

Embargoed until 6pm Tuesday 1 March 2011

# Taranaki Investment Management Limited

## HALF YEARLY PERFORMANCE REPORT TO 31 DECEMBER 2010

New Plymouth District Council's Perpetual Investment Fund (PIF) closed the half year with a balance of \$257.05 million (up \$4 million on 30 June 2010), after making release and other payments to the Council of \$10.45 million for the period.

The PIF achieved a 6.48% return for the six months (12.96% annualised).

The portfolio outperformed benchmarks in all asset classes in the last quarter with overall performance being 0.65% over the portfolio target level for the period.

Mike Trousselot, Chief Executive of PIF fund manager, Taranaki Investment Management Ltd (TIML) says: "The last six months has seen a continuation of the fragile recovery in financial markets and global economies. Our asset allocation overweights are on NZ, Australia, non-Japan Asia, and emerging markets, we are neutral on US, and underweight in Europe.

The PIF increased its asset allocation to mid target levels for equities and longer term alternative assets to benefit from the economic growth in its preferred geographic regions.

This has allowed us to exceed benchmarks, meet the release payments and continue to grow the Fund over the six month period.

As a perpetual fund, our main objective is to achieve positive long term performance which maintains the capital and income stream of the Fund.

We are therefore pleased to confirm independent benchmarking continues to show the PIF ranking as one of the country's top performing funds over the five years since its inception."

TIML Chairman, Keith Sutton noted: "An ongoing priority for the PIF is of course to continue making regular future release, interest and expense payments to NPDC over the long term. Our release payment and asset allocation models will help to ensure the continuation of sustainable release payments and the perpetual objectives of the Fund."

TIML MEDIA RELEASE – 1 MARCH 2011

## Performance Summary

Half Year Ended 31 December 2010 Performance Report Summary	
	NZ \$m
Opening balance at 1 July 2010	253.07
+ Performance	15.23
- Release Payments	10.45
- Costs	0.80
Closing Balance at 31 December 2010	257.04
<b>Portfolio Return = 6.48%</b>	

## Portfolio Asset Allocation

Asset Class	Current Value (\$)	Portfolio %	Benchmark %
Cash	1,737,167	0.7%	2.5%
Fixed Income	9,471,840	3.7%	2.5%
Europe & Pacific Equity	21,911,422	8.5%	11.0%
US Equity	19,783,677	7.7%	7.0%
Emerging Markets Equity	24,963,269	9.7%	7.0%
Alternative Assets	179,186,780	69.7%	70.0%
	<b>257,054,155</b>	<b>100.0%</b>	<b>100.0%</b>

