



Notes to editors:

This graph represents the actual returns of funds versus the level of market risk over the study period (measured relative to a globally diversified passive investment strategy). The blue dots represent the actual fund return and market risk combinations. The red line represents the possible risk and return combinations that an investor can construct by investing in a risk-free security (NZ government fixed interest investment) and a globally diversified portfolio. Blue dots that plot below the red line represent funds that do worse relative to the globally diversified passive investment strategy, ie for the same level of risk taking an investor could obtain a higher return; dots that plot above the line represent funds that do better than the globally diversified passive investment strategy.