



This colourful graphic highlights the absolute Randomness of Returns. Securities are grouped into asset classes in a similar way to which they are held in client portfolios. Each year's gross asset class performance is recorded in the relative boxes showing the return from income and capital growth combined (before tax and fees). No pattern emerges and it is impossible to forecast based upon these past returns. The lower chart sorts from best to worst each year. We have overlaid our Balanced 50/50 Portfolio and you will see that it ameliorates volatility and creates more sustainable growth as it picks its way through the heart of performance numbers. Global diversification is your friend. It virtually eliminates the potential to permanently lose material sums of capital.

**ASSET CLASS RETURNS - RANDOMNESS OF RETURNS - 1995 to 2015 (In New Zealand Dollars)**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>RR '50/50'</b>	<b>14.5%</b>	<b>13.1%</b>	<b>13.3%</b>	<b>11.1%</b>	<b>13.5%</b>	<b>5.7%</b>	<b>5.4%</b>	<b>-4.6%</b>	<b>16.1%</b>	<b>12.9%</b>	<b>13.7%</b>	<b>15.3%</b>	<b>5.2%</b>	<b>-11.9%</b>	<b>14.7%</b>	<b>8.9%</b>	<b>0.6%</b>	<b>11.7%</b>	<b>9.6%</b>	<b>9.2%</b>	<b>6.2%</b>
NZ Cash	9.4%	9.8%	7.9%	7.3%	4.8%	6.6%	5.9%	5.7%	5.6%	6.3%	7.3%	7.7%	8.6%	8.3%	3.1%	3.0%	2.7%	2.7%	2.7%	3.4%	3.3%
NZ Fixed Int.	13.1%	11.2%	7.0%	14.3%	2.9%	9.6%	6.5%	7.9%	6.6%	5.9%	6.3%	5.9%	2.7%	15.4%	5.7%	8.7%	9.3%	6.3%	1.9%	7.4%	5.8%
NZ Property	20.1%	17.3%	8.6%	4.8%	-6.4%	7.3%	12.1%	10.4%	13.4%	20.0%	19.7%	24.9%	-4.3%	-20.8%	11.8%	3.4%	11.2%	20.5%	3.9%	24.2%	14.5%
NZ Shs.	20.1%	17.3%	4.3%	-4.4%	13.3%	-8.0%	13.9%	-1.2%	25.6%	25.1%	10.0%	20.3%	-0.3%	-32.8%	18.9%	2.4%	-1.0%	24.2%	16.5%	17.5%	13.6%
Aus. Large Shs.	14.0%	12.0%	12.4%	13.7%	26.7%	6.9%	8.9%	-20.0%	21.3%	21.0%	21.5%	28.8%	18.3%	-34.3%	41.2%	7.0%	-9.7%	15.7%	5.0%	2.3%	4.0%
Aus. Small Shs.	5.5%	26.7%	-2.6%	7.3%	35.2%	-14.8%	-0.4%	-20.4%	41.0%	19.8%	18.3%	40.1%	19.2%	-51.0%	63.3%	19.9%	-21.3%	1.9%	-14.3%	-7.3%	12.1%
Aus. Value Shs.	14.2%	20.6%	22.0%	14.7%	28.7%	8.7%	13.4%	-15.5%	18.5%	24.2%	20.4%	29.7%	12.3%	-38.6%	46.1%	7.9%	-9.9%	16.3%	7.6%	3.1%	2.3%
Global Fixed Int.	16.6%	12.0%	9.3%	10.3%	-0.5%	9.9%	9.0%	12.4%	7.3%	9.4%	8.1%	6.0%	8.5%	11.2%	7.8%	7.6%	8.2%	8.4%	2.2%	11.1%	4.5%
Global Large Shs.	18.4%	4.9%	40.7%	37.0%	26.4%	2.4%	-11.8%	-36.5%	5.8%	4.0%	15.7%	16.1%	-0.7%	-21.5%	3.5%	4.0%	-5.2%	8.9%	28.2%	10.9%	13.4%
Global Property	11.2%	19.6%	37.5%	-1.2%	-4.0%	45.8%	17.9%	-15.6%	8.9%	20.0%	15.4%	33.4%	-19.4%	-28.7%	5.9%	13.6%	0.8%	15.1%	2.6%	28.7%	14.2%
Global Small Shs.	8.7%	0.0%	14.2%	9.3%	28.6%	15.9%	7.3%	-34.0%	25.6%	12.4%	22.2%	12.8%	-8.6%	-22.4%	14.8%	17.5%	-8.6%	10.9%	34.5%	7.7%	13.9%
Global Value Shs.	18.4%	5.5%	40.3%	27.1%	18.0%	18.0%	-9.8%	-36.6%	10.0%	7.5%	15.9%	21.1%	-5.6%	-20.9%	0.8%	1.5%	-5.6%	8.3%	27.9%	9.5%	9.0%
Emerging M kts.	-7.1%	-2.0%	7.0%	-17.9%	68.3%	-18.1%	3.8%	-25.2%	24.5%	14.5%	42.3%	28.5%	28.0%	-38.4%	44.1%	11.1%	-18.1%	11.7%	-1.8%	3.5%	-2.6%

The Rutherford Rede Portfolio is depicted for illustrative purposes only and not indicative of any investment portfolio. Past performance is no guarantee of future performance.

20.1%	26.7%	40.7%	37.0%	68.3%	45.8%	17.9%	12.4%	41.0%	25.1%	42.3%	40.1%	28.0%	15.4%	63.3%	19.9%	11.2%	24.2%	34.5%	28.7%	14.5%
20.1%	20.6%	40.3%	27.1%	35.2%	18.0%	13.9%	10.4%	25.6%	24.2%	22.2%	33.4%	19.2%	11.2%	46.1%	17.5%	9.3%	20.5%	28.2%	24.2%	14.2%
18.4%	19.6%	37.5%	14.7%	28.7%	15.9%	13.4%	7.9%	25.6%	21.0%	21.5%	29.7%	18.3%	8.3%	44.1%	13.6%	8.2%	16.3%	27.9%	17.5%	13.9%
18.4%	17.3%	22.0%	14.3%	28.6%	9.9%	12.1%	5.7%	24.5%	20.0%	20.4%	28.8%	12.3%	-11.9%	41.2%	11.1%	2.7%	15.7%	16.5%	11.1%	13.6%
16.6%	17.3%	14.2%	13.7%	26.7%	9.6%	9.0%	-1.2%	21.3%	20.0%	19.7%	28.5%	8.6%	-20.8%	18.9%	8.9%	0.8%	15.1%	9.6%	10.9%	13.4%
14.5%	13.1%	13.3%	11.1%	26.4%	8.7%	8.9%	-4.6%	18.5%	19.8%	18.3%	24.9%	8.5%	-20.9%	14.8%	8.7%	0.6%	11.7%	7.6%	9.5%	12.1%
14.2%	12.0%	12.4%	10.3%	18.0%	7.3%	7.3%	-15.5%	16.1%	14.5%	15.9%	21.1%	5.2%	-21.5%	14.7%	7.9%	-1.0%	11.7%	5.0%	9.2%	9.0%
14.0%	12.0%	12.4%	10.3%	18.0%	6.9%	6.5%	-15.6%	13.4%	12.9%	15.7%	20.3%	2.7%	-22.4%	11.8%	7.6%	-5.2%	10.9%	3.9%	7.7%	6.2%
13.1%	11.2%	8.6%	7.3%	13.3%	6.6%	5.9%	-20.0%	10.0%	12.4%	15.4%	16.1%	-0.3%	-28.7%	7.8%	7.0%	-5.6%	8.9%	2.7%	7.4%	5.8%
11.2%	9.8%	7.9%	7.3%	4.8%	5.7%	5.4%	-20.4%	8.9%	9.4%	13.7%	15.3%	-0.7%	-32.8%	5.9%	4.0%	-8.6%	8.4%	2.6%	3.5%	4.5%
9.4%	5.5%	7.0%	4.8%	2.9%	2.4%	3.8%	-25.2%	7.3%	7.5%	10.0%	12.8%	-4.3%	-34.3%	5.7%	3.4%	-9.7%	8.3%	2.2%	3.4%	4.0%
8.7%	4.9%	7.0%	-1.2%	-0.5%	-8.0%	-0.4%	-34.0%	6.6%	6.3%	8.1%	7.7%	-5.6%	-38.4%	3.5%	3.0%	-9.9%	6.3%	1.9%	3.1%	3.3%
5.5%	0.0%	4.3%	-4.4%	-4.0%	-14.8%	-9.8%	-36.5%	5.8%	5.9%	7.3%	6.0%	-8.6%	-38.6%	3.1%	2.4%	-18.1%	2.7%	-1.8%	2.3%	2.3%
-7.1%	-2.0%	-2.6%	-17.9%	-6.4%	-18.1%	-11.8%	-36.6%	5.6%	4.0%	6.3%	5.9%	-19.4%	-51.0%	0.8%	1.5%	-21.3%	1.9%	-14.3%	-7.3%	-2.6%

Want to talk more on this? Give us a call on 09 361 3670 and speak to one of our advisers, or see our website: [www.rutherfordrede.co.nz](http://www.rutherfordrede.co.nz)

Disclosure Statements are available upon request and are free of charge.