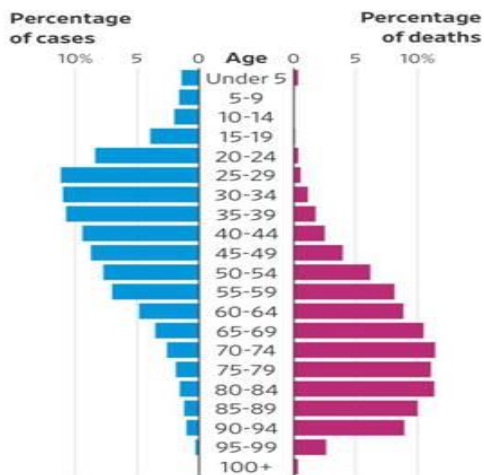


## ECONOMIC COMMENTARY

Reports in recent weeks are showing optimistic signs of air tunnels between COVID-free parts of New Zealand and Australia, and New Zealand and the Islands in the coming weeks. Protecting our borders is still the issue but hopefully progress will be made soon. We are now allowed into COVID-free parts of Australia without quarantining, but we do not have the same luxury if we wish to come back.



Source: Mun Sim Lai, United Nations

Source: Jarden. An interesting graph showing how differing demographics have been affected.

A similar theme surrounds a potential vaccine. Although dozens of vaccines are in development around the world, deployment of the vaccine is a large issue. The UK has followed France and other European nations into a national lockdown for four weeks as a third-wave sweeps across the EU. This virus is here to stay, for how long though will this be the norm?

Uncertainty has increased amongst investors surrounding the US election. No matter the election result, we will get more certainty of the future, and with certainty comes improved market sentiment.

At the time of print, the market has priced in a Biden win with indices climbing higher on election night and Biden polling stronger. It is likely however we will not know the result for several days. With exceedingly high number of mail-in ballots, and Trump likely calling for a re-count or voter fraud, the process will drag on. This race will be close until the end.

Public opinion about China in the U.S. is trending sharply lower ahead of the U.S. presidential election as we see U.S.-China relations transitioning to an intense rivalry across nearly every dimension of the relationship. It is unlikely that a Biden win will wash away tensions with China, with bipartisan support to confront China and their bully behavior of late. This political dynamic will move beyond the presidential election and the COVID crisis.

In more recent US-China tensions news, the Chinese Ministry of Foreign Affairs spokesperson Zhao Lijian called on the United States to stop selling arms to the self-governed island and to cut military ties with the government in Taipei. Beijing insists it is an integral part of its territory and has threatened to use force if necessary, even though Taiwan has been ruled by China.

The US-China tension may also serve as a proxy measure for broader Chinese expansionist ambitions. The Indian Chinese border has been under dispute this year with both sides suffering fatalities. The situation is tense but somewhat more stable now. It is likely India has more to lose should a trade war ensue. There is much water to go under the bridge and should it escalate, how the US and Australia respond would make their current relationships with Beijing more delicate.

With interest rates at historically low rates, government bonds and cash, usually a risk-free haven, have turned so unattractive they aren't worth buying in most cases. Fiscal stimulus will be ongoing as both presidential nominees are promising this in their campaigns. How long will this plaster be able to hold together the cracks in the walls? Economies will not be able to recover properly until lockdown measures are fully gone, travel is back in full swing, and hiring accelerates.

## INVESTMENT RETURNS

Total Master Trust FUM rose by \$152 million over the quarter. All style funds saw a positive average return over the one-year period. The one year weighted average return for all Master Trust Growth funds was 1.5% Balanced funds gained 2.6%; and Conservative funds saw a return of 1.8%.

Inflation for the year was 1.4%. Deflation is possible in the short run. Inflation annualised for the three and ten year time horizons respectively were 1.6% and 1.5%.

## KIWISAVER

MBIE are currently in the middle of a tender process to update the default KiwiSaver providers. The tender is focused on low fees and cutting the total providers by almost half, down from nine to five. In order for providers to lower fees for members, there will have to be a shift towards more passive management to cut costs.

We have seen this already with AMP firing their sister company, AMP Capital, to achieve this. The new default status winners will take their mantle on 1 December 2021. However, we anticipate significant market activity between now and then, with AMP just the beginning.

This will only be enhanced by the competition for default status as it becomes more scarce in a market with more and more boutique providers.

# ERIKSENS MASTER TRUST SURVEY: RESULTS TO 30 SEPTEMBER 2020

## GROWTH FUNDS

Manager Name	Fund Name	FUM \$ million	Annualised Returns (Net of Tax & Expenses)						
			%						
			1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
AMP	Aggressive	287.7	0.0	3.0	6.0	7.3	7.8	7.0	7.1
AMP	Growth	247.4	1.0	3.4	5.9	6.9	7.3	6.6	6.6
AMP	ANZ Growth	15.0	2.3	4.4	6.5	7.3			
AMP	ASB Growth	16.8	1.8	4.2	6.3	7.1			
AMP	Nikko AM Growth	16.3	8.1	6.0	8.2	8.4			
Aon	ANZ Growth	15.6	2.0	4.7	6.3	6.6	6.9	7.5	8.2
Aon	Milford Active Growth Wholesale	15.4	6.0	6.6	9.3	8.7	9.8	10.0	11.4
Aon	Nikko Growth	3.0	9.3	6.2	8.7	9.2	8.9	9.8	9.0
Aon	Russell LifePoints Growth	4.6	3.0	4.5	6.4	7.8	8.2	8.5	8.6
Aon	Russell LifePoints Target Date 2045	1.5	3.4	4.7	6.4	7.8	8.3	8.6	8.8
ASB	Growth	441.2	1.7	4.6	6.8	7.7	8.3	8.5	8.2
Fisher Funds	LifeSaver Growth	98.2	7.0	7.6	8.8	8.7	8.9	8.4	8.1
Mercer	Growth	129.7	1.7	3.2	5.1	6.4	6.8	7.3	6.9
Mercer	High Growth	26.5	1.8	3.3	5.8	7.5	7.9	8.3	
SuperLife	Growth	25.3	0.1	3.1	4.9	6.4	7.6	7.2	
SuperLife	High Growth	90.5	(1.1)	2.1	4.8	6.6	7.8	7.8	
<b>Total Growth Funds</b>		<b>1,434.7</b>	<b>1.5</b>	<b>4.0</b>	<b>6.3</b>	<b>7.4</b>	<b>7.9</b>	<b>7.7</b>	<b>7.5</b>

Manager Name	FUM \$ million	Annualised Returns (Net of Tax & Expenses)						
		%						
		1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
AMP	583.2	0.8	3.3	6.0	7.2	7.6	6.8	6.8
Aon	40.1	4.2	5.5	7.6	7.8	8.3	8.8	9.6
ASB	441.2	1.7	4.6	6.8	7.7	8.3	8.5	8.2
Fisher Funds	98.2	7.0	7.6	8.8	8.7	8.9	8.4	8.1
Mercer	156.2	1.7	3.2	5.2	6.6	7.0	7.4	6.9
SuperLife	115.8	(0.8)	2.4	4.8	6.6	7.8	7.7	
<b>Total Growth Funds</b>	<b>1,434.7</b>	<b>1.5</b>	<b>4.0</b>	<b>6.3</b>	<b>7.4</b>	<b>7.9</b>	<b>7.7</b>	<b>7.5</b>

## ERIKSENS MASTER TRUST SURVEY: RESULTS TO 30 SEPTEMBER 2020

### BALANCED FUNDS

Manager Name	Fund Name	FUM \$ million	Annualised Returns (Net of Tax & Expenses) %						
			1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
AMP	Moderate Balanced	294.6	0.9	3.3	4.5	4.9	5.3	5.1	5.1
AMP	Balanced	855.9	1.1	3.4	5.0	5.7	6.0	5.6	5.8
AMP	Koru Balanced	131.3	4.5	3.7	5.1				
AMP	Ethical Balanced*	6.1	(0.5)	2.6	4.4	5.1			
AMP	Global Multi-Asset	3.5	(1.2)	(0.3)	0.7	1.9			
AMP	ANZ Balanced Plus	285.1	3.1	4.8	6.3	6.7	6.8	7.3	7.7
AMP	ASB Balanced	93.5	2.6	4.6	5.9	6.3	6.8	6.8	6.7
AMP	Mercer Balanced	145.8	2.2	3.4	5.1	5.3	6.1	6.3	6.0
AMP	Nikko AM Balanced	171.9	6.2	5.4	7.0	7.0	7.3	7.8	7.3
Aon	ANZ Balanced	84.4	2.8	4.8	5.6	5.7	5.9	6.5	6.9
Aon	Nikko Balanced	7.1	6.6	5.7	7.2	7.1	7.4	7.8	7.2
Aon	Russell LifePoints Balanced	6.5	3.7	4.9	6.0	7.0	7.4	7.8	7.8
Aon	Russell LifePoints Target Date 2035	1.8	3.7	4.8	5.8	6.8	7.3	7.7	7.9
ASB	Balanced	858.7	2.7	4.9	6.2	6.7	7.1	7.4	7.1
Fisher Funds	Lifesaver Balanced	311.9	5.5	6.5	7.2	7.1	7.3	7.1	6.7
Mercer	Balanced	206.7	1.8	3.4	4.5	5.3	5.7	6.3	6.1
SuperLife	Balanced	313.8	1.9	4.4	5.2	6.0	7.3	7.3	7.7
SuperLife	Ethica	17.3	5.7	7.4	7.5	6.7	7.7	8.6	8.3
<b>Total Balanced Funds</b>		<b>3,795.8</b>	<b>2.6</b>	<b>4.4</b>	<b>5.7</b>	<b>6.1</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>

Manager Name	FUM \$ million	Annualised Returns (Net of Tax & Expenses) %						
		1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
AMP	1,987.7	2.2	3.8	5.3	5.8	6.2	6.1	6.2
Aon	99.8	3.2	4.9	5.7	5.9	6.1	6.7	7.0
ASB	858.7	2.7	4.9	6.2	6.7	7.1	7.4	7.1
Fisher Funds	311.9	5.5	6.5	7.2	7.1	7.3	7.1	6.7
Mercer	206.7	1.8	3.4	4.5	5.3	5.7	6.3	6.1
SuperLife	331.1	2.1	4.5	5.4	6.0	7.3	7.4	7.7
<b>Total Balanced Funds</b>		<b>3,795.8</b>	<b>2.6</b>	<b>4.4</b>	<b>5.7</b>	<b>6.1</b>	<b>6.6</b>	<b>6.6</b>

\*AMP Ethical Balanced Fund previously AMP RIL Balanced Fund

ERIKSENS MASTER TRUST SURVEY: RESULTS TO 30 SEPTEMBER 2020

CONSERVATIVE FUNDS

Manager Name	Fund Name	FUM \$ million	Annualised Returns (Net of Tax & Expenses)						
			%						
			1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
AMP	Capital Assured	115.3	3.0	3.6	4.1	4.4	4.7	4.9	4.2
AMP	Conservative	333.4	1.1	3.2	3.5	3.5	3.8	3.8	3.9
AMP	Moderate	177.6	1.2	3.3	4.1	4.3	4.6	4.5	4.6
AMP	Income Generator	3.4	(0.2)	4.9	5.0	4.5			
AMP	ANZ Conservative	17.7	3.2	4.3	4.1	3.6			
AMP	ASB Moderate	18.4	1.2	3.6	4.3	4.5			
AMP	Nikko AM Conservative	18.0	4.2	4.9	5.2	4.6			
Aon	ANZ Capital Stable	2.0	2.6	3.5	3.0	2.4	2.7	3.1	3.0
Aon	ANZ Conservative	18.6	3.4	4.4	4.0	3.5	3.8	4.3	4.6
Aon	Nikko Conservative	0.9	1.4	3.2	3.4	2.6	3.1	3.6	3.5
Aon	Russell LifePoints Conservative	2.8	3.7	4.9	4.4	4.3	4.7	5.3	5.4
Aon	Russell LifePoints Moderate	3.4	3.6	4.9	5.2	5.6	6.1	6.6	6.7
Aon	Russell LifePoints Target Date 2025	2.4	3.9	4.8	5.0	5.5	5.9	6.5	6.7
ASB	Moderate	245.0	1.6	4.1	4.8	4.9	5.5	5.8	5.6
Fisher Funds	LifeSaver Conservative	45.5	3.2	4.7	4.7	4.4	4.7	4.9	4.8
Mercer	Conservative	40.9	2.1	3.4	3.5	3.4	3.8	4.3	4.1
Mercer	Moderate	50.2	2.0	3.3	3.8	4.0	4.5	5.3	
SuperLife	Conservative	42.3	2.7	5.3	5.1	5.1	6.1	6.3	
<b>Total Conservative Funds</b>		<b>1,137.7</b>	<b>1.8</b>	<b>3.7</b>	<b>4.1</b>	<b>4.2</b>	<b>4.6</b>	<b>4.7</b>	<b>4.6</b>

Manager Name	FUM \$ million	Annualised Returns (Net of Tax & Expenses)						
		%						
		1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
AMP	683.7	1.6	3.4	3.9	3.9	4.2	4.2	4.2
Aon	30.1	3.4	4.4	4.2	3.9	4.2	4.7	4.9
ASB	245.0	1.6	4.1	4.8	4.9	5.5	5.8	5.6
Fisher Funds	45.5	3.2	4.7	4.7	4.4	4.7	4.9	4.8
Mercer	91.1	2.0	3.3	3.6	3.8	4.2	4.8	4.1
SuperLife	42.3	2.7	5.3	5.1	5.1	6.1	6.3	
<b>Total Conservative Funds</b>	<b>1,137.7</b>	<b>1.8</b>	<b>3.7</b>	<b>4.1</b>	<b>4.2</b>	<b>4.6</b>	<b>4.7</b>	<b>4.6</b>

ERIKSENS MASTER TRUST SURVEY: RESULTS TO 30 SEPTEMBER 2020

DEFENSIVE FUNDS (SINGLE SECTOR)

Manager Name	Fund Name	FUM \$ million	Annualised Returns (Net of Tax & Expenses) %						
			1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
AMP	Cash	114.0	0.4	0.8	0.9	1.0	1.1	1.5	1.7
ASB	NZ Cash	63.7	0.7	1.1	1.2	1.3	1.4	1.8	1.8
Mercer	Cash	29.2	0.2	0.7	0.8	0.9	1.0	1.3	1.5
SuperLife	NZ Cash	140.3	1.5	2.1	2.2	2.3	2.4	2.9	3.2
SuperLife	UK Cash	1.2	(0.6)	(1.1)	1.2	1.8	(4.4)	(0.1)	
<b>Sub-Total: Cash</b>		<b>348.5</b>	<b>0.9</b>	<b>1.3</b>	<b>1.5</b>	<b>1.6</b>	<b>1.7</b>	<b>2.1</b>	<b>2.3</b>
AMP	NZ Fixed Interest	13.2	3.4	4.7	4.1	3.2	3.4		
AMP	International Fixed Interest	2.3	3.7	4.9	3.2	2.4	2.7		
ASB	NZ Fixed Interest	6.6	3.4	4.6	4.1	3.3	3.5	3.8	3.7
ASB	World Fixed Interest	3.0	2.5	3.9	2.6	2.2	2.7	3.1	3.0
Fisher Funds	LifeSaver NZ Fixed Income	12.1	3.9	5.6	5.0	3.8	4.0	4.2	3.9
Fisher Funds	LifeSaver Preservation	40.1	0.9	1.3	1.5	1.5	1.6	1.9	2.0
SuperLife	Income	63.6	4.7	6.2	4.8	4.2	4.8	5.3	
SuperLife	NZ Bonds	95.1	5.6	6.2	5.6	4.9	5.0	5.7	5.9
SuperLife	Overseas Bonds	48.5	5.7	6.1	4.5	4.0	4.6	5.4	5.1
SuperLife	Overseas Non-Government Bonds	36.6	3.6	6.8	4.3	3.4	4.7	5.3	5.5
<b>Sub-Total: Bonds</b>		<b>321.1</b>	<b>4.4</b>	<b>5.5</b>	<b>4.5</b>	<b>3.8</b>	<b>4.3</b>	<b>4.9</b>	<b>4.9</b>
<b>Total Single Sector Defensive</b>		<b>669.5</b>	<b>2.6</b>	<b>3.3</b>	<b>2.9</b>	<b>2.7</b>	<b>2.9</b>	<b>3.4</b>	<b>3.3</b>

Manager Name	FUM \$ million	Annualised Returns (Net of Tax & Expenses) %							
		1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year	
AMP	129.5	0.8	1.3	1.3	1.3	1.4	1.5	1.7	
Aon	-								
ASB	73.3	1.0	1.5	1.6	1.5	1.7	2.0	2.0	
Fisher Funds	52.2	1.6	2.3	2.3	2.1	2.2	2.4	2.4	
Mercer	29.2	0.2	0.7	0.8	0.9	1.0	1.3	1.5	
SuperLife	385.3	3.8	4.7	4.0	3.6	3.9	4.5	4.6	
<b>Total Single Sector Defensive</b>		<b>669.5</b>	<b>2.6</b>	<b>3.3</b>	<b>2.9</b>	<b>2.7</b>	<b>2.9</b>	<b>3.4</b>	<b>3.3</b>

ERIKSENS MASTER TRUST SURVEY: RESULTS TO 30 SEPTEMBER 2020

AGGRESSIVE FUNDS (SINGLE SECTOR)

Manager Name	Fund Name	FUM \$ million	Annualised Returns (Net of Tax & Expenses) %						
			1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
AMP	Australasian Shares	12.9	0.2	5.7	8.6	8.7	10.5		
ASB	Australasian Shares	7.1	(0.4)	6.3	9.3	8.9	11.7	9.6	9.4
Fisher Funds	LifeSaver Trans-Tasman Equity	28.3	15.2	14.3	16.6	13.5	15.9	13.4	13.1
SuperLife	NZ Shares	73.9	0.1	7.7	9.2	8.2	13.0	11.4	12.8
SuperLife	Australian Shares	29.1	(8.5)	0.0	3.1	5.5	6.0	5.2	4.2
SuperLife	NZ Dividend	2.0	(11.2)	5.0	6.5	6.3	10.5		
SuperLife	NZ Mid Cap	1.2	1.7	9.1	11.5	13.4	15.4		
SuperLife	NZ Top 10	5.1	12.7	14.5	16.3	12.5	16.7		
SuperLife	NZ 50 Portfolio	9.7	3.1	10.2	13.0	12.4	15.6		
SuperLife	Australian Dividend	0.6	(10.0)	(1.3)	0.6	3.0	1.7		
SuperLife	Australian Financials	0.4	(24.9)	(9.2)	(6.2)	(1.2)	0.0		
SuperLife	Australian Mid Cap	1.0	3.2	2.3	7.3	8.2	10.9		
SuperLife	Australian Resources	2.7	(2.2)	2.8	11.0	13.2	13.4		
SuperLife	Australian Top 20	0.8	(10.4)	(0.4)	3.3	5.3	5.0		
SuperLife	Asia Pacific	0.7	1.2	(0.2)	4.8	6.8	5.5		
<b>Sub-Total: Australasian Shares</b>		<b>175.3</b>	<b>1.4</b>	<b>7.4</b>	<b>9.6</b>	<b>9.1</b>	<b>12.2</b>	<b>10.4</b>	<b>10.9</b>
AMP	International Shares	9.6	3.5	2.3	6.6	9.2	8.5		
AMP	Passive International Shares	9.4	4.9	3.8	8.0	10.2	9.1		
ASB	World Shares	7.2	4.1	3.3	6.8	9.5	8.8	9.8	9.3
Fisher Funds	LifeSaver Equity	56.8	9.4	8.9	11.1	11.3	11.3	10.1	8.8
Mercer	Shares	29.4	3.3	3.8	7.0	9.0	9.4	9.9	9.4
SuperLife	Overseas Shares (Currency Hedged)	100.0	(1.5)	(1.6)	1.5	5.4	7.9	7.4	9.1
SuperLife	Overseas Shares	84.0	1.6	2.6	7.7	10.0	7.6	10.0	9.2
SuperLife	Emerging Markets	13.8	3.5	3.7	3.6	6.9	5.8	5.9	
SuperLife	Europe	1.1	(3.9)	(1.3)	2.1	6.4	3.4		
SuperLife	Total World	1.8	5.4	4.6	9.1	10.9	8.2		
SuperLife	US 500	2.7	9.7	8.5	14.3	14.9	11.8		
SuperLife	US Large Growth	5.5	34.4	19.6	23.7	22.1	16.6		
SuperLife	US Large Value	0.3	(8.0)	(1.2)	6.2	8.5	7.4		
SuperLife	US Mid Cap	0.5	2.6	4.3	10.0	10.7	8.5		
SuperLife	US Small	0.3	(2.7)	(1.9)	6.5	8.6	6.9		
<b>Sub-Total: Global Shares</b>		<b>322.2</b>	<b>3.1</b>	<b>2.9</b>	<b>6.4</b>	<b>8.8</b>	<b>8.7</b>	<b>8.9</b>	<b>9.1</b>
AMP	Property	10.5	(11.6)	3.2	5.2	3.5	5.2		
ASB	Global Property Shares	2.2	(22.3)	(5.7)	(1.6)	(1.3)	0.5	5.1	5.6
SuperLife	NZ Property	6.0	(2.5)	14.8	15.1	10.9			
SuperLife	Australian Property	1.1	(17.9)	(1.3)	3.0	3.2	4.8		
SuperLife	Global Property	23.1	(15.8)	1.3	4.1	3.4	5.7	8.0	8.7
<b>Sub-Total: Property</b>		<b>42.9</b>	<b>(13.3)</b>	<b>3.2</b>	<b>5.6</b>	<b>4.2</b>	<b>5.2</b>	<b>7.7</b>	<b>8.4</b>
<b>Total Single Sector Aggressive</b>		<b>540.4</b>	<b>1.2</b>	<b>4.4</b>	<b>7.4</b>	<b>8.5</b>	<b>9.6</b>	<b>9.3</b>	<b>9.6</b>

Manager Name	FUM \$ million	Annualised Returns (Net of Tax & Expenses) %							
		1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year	
AMP	42.5	(0.9)	3.9	7.2	7.8	8.4			
Aon	-								
ASB	16.5	(1.3)	3.4	6.8	7.8	9.0	9.1	8.9	
Fisher Funds	85.1	11.3	10.7	12.9	12.0	12.8	11.2	10.2	
Mercer	29.4	3.3	3.8	7.0	9.0	9.4	9.9	9.4	
SuperLife	367.0	(0.9)	3.1	6.2	7.8	9.0	8.8	9.5	
<b>Total Single Sector Aggressive</b>		<b>540.4</b>	<b>1.2</b>	<b>4.4</b>	<b>7.4</b>	<b>8.5</b>	<b>9.6</b>	<b>9.3</b>	<b>9.6</b>

## ERIKSENS MASTER TRUST SURVEY: RESULTS TO 30 SEPTEMBER 2020

### TOTAL FUNDS

Manager Name	FUM \$ million		Annualised Returns (Net of Tax & Expenses) %						
	Q2 2020	Q3 2020	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
AMP	3,369.1	3,426.6							
Aon	170.0	170.0							
ASB	1,589.1	1,634.6							
Fisher Funds	574.8	592.9							
Mercer	508.0	512.6							
SuperLife	1,215.2	1,241.5							
<b>Total Funds</b>	<b>7,426.3</b>	<b>7,578.2</b>	<b>2.2</b>	<b>4.1</b>	<b>5.4</b>	<b>5.9</b>	<b>6.4</b>	<b>6.4</b>	<b>6.4</b>
Cash Benchmark (Net)			0.4	0.8	0.9	1.0	1.1	1.5	1.6
CPI			1.4	1.5	1.6	1.7	1.4	1.2	1.5

Fund Style	FUM \$ million		Annualised Returns (Net of Tax & Expenses) %						
	Q2 2020	Q3 2020	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
Growth	1,378.6	1,434.7	1.5	4.0	6.3	7.4	7.9	7.7	7.5
Balanced	3,724.5	3,795.8	2.6	4.4	5.7	6.1	6.6	6.6	6.6
Conservative	1,113.8	1,137.7	1.7	3.6	4.0	4.1	4.5	4.6	4.4
Defensive	691.0	669.5	2.6	3.3	2.9	2.7	2.9	3.4	3.3
Aggressive	518.5	540.4	1.2	4.4	7.4	8.5	9.6	9.3	9.6
<b>Total Funds</b>	<b>7,426.3</b>	<b>7,578.2</b>							