: The State Sector Retirement Savings Scheme was closed to new members on 1 October 2008.**

ASPIRE is the State Sector Division of a registered superannuation scheme known as Superannuation Master Trust ('the Scheme'). Superannuation Master Trust became a Portfolio Investment Entity (PIE) in October 2007. Managed funds that are PIEs gain the benefit of no capital gains tax for most New Zealand and Australasian shares and taxes investors at their Prescribed Investor Rate.

For the diversified portfolios, international fixed interest exposures are usually fully hedged. However, underlying fund managers are able to take limited active currency positions where they perceive an opportunity to add value. The currency exposures for the growth assets are actively managed.

All asset allocations and investment returns are as at 31 December 2009.

There is a choice of:

- Three diversified portfolios. Each portfolio has a ready-made, well-diversified asset mix – so all the complex sector selection work has already been done to provide you with a simple, straightforward approach to investing; and
- One sector portfolio which enables allocation of funds to an individual fund manager.

## Diversified Portfolios:

### Conservative Portfolio

#### Investment Strategy

The underlying assets of the Portfolio are invested primarily in lower risk assets such as cash and fixed interest investments plus some higher risk assets such as property and shares.

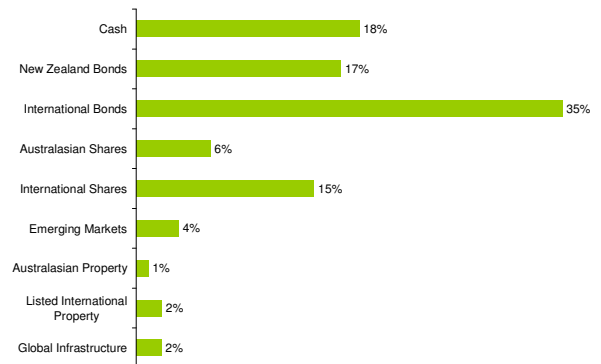
#### Fund Manager

Investments are in a range of underlying investment funds operated by several different fund managers.

#### Risk/Return Profile

The Portfolio is designed for the shorter-term or the cautious investor. Historically, the returns tend to be steady and there is likely to be a low degree of fluctuation in the value of investments.

### Asset Allocation as at 31 December 2009



### Investment Returns as at 31 December 2009

Last year	11.85%
Last 2 years (pa)	4.04%

### Conservative Portfolio Commentary for the quarter ended 31 December 2009

The Conservative Portfolio returned 2.11% gross of tax and net of management fees for the quarter ended 31 December 2009, which was ahead of benchmark return for the period (1.50%). The Portfolio has out-performed its benchmark by 0.6% over the quarter and 3.7% over the year due to a combination of security selection and dynamic tilts to the asset allocation. The Portfolio weathered the tempest of the global financial crisis with an overweight position in defensive assets such as cash and fixed interest, but as the recovery took hold the fund managers incrementally added to the Portfolio's exposure to share markets.

## Balanced Portfolio

### Investment Strategy

The underlying assets of the Portfolio are currently balanced between lower-risk income producing assets (i.e. cash and fixed interest) and higher-risk growth assets (i.e. investments in property, shares and money market securities) aiming for a higher long-term return.

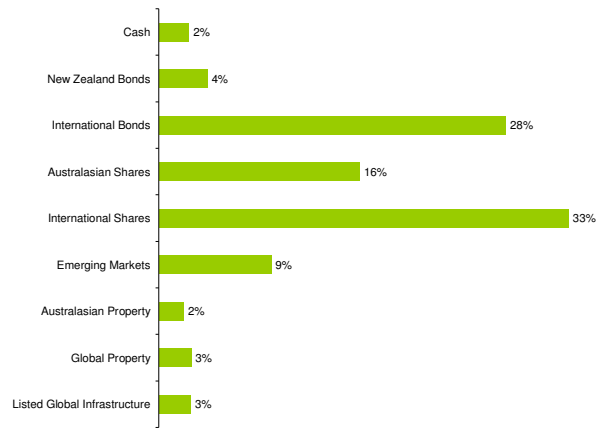
### Fund Manager

Investments are in a range of underlying investment funds operated by several different fund managers.

### Risk/Return Profile

The Portfolio is designed for the medium to long-term investor, who is prepared to accept a higher level of risk in return for the possibility of higher potential growth.

## Asset Allocation as at 31 December 2009



## Investment Returns as at 31 December 2009

Last year	19.89%
Last 2 years (pa)	-1.39%

## Balanced Portfolio Commentary for the quarter ended 31 December 2009

The Balanced Portfolio returned 3.59% gross of tax and net of management fees for the quarter ended 31 December 2009, which exceeded its benchmark (2.75%). In a remarkable year for investment markets, the Portfolio rose 19.89% during 2009. This return was aided by a gradual shift towards an overweight position in share markets after having buffered losses with a higher than normal cash position during the worst of the Global Financial Crisis. Additionally, the fund managers selected companies that outpaced the market in general. As at 31 December 2009, the Portfolio outperformed its benchmark before fees and taxes over both the one and two year periods.

## High Growth Portfolio

### Investment Strategy

The underlying assets of the Portfolio are primarily invested in a mix of shares, which traditionally tend to outperform other investment classes over the long-term, though can exhibit significant fluctuation in value over the short-term. The Portfolio also contains some higher risk property investments and also lower risk fixed interest investments.

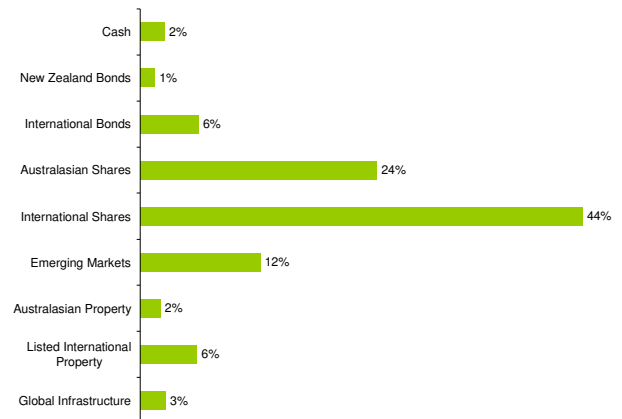
### Fund Manager

Investments are in a range of underlying investment funds operated by several different fund managers.

### Risk/Return Profile

The Portfolio is designed for the long-term investor, who is prepared to accept a high level of risk in return for the possibility of greater potential growth.

## Asset Allocation as at 31 December 2009



## Investment Returns as at 31 December 2009

Last year	23.97%
Last 2 years (pa)	-5.21%

## High Growth Portfolio Commentary for the quarter ended 31 December 2009

The High Growth Portfolio returned 4.46% gross of tax and net of management fees for the quarter ended 31 December 2009, which was ahead of benchmark for the period (3.64%). Despite only making small gains in the recent quarter, volatility reduced further and confidence remained high as evidenced by mergers and acquisitions activity – this time not owing to bankruptcy. Strong stock selection from the fund managers responsible for the domestic and international shares and international fixed interest allocations have helped lift returns ahead of the Portfolio's benchmark. The lead fund manager continues to see value in share markets, especially in emerging markets, and maintains an overweight allocation. The Portfolio achieved investment returns in excess of 20% in 2009.

## Sector Portfolio:

### Cash

Note: Investment performance is more likely to reflect the ANZ 90-Day Bank Bill Index than retail bank deposits.

#### Investment Strategy

The underlying assets of the Portfolio include cash and short-term debt securities issued in New Zealand. Deposits and derivative contracts may be held.

#### Fund Manager

AllianceBernstein New Zealand Limited.\*

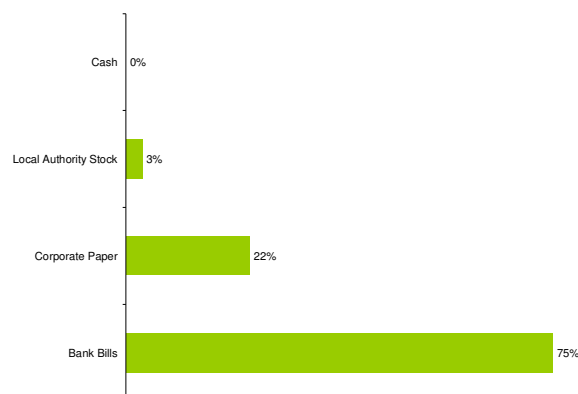
#### Risk/Return Profile

Short-term with low risk. The benefit of seeking lower but steady returns from these types of investments is that there is likely to be a low degree of fluctuation in the value of your investment.

\* A member of the Global AXA Group

Note: During January 2010, the fund manager for the Cash Portfolio has changed to AXA Global Investors Limited (a member of the Global AXA Group).

### Asset Allocation as at 31 December 2009



### Investment Returns as at 31 December 2009

Last year	4.32%
Last 2 years (pa)	5.82%

### Cash Portfolio Commentary for the quarter ended 31 December 2009

The Cash Portfolio returned +1.04% gross of tax and net of management fees for the quarter ended 31 December 2009, which was ahead of benchmark for the period (+0.63%). Out-performance was generated by the Portfolio's holdings in corporate paper which continued to benefit from a contraction in credit spreads. Somewhat at odds with Reserve Bank rhetoric, the market consensus appears to support rate hikes beginning in April 2010. Returns from cash are likely to remain below what investors have historically come to know until the Official Cash Rate is raised.

Disclaimer: Performance figures are gross of tax, exclude entry fees where applicable and plan fees. Past performance is not necessarily indicative of future performance. This information has been prepared to provide you with general information only. It is not intended to take the place of professional advice and you should not take action on specific issues based on this information. In preparing this information we did not take into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision you need to consider, with or without the assistance of an adviser, whether this information is appropriate to your needs, objectives and circumstances. The performance of or returns from the Portfolios, or the repayment of capital is not guaranteed (in full or in part) by any person. This information is provided for people living in New Zealand only and is not provided for the use of any person in any other country.

Continuing uncertainty in the global credit and financial markets has resulted in negative performance in many investment sectors and funds. For you this means that the value of your investment may fluctuate and could be less than the original investment. These fluctuations may be material.

Also, the impact of future economic conditions cannot be predicted with any certainty. From time to time there may be negative returns in the investment portfolios and the negative returns may continue for a period of time. There can be no assurance that future economic conditions will not materially and adversely affect your investment.

Please note: The State Sector Retirement Savings Scheme was closed to new members on 1 October 2008. For more information please visit [www.superscheme.govt.nz](http://www.superscheme.govt.nz)

Before you decide how you want to invest your savings,  
we recommend you to talk your financial adviser.

A disclosure statement is available from your financial adviser, on request and free of charge.



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