

The Aon Investment Update as at 31 May 2015

Aon Hewitt Investment Consulting

This survey is produced by Aon Hewitt 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 – but we are also backed by the substantial resources of Aon Hewitt 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 Hewitt consultant. Contact details are at the back of this report on page 13.

Investment Commentary May 2015

Market summary

May was a choppy month for bonds with yields rising sharply then falling back. Global equities continued to move higher, though emerging market equities gave back some of their recent strong gains.

One of the features of a low interest rate environment is increased volatility and that was very evident in May – particularly in the case of European bonds. German 10 year bund yields rose from 0.37% to 0.49% over the month, having traded very close to zero in April. US 10 year Treasuries followed suit, rising 9 bps over the month. 30 year US Treasury yields traded above 3% for the first time this year.

So for the second month in a row, global bond yields rose, leading to a negative return from the Barclays Global Aggregate Bond index. Global bonds (hedged into NZ\$) have returned just 0.5% over the last three months, and 2.6% since the start of 2015.

In New Zealand, short term rates fell over the month, reflecting the view that the Reserve Bank of New Zealand would begin easing rates later this year (which they did in June). But longer dated bonds followed global yields higher, rising 18bps over the month. The ANZ NZ Government Bond index rose just 0.08% in May and the Corporate A Grade index returned 0.5%.

Global equities rose with the MSCI World index up 1.4% in local currency terms over the month. However a sharp fall in the NZ\$ against most currencies meant that this translated into a return of more than 7% in NZ\$ terms. Japan was the best performing of the major markets – up 5.1% over the month, while US and European shares rose by around 1%. Emerging Market equities fell by 2.5% in May, reversing some of April's strong gains.

The domestic equity market rose 0.9% over the month while Australian equities were up 0.4% in AUD terms and up 4% in NZ dollars. The NZX 50 index has posted a negative return over the last 3 months, but is still up by 14.4% over the last year.

Weakness in the New Zealand dollar was a key feature of the month. The currency ended the month down 4.7% versus the trade weighted index and down by 6.7% versus the US dollar. Continuing weakness in soft commodity prices and increased expectations of a cut in the Official Cash Rate were the main drivers.

Fund Performance

The balanced funds in our survey all managed to post positive returns in May - ranging from 0.9% for Fisher Institutional to 2.7% for Milford. Milford is the stand out performer over the last 12 months with a return of 18.7%, followed by ANZ Investments with a 15.8% return.

Global equity funds were by far the best performers over the month with a median return of 7.5%. Nikko's Global SRI fund has performed very strongly, returning 8.6% in May and 32.4% over the last 12 months. The Russell Emerging Markets fund, which was the best performer in April, was the laggard in May, posting a return of just 3.3%.

Domestic equity funds all posted positive returns over the month, ranging from 0.1% (Mint's Trans Tasman Fund) to 4.2% (Nikko's Australasian SmallCap fund). The median return across all funds was 1.3% compared with 1.0% for the NZX 50 index.

Global bond managers struggled again this month. The median return was -0.2% which was in line with the index. Russell's Global Bond fund continues to lead the way in this sector, returning 9.5% over the last 12 months.

All of the domestic bond funds managed small positive returns in May, with the exception of AMP Capital which posted a small negative return. The median return in this sector was just 0.2%.

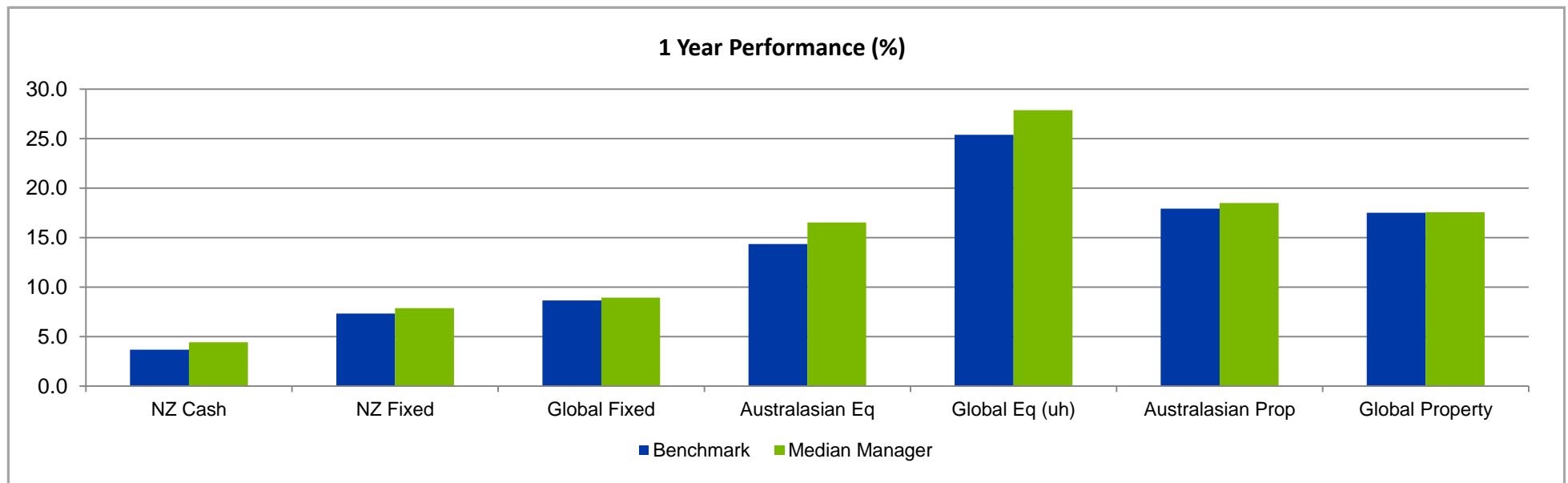
New Zealand Fund Management Changes

Pathfinder has announced that Kent Fraser is joining their investment committee. Fraser has worked for investment banks in London, China, New Zealand and Korea - in roles covering trading, treasury and risk. He has also been the Deputy Treasurer at Fonterra, acting Treasurer at Transpower and a director at PricewaterhouseCoopers.

NZAM has appointed Brigitte Arnold to their senior management team. Brigitte worked for 10 years at UK-based Mvision Private Equity Advisers, managing private equity fund-raising for global clients and as the lead relationship manager for Asian, Australian and New Zealand institutional investors.

Median Manager Performance v Benchmark

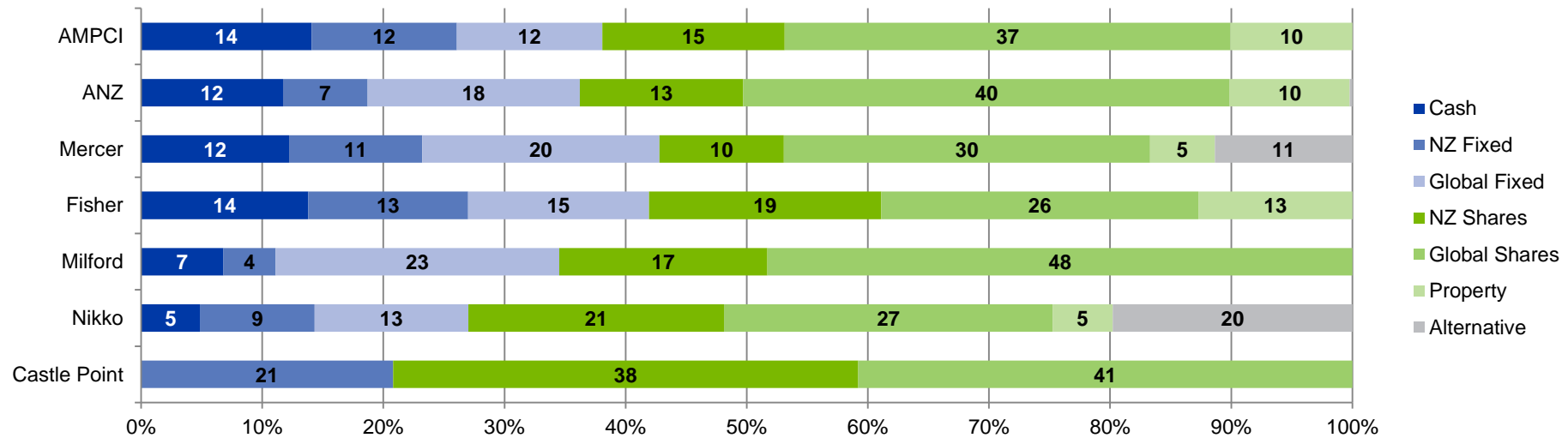
Sector		Returns (%) gross of tax and fees										Volatility 5 Yrs
		For the period to 31 May 2015					For the year ended 31 May					
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2015	2014	2013	2012	2011	
NZ Cash	ANZ 90D Bank Bills	0.3	0.9	3.7	3.0	3.0	3.7	2.8	2.7	2.8	3.1	0.1
	Median Manager	0.4	1.1	4.4	4.1	3.8	4.4	3.8	4.3	3.6	4.1	0.1
NZ Fixed Interest	ANZ NZ Govt Stock	0.1	0.6	7.3	3.1	5.7	7.3	0.2	2.0	12.0	7.5	3.1
	Median Manager	0.2	1.2	7.9	4.9	6.8	7.9	1.9	5.1	10.6	8.7	2.5
Global Fixed Interest	Barclays Agg	-0.2	0.5	8.6	6.7	7.1	8.6	6.0	5.4	9.5	6.1	2.6
	Median Manager	-0.2	0.4	8.9	8.1	8.7	8.9	6.6	8.3	10.5	8.7	2.7
Australasian Equities	NZX 50 Gross	1.0	-0.1	14.4	20.3	15.3	14.4	16.2	31.1	-0.2	17.4	7.7
	Median Manager	1.3	0.3	16.5	22.1	16.4	16.5	21.2	30.1	-1.4	17.7	8.2
Global Equities (unhedged)	MSCI ACWI	6.9	7.6	25.4	17.9	10.5	25.4	10.0	18.7	-4.0	4.9	9.8
	Median Manager	7.5	8.3	27.9	19.7	11.7	27.9	10.7	21.0	-2.9	6.0	10.3
Australasian Property	NZX Property	-0.3	-0.1	17.9	14.2	15.2	17.9	2.8	22.8	11.4	22.3	7.0
	Median Manager	-0.1	0.2	18.5	17.0	17.3	18.5	6.8	26.1	12.5	22.3	6.6
Global Property	UBS Property	-0.1	-2.5	17.5	18.5	17.0	17.5	12.4	26.0	0.5	31.2	12.9
	Median Manager	0.2	-0.5	17.6	19.9	17.8	17.6	15.4	27.1	-3.2	36.0	14.8



Balanced Funds

Manager	FUM (\$m)	Returns (%) gross of tax and fees													5 Years	
		For the period to 31 May 2015										For the year ended 31 May				
		1 M Rk	1 Qtr Rk	1 Yr Rk	3 Yrs Rk	5 Yrs Rk	2015	2014	2013	2012	2011	Vol	SR Rk			
AMP Capital Investors RIL	41	1.3 (6)	1.9 (5)	12.3 (5)	14.2 (4)	11.4 (3)	12.3	11.6	18.9	1.9	13.2	4.2	2.0 (4)			
ANZ Investments	520	2.3 (2)	2.5 (3)	15.8 (2)	16.5 (2)	13.3 (2)	15.8	12.1	22.0	2.3	15.1	4.9	2.1 (2)			
Castle Point Funds	8	1.9 (3)	1.1 (7)	6.8 (7)	8.3 (7)	7.5 (7)	6.8	6.5	11.6	5.4	7.3	2.3	1.9 (5)			
Fisher Institutional	962	0.9 (7)	1.6 (6)	11.0 (6)	12.5 (6)	9.6 (6)	11.0	10.8	15.8	1.5	9.2	4.0	1.6 (7)			
Mercer	124	1.3 (5)	2.2 (4)	13.5 (4)	13.9 (5)	10.5 (5)	13.5	11.8	16.3	1.1	10.4	4.1	1.8 (6)			
Milford Funds	283	2.7 (1)	3.7 (1)	18.7 (1)	17.9 (1)	14.0 (1)	18.7	11.7	23.5	6.5	10.5	3.9	2.8 (1)			
Nikko Asset Management	217	1.7 (4)	2.8 (2)	15.1 (3)	14.3 (3)	11.2 (4)	15.1	11.2	16.6	2.0	11.5	4.0	2.0 (3)			
Minimum		0.9	1.1	6.8	8.3	7.5	6.8	6.5	11.6	1.1	7.3	2.3	1.6			
Median		1.7	2.2	13.5	14.2	11.2	13.5	11.6	16.6	2.0	10.5	4.0	2.0			
Maximum		2.7	3.7	18.7	17.9	14.0	18.7	12.1	23.5	6.5	15.1	4.9	2.8			

Asset Allocation



NZ and Australasian Equities

					Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 31 May 2015										For the year ended 31 May					For last 5 years				
					1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	NZ Shares	1	504	0	1.0 (13)	-0.0 (15)	16.9 (9)	20.6 (15)	15.8 (11)	16.9	20.3	24.9	0.5	18.2	8.3	0.4	2.9	0.2 (13)						
AMPCI	NZ Shares RIL	1	9	0	1.0 (14)	-0.9 (20)	16.4 (12)			16.4	21.5													
AMPCI	Strategic NZ Share	2	163	0	1.0 (15)	0.1 (13)	18.8 (7)	22.3 (8)	15.5 (14)	18.8	20.7	27.7	-1.9	14.6	8.3	-0.2	3.4	-0.1 (14)						
ANZ	NZ Equities	1	158	0	1.4 (9)	0.7 (7)	12.7 (18)	21.7 (12)	16.9 (5)	12.7	21.6	31.6	2.1	18.3	7.8	1.3	2.0	0.7 (7)						
ANZ	Australasian Equity	1	672	9	1.5 (5)	0.7 (6)	13.0 (15)	21.7 (13)	16.4 (9)	13.0	21.7	30.9	-0.1	18.6	7.7	0.9	2.1	0.4 (8)						
CPFM	Trans Tasman Strategy	1	0	18	1.5 (4)	-0.2 (16)	16.5 (11)			16.5														
Devon	NZ Core	1	172	17	1.3 (11)	0.1 (14)	21.1 (4)	23.6 (5)	16.8 (6)	21.1	22.7	27.0	-1.0	16.5	7.9	1.2	3.5	0.4 (10)						
Devon	Equity Income	3	30	43	0.5 (18)	0.7 (8)	24.3 (1)	22.8 (6)		24.3	17.4	27.0												
Devon	Trans Tasman	3	110	56	0.4 (19)	-1.4 (21)	21.6 (3)	25.3 (1)	15.7 (12)	21.6	26.7	27.8	-5.2	11.3	8.9	3.8	4.4	0.9 (3)						
Fisher	Trans Tasman Equities	1	503	30	1.4 (7)	0.5 (9)	12.8 (17)	19.7 (17)	15.0 (16)	12.8	16.1	30.9	2.2	14.9	9.1	-0.5	3.4	-0.1 (16)						
Harbour	Australasian Equity	5	592	30	2.7 (2)	0.2 (12)	10.8 (20)	21.9 (11)	15.6 (13)	10.8	20.6	35.5	-4.3	19.3	8.4	-1.3	4.3	-0.3 (17)						
Mercer	Trans Tasman Equity	1	361	17	1.5 (6)	-0.3 (17)	13.3 (14)	22.0 (10)	16.1 (10)	13.3	22.4	30.9	-1.4	17.7	7.4	0.6	2.3	0.3 (12)						
Milford	NZ Equities	1	262	0	0.8 (17)	-0.4 (18)	7.9 (21)	22.1 (9)	17.7 (4)	7.9	23.1	37.2	5.4	17.5	7.9	2.0	3.0	0.7 (6)						
Milford	Trans Tasman	3	286	50	2.6 (3)	1.4 (3)	11.0 (19)	19.7 (16)	16.5 (7)	11.0	15.8	33.5	6.7	17.2	8.5	4.5	3.4	1.3 (1)						
Mint	Trans Tasman Equity	1	71	11	0.1 (21)	0.3 (11)	16.2 (13)	24.6 (3)	20.0 (1)	16.2	21.5	37.0	5.6	21.7	7.6	4.0	5.0	0.8 (4)						
Nikko	Core Domestic Equity	1	250	9	1.4 (8)	0.4 (10)	17.1 (8)	21.6 (14)	15.1 (15)	17.1	18.8	29.3	-1.5	14.3	8.1	-0.2	2.4	-0.1 (15)						
Nikko	Australasian Smallcap	4	5	62	4.2 (1)	6.1 (1)	16.8 (10)	19.2 (18)	12.0 (17)	16.8	10.0	31.9	-11.2	17.3	13.4	8.2	6.8	1.2 (2)						
Russell	NZ Shares	5	94	0	1.0 (12)	-0.6 (19)	13.0 (16)			13.0	18.9													
Salt	Dividend Appreciation	1	75	0	1.4 (10)	1.4 (4)	23.1 (2)	24.0 (4)	17.7 (3)	23.1	22.3	26.8	-2.4	21.2	8.0	2.1	2.9	0.7 (5)						
Salt	NZ Plus Share	1	415	4	0.9 (16)	1.3 (5)	19.6 (6)	22.5 (7)	16.5 (8)	19.6	21.0	27.1	-3.9	21.2	8.3	1.0	2.9	0.3 (11)						
Salt	Javelin	2	65	9	0.4 (20)	1.9 (2)	19.9 (5)	24.8 (2)	17.9 (2)	19.9	25.2	29.3	-4.0	22.1	9.1	1.9	4.5	0.4 (9)						
	Minimum				0.1	-1.4	7.9	19.2	12.0	7.9	10.0	24.9	-11.2	11.3	7.4	-1.3	2.0	-0.3						
	Median				1.3	0.3	16.5	22.1	16.4	16.5	21.2	30.1	-1.4	17.7	8.2	1.3	3.4	0.4						
	Maximum				4.2	6.1	24.3	25.3	20.0	24.3	26.7	37.2	6.7	22.1	13.4	8.2	6.8	1.3						
	NZX 50 Gross incl I/C	1			1.0	-0.1	14.4	20.3	15.3	14.4	16.2	31.1	-0.2	17.4	7.7									
	NZX 50 Portfolio incl I/C	2			1.1	-0.1	16.8	22.4	15.8	16.8	16.1	35.2	-1.8	15.5	7.6									
	NZX50/ASX200 (50/50)	3			2.6	1.2	11.3	15.5	11.4	11.3	11.2	24.4	-4.6	16.6	9.2									
	NZX/ASX Small Cap	4			4.3	4.0	6.9	2.4	3.3	6.9	0.8	-0.5	-8.1	19.3	13.5									
	Russell NZ Tradeable Gross	5			1.2	0.2	16.7	21.2	17.1	16.7	17.8	29.5	3.3	19.7	7.8									

Australian Only Equity

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2015										For the year ended 31 May					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	Australian Share	1	33	3.8	(2)	2.6	(2)	10.0	(3)	11.9	(3)	7.8	(2)	10.0	6.1	20.1	-9.4	14.8	13.5	0.6	1.8	0.3	(1)
ANZ	Australian Share	1	506	3.7	(3)	2.5	(3)	4.8	(4)	12.9	(2)	8.5	(1)	4.8	8.3	26.7	-10.3	16.3	12.5	1.0	3.9	0.3	(2)
Devon	Australian	1	42	3.6	(4)	2.1	(4)	14.6	(2)	17.5	(1)			14.6	16.3	21.8	-9.0						
Milford	Dynamic	2	148	4.4	(1)	8.8	(1)	25.9	(1)					25.9									
Minimum				3.6		2.1		4.8		11.9		7.8		4.8	6.1	20.1	-10.3	14.8	12.5	0.6	1.8	0.3	
Median				3.7		2.5		12.3		12.9		8.2		10.0	8.3	21.8	-9.4	15.6	13.0	0.8	2.9	0.3	
Maximum				4.4		8.8		25.9		17.5		8.5		14.6	16.3	26.7	-9.0	16.3	13.5	1.0	3.9	0.3	
ASX 200				1		4.3		2.6		7.9		10.5		7.9	6.2	17.8	-9.3	15.3	13.8				
ASX SmallCap Industrials				2		2.6		1.8		13.3		14.3		13.3	10.5	19.2	-2.6						
ASX 200 (in A\$)						0.4		-1.4		9.9		17.4		9.9	16.5	26.5	-9.0	10.8					

Income

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 May 2015										For the year ended 31 May					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011						
Harbour	Australasian Eq Income	82	2.0	(1)	1.6	(3)	22.9	(1)	23.5	(1)			22.9	15.8	32.2								n/a
Milford	Income	1,119	1.2	(2)	2.4	(2)	17.1	(2)	17.3	(2)	15.3	(1)	17.1	12.0	23.1	11.3	13.6						ANZ 90 Day Bank Bill Index
Nikko	Income	5	0.5	(3)	2.6	(1)	7.7	(3)	7.6	(3)	8.3	(2)	7.7	5.3	9.9	4.1	15.1						10% p.a.
Minimum			0.5		1.6		7.7		7.6		8.3		7.7	5.3	9.9	4.1	13.6						
Median			1.2		2.4		17.1		17.3		11.8		17.1	12.0	23.1	7.7	14.3						
Maximum			2.0		2.6		22.9		23.5		15.3		22.9	15.8	32.2	11.3	15.1						

Global Equities (Unhedged)

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2015										For the year ended 31 May					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	Global Shares	2	1,075	7.7	(5)	7.3	(13)	27.9	(7)	20.7	(4)	12.5	(4)	27.9	12.7	22.1	-2.9	5.7	10.3	1.9	1.8	1.0	(2)
AMPCI	RIL Global Shares	1	50	7.5	(7)	8.8	(5)	26.9	(9)	19.7	(7)	11.7	(7)	26.9	12.5	20.1	-4.4	6.0	10.0	1.1	1.3	0.8	(4)
ANZ	International Share	1	3,394	7.8	(4)	7.7	(12)	28.2	(6)	21.2	(2)	13.7	(2)	28.2	11.5	24.6	-1.6	8.6	10.5	2.9	2.5	1.2	(1)
EC	Value Fund	1	18	3.7	(14)	4.0	(15)	12.4	(13)	15.2	(12)	10.1	(11)	12.4	11.7	21.9	-4.7	10.7	8.0	-0.7	5.0	-0.1	(10)
Fisher	Overseas Equities	1	750	6.9	(12)	7.0	(14)	22.6	(11)	16.2	(11)	8.8	(12)	22.6	9.8	16.5	-6.1	3.3	9.8	-1.7	1.9	-0.9	(11)
FRK	Global Growth	1	62	8.2	(3)	9.0	(4)	31.6	(3)	19.5	(8)	13.0	(3)	31.6	8.6	19.3	-3.5	12.3	10.5	2.3	4.1	0.6	(6)
FRK	Global Trust	1	388	6.0	(13)	7.9	(11)	18.0	(12)	22.3	(1)	12.3	(6)	18.0	14.9	34.8	-8.9	7.1	11.4	1.6	4.2	0.4	(7)
Harbour	Global Equity Growth	1	7	7.7	(6)	8.3	(8)																
Magellan	Global	1	8,426	8.4	(2)	8.5	(6)	31.8	(2)	21.2	(3)	17.9	(1)	31.8	7.4	25.8	22.4	4.5	10.9	6.6	7.0	0.9	(3)
Mercer	Global Equities	2	885	7.0	(11)	7.9	(10)	28.6	(5)	18.9	(9)	10.9	(10)	28.6	10.7	18.1	-2.9	2.9	9.3	-0.3	3.7	-1.1	(12)
MGH	MGH Investments	1	24	7.5	(8)	12.6	(1)	24.8	(10)	13.8	(13)	8.7	(13)	24.8	5.3	12.3	-0.3	3.0	9.0	-3.5	4.6	-2.4	(13)
Nikko	Global Equity	1	486	7.1	(10)	8.4	(7)	27.5	(8)	18.5	(10)	12.5	(5)	27.5	11.5	17.1	1.0	7.0	9.0	1.6	2.3	0.7	(5)
Nikko	Global SRI	1	19	8.6	(1)	9.8	(3)	32.4	(1)	19.8	(6)	11.5	(9)	32.4	7.4	21.0	-1.5	1.6	11.0	0.9	4.2	0.2	(9)
Russell	Emerging Markets	4	0	3.3	(15)	10.1	(2)																
Russell	Global Opportunities	3	325	7.4	(9)	8.2	(9)	29.2	(4)	20.3	(5)	11.5	(8)	29.2	9.2	23.4	-7.3	6.7	10.8	0.8	2.2	0.4	(8)
	Minimum			3.3		4.0		12.4		13.8		8.7		12.4	5.3	12.3	-8.9	1.6	8.0	-3.5	1.3	-2.4	
	Median			7.5		8.3		27.9		19.7		11.7		27.9	10.7	21.0	-2.9	6.0	10.3	1.1	3.7	0.4	
	Maximum			8.6		12.6		32.4		22.3		17.9		32.4	14.9	34.8	22.4	12.3	11.4	6.6	7.0	1.2	
	MSCI All Country World Index	1		6.9		7.6		25.4		17.9		10.5		25.4	10.0	18.7	-4.0	4.9	9.8				
	MSCI World Index	2		7.4		7.5		26.1		19.2		11.6		26.1	11.6	20.4	-2.6	4.9	10.2				
	Russell Global Large Cap	3		6.9		7.7		25.6		18.3		10.6		25.6	10.6	19.2	-4.2	4.5	9.9				
	Russell Emerging Markets Index	4		3.6		9.8																	
	MSCI World Index (100% hedged)			1.6		2.8		17.0		22.9		15.9		17.0	19.7	32.4	-6.4	20.4	11.0				

Global Bonds

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2015										For the year ended 31 May					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
Global Aggregate:																							
AMPCI	Global Fixed Interest	1	140	0.1	(1)	0.4	(2)	8.3	(5)	6.8	(4)	6.8	(5)	8.3	5.1	7.0	6.4	7.1	2.6	-0.3	1.6	-0.2	(5)
ANZ	International Aggregate	1	840	-0.7	(6)	0.4	(4)	8.9	(4)					8.9									
Fisher	Global Fixed Interest	1	1,001	-0.3	(4)	0.1	(5)	9.3	(2)	8.1	(3)	9.3	(1)	9.3	6.6	8.3	13.0	9.6	3.5	2.1	1.8	1.2	(3)
Mercer	Global Bonds	1	649	-0.5	(5)	-0.2	(6)	8.9	(3)	8.1	(2)	8.7	(3)	8.9	6.9	8.5	10.5	8.7	2.7	1.5	1.2	1.2	(2)
Nikko	Global Fixed Interest	1	242	0.0	(2)	0.6	(1)	7.3	(6)	6.5	(5)	7.2	(4)	7.3	6.9	5.3	9.4	7.2	2.5	0.1	0.9	0.1	(4)
Russell	Global Bond	1	1,541	-0.1	(3)	0.4	(3)	9.5	(1)	8.5	(1)	9.1	(2)	9.5	5.8	10.4	11.0	8.7	3.1	1.8	1.3	1.4	(1)
Minimum				-0.7		-0.2		7.3		6.5		6.8		7.3	5.1	5.3	6.4	7.1	2.5	-0.3	0.9	-0.2	
Median				-0.2		0.4		8.9		8.1		8.7		8.9	6.6	8.3	10.5	8.7	2.7	1.5	1.3	1.2	
Maximum				0.1		0.6		9.5		8.5		9.3		9.5	6.9	10.4	13.0	9.6	3.5	2.1	1.8	1.4	
Other:																							
LMI	Brandywine*	2	151	0.0	(1)	-1.0	(3)	14.8	(1)	13.5	(1)	12.1	(1)	14.8	6.2	20.0	9.7	10.2	5.1	4.9	4.3	1.1	(1)
ANZ	International Sovereign	2	2,061	-0.4	(2)	0.1	(1)	8.8	(2)	5.8	(2)	6.6	(2)	8.8	4.5	4.0	10.3	5.5	3.0	-0.2	0.6	-0.4	(2)
ANZ	International Credit	x	1,092	-0.6	(3)	-0.4	(2)	7.2	(3)					7.2	6.0								
Barclays Capital Global Agg Index				-0.2		0.5		8.6		6.7		7.1		8.6	6.0	5.4	9.5	6.1	2.6				
Citigroup World Govt Bond Index				-0.4		0.2		9.2		6.6		6.8		9.2	6.0	4.7	10.0	4.4	2.8				

Other Global Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 May 2015										For the year ended 31 May					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011						
AMPCI	Commodities	455	-2.7	(6)	-2.4	(6)	-21.2	(6)	-4.5	(4)					-21.2	6.5	3.9						n/a
AMPCI	Infrastructure	191	-0.6	(5)	3.8	(3)	20.6	(3)					20.6	28.3									DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	147	0.1	(3)	2.4	(4)	21.1	(2)					21.1										UBS Global Infrastructure/Utilities
PATH	Commodity Plus Fund	59	-0.3	(4)	0.0	(5)	1.8	(5)	-1.3	(3)	1.2	(1)	1.8	-1.2	-4.3	-13.3	27.0						Bloomberg Commodity Index
PATH	World Equity Fund	34	6.5	(1)	7.1	(2)	29.5	(1)	20.3	(2)			29.5	13.8	18.0								MSCI AC World
PATH	Global Water Fund	8	4.3	(2)	9.1	(1)	18.7	(4)	21.4	(1)			18.7	19.0	26.8	-9.3							n/a
Minimum			-2.7		-2.4		-21.2		-4.5		1.2		-21.2	-1.2	-4.3	-13.3	27.0						
Median			-0.1		3.1		19.6		9.5		1.2		19.6	13.8	10.9	-11.3	27.0						
Maximum			6.5		9.1		29.5		21.4		1.2		29.5	28.3	26.8	-9.3	27.0						

* Brandywine returns use a simulated hedge prior to January 2012

NZ Bonds

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2015										For the year ended 31 May					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	NZ Fixed Interest	1	1,752	-0.1	(9)	0.7	(9)	8.2	(3)	4.5	(5)	6.7	(4)	8.2	1.3	4.2	12.2	7.9	3.0	0.9	0.5	1.9	(1)
ANZ	NZ Fixed Interest	1	1,226	0.2	(5)	0.8	(8)	7.9	(5)	4.2	(7)	6.8	(3)	7.9	1.0	3.7	12.5	9.4	3.0	1.1	0.7	1.6	(2)
Fisher	NZ Fixed Interest	1	1,033	0.1	(8)	0.8	(7)	7.8	(6)	4.4	(6)	6.3	(5)	7.8	1.4	4.2	9.9	8.6	2.5	0.6	1.2	0.5	(5)
Harbour	NZ Core Fixed Interest	3	117	0.2	(6)	1.2	(5)	7.1	(8)	4.9	(4)			7.1	2.5	5.1							
Harbour	NZ Corporate Bond	2	210	0.5	(3)	1.3	(2)	7.0	(9)	5.6	(3)	6.2	(6)	7.0	3.6	6.2	6.9	7.5	1.3	-0.3	0.9	-0.3	(6)
Milford	NZ Fixed Interest	4	235	0.6	(1)	1.3	(3)	8.8	(1)					8.8									
Nikko	NZ Corporate Bond	1	92	0.6	(2)	1.6	(1)	8.5	(2)	6.6	(1)	7.8	(1)	8.5	3.9	7.5	9.8	9.4	2.0	1.9	1.9	1.0	(4)
Nikko	NZ Fixed Interest	1	261	0.4	(4)	1.3	(4)	8.2	(4)	5.7	(2)	7.4	(2)	8.2	2.7	6.3	11.2	8.8	2.5	1.6	1.1	1.4	(3)
Russell	NZ Fixed Interest	1	82	0.1	(7)	1.1	(6)	7.5	(7)					7.5	1.2								
Minimum				-0.1		0.7		7.0		4.2		6.2		7.0	1.0	3.7	6.9	7.5	1.3	-0.3	0.5	-0.3	
Median				0.2		1.2		7.9		4.9		6.8		7.9	1.9	5.1	10.6	8.7	2.5	1.0	1.0	1.2	
Maximum				0.6		1.6		8.8		6.6		7.8		8.8	3.9	7.5	12.5	9.4	3.0	1.9	1.9	1.9	
	ANZ NZ Govt Stock Index	1		0.1		0.6		7.3		3.1		5.7		7.3	0.2	2.0	12.0	7.5	3.1				
	ANZ NZ Corp A Grade Index	2		0.5		1.4		7.3		5.2		6.5		7.3	3.2	5.0	8.3	8.8	1.7				
	ANZ NZ Govt/Corp A Index (50/50)	3		0.3		1.0		7.3		4.2		6.1		7.3	1.7	3.5	10.1	8.1	2.3				
	ANZ NZ Corp/ASX Corp Index (50/50)	4																					

NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2015										For the year ended 31 May					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	NZ Cash	1	4,128	0.4	(4)	1.1	(5)	4.1	(6)	3.7	(5)	3.8	(3)	4.1	3.5	3.5	3.6	4.3	0.1	0.8	0.1	9.7	(1)
AMPCI	NZ Short Duration	2	188	0.6	(1)	1.5	(1)	6.3	(1)	5.1	(2)			6.3	4.0	5.0							
AMPCI	Global Short Duration	1	177	0.4	(2)	1.5	(2)	5.5	(2)	5.3	(1)			5.5	4.5	6.0							
ANZ	NZ Cash	1	1,965	0.3	(6)	1.0	(7)	4.1	(7)	3.6	(6)	3.7	(4)	4.1	3.3	3.5	3.5	4.0	0.1	0.7	0.1	7.9	(3)
Fisher	NZ Cash	1	851	0.3	(7)	1.0	(6)	4.2	(5)	4.1	(3)	3.8	(2)	4.2	3.6	4.5	3.0	3.8	0.3	0.8	0.4	2.3	(4)
Harbour	Short Duration	1	38	0.4	(5)	1.1	(4)	4.4	(4)					4.4	3.8								
Nikko	NZ Cash	1	484	0.4	(3)	1.1	(3)	4.4	(3)	4.1	(4)	4.2	(1)	4.4	3.8	4.0	4.1	4.4	0.1	1.1	0.1	8.8	(2)
Median				0.4		1.1		4.4		4.1		3.8		4.4	3.8	4.3	3.6	4.1	0.1	0.8	0.1	8.4	
	ANZ 90 Day Bank Bill Index	1		0.3		0.9		3.7		3.0		3.0		3.7	2.8	2.7	2.8	3.1	0.1				
	ANZ Short End Swap Index	2		0.5		1.3		5.1		3.2				5.1	2.5	2.0			0.9				

NZ Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2015										For the year ended 31 May					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
Direct:																							
Fisher Trust	Property Fund		332	0.4	(2)	3.0	(1)	12.4	(1)	13.4	(1)	10.1	(1)	12.4	15.0	12.9	4.0	6.7	3.9				
	Property Fund		95	0.9	(1)	2.1	(2)	7.7	(2)	9.0	(2)	8.2	(2)	7.7	9.6	9.6	9.0	5.2	1.5				
Listed:																							
AMPCI	Listed Property	1	21	-0.1	(4)	0.9	(1)	18.6	(3)	16.9	(4)	16.9	(4)	18.6	7.0	25.9	13.0	21.1	6.5	1.5	2.4	0.6	(4)
AMPCI	Property Fund	2	129	1.0	(1)	0.0	(6)																
ANZ	Property Securities	1	138	-0.1	(3)	0.4	(3)	18.3	(5)	18.6	(2)	18.3	(1)	18.3	9.9	28.4	12.3	23.6	6.9	2.7	2.7	1.0	(3)
ANZ	Trans Tasman	2	349	0.8	(2)	0.6	(2)	21.7	(1)	20.8	(1)	17.7	(3)	21.7	11.1	30.4	9.2	17.1	7.3	1.7	2.9	0.6	(5)
Mint	Real Estate Inv Trust	1	45	-0.5	(6)	-0.2	(7)	18.0	(6)	16.6	(5)	16.4	(6)	18.0	6.5	26.1	11.6	21.0	6.0	1.0	2.9	0.3	(6)
Nikko	Property Securities	1	40	-0.3	(5)	0.1	(5)	18.4	(4)	15.4	(6)	16.5	(5)	18.4	5.2	23.4	12.6	23.8	6.6	1.1	1.0	1.1	(2)
Salt	Listed Property	1	270	-0.7	(7)	0.2	(4)	19.9	(2)	17.1	(3)	18.1	(2)	19.9	6.1	26.0	12.8	26.8	6.5	2.5	1.6	1.6	(1)
Minimum				-0.7		-0.2		18.0		15.4		16.4		18.0	5.2	23.4	9.2	17.1	6.0	1.0	1.0	0.3	
Median				-0.1		0.2		18.5		17.0		17.3		18.5	6.8	26.1	12.5	22.3	6.6	1.6	2.6	0.8	
Maximum				1.0		0.9		21.7		20.8		18.3		21.7	11.1	30.4	13.0	26.8	7.3	2.7	2.9	1.6	
NZX Property Index		1		-0.3		-0.1		17.9		14.2		15.2		17.9	2.8	22.8	11.4	22.3	7.0				
NZX/ASX Property Index		2		0.8		0.2		22.8		17.3		15.8		22.8	4.5	25.7	9.8	17.3	6.8				

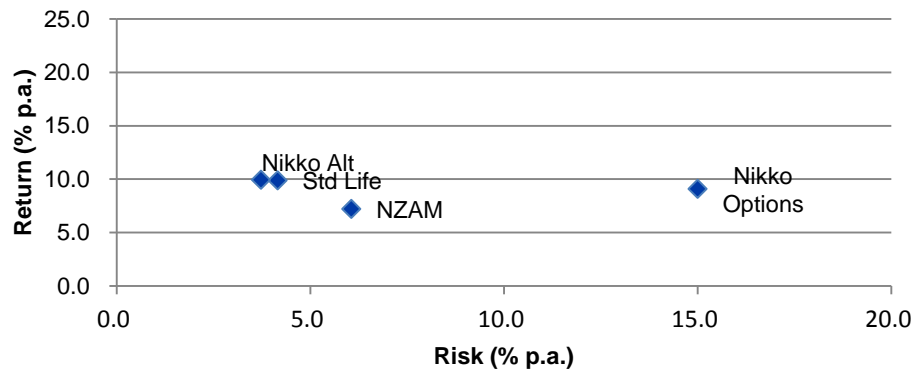
Global Property

		Returns (%) gross of tax and fees																						
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2015										For the year ended 31 May					For last 5 years					
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk	
AMPCI	Global Property Securities	1	112	0.6	(1)	0.2	(1)	17.6	(1)	21.3	(1)	18.8	(1)	17.6	17.3	29.5	-4.1	38.3	15.9	1.9	5.1	0.4	(1)	
ANZ	International Property	1	429	0.2	(2)	-1.9	(3)	17.5	(2)	18.5	(2)	16.8	(2)	17.5	13.5	24.7	-2.3	33.6	13.8	-0.1	2.6	-0.1	(2)	
Russell	Global Listed Real Estate	2	43	0.0	(3)	-0.5	(2)																	
UBS Global Property Index				-0.1		-2.5		17.5		18.5		17.0		17.5	12.4	26.0	0.5	31.2	12.9					
FTSE EPRA/NAREIT Index																								

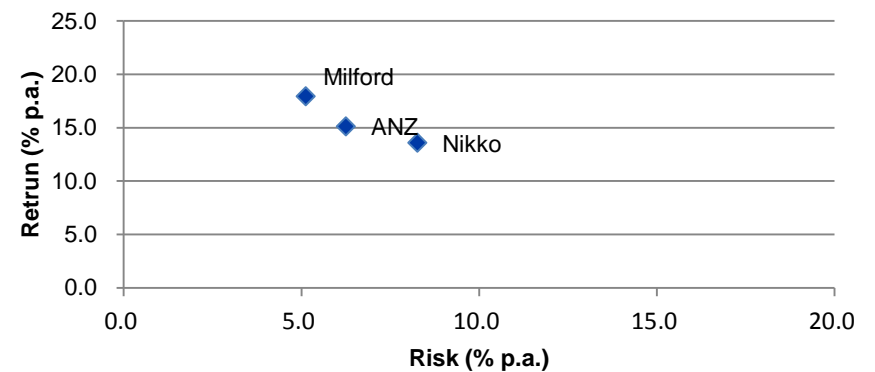
Alternatives/Absolute Return

		Returns (%) gross of tax and fees																				
Manager	Fund	FUM (\$m)	For the period to 31 May 2015										For the year ended 31 May					5 Years			Benchmark	
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	SR	Rk		
Global:																						
Mercer	Liquid Alternatives	97	0.1	(7)	2.2	(4)	12.3	(5)														Cash + 3% to 5%
Milford	Global	235	4.3	(1)	4.6	(2)	22.1	(1)														OCR + 5%
Nikko	Multi-Strategy	139	0.3	(5)	1.2	(6)	7.4	(6)	10.7	(3)	9.9	(1)										90 Day Bank Bill + 2.5%
Nikko	Options	156	0.2	(6)	5.0	(1)	6.3	(7)	11.2	(1)	9.1	(3)										90 Day Bank Bill + 4%
NZAM	Alpha	25	1.4	(3)	0.0	(7)	13.1	(3)														OCR + 4%
NZAM	Global	577	3.3	(2)	2.3	(3)	13.1	(4)	9.8	(4)	7.2	(4)										OCR + 4%
Std Life	GARS*	79	1.2	(4)	1.6	(5)	13.8	(2)	10.8	(2)	9.9	(2)										OCR + 5%
Australasian:																						
ANZ	Equity Selection	35	1.8	(4)	2.0	(3)	10.7	(4)	20.1	(4)	15.1	(2)										90 Day Bank Bill + 5%
CPFM	Ranger	6	0.9	(5)	-0.8	(6)	4.1	(5)														OCR + 5%
Devon	Alpha	102	2.3	(3)	0.6	(5)	18.8	(2)	26.0	(1)												12% p.a.
Milford	Active Growth	691	2.9	(1)	3.2	(2)	17.9	(3)	22.6	(3)	17.9	(1)										10% p.a.
Nikko	Concentrated	62	2.7	(2)	1.3	(4)	23.3	(1)	23.1	(2)	13.6	(3)										90 Day Bank Bill + 5%
Salt	Long/Short	16	0.5	(6)	3.4	(1)																OCR + 5%
OCR + 5%			0.7		2.1		8.5		7.8		7.8		8.5	7.6	7.5	7.5	7.8	0.1				

5 Year risk/return - Global Funds



5 Year risk/return - Australasian Funds



*GARS returns use a simulated hedge prior to March 2013

Notes	Contact information																																												
<p>List of Managers</p> <table border="0"> <tr><td>AMPCI</td><td>AMP Capital Investors NZ Limited</td></tr> <tr><td>ANZ</td><td>ANZ Investments</td></tr> <tr><td>FSI</td><td>First State Investments</td></tr> <tr><td>CPFM</td><td>Castle Point Funds Management</td></tr> <tr><td>Devon</td><td>Devon Funds Management</td></tr> <tr><td>EC</td><td>Elevation Capital</td></tr> <tr><td>Fisher</td><td>Fisher Institutional</td></tr> <tr><td>FRK</td><td>Franklin Templeton Investments</td></tr> <tr><td>Harbour</td><td>Harbour Asset Management</td></tr> <tr><td>LMI</td><td>Legg Mason Global Asset Management</td></tr> <tr><td>Magellan</td><td>Magellan Asset Management Limited</td></tr> <tr><td>Mercer</td><td>Mercer Investments</td></tr> <tr><td>MGH</td><td>MGH Investments</td></tr> <tr><td>Milford</td><td>Milford Funds</td></tr> <tr><td>Mint</td><td>Mint Asset Management</td></tr> <tr><td>Nikko</td><td>Nikko Asset Management</td></tr> <tr><td>NZAM</td><td>NZ Assets Management</td></tr> <tr><td>PATH</td><td>Pathfinder Asset Management</td></tr> <tr><td>Russell</td><td>Russell Investment Group</td></tr> <tr><td>Salt</td><td>Salt Funds Management</td></tr> <tr><td>Std Life</td><td>Standard Life Investments</td></tr> <tr><td>Trust</td><td>Trust Investments</td></tr> </table> <p>Explanatory notes</p> <ol style="list-style-type: none"> Returns are before management fees and tax. All returns greater than 1 year have been annualised. 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 and absolute return funds. 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. 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. 	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	<p>Guy Fisher Consultant +64 4 819 4054 guy.fisher@aonhewitt.com</p> <p>Greg Lee Actuary & Principal +64 9 362 9825 greg.lee@aonhewitt.com</p> <p>Charles Macdonald Consultant +64 4 819 4050 charles.macdonald@aonhewitt.com</p>
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																																												

About Aon Hewitt

Part of Aon plc, Aon Hewitt is the global leader in human resource consulting and outsourcing solutions. Our services focus on helping organisations mitigate risk in their workforce and realise the untapped potential of their employees. We also help individuals maximise their wealth to enable people to live the life they want.

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:

- KiwiSaver and superannuation administration.
- 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.

With more than 30,000 professionals in 90 countries, Aon Hewitt makes the world a better place to work for clients and their employees. Aon Hewitt is the global talent, retirement and health solutions business of Aon plc.

For more information on Aon Hewitt, please visit aonhewitt.co.nz.

Copyright 2015 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.