



PACIFIC
WEALTH CREATORS

RETURNS ANNOUNCEMENT

April 30, 2008

Pacific Wealth Creators announces investment return data

Leading New Zealand private client fund manager, Pacific Wealth Creators Ltd, today announced the average portfolio return for the year to 31 March 2008.

**The average net client portfolio return for the previous year is -8.7%.
The five year average return is 11.7% after fees.**

Since there has been no growth over the period no fees have been charged. This is in accordance with the performance-based annual fee method Pacific Wealth Creators adopts.

Pacific Wealth Creators' founder and research analyst, Mr James Clague said, "we are very comfortable with the performance given the average portfolio has performed better than the market index over the period. More importantly, the share market decline this year has meant there have been some wonderful buying opportunities recently".

Share price declines are typically short term events in relation to the new purchase which are for the medium/long term. Hence, the advantage lies with the ability to accumulate assets at cheaper prices. Of course to do this one has to have cash, and in this regard we have been sitting on higher levels of cash in anticipation of declines in asset values".

The frantic private equity activity over the past few years could not be sustained. Excessive prices were being paid for companies and high levels of gearing were the driver, together with considerable institutional support.

Although there are great opportunities in the markets given lower prices, a caution must be sounded. Returns in the near future are unlikely to be near

the returns of the past 5 or so years. The pressure from high interest rates and high oil prices will take its toll on economic activity at all levels.

Although higher interest rates will inevitably reduce activity and therefore inflation, there will be an unfortunate cost to the economy given the pressures on inflation are no longer driven by consumer and business spending, i.e. they are external pressures such as oil and international commodity prices.

This implies maintaining a realistic expectation of returns.

Having said that, Mr Clague adds "I have never been happier with the quality of the companies in the portfolios. Most are great businesses with fantastic management and although they are all currently Australian companies, many have international reputations.

Investing in shares is about being a part-owner of a business. Client's money is invested directly and this creates simplicity, visibility and a real sense of ownership. Investing should be fun - and it is when you can follow a company that you partly own and seek pleasure from seeing it perform well. It then doesn't matter what the economy or share price does in the short term – it becomes irrelevant".

About Pacific Wealth Creators Ltd

Established in 2000, Pacific Wealth Creators is a leading investment research house and manager of private client portfolios/funds based in Auckland, New Zealand. It is one of the only investment management companies with only performance-based annual fees. This sets it apart as an investment management operation whose interests are directly aligned to those of its clients – to grow client funds.

As a research house Pacific Wealth Creators conducts its own research of NZ and Australian listed companies and is one of the only investment companies with a true value-investing approach.

For further information visit www.pacificwealthcreators.co.nz

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