

# The Aon Investment Update as at 30 April 2018

## Aon Investment Consulting

This survey is produced by Aon New Zealand

Other investment consulting services include:

- Establishing investment objectives for both our clients and investment managers.
- Determining long-term investment strategies, in the form of benchmark portfolios and sector ranges, consistent with the investment objectives.
- Determining the efficient frontier and risk/return profiles.
- Asset/liability modelling.
- Reviewing contractual agreements and legal documentation.
- Assisting in the appointment of investment managers, by
  - Establishing the selection criteria,
  - Identifying suitable investment managers,
  - Analysing investment managers' capabilities against the criteria,
  - Carrying out qualitative reviews.
- Performance monitoring, against both investment objectives and competitors.
- Communication of investment objectives and strategies to investors.

### Our Global Reach

We provide a complete range of global investment consulting services tailored to clients' specific goals and circumstances. Our New Zealand actuarial and investment consulting team has a wealth of local experience – and we are also backed by the substantial resources of Aon globally. We know the local market and can provide relevant and appropriate advice for New Zealand clients – and we have access to global best practice solutions.

[If you need any help reviewing your fund's strategic long term asset allocations, or require any assistance with manager selection, please call your Aon consultant. Contact details are at the back of this report on page 13.](#)

## Investment Commentary April 2018

### Market Summary

Volatility persisted through April as investors worried about geopolitical tensions and the prospects for a trade war between the US and China. Despite this, global and domestic equities delivered modest gains over the month, while bonds were generally weaker.

Equity strength reflected a solid earnings season in the US and generally positive global macroeconomic data, while bond markets fretted about inflationary risks. The US 10-year Treasury yield hit 3% for the first time in 4 years.

The MSCI All Country World index returned 1.4% (hedged) in April and a weaker NZ dollar meant that the unhedged index returned 3.4%. The US share market rose just 0.3% over the month but strong performances from the UK (6.4%), Europe (4.5%) and Japan (4.7%) ensured a decent performance from the global index.

The MSCI Emerging market index underperformed the MSCI World over the month with US dollar strength a headwind. The Russian equity market in particular was impacted by the announcement of new US sanctions.

The S&P/NZX 50 Index rose 1.5% over the month, while the S&P/ASX 200 index in Australia was up 3.9% with rising commodity prices supporting the energy and materials sectors. The NZ index has risen by close to 1% so far this year, while the Australian index is still in negative territory.

Rising bond yields meant that the Barclays Global Aggregate Bond index (NZ\$ hedged) returned -0.4% in April. The index has returned just 2.1% over the last 12 months as US 10-year Treasury yields have risen from 2.40% to 2.95%.

In New Zealand the S&P/NZX NZ Government Stock Index returned -0.19% over the month while the S&P/NZX A Grade Corporate Bond Index returned 0.10%. Corporate bonds have also outperformed Government bonds over the last 12 months, returning 4.2% compared with 3.5% for the government stock index.

A notable feature of the month was the strength in the oil price. Brent crude oil rose 8.3% in April, taking the price to almost \$75 per barrel. Production cuts put in place by OPEC have cleared excess oil inventories and the price has risen almost 50% over the last 12 months.

### Fund Performance

Balanced fund returns moved back to positive in April after two months of negative returns. Milford leading the way with a return of 1.2% for the month, while Castle Point was the laggard, returning just 0.3%. The balanced funds in our survey have returned 0.9% on average over the first 4 months of 2018.

The median domestic share fund returned 1.8% in April with Devon leading the way after a run of poor returns. Devon's Trans Tasman Fund returned 3.3% over the month and their Alpha Fund returned 3.5%. Returns over the last three months have been mixed, with Devon's Core Fund delivering -1.0% while Milford's NZ Equity Fund has returned 3.8% over the same period.

The median return among the global share funds over the month was 3.3% with Franklin Templeton's Global Trust faring best (4.8%). Nikko's new Wholesale Global Shares Fund also had another good month and is by far the best performer over the last three months (4.7%). Harbour's Global Equity Growth Fund (which is managed by T Rowe Price) is the best performer over the last 12 months, posting a return of 20.6%.

Domestic bond funds were flat in April, with returns ranging from -0.1% to +0.1%. The median return from the funds in this sector over the last three months is 0.7%, and for the last 12 months is 4.4%.

Amongst the global bond funds only Milford managed to post a positive return in April (+0.1%). This Milford fund is also the best performer over the last 12 months, returning 4.7% compared with a median return of 2.8%.

The global absolute return funds mostly delivered positive returns in April, the exception being Nikko's Multi-Strategy Fund which returned -0.2%.

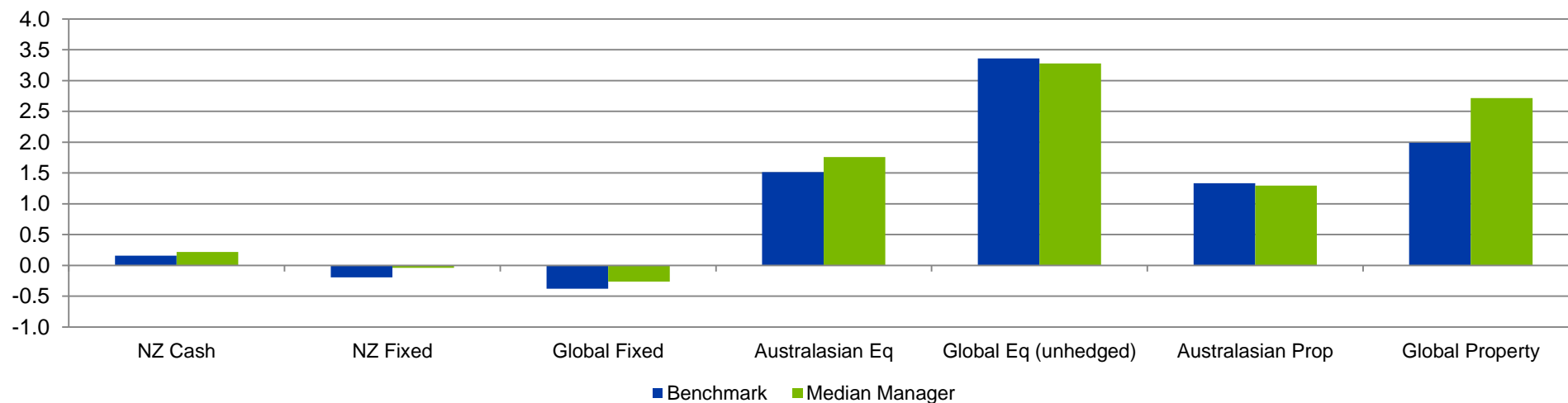
### New Zealand Fund Manager News

Salt Funds Management have announced that chief operating officer Anthony Sowerby has resigned and will leave the business in July. Anthony has been with Salt since 2013. Prior to that he worked for AMP Capital Investors.

## Median Manager Performance v Benchmark

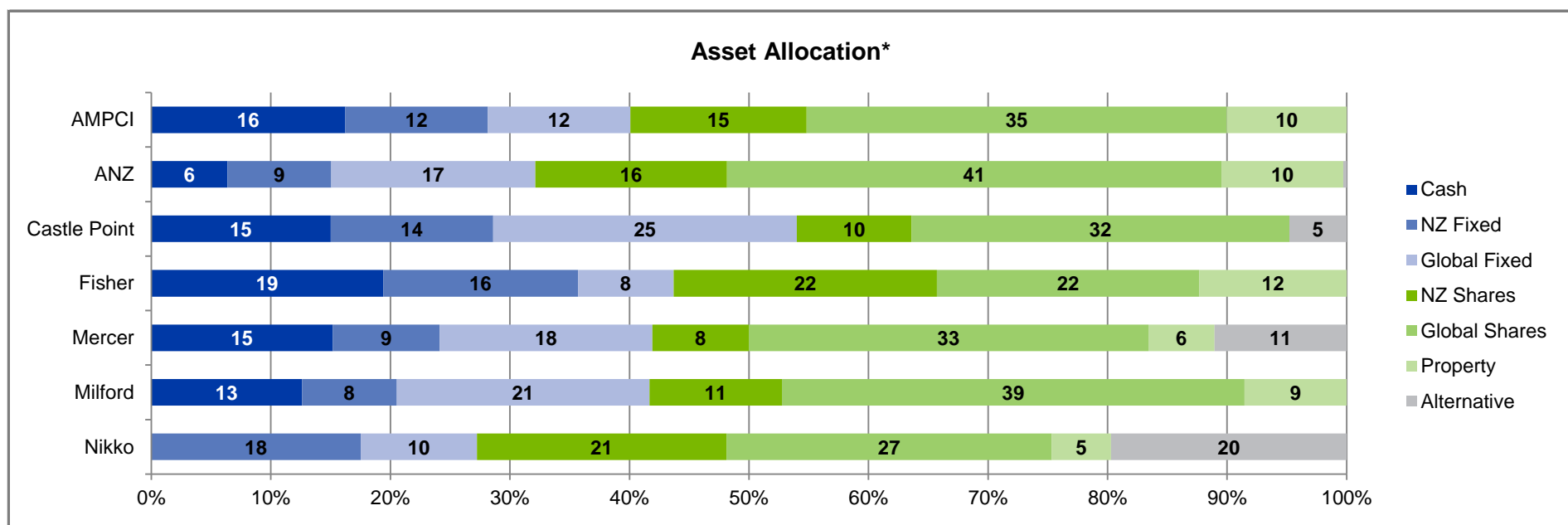
		Returns (%) gross of tax and fees										
Sector		For the period to 30 Apr 2018					For the year ended 30 April					Volatility 5 Yrs
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2018	2017	2016	2015	2014	
NZ Cash	ANZ 90D Bank Bills	0.2	0.5	2.0	2.4	2.7	2.0	2.3	3.1	3.6	2.7	0.2
	Median Manager	0.2	0.6	2.9	3.2	3.6	2.9	2.9	3.8	4.4	3.6	
NZ Fixed Interest	ANZ NZ Govt Stock	-0.2	0.8	3.5	4.0	3.6	3.5	1.4	7.1	8.4	-2.2	2.8
	Median Manager	-0.0	0.7	4.4	4.8	4.5	4.4	2.7	7.2	8.8	0.6	
International Fixed Interest	Barclays Agg	-0.4	0.3	2.1	3.7	4.9	2.1	3.1	6.0	10.2	3.4	2.8
	Median Manager	-0.3	0.2	2.8	4.1	5.1	2.8	4.2	5.1	10.3	3.1	
Australasian Shares	NZX 50 Gross	1.5	0.4	15.8	14.8	14.3	15.8	9.5	19.3	12.2	14.8	8.6
	Median Manager	1.8	0.3	14.7	14.3	14.8	14.7	9.7	18.7	11.9	19.4	
International Shares (unhdgd)	MSCI ACWI	3.4	-0.6	11.2	10.2	13.2	11.2	17.3	2.7	21.3	14.2	10.2
	Median Manager	3.3	-0.4	12.7	11.9	14.8	12.7	18.4	6.6	22.9	15.5	
Australasian Property	NZX Property	1.3	-0.9	8.0	8.3	9.3	8.0	-0.2	17.8	25.0	-1.8	7.8
	Median Manager	1.3	-0.8	7.6	8.8	10.5	7.6	1.6	17.9	25.2	1.9	
International Property	FTSE Property	2.0	-2.2	2.4	4.1	7.2	2.4	3.4	6.6	21.4	3.5	12.0
	Median Manager	2.7	-0.7	5.3	4.7	7.7	5.3	3.6	4.2	21.3	5.0	

### 1 Month Performance (%)



## Balanced Funds

		Returns (%) gross of tax and fees														
Manager	FUM (\$m)	For the period to 30 Apr 2018								For the year ended 30 April					5 Years	
		1 M Rk	1 Qtr Rk	1 Yr Rk	3 Yrs Rk	5 Yrs Rk	2018	2017	2016	2015	2014	Vol	SR Rk			
AMP Capital Investors RIL	52	1.4 (3)	-0.7 (7)	7.8 (7)	6.0 (7)	8.2 (6)	7.8	9.2	1.3	12.7	10.2	4.4	1.2 (7)			
ANZ Investments	99	1.6 (2)	-0.7 (6)	8.9 (3)	8.4 (4)	10.2 (3)	8.9	10.2	6.0	15.9	10.3	4.9	1.5 (5)			
Castle Point Funds	21	0.3 (7)	-0.2 (4)	8.6 (4)	9.2 (3)	8.1 (7)	8.6	12.0	7.0	5.9	7.2	3.7	1.5 (6)			
Fisher Institutional	702	1.0 (5)	-0.0 (3)	8.1 (6)	8.2 (5)	8.8 (5)	8.1	9.1	7.4	11.2	8.5	3.7	1.6 (4)			
Mercer	1,356	1.1 (4)	-0.4 (5)	8.1 (5)	7.8 (6)	9.6 (4)	8.1	10.0	5.4	13.8	11.1	3.9	1.8 (3)			
Milford Funds	518	1.7 (1)	0.7 (1)	10.2 (2)	9.9 (2)	11.6 (1)	10.2	12.0	7.5	17.4	11.0	4.5	2.0 (2)			
Nikko Asset Management	268	1.0 (6)	0.3 (2)	12.2 (1)	10.1 (1)	11.2 (2)	12.2	8.5	9.8	15.5	10.1	4.2	2.0 (1)			
Minimum		0.3	-0.7	7.8	6.0	8.1	7.8	8.5	1.3	5.9	7.2	3.7	1.2			
Median		1.1	-0.2	8.6	8.4	9.6	8.6	10.0	7.0	13.8	10.2	4.2	1.6			
Maximum		1.7	0.7	12.2	10.1	11.6	12.2	12.0	9.8	17.4	11.1	4.9	2.0			



\*Allocations may not sum to 100 due to rounding

## Australasian Shares (Page 1 of 2)

					Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 30 Apr 2018										For the year ended 30 April					For last 5 years				
					1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR*	Rk
<b>Core</b>																								
AMPCI	NZ Shares	1	488	0	1.3	(17)	0.3	(9)	14.7	(11)	14.1	(13)	14.7	(9)	14.7	7.8	19.9	15.1	16.4	8.7	0.4	2.3	0.2	(10)
AMPCI	NZ Shares RIL	1	13	0	0.8	(21)	0.2	(13)	13.5	(17)	14.5	(9)	15.1	(6)	13.5	9.1	21.2	15.0	17.2	8.5	0.7	2.5	0.3	(7)
ANZ	NZ Equities	1	174	0	1.7	(13)	-0.3	(18)	14.5	(14)	13.5	(14)	13.9	(13)	14.5	8.8	17.4	9.8	19.6	8.8	-0.3	2.0	-0.1	(16)
ANZ	Australasian Equity	1	1,008	8	1.9	(7)	-0.0	(15)	14.8	(10)	13.4	(15)	14.0	(12)	14.8	8.4	17.1	10.6	19.2	9.0	-0.3	2.1	-0.1	(15)
CPFM	Trans Tasman Strategy	1	0	17	1.1	(20)	2.8	(3)	28.2	(1)	21.8	(1)			28.2	15.6	21.8	12.7						
Devon	NZ Core	1	240	7	2.7	(3)	-1.0	(21)	8.8	(18)	9.8	(18)	13.9	(14)	8.8	5.2	15.6	18.7	22.1	9.3	-0.3	3.4	-0.1	(14)
Devon	NZ Only	1	99	0	2.4	(4)	-0.4	(19)	5.6	(19)					5.6	8.7								
Devon	Trans Tasman	3	146	47	3.3	(1)	-0.9	(20)	5.6	(20)	9.4	(19)	14.3	(11)	5.6	12.5	10.2	19.4	24.7	8.7	5.6	5.6	1.0	(3)
Fisher	Trans Tasman Equities	7	177	34	1.7	(12)	0.3	(12)	14.7	(12)	14.1	(11)	13.3	(16)	14.7	9.9	18.0	10.8	13.3	8.2	0.9	2.5	0.4	(6)
Harbour	Australasian Equity	1	505	22	1.9	(8)	0.3	(11)	21.5	(5)	19.2	(4)	16.9	(4)	21.5	15.0	21.2	7.5	20.1	9.7	1.2	4.3	0.3	(8)
Harbour	Australasian Equity Focus	3	95	44	2.7	(2)	0.6	(8)	25.1	(3)	20.9	(2)			25.1	15.6	22.2	5.2						
Harbour	Advanced Beta	2	142	0	1.8	(11)	-0.3	(17)	14.9	(9)	14.3	(10)			14.9	9.6	18.7							
Mercer	Trans Tasman Equity	1	450	15	2.3	(6)	-0.1	(16)	14.6	(13)	14.1	(12)	15.0	(8)	14.6	9.4	18.6	11.0	21.7	8.9	0.6	2.3	0.3	(9)
Milford	NZ Equities	1	349	0	1.6	(15)	3.8	(1)	25.7	(2)	20.5	(3)	18.6	(1)	25.7	13.1	23.2	6.5	25.6	8.7	3.7	3.1	1.2	(2)
Milford	Trans Tasman	3	332	52	2.4	(5)	1.4	(5)	16.9	(7)	14.9	(8)	13.5	(15)	16.9	16.6	11.3	9.2	13.9	9.0	4.9	5.1	1.0	(4)
Mint	Trans Tasman Equity	1	169	23	1.9	(9)	3.0	(2)	19.0	(6)	16.0	(6)	17.1	(3)	19.0	9.8	19.3	17.6	20.2	7.4	2.4	3.0	0.8	(5)
Mint	SRI Fund	1	14	0	1.2	(19)	1.1	(6)																
Nikko	Core Domestic Equity	1	422	11	1.8	(10)	2.4	(4)	24.6	(4)	18.9	(5)	17.7	(2)	24.6	11.8	20.7	14.8	16.9	9.2	3.0	2.5	1.2	(1)
Russell	NZ Shares	1	198	0	1.7	(14)	0.1	(14)	14.3	(15)	15.6	(7)	15.1	(7)	14.3	10.3	22.4	11.0	18.1	8.8	0.2	2.2	0.1	(12)
Salt	NZ Plus Share	1	605	5	1.2	(18)	0.3	(10)	14.2	(16)	12.7	(16)	14.7	(10)	14.2	6.8	17.4	17.8	17.6	9.3	0.4	2.9	0.1	(11)
Salt	Focus Fund	2	82	7	1.3	(16)	0.8	(7)	16.7	(8)	12.4	(17)	15.4	(5)	16.7	5.5	15.3	19.2	20.7	9.5	0.1	4.5	0.0	(13)
	Minimum				0.8		-1.0		5.6		9.4		13.3		5.6	5.2	10.2	5.2	13.3	7.4	-0.3	2.0	-0.1	
	Median				1.8		0.3		14.7		14.3		14.8		14.7	9.7	18.7	11.9	19.4	8.9	0.7	2.7	0.3	
	Maximum				3.3		3.8		28.2		21.8		18.6		28.2	16.6	23.2	19.4	25.6	9.7	5.6	5.6	1.2	
<b>Absolute Return</b>																								
ANZ	Equity Selection	8	15	0	1.3	(4)	-2.4	(6)	3.7	(6)	6.8	(5)	9.7	(4)	3.7	7.8	8.9	9.7	18.7	8.5	1.6		0.8	(4)
CPFM	Ranger	8	47	44	-0.0	(5)	2.5	(2)	32.1	(1)	20.3	(2)			32.1	19.6	10.2	2.4						
Devon	Alpha	8	93	43	3.5	(1)	-0.5	(5)	9.2	(4)	6.8	(6)	13.3	(3)	9.2	4.8	6.4	17.6	30.3	7.6	0.5		1.4	(3)
Milford	Active Growth	8	924	23	1.7	(2)	1.5	(3)	16.3	(3)	12.6	(3)	14.3	(2)	16.3	10.0	11.5	15.0	18.8	5.6	3.5		2.1	(1)
Nikko	Concentrated	8	113	22	1.7	(3)	2.9	(1)	28.6	(2)	20.5	(1)	19.6	(1)	28.6	12.5	21.1	21.4	15.0	9.3	1.1		1.8	(2)
Salt	Long/Short	8	271	76	-1.2	(6)	1.2	(4)	8.0	(5)	12.2	(4)			8.0	9.0	19.9							
	Minimum				-1.2		-2.4		3.7		6.8		9.7		3.7	4.8	6.4	2.4	15.0	5.6	0.5		0.8	
	Median				1.5		1.4		12.8		12.4		13.8		12.8	9.5	10.9	15.0	18.7	8.1	1.3		1.6	
	Maximum				3.5		2.9		32.1		20.5		19.6		32.1	19.6	21.1	21.4	30.3	9.3	3.5		2.1	

\*For Absolute Return Funds we show the Sharp Ratio, not Information Ratio

## Australasian Shares (Page 2 of 2)

					Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 30 Apr 2018										For the year ended 30 April					For last 5 years				
					1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
<b>Equity Income</b>																								
Devon	Dividend Yield	3	43	36	3.4	(1)	-1.7	(2)	1.4	(3)	8.9	(2)	13.0	(2)	1.4	8.7	17.3	24.9	14.2	8.6	4.3	6.1	0.7	(1)
Harbour	Australasian Eq Income	n/a	68	31	1.9	(2)	-1.8	(3)	4.3	(2)	7.5	(3)	11.1	(3)	4.3	9.1	9.2	22.4	11.5	7.5				
Salt	Dividend Appreciation	1	80	0	0.9	(3)	-0.2	(1)	12.7	(1)	14.4	(1)	16.5	(1)	12.7	8.5	22.6	22.1	17.5	8.7	2.0	3.1	0.6	(2)
	Minimum				0.9		-1.8		1.4		7.5		11.1		1.4	8.5	9.2	22.1	11.5	7.5	2.0	3.1	0.6	
	Median				1.9		-1.7		4.3		8.9		13.0		4.3	8.7	17.3	22.4	14.2	8.6	3.2	4.6	0.7	
	Maximum				3.4		-0.2		12.7		14.4		16.5		12.7	9.1	22.6	24.9	17.5	8.7	4.3	6.1	0.7	
<b>Australian Only</b>																								
AMPCI	Australian Share	5	177	100	4.7	(2)	-1.6	(2)	4.8	(2)	5.3	(3)	4.6	(2)	4.8	13.6	-1.9	8.9	-1.4	12.5	1.4	4.7	0.3	(2)
ANZ	Australian Share	5	922	100	5.0	(1)	-1.6	(3)	4.6	(3)	5.0	(4)	4.4	(3)	4.6	9.3	1.3	3.4	3.5	12.9	1.1	5.3	0.2	(3)
Devon	Australian	5	18	100	4.7	(3)	-2.7	(4)	2.8	(4)	8.9	(2)	9.9	(1)	2.8	14.9	9.4	13.5	9.5	12.0	6.4	5.7	1.1	(1)
Milford	Dynamic	6	205	100	0.3	(4)	0.2	(1)	20.6	(1)	12.0	(1)			20.6	10.5	5.5	20.5						
	Minimum				0.3		-2.7		2.8		5.0		4.4		2.8	9.3	-1.9	3.4	-1.4	12.0	1.1	4.7	0.2	
	Median				4.7		-1.6		4.7		7.1		4.6		4.7	12.0	3.4	11.2	3.5	12.5	1.4	5.3	0.3	
	Maximum				5.0		0.2		20.6		12.0		9.9		20.6	14.9	9.4	20.5	9.5	12.9	6.4	5.7	1.1	
<b>Benchmarks</b>																								
	S&P/NZX 50 Gross incl I/C	1			1.5		0.4		15.8		14.8		14.3		15.8	9.5	19.3	12.2	14.8	8.6				
	S&P/NZX 50 Portfolio incl I/C	2			1.8		0.3		16.2		14.9		15.0		16.2	9.7	19.1	15.8	14.5	8.3				
	NZX50/ASX200 (50/50)	3			3.1		-0.6		7.7		8.2		8.1		7.7	7.4	9.5	9.2	6.5	9.5				
	ASX 200	5			4.7		-1.7		-5.7		3.5		3.0		-5.7	17.5	0.2	5.9	-1.5	13.7				
	ASX SmallCap Industrials	6			1.5		-0.3		12.6		9.6		9.2		12.6	9.9	6.4	10.2	7.0	11.9				
	70% NZX50 / 30% ASX200	7			2.3		0.2		12.6		11.5		12.2		12.6	9.5	12.3	12.0	14.8	8.5				
	Other (Absolute Return)	8																						
	ASX 200 (in A\$)				3.9		0.3		5.5		5.7		7.5		5.5	17.8	-4.9	10.2	10.5	11.2				

## International Shares (Unhedged)

				Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Apr 2018										For the year ended 30 April					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
AMPCI	Global Shares	2	948	3.0 (11)	-0.6 (12)	11.1 (10)	12.5 (5)	15.6 (3)	11.1	18.4	8.2	22.1	18.9	10.0	2.1	1.9	1.2 (1)						
AMPCI	RIL Global Shares	1	61	3.3 (7)	-0.4 (6)	15.0 (4)	9.9 (12)	13.8 (9)	15.0	16.6	-1.1	22.2	17.5	10.6	0.6	1.8	0.3 (8)						
ANZ	International Share	1	5,229	3.3 (8)	-0.4 (9)	12.6 (8)	12.8 (4)	15.8 (2)	12.6	18.3	7.8	23.5	17.3	10.6	2.4	2.2	1.0 (2)						
EC	Value Fund	1	31	2.9 (12)	-1.9 (15)	-1.9 (14)	8.0 (13)	10.6 (12)	-1.9	16.6	10.3	10.4	18.6	9.6	-2.6	6.4	-0.4 (12)						
Fisher	Overseas Equities	1	413	3.5 (6)	-0.5 (11)	11.1 (9)	10.3 (10)	12.6 (10)	11.1	16.9	3.4	18.2	14.1	10.2	-0.5	1.3	-0.4 (11)						
FRK	Global Growth	1	n/a	2.3 (14)	-0.4 (7)	20.0 (2)	15.9 (1)	17.3 (1)	20.0	19.0	8.9	26.5	13.1	11.2	3.7	4.3	0.9 (3)						
FRK	Global Trust	1	n/a	4.8 (1)	-0.4 (8)	10.5 (11)	7.6 (14)	12.0 (11)	10.5	17.0	-3.7	14.0	24.0	12.0	-0.9	4.1	-0.2 (10)						
Harbour	Global Equity Growth	1	30	3.6 (5)	1.1 (3)	20.6 (1)	15.2 (2)		20.6	18.9	6.5												
Magellan	Global	2	10,221	2.6 (13)	-1.2 (13)	9.8 (13)	11.8 (9)	14.9 (6)	9.8	18.1	7.9	25.1	14.4	11.9	1.3	3.9	0.3 (7)						
Mercer	Global Equities	2	1,791	3.3 (9)	-0.1 (5)	12.8 (7)	12.4 (6)	15.4 (4)	12.8	20.0	4.8	24.9	15.4	11.0	1.6	3.5	0.5 (6)						
MGH	MGH Investments	1	28	3.8 (4)	2.1 (2)	10.3 (12)	13.3 (3)	14.2 (8)	10.3	19.1	10.7	20.8	10.7	10.1	0.8	4.9	0.2 (9)						
Nikko	Global Equity	1	547	4.2 (3)	0.4 (4)	14.0 (5)	11.9 (7)	14.6 (7)	14.0	15.1	6.7	23.7	14.3	10.4	1.3	2.1	0.6 (5)						
Nikko	Wholesale Global Shares	1	16	4.4 (2)	4.7 (1)																		
Russell	Emerging Markets	4	1	1.6 (15)	-1.6 (14)	18.3 (3)	10.0 (11)		18.3	25.5	-10.4												
Russell	Global Opportunities	3	194	3.1 (10)	-0.5 (10)	12.9 (6)	11.9 (8)	15.1 (5)	12.9	18.9	4.3	24.6	15.6	11.2	1.6	1.8	0.8 (4)						
	Minimum			1.6	-1.9	-1.9	7.6	10.6	-1.9	15.1	-10.4	10.4	10.7	9.6	-2.6	1.3	-0.4						
	Median			3.3	-0.4	12.7	11.9	14.8	12.7	18.4	6.6	22.9	15.5	10.6	1.3	2.9	0.4						
	Maximum			4.8	4.7	20.6	15.9	17.3	20.6	25.5	10.7	26.5	24.0	12.0	3.7	6.4	1.2						
	MSCI All Country World Index	1		3.4	-0.6	11.2	10.2	13.2	11.2	17.3	2.7	21.3	14.2	10.2									
	MSCI World Index	2		3.4	-1.0	9.6	10.1	13.5	9.6	16.8	4.3	21.2	16.5	10.5									
	Russell Global Large Cap	3		3.3	-0.5	11.2	10.3	13.4	11.2	17.3	3.0	21.3	15.1	10.2									
	Russell Emerging Markets Index	4		1.9	-2.2	17.2	7.3		17.2	21.6	-13.4												
	MSCI ACWI (100% hedged)			1.4	-5.1	13.2	8.7	12.4	13.2	18.8	-4.5	17.8	18.7	9.5									

## Diversified Income

				Returns (%) gross of tax and fees														
Manager	Fund	FUM (\$m)	For the period to 30 Apr 2018										For the year ended 30 April					Performance Objective
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	
AMPCI	Income Generator	142	0.8 (4)	-0.8 (6)	4.9 (4)	6.8 (2)			4.9	7.3	8.3						n/a	
Devon	Diversified Income	6	0.8 (3)	-0.3 (5)	4.5 (5)			4.5	4.3								OCR + 1.5%	
Milford	Diversified Income	1,802	1.4 (1)	0.9 (2)	7.9 (1)	10.5 (1)	12.1 (1)	7.9	11.9	11.9	18.2	11.0					OCR + 2.5%	
Mint	Diversified Income	144	0.7 (5)	0.7 (3)	5.3 (3)	6.1 (4)		5.3	4.7	8.4							OCR + 2.5%	
Nikko	Income	12	0.3 (6)	1.5 (1)	6.3 (2)	6.6 (3)	6.4 (2)	6.3	3.3	10.4	8.5	3.9					8% p.a.	
Harbour	Income	77	0.9 (2)	0.0 (4)	4.0 (6)	5.4 (5)		4.0	5.0	7.4							OCR + 2.0%	



## International Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Apr 2018								For the year ended 30 April					For last 5 years						
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
<b>Global Aggregate:</b>																							
AMPCI	Global FI AIFQ	1	80	-0.4	(8)	0.1	(7)	1.8	(8)	3.2	(7)	4.5	(6)	1.8	3.1	4.8	9.6	3.5	2.6	-0.4	1.0	-0.4	(5)
AMPCI	Global FI AIFPQ	3	523	-0.4	(7)	0.2	(4)	0.8	(9)	3.0	(8)	4.0	(7)	0.8	1.3	6.9	7.9	3.1	2.8				
ANZ	International Aggregate	1	715	-0.2	(4)	0.2	(3)	2.8	(5)	4.5	(1)			2.8	5.7	5.2	11.0						
Fisher	Global Bonds - PIMCO	1	215	-0.3	(5)	0.2	(5)	3.1	(4)	4.4	(2)	5.4	(2)	3.1	6.0	4.2	11.6	2.5	3.5	0.5	1.7	0.3	(3)
Fisher	Global Bonds - Wellington	1	146	-0.3	(6)	0.1	(8)	2.5	(6)	3.8	(6)	4.7	(5)	2.5	2.9	6.1	9.7	2.5	2.7	-0.2	0.5	-0.4	(6)
Mercer	Global Bonds	1	1,572	-0.2	(2)	0.1	(6)	3.4	(2)	4.1	(5)	5.4	(1)	3.4	4.5	4.5	10.9	4.2	2.6	0.7	1.3	0.5	(1)
Milford	Global Bond Fund	1	298	0.1	(1)	-0.5	(9)	4.7	(1)					4.7									
Nikko	Global Fixed Interest	1	259	-0.2	(3)	0.5	(1)	2.3	(7)	4.2	(4)	5.1	(4)	2.3	3.8	6.4	8.5	4.4	2.5	0.2	0.9	0.2	(4)
Russell	Global Bond	1	2,943	-0.5	(9)	0.4	(2)	3.1	(3)	4.3	(3)	5.4	(3)	3.1	4.7	5.1	11.3	3.0	2.9	0.5	1.0	0.5	(2)
	Minimum			-0.5		-0.5		0.8		3.0		4.0		0.8	1.3	4.2	7.9	2.5	2.5	-0.4	0.5	-0.4	
	Median			-0.3		0.2		2.8		4.1		5.1		2.8	4.2	5.1	10.3	3.1	2.7	0.3	1.0	0.2	
	Maximum			0.1		0.5		4.7		4.5		5.4		4.7	6.0	6.9	11.6	4.4	3.5	0.7	1.7	0.5	
<b>Other:</b>																							
LMI	Brandywine	2	n/a	-0.8	(3)	-0.5	(2)	4.9	(1)	4.6	(1)	6.3	(1)	4.9	7.2	1.7	18.5	0.3	5.6	1.3	4.7	0.3	(1)
ANZ	International Sovereign	2	3,389	-0.5	(2)	0.6	(1)	1.4	(3)	3.0	(3)	4.2	(3)	1.4	2.3	5.5	10.5	1.8	3.2	-0.7	0.4	-1.7	(2)
ANZ	International Credit	x	1,222	-0.5	(1)	-1.3	(3)	1.9	(2)	4.0	(2)	4.8	(2)	1.9	4.8	5.3	9.3	3.0	3.4				
	Barclays Capital Global Agg Index	1		-0.4		0.3		2.1		3.7		4.9		2.1	3.1	6.0	10.2	3.4	2.8				
	Citigroup World Govt Bond Index	2		-0.4		0.9		2.4		3.6		5.0		2.4	2.2	6.4	10.8	3.4	3.1				
	Barclays Global Treasury GDP Wgtd	3																					

## Other International Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 30 Apr 2018								For the year ended 30 April					Benchmark							
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016		2015	2014					
AMPCI	Commodities	176	2.4	(4)	0.9	(2)	10.2	(3)	-0.5	(8)	-3.6	(7)	10.2	2.9	-13.1	-20.9	6.7						Bloomberg Commodity Index
AMPCI	Infrastructure	306	2.4	(5)	-2.3	(7)	-1.5	(8)	1.7	(7)	9.1	(5)	-1.5	17.5	-9.1	25.7	16.7						DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	200	0.3	(9)	-4.8	(9)	-0.6	(7)	7.3	(5)			-0.6	17.4	5.8	24.5							FTSE Global Core Infrastructure Net (NZD Hedged)
Magellan	Infrastructure	1,652	3.7	(2)	-0.7	(3)	6.1	(5)	11.6	(1)	10.9	(3)	6.1	10.3	18.8	17.1	3.0						S&P Global Infrastructure Index (A\$ Hedged)
Milford	Global	416	2.1	(6)	-1.0	(4)	11.5	(2)	8.1	(2)	10.1	(4)	11.5	14.4	-0.9	19.5	6.9						OCR + 5%
PATH	Commodity Plus Fund	7	5.1	(1)	6.0	(1)	21.9	(1)	4.6	(6)	2.9	(6)	21.9	-7.8	1.8	0.9	-0.2						Bloomberg Commodity Index
PATH	World Equity Fund	30	3.0	(3)	-1.8	(6)	9.2	(4)	7.6	(4)	11.2	(2)	9.2	15.1	-0.8	25.4	8.7						MSCI AC World
PATH	Global Water Fund	18	1.7	(8)	-1.1	(5)	4.5	(6)	7.8	(3)	12.1	(1)	4.5	12.7	6.4	15.5	22.2						n/a
PATH	Global Responsibility Fund	2	1.7	(7)	-4.0	(8)																	MSCI AC World

## NZ Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Apr 2018										For the year ended 30 April					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
AMPCI	NZ Fixed Interest	1	1,911	-0.1	(9)	0.7	(9)	4.1	(9)	4.5	(9)	4.3	(7)	4.1	2.6	7.0	9.4	-1.0	2.7	0.8	0.4	1.9	(1)
ANZ	NZ Fixed Interest	1	2,154	-0.1	(8)	0.8	(3)	4.0	(10)	4.5	(10)	4.2	(8)	4.0	2.1	7.5	8.8	-1.3	2.6	0.6	0.4	1.3	(5)
Fisher	NZ Fixed Interest	1	220	-0.1	(10)	0.9	(1)	4.7	(4)	4.8	(6)	4.5	(5)	4.7	2.1	7.6	8.8	-0.6	2.6	0.9	0.5	1.8	(2)
Harbour	NZ Core Fixed Interest	3	416	-0.0	(6)	0.7	(5)	4.4	(6)	4.9	(3)	4.7	(4)	4.4	3.1	7.4	7.9	1.1	1.9				
Harbour	NZ Corporate Bond	2	335	0.1	(3)	0.8	(4)	4.3	(7)	4.7	(7)	4.9	(3)	4.3	3.5	6.5	7.4	2.8	1.4	0.1	0.3	0.3	(6)
Milford	Trans-Tasman Bond	5	357	0.1	(1)	0.7	(8)	5.2	(2)	5.2	(2)			5.2	5.2	5.4	9.4						
Nikko	NZ Corporate Bond	1	198	0.0	(4)	0.7	(10)	5.6	(1)	5.5	(1)	5.7	(1)	5.6	3.8	7.3	9.2	2.6	1.9	2.0	1.4	1.5	(4)
Nikko	NZ Fixed Interest	1	319	-0.1	(7)	0.7	(6)	4.8	(3)	4.9	(4)	4.9	(2)	4.8	2.7	7.3	9.0	0.9	2.4	1.3	0.9	1.5	(3)
Russell	NZ Fixed Interest	1	58	-0.0	(5)	0.9	(2)	4.6	(5)	4.8	(5)	4.3	(6)	4.6	2.7	7.2	8.4	-1.0	2.3				
Western	NZ Core	4	n/a	-0.1	(11)	0.7	(7)	4.2	(8)	4.6	(8)			4.2	2.8	6.9	9.0						
Western	NZ Core Constrained	1	n/a	0.1	(2)	0.6	(11)	3.0	(11)	3.7	(11)	3.6	(9)	3.0	2.4	5.8	6.3	0.6	1.3	-0.0	1.6	-0.0	(7)
	Minimum			-0.1		0.6		3.0		3.7		3.6		3.0	2.1	5.4	6.3	-1.3	1.3	-0.0	0.3	-0.0	
	Median			-0.0		0.7		4.4		4.8		4.5		4.4	2.7	7.2	8.8	0.6	2.3	0.8	0.5	1.5	
	Maximum			0.1		0.9		5.6		5.5		5.7		5.6	5.2	7.6	9.4	2.8	2.7	2.0	1.6	1.9	
	S&P/NZX NZ Govt Stock Index	1		-0.2		0.8		3.5		4.0		3.6		3.5	1.4	7.1	8.4	-2.2	2.8				
	S&P/NZX NZ Corp A Grade Index	2		0.1		0.7		4.2		4.7		4.8		4.2	3.3	6.5	7.7	2.3	1.6				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		-0.0		0.8		3.9		4.3		4.2		3.9	2.4	6.8	8.0	0.0	2.2				
	S&P/NZX NZ Comp Inv Grade Index	4		-0.1		0.8		3.8		4.2				3.8	1.9	7.0	8.1						
	S&P/NZX NZ Corp/ASX Corp (50/50)	5		0.0		0.7		4.0						4.0									

## NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Apr 2018										For the year ended 30 April					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
AMPCI	NZ Cash	1	3,944	0.2	(5)	0.6	(6)	2.4	(6)	2.8	(7)	3.2	(7)	2.4	2.6	3.4	4.1	3.4	0.2	0.4	0.1	8.5	(2)
AMPCI	NZ Short Duration	2	483	0.2	(7)	0.6	(3)	3.7	(1)	4.3	(1)	4.5	(1)	3.7	3.5	5.7	6.3	3.6	0.8	1.2	0.2	4.7	(4)
AMPCI	Global Short Duration	1	210	0.2	(6)	0.3	(7)	2.4	(7)	3.2	(4)	3.8	(2)	2.4	3.3	4.0	5.8	3.7	1.1	1.1	1.0	1.0	(6)
ANZ	NZ Cash	1	3,691	0.2	(4)	0.6	(5)	2.6	(5)	2.9	(6)	3.2	(6)	2.6	2.8	3.3	4.0	3.2	0.2	0.4	0.1	7.6	(3)
Fisher	NZ Cash	1	552	0.3	(1)	0.6	(2)	3.0	(2)	3.1	(5)	3.5	(5)	3.0	2.9	3.5	4.3	3.6	0.2	0.7	0.2	3.8	(5)
Harbour	Short Duration	1	82	0.2	(3)	0.6	(4)	2.9	(4)	3.2	(3)	3.6	(4)	2.9	2.9	4.0	4.4	3.7	0.3				
Nikko	NZ Cash	1	670	0.2	(2)	0.7	(1)	2.9	(3)	3.3	(2)	3.6	(3)	2.9	3.2	3.8	4.4	3.8	0.2	0.9	0.1	11.4	(1)
	Median			0.2		0.6		2.9		3.2		3.6		2.9	2.9	3.8	4.4	3.6	0.2	0.8	0.1	6.2	
	S&P/NZX 90 Day Bank Bill Index	1		0.2		0.5		2.0		2.4		2.7		2.0	2.3	3.1	3.6	2.7	0.2				
	S&P/NZX Short End Swap Index	2		0.1		0.3		2.3		3.2		3.3		2.3	2.2	5.2	5.0	2.0	0.8				

## Australasian Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Apr 2018										For the year ended 30 April					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
<b>Direct:</b>																							
Fisher Trust	Property Fund		391	0.3	(2)	1.6	(2)	6.4	(2)	10.2	(2)	11.7	(1)	6.4	10.6	13.8	12.6	15.1	4.1	1.5	9.6	0.2	###
	Property Fund		156	2.8	(1)	3.7	(1)	10.8	(1)	11.9	(1)	10.5	(2)	10.8	13.6	11.3	7.6	9.4	2.6				
<b>Listed:</b>																							
AMPCI	Listed Property	1	9	1.4	(4)	-1.2	(8)	5.9	(7)	8.0	(7)	10.0	(5)	5.9	0.8	17.9	25.2	2.3	7.6	0.6	1.9	0.3	(5)
AMPCI	Property Fund	2	128	2.6	(1)	-0.1	(1)	5.4	(8)	8.5	(6)			5.4	2.4	18.3							
ANZ	Property Securities	1	160	1.2	(6)	-1.1	(7)	8.3	(4)	8.8	(4)	10.9	(3)	8.3	1.6	17.1	24.6	4.5	7.8	1.5	2.5	0.6	(2)
ANZ	Trans Tasman	2	722	2.0	(2)	-0.8	(4)	6.4	(6)	8.9	(3)	11.3	(2)	6.4	4.2	16.5	25.2	5.7	8.0	1.0	2.7	0.4	(4)
Mint	Real Estate Inv Trust	1	47	1.4	(3)	-0.8	(6)	7.0	(5)	8.6	(5)	9.9	(6)	7.0	1.5	17.9	23.5	1.5	7.1	0.5	2.3	0.2	(6)
Nikko	Property Securities	1	36	1.1	(7)	-0.7	(3)	9.2	(3)	8.9	(2)	10.1	(4)	9.2	0.5	17.8	25.3	0.0	7.6	0.7	1.4	0.5	(3)
Salt	Listed Property	1	283	1.2	(5)	-0.7	(2)	9.4	(2)	10.0	(1)	11.4	(1)	9.4	2.8	18.4	27.2	1.3	7.0	1.9	1.5	1.3	(1)
Salt	Enhanced Property Fund	1	6	1.0	(8)	-0.8	(5)	10.6	(1)					10.6									
<b>Minimum</b>				1.0		-1.2		5.4		8.0		9.9		5.4	0.5	16.5	23.5	0.0	7.0	0.5	1.4	0.2	
<b>Median</b>				1.3		-0.8		7.6		8.8		10.5		7.6	1.6	17.9	25.2	1.9	7.6	0.8	2.1	0.4	
<b>Maximum</b>				2.6		-0.1		10.6		10.0		11.4		10.6	4.2	18.4	27.2	5.7	8.0	1.9	2.7	1.3	
<b>S&amp;P/NZX Property Index</b>				1		-0.9		8.0		8.3		9.3		8.0	-0.2	17.8	25.0	-1.8	7.8				
<b>NZX/ASX Property Index</b>				2		-0.3		6.1		8.6		10.2		6.1	2.3	18.1	26.8	0.2	7.9				

## International Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Apr 2018										For the year ended 30 April					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
AMPCI	Global Property Securities	1	209	3.2	(1)	-0.1	(1)	7.8	(1)	4.7	(2)	8.0	(1)	7.8	2.4	4.2	20.7	6.1	12.4	0.7	4.8	0.1	(1)
ANZ	International Property	1	907	2.1	(4)	-1.0	(4)	4.5	(3)	4.1	(3)	7.5	(2)	4.5	2.6	5.3	22.0	4.0	11.6	0.1	2.7	0.0	(2)
PATH	Global Property	1	14	2.4	(3)	-0.8	(3)	3.5	(4)					3.5	4.5								
Russell	Global Listed Real Estate	1	59	3.0	(2)	-0.7	(2)	6.1	(2)	4.9	(1)			6.1	6.5	2.1							
<b>FTSE EPRA/NAREIT Index*</b>				1		-2.2		2.4		4.1		7.2		2.4	3.4	6.6	21.4	3.5	12.0				
<b>*UBS Global RE Index prior to June 2015</b>																							



## Notes

### List of Managers

AMPCI	AMP Capital Investors NZ Limited
ANZ	ANZ Investments
FSI	First State Investments
CPFM	Castle Point Funds Management
Devon	Devon Funds Management
EC	Elevation Capital
Fisher	Fisher Institutional
FRK	Franklin Templeton Investments
Harbour	Harbour Asset Management
LMI	Legg Mason Global Asset Management
Magellan	Magellan Asset Management Limited
Mercer	Mercer Investments
MGH	MGH Investments
Milford	Milford Funds
Mint	Mint Asset Management
Nikko	Nikko Asset Management
NZAM	NZ Assets Management
PATH	Pathfinder Asset Management
Russell	Russell Investment Group
Salt	Salt Funds Management
Std Life	Standard Life Investments
Trust	Trust Investments
Western	Western Asset

### Explanatory notes

1. Returns are before management fees and tax. All returns greater than 1 year have been annualised.
2. Overseas Sectors - returns are in NZ\$ and exclude the effects of currency hedging on equities, but include the effects of currency hedging on global property, global bonds and absolute return funds.
3. Property - the returns in this table are influenced by the allocation to direct investment and holdings in listed vehicles. In the case of direct investment, the valuation approach and timing adopted by the manager will influence the returns.
4. Risk Statistics (all are annualised using monthly data):  
Vol = Volatility = standard deviation of monthly fund returns  
VA = Value Added = Return (fund) minus Return (index)  
TE = Tracking Error = standard deviation of monthly Value Added  
IR = Information Ratio = Value Added divided by Tracking Error  
SR = Sharpe Ratio = [Return (fund) - Risk Free Rate] / Volatility (Fund)  
Wherever possible the risk statistics are calculated using each fund's actual benchmark.

## Contact information

Guy Fisher  
Consultant  
+64 4 819 4054  
[guy.fisher1@aon.com](mailto:guy.fisher1@aon.com)

Nandini Chand  
Analyst  
+64 9 362 9826  
[nandini.chand@Aon.com](mailto:nandini.chand@Aon.com)

## About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

In New Zealand, our team of experts partner with your organisation to develop and deliver people strategies that achieve positive business outcomes in the areas of:

- Actuarial and Investment consulting.
- Talent, leadership and employee engagement.
- Remuneration and incentives.
- Total rewards.
- Health and benefits.
- Global benefits.
- Aon KiwiSaver Scheme.
- Aon Master Trust.

For further information on our capabilities and to learn how we empower results for clients, please visit [aonhewitt.co.nz](http://aonhewitt.co.nz)

Copyright 2018 Aon New Zealand

The information used to compile this survey has been provided by the investment managers or is from publically available sources. The information is provided for general information purposes only. It is given without knowledge of your individual circumstances and should not be used as a substitute for you seeking your own independent professional advice. No liability will be accepted for loss resulting from reliance on information contained in this report which proves to be inaccurate and/or incomplete.