

The Aon Investment Update as at 31 May 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 May 2018

Market Summary

Despite ongoing worries around trade sanctions and political uncertainty in Europe, global share markets posted gains in May. Government bond yields fell, reflecting increased risk aversion.

Once again technology stocks performed strongly over the month, with the tech-heavy NASDAQ index rising by more than 5%. This index is up by 20% over the last 12 months compared with a 12% rise for the broader S&P 500 index.

European stocks were weaker, driven by political uncertainty in Italy and Spain. Economic growth in the Eurozone remains steady, albeit lower than last year.

The MSCI Emerging markets index fell by more than 2% in May, due to the stronger US dollar and rising risk aversion, while the MSCI World Index (developed markets) rose by 1.4% over the same period. After outperforming strongly in 2017, emerging market shares have underperformed so far this year, though the dispersion of returns across the emerging market countries is great.

In New Zealand the S&P/NZX 50 index returned 2.6% over the month, while the S&P/ASX 200 index returned 1.1% in AUD terms. Financial stocks continued to underperform in Australia as the fallout from the Royal Commission continues to have an impact.

In bond markets, government bond yields fell in May. Despite generally robust economic data, fears over global trade and political concerns saw investors move into 'safer' assets, pushing bond prices higher. The Barclays Global Aggregate Bond index (hedged) returned 0.39% over the month with sovereign bonds outperforming corporates.

It was a similar picture in New Zealand with the S&P/NZX NZ Government Stock index returning 0.7% and the S&P/NZX A Grade Corporate Bond index returning 0.6%. The global bond index has returned just 1.8% over the last 12 months, and the New Zealand government bond index just 2.9%.

The oil price continued to rise in May, reaching US\$80 per barrel for the first time since 2014. Demand remains strong but OPEC has reduced supply and the withdrawal of the US from the Iran nuclear deal also led to fears that supply from Iran would fall.

Fund Performance

Balanced fund returns ranged from 0.5% to 1.5% in May, and the median manager has returned 2.0% over the last 3 months. Nikko leads the way over the last 12 months with a return of 13.0% while Mercer is lagging after posting a return of 8.0% over the same period.

Returns from the domestic equity managers were strong, ranging from 1.5% from the Salt Focus Fund to 3.8% from the Fisher Trans Tasman Equities Fund. Over the last 3 months, Harbour has had the best performing fund (5.0% from their Advanced Beta Fund) and the worst performer (2.5% from their Australasian Equities Fund).

Returns from global shares funds were mixed. The median return in May was 0.6%, but returns ranged from -3.4% from the Russell Emerging Markets Fund to 3.7% from the Magellan Global Fund.

The median domestic bond fund returned 0.7% in May and 1.3% over the last 3 months. The Nikko NZ Corporate Bond Fund is the best performer over the last 12 months, returning 5.1%. The median cash fund has returned 2.9% over the same period.

Global bond fund returns ranged from -0.1% from Milford to 0.5% from Fisher and ANZ (who both invest through PIMCO). The Milford fund remains the best performer over the last 12 months.

New Zealand Fund Manager News

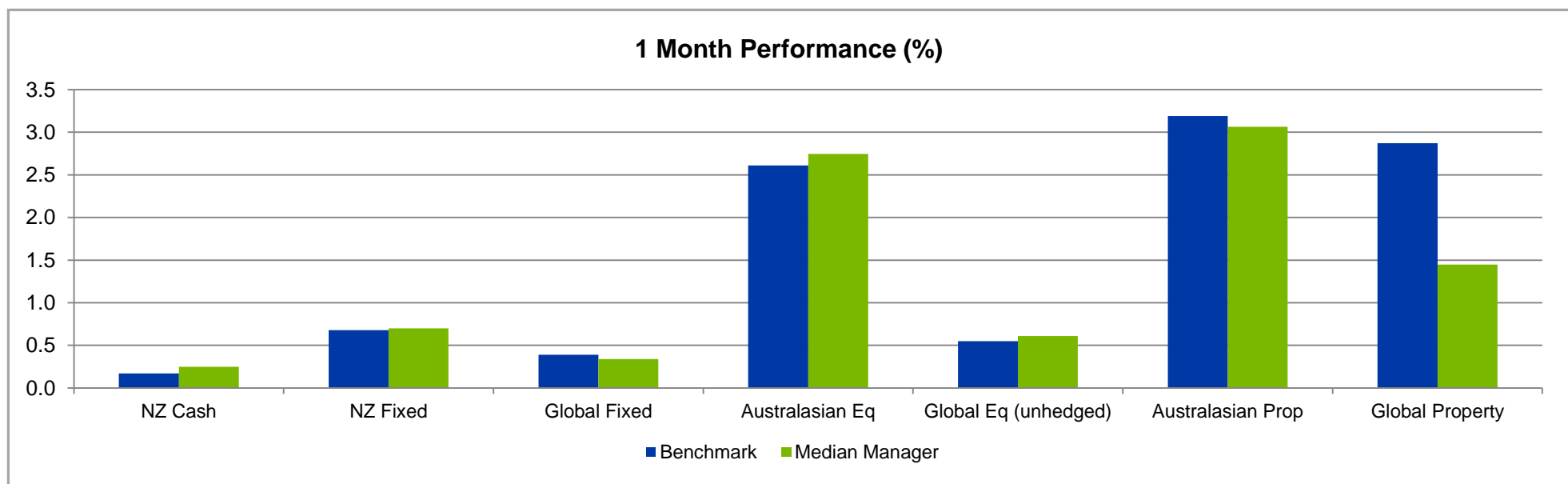
Mint Asset Management announced that Chief Investment Officer, Paul Richardson, will leave the business. Mint also announced that David Boyle would be joining in a sales and marketing role. Boyle is currently Group Manager, Education for the Commission for Financial Capability.

Nikko AM announced that Fixed Income Analyst, Tim O'Loan, has resigned after 6 years with the firm.

Salt Funds Management announced that Roger Clayton would be joining as Chief Operating Officer to replace Anthony Sowerby who held the role for 5 years.

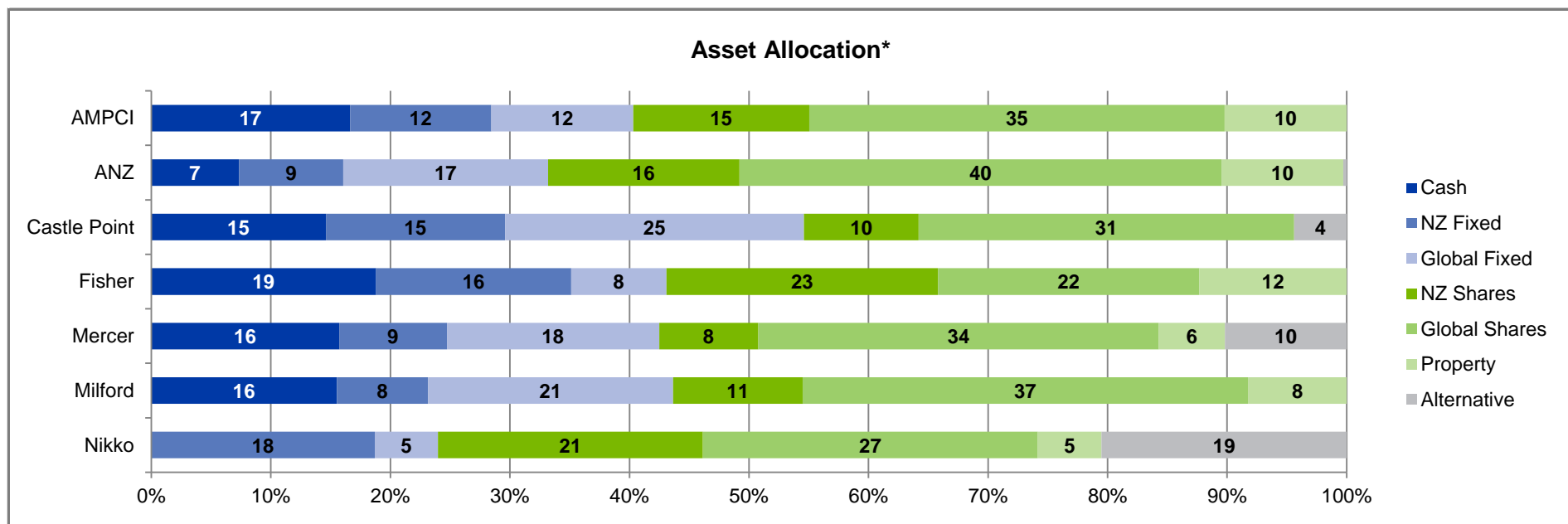
Median Manager Performance v Benchmark

Sector		Returns (%) gross of tax and fees										Volatility 5 Yrs
		For the period to 31 May 2018					For the year ended 31 May					
		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	1.9	2.4	2.7	1.9	2.3	3.0	3.7	2.8	0.1
	Median Manager	0.3	0.7	2.9	3.2	3.6	2.9	2.9	3.7	4.4	3.8	0.2
NZ Fixed Interest	ANZ NZ Govt Stock	0.7	1.4	2.9	4.2	4.0	2.9	1.9	7.9	7.3	0.2	2.7
	Median Manager	0.7	1.3	4.0	5.0	4.8	4.0	3.3	7.7	7.9	1.8	2.2
International Fixed Interest	Barclays Agg	0.4	0.9	1.8	3.9	5.3	1.8	3.1	6.8	8.6	6.0	2.6
	Median Manager	0.3	0.8	2.4	4.3	5.4	2.4	4.2	6.1	8.6	5.8	2.6
Australasian Shares	NZX 50 Gross	2.6	3.8	18.1	15.4	15.4	18.1	6.7	22.0	14.4	16.2	8.5
	Median Manager	2.7	3.8	18.4	14.8	16.0	18.4	6.2	21.8	14.9	21.5	8.8
International Shares (unhdgd)	MSCI ACWI	0.6	1.8	13.1	8.0	11.7	13.1	12.0	-0.5	25.4	10.0	9.8
	Median Manager	0.6	1.7	14.2	9.7	13.3	14.2	13.6	3.2	27.7	11.1	10.1
Australasian Property	NZX Property	3.2	5.7	9.7	9.5	9.7	9.7	-1.1	21.0	17.9	2.8	7.9
	Median Manager	3.1	5.5	10.5	9.8	11.2	10.5	0.3	20.7	18.5	6.8	7.6
International Property	FTSE Property	2.9	8.3	3.7	5.1	9.0	3.7	3.0	8.8	17.5	12.4	11.8
	Median Manager	1.4	7.1	6.1	5.0	9.3	6.1	2.5	5.4	17.6	15.4	11.6



Balanced Funds

Manager	FUM (\$m)	Returns (%) gross of tax and fees													5 Years	
		For the period to 31 May 2018					For the year ended 31 May									
		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	54	1.0 (5)	1.8 (5)	8.5 (6)	6.0 (7)	8.3 (6)	8.5	8.1	1.5	12.3	11.6	4.4	1.3 (7)			
ANZ Investments	99	1.2 (4)	2.0 (3)	9.5 (3)	8.0 (5)	10.3 (3)	9.5	8.8	5.6	15.8	12.1	4.9	1.5 (5)			
Castle Point Funds	28	0.5 (7)	0.5 (7)	8.9 (4)	8.7 (3)	7.9 (7)	8.9	11.0	6.2	6.8	6.5	3.6	1.4 (6)			
Fisher Institutional	707	1.2 (3)	2.0 (4)	8.8 (5)	8.3 (4)	9.3 (5)	8.8	7.8	8.3	11.0	10.8	3.7	1.8 (3)			
Mercer	1,360	0.5 (6)	1.3 (6)	8.0 (7)	7.6 (6)	9.6 (4)	8.0	9.2	5.5	13.6	11.8	3.9	1.8 (4)			
Milford Funds	541	1.5 (1)	2.8 (1)	10.8 (2)	9.4 (2)	11.7 (1)	10.8	10.7	6.8	19.0	11.7	4.5	2.0 (2)			
Nikko Asset Management	273	1.5 (2)	2.5 (2)	13.0 (1)	10.0 (1)	11.3 (2)	13.0	6.7	10.6	15.2	11.2	4.3	2.0 (1)			
Minimum		0.5	0.5	8.0	6.0	7.9	8.0	6.7	1.5	6.8	6.5	3.6	1.3			
Median		1.2	2.0	8.9	8.3	9.6	8.9	8.8	6.2	13.6	11.6	4.3	1.8			
Maximum		1.5	2.8	13.0	10.0	11.7	13.0	11.0	10.6	19.0	12.1	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 31 May 2018										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	2018	2017	2016	2015	2014	Vol	VA	TE	IR*	Rk
Core																								
AMPCI	NZ Shares	1	483	0	2.2	(18)	3.5	(15)	17.0	(15)	14.5	(13)	16.1	(7)	17.0	4.8	22.4	16.9	20.3	8.4	0.6	2.2	0.3	(8)
AMPCI	NZ Shares RIL	1	14	0	2.4	(15)	3.4	(17)	16.6	(16)	15.0	(8)	16.6	(6)	16.6	5.6	23.6	16.4	21.5	8.2	1.0	2.4	0.4	(7)
ANZ	NZ Equities	1	179	0	2.8	(9)	3.9	(9)	17.7	(12)	14.0	(14)	15.2	(12)	17.7	4.5	20.5	12.7	21.6	8.7	-0.1	2.0	-0.1	(15)
ANZ	Australasian Equity	1	1,011	7	2.7	(11)	3.9	(8)	18.7	(10)	13.8	(15)	15.2	(13)	18.7	3.1	20.5	13.0	21.7	8.9	-0.1	2.1	-0.1	(14)
CPFM	Trans Tasman Strategy	1	0	18	2.7	(12)	2.8	(19)	31.6	(1)	22.2	(1)			31.6	12.0	23.9	16.5						
Devon	NZ Core	1	247	12	3.1	(5)	4.6	(7)	12.2	(18)	10.4	(18)	14.9	(14)	12.2	1.0	18.9	21.1	22.7	9.3	-0.4	3.4	-0.1	(16)
Devon	NZ Only	1	102	0	3.2	(3)	4.7	(4)	8.7	(20)					8.7	5.5								
Devon	Trans Tasman	3	148	51	3.2	(4)	4.7	(6)	9.7	(19)	10.4	(19)	15.3	(11)	9.7	8.7	12.9	19.1	26.9	8.7	5.2	5.5	1.0	(3)
Fisher	Trans Tasman Equities	7	176	34	3.8	(1)	4.9	(3)	19.2	(8)	15.0	(9)	14.8	(15)	19.2	5.1	21.4	12.8	16.1	8.1	1.3	2.5	0.5	(6)
Harbour	Australasian Equity	1	515	22	2.4	(16)	2.5	(21)	25.4	(5)	19.1	(5)	17.7	(3)	25.4	8.9	23.6	10.8	20.6	9.7	1.0	4.3	0.2	(9)
Harbour	Australasian Equity Focus	3	95	46	2.5	(14)	2.8	(20)	30.6	(2)	20.6	(3)			30.6	9.2	23.0	7.1						
Harbour	Advanced Beta	2	147	0	2.6	(13)	5.0	(1)	17.1	(14)	14.8	(11)			17.1	7.8	19.9							
Mercer	Trans Tasman Equity	1	455	15	2.8	(6)	3.8	(11)	18.1	(11)	14.6	(12)	15.9	(10)	18.1	4.6	21.8	13.7	22.4	8.9	0.5	2.2	0.2	(10)
Milford	NZ Equities	1	363	0	2.8	(6)	5.0	(2)	27.6	(4)	21.3	(2)	19.3	(1)	27.6	10.7	26.3	8.9	24.4	8.7	3.4	3.0	1.1	(2)
Milford	Trans Tasman Equity	3	346	52	2.4	(17)	2.9	(18)	21.7	(6)	14.8	(10)	14.4	(16)	21.7	11.6	11.5	11.4	16.3	8.9	4.5	5.0	0.9	(4)
Mint	Trans Tasman Equity	1	176	21	2.0	(20)	3.6	(12)	20.6	(7)	16.6	(6)	17.5	(4)	20.6	7.2	22.6	16.2	21.5	7.4	1.8	2.9	0.6	(5)
Mint	SRI Fund	1	17	0	2.8	(6)	3.6	(13)																
Nikko	Core Domestic Equity	1	449	14	3.3	(2)	4.7	(5)	28.5	(3)	19.6	(4)	18.9	(2)	28.5	6.8	24.6	17.1	18.8	9.1	3.2	2.5	1.3	(1)
Russell	NZ Shares	1	203	0	2.8	(10)	3.8	(10)	17.1	(13)	16.2	(7)	16.1	(8)	17.1	6.9	25.4	13.0	18.9	8.7	0.0	2.1	0.0	(13)
Salt	NZ Plus Share	1	617	5	2.0	(19)	3.5	(16)	16.5	(17)	13.1	(16)	16.0	(9)	16.5	3.8	19.7	19.6	21.0	9.1	0.5	2.9	0.2	(11)
Salt	Focus Fund	2	79	6	1.5	(21)	3.5	(14)	19.0	(9)	12.8	(17)	16.6	(5)	19.0	2.7	17.5	19.9	25.2	9.2	0.3	4.4	0.1	(12)
	Minimum				1.5		2.5		8.7		10.4		14.4		8.7	1.0	11.5	7.1	16.1	7.4	-0.4	2.0	-0.1	
	Median				2.7		3.8		18.4		14.8		16.0		18.4	6.2	21.8	14.9	21.5	8.8	0.8	2.7	0.3	
	Maximum				3.8		5.0		31.6		22.2		19.3		31.6	12.0	26.3	21.1	26.9	9.7	5.2	5.5	1.3	
Absolute Return																								
ANZ	Equity Selection	8	16	0	3.1	(2)	3.6	(4)	8.8	(5)	7.3	(6)	10.6	(4)	8.8	-0.0	13.4	10.7	21.0	8.6	2.4		0.9	(4)
CPFM	Ranger	8	52	43	1.9	(5)	0.5	(6)	36.3	(1)	20.7	(1)			36.3	15.8	11.5	4.1						
Devon	Alpha	8	94	53	4.5	(1)	6.8	(1)	14.3	(4)	7.5	(5)	13.6	(3)	14.3	2.1	6.6	18.8	28.3	7.7	0.9		1.4	(3)
Milford	Active Growth	8	941	22	2.3	(4)	4.0	(2)	17.6	(3)	12.4	(3)	14.6	(2)	17.6	8.3	11.3	18.2	17.8	5.6	3.7		2.1	(1)
Nikko	Concentrated	8	118	24	2.6	(3)	3.9	(3)	32.9	(2)	20.5	(2)	20.6	(1)	32.9	5.9	24.4	23.3	18.1	9.3	2.0		1.9	(2)
Salt	Long/Short	8	273	75	-0.1	(6)	0.9	(5)	6.9	(6)	12.0	(4)			6.9	7.8	21.8							
	Minimum				-0.1		0.5		6.9		7.3		10.6		6.9	-0.0	6.6	4.1	17.8	5.6	0.9		0.9	
	Median				2.5		3.7		16.0		12.2		14.1		16.0	6.9	12.4	18.2	19.6	8.1	2.2		1.7	
	Maximum				4.5		6.8		36.3		20.7		20.6		36.3	15.8	24.4	23.3	28.3	9.3	3.7		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 31 May 2018										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	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk	
Equity Income																									
Devon	Dividend Yield	3	40	38	2.8	(2)	5.7	(1)	4.6	(3)	9.8	(2)	14.1	(2)	4.6	6.8	18.5	24.3	17.4	8.6	4.1	6.1	0.7	(2)	
Harbour	Australasian Eq Income	n/a	66	34	3.1	(1)	5.1	(2)	6.6	(2)	7.9	(3)	12.3	(3)	6.6	7.0	10.2	22.9	15.8	7.4					
Salt	Dividend Appreciation	1	78	0	2.3	(3)	3.5	(3)	15.5	(1)	14.8	(1)	17.9	(1)	15.5	5.2	24.4	23.1	22.3	8.5	2.1	3.1	0.7	(1)	
	Minimum				2.3		3.5		4.6		7.9		12.3		4.6	5.2	10.2	22.9	15.8	7.4	2.1	3.1	0.7		
	Median				2.8		5.1		6.6		9.8		14.1		6.6	6.8	18.5	23.1	17.4	8.5	3.1	4.6	0.7		
	Maximum				3.1		5.7		15.5		14.8		17.9		15.5	7.0	24.4	24.3	22.3	8.6	4.1	6.1	0.7		
Australian Only																									
AMPCI	Australian Share	5	179	100	1.8	(3)	1.0	(4)	13.2	(3)	4.6	(3)	6.0	(2)	13.2	4.4	-3.2	10.0	6.1	12.3	1.2	4.7	0.3	(2)	
ANZ	Australian Share	5	928	100	1.5	(4)	1.5	(3)	13.6	(2)	4.3	(4)	5.2	(3)	13.6	-0.2	-0.0	4.8	8.3	12.8	0.5	5.2	0.1	(3)	
Devon	Australian	5	16	100	3.6	(2)	3.4	(2)	12.4	(4)	8.9	(2)	11.5	(1)	12.4	7.5	6.9	14.6	16.3	11.9	6.4	5.7	1.1	(1)	
Milford	Dynamic	6	220	100	5.4	(1)	4.2	(1)	26.4	(1)	12.4	(1)			26.4	8.0	4.0	25.9							
	Minimum				1.5		1.0		12.4		4.3		5.2		12.4	-0.2	-3.2	4.8	6.1	11.9	0.5	4.7	0.1		
	Median				2.7		2.4		13.4		6.8		6.0		13.4	6.0	2.0	12.3	8.3	12.3	1.2	5.2	0.3		
	Maximum				5.4		4.2		26.4		12.4		11.5		26.4	8.0	6.9	25.9	16.3	12.8	6.4	5.7	1.1		
Benchmarks																									
	S&P/NZX 50 Gross incl I/C	1			2.6		3.8		18.1		15.4		15.4		18.1	6.7	22.0	14.4	16.2	8.5					
	S&P/NZX 50 Portfolio incl I/C	2			3.2		5.6		18.9		15.7		16.0		18.9	7.4	21.4	16.8	16.1	8.3					
	NZX50/ASX200 (50/50)	3			2.2		2.5		9.7		8.1		9.3		9.7	5.4	9.1	11.3	11.2	9.4					
	ASX 200	5			1.8		1.0		2.5		2.7		4.4		2.5	8.8	-2.8	7.9	6.2	13.5					
	ASX SmallCap Industrials	6			3.9		3.7		20.2		10.1		10.8		20.2	2.1	8.7	13.3	10.5	11.8					
	70% NZX50 / 30% ASX200	7			2.2		3.1		16.0		11.8		13.2		16.0	5.5	14.4	14.4	16.2	8.4					
	Other (Absolute Return)	8																							
	ASX 200 (in A\$)				1.1		1.1		9.6		5.9		8.8		9.6	11.1	-2.4	9.9	16.5	11.0					

International Shares (Unhedged)

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2018										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	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
AMPCI	Global Shares	2	934	0.3	(10)	1.1	(11)	12.1	(11)	9.8	(7)	13.8	(3)	12.1	13.4	4.2	27.9	12.7	9.5	1.8	1.8	1.0	(1)
AMPCI	RIL Global Shares	1	62	0.9	(6)	2.2	(6)	16.9	(3)	7.6	(11)	12.2	(9)	16.9	12.3	-5.1	26.9	12.5	10.1	0.5	1.7	0.3	(8)
ANZ	International Share	1	5,231	0.7	(7)	1.6	(9)	13.4	(9)	10.3	(3)	13.9	(2)	13.4	14.2	3.6	28.2	11.5	9.9	2.0	2.1	1.0	(2)
EC	Value Fund	1	30	-1.4	(13)	-0.9	(14)	0.5	(14)	6.2	(13)	8.5	(12)	0.5	10.0	8.4	12.4	11.7	9.0	-3.1	6.4	-0.5	(11)
Fisher	Overseas Equities	1	412	0.3	(9)	1.7	(8)	12.7	(10)	8.0	(10)	11.1	(10)	12.7	12.0	-0.2	22.6	9.8	9.8	-0.5	1.3	-0.4	(10)
FRK	Global Growth	1	n/a	2.6	(2)	3.7	(4)	21.6	(2)	13.8	(1)	16.1	(1)	21.6	15.5	5.1	31.6	8.6	10.7	4.0	4.4	0.9	(3)
FRK	Global Trust	1	n/a	-1.4	(12)	0.7	(13)	11.1	(12)	5.1	(14)	9.5	(11)	11.1	12.1	-6.9	18.0	14.9	11.2	-1.9	3.9	-0.5	(12)
Harbour	Global Equity Growth	1	33	2.4	(3)	4.2	(2)	23.1	(1)	13.3	(2)			23.1	14.9	2.8							
Magellan	Global	2	10,488	3.7	(1)	3.2	(5)	14.3	(7)	10.2	(4)	13.6	(5)	14.3	12.3	4.2	31.8	7.4	11.3	1.5	4.1	0.4	(7)
Mercer	Global Equities	2	1,768	0.6	(8)	1.9	(7)	14.5	(6)	10.1	(5)	13.7	(4)	14.5	15.4	1.0	28.6	10.7	10.5	1.5	3.5	0.4	(6)
MGH	MGH Investments	1	27	-2.4	(14)	0.7	(12)	8.2	(13)	9.7	(8)	12.3	(8)	8.2	17.0	4.2	26.6	6.9	9.9	0.4	5.1	0.1	(9)
Nikko	Global Equity	1	547	1.7	(5)	3.7	(3)	16.0	(4)	10.0	(6)	13.6	(6)	16.0	10.2	4.0	27.5	11.5	10.1	1.7	2.1	0.8	(4)
Nikko	Wholesale Global Shares	1	16	2.1	(4)	7.0	(1)																
Russell	Emerging Markets	4	1	-3.4	(15)	-3.3	(15)	15.0	(5)	7.5	(12)			15.0	24.5	-13.1							
Russell	Global Opportunities	3	195	-0.1	(11)	1.2	(10)	14.1	(8)	9.2	(9)	12.9	(7)	14.1	13.7	0.4	29.2	9.2	10.6	1.0	1.6	0.6	(5)
	Minimum			-3.4		-3.3		0.5		5.1		8.5		0.5	10.0	-13.1	12.4	6.9	9.0	-3.1	1.3	-0.5	
	Median			0.6		1.7		14.2		9.7		13.3		14.2	13.6	3.2	27.7	11.1	10.1	1.2	2.8	0.4	
	Maximum			3.7		7.0		23.1		13.8		16.1		23.1	24.5	8.4	31.8	14.9	11.3	4.0	6.4	1.0	
	MSCI All Country World Index	1		0.6		1.8		13.1		8.0		11.7		13.1	12.0	-0.5	25.4	10.0	9.8				
	MSCI World Index	2		0.7		1.7		11.8		7.8		12.0		11.8	11.0	1.0	26.1	11.6	10.1				
	Russell Global Large Cap	3		0.6		2.0		13.3		8.1		11.9		13.3	12.0	-0.3	25.6	10.6	9.8				
	Russell Emerging Markets Index	4		-3.1		-3.1		14.3		4.9		12.3		14.3	21.2	-16.8							
	MSCI ACWI (100% hedged)			1.1		0.1		11.3		8.7		12.3		11.3	20.0	-3.9	16.1	19.7	9.4				

Diversified Income

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 May 2018										For the year ended 31 May					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	1.0	(2)	1.9	(5)	5.8	(3)	7.0	(2)				5.8	6.5	8.8							n/a
Devon	Diversified Income	6	1.0	(4)	1.7	(6)	4.8	(6)						4.8	4.6								OCR + 1.5%
Milford	Diversified Income	1,815	1.0	(3)	2.6	(2)	7.8	(1)	10.5	(1)	12.2	(1)		7.8	11.1	12.5	17.6	12.3					OCR + 2.5%
Mint	Diversified Income	148	1.0	(5)	2.2	(4)	6.0	(2)	6.5	(4)				6.0	4.1	9.4							OCR + 2.5%
Nikko	Income	11	0.5	(6)	2.2	(3)	5.7	(4)	6.6	(3)	6.6	(2)		5.7	3.5	10.8	7.7	5.3					8% p.a.
Harbour	Income	70	1.7	(1)	2.8	(1)	4.9	(5)	5.7	(5)				4.9	4.7	7.6	11.0						OCR + 2.0%

International Fixed Interest

				Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2018								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	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
Global Aggregate:																							
AMPCI	Global FI AIFQ	1	80	0.4	(4)	0.8	(5)	1.6	(8)	3.3	(7)	4.7	(6)	1.6	3.6	4.8	8.3	5.1	2.6	-0.6	0.9	-0.6	(6)
AMPCI	Global FI AIFPQ	3	527	0.4	(3)	0.8	(4)	0.6	(9)	3.0	(8)	4.2	(7)	0.6	1.5	7.2	6.9	5.0	2.7				
ANZ	International Aggregate	1	715	0.5	(2)	1.1	(1)	2.7	(4)	5.0	(1)			2.7	5.6	6.6	8.9						
Fisher	Global Bonds - PIMCO	1	217	0.5	(1)	1.0	(3)	2.8	(3)	4.8	(2)	6.2	(1)	2.8	6.2	5.2	9.4	7.3	3.1	0.9	1.5	0.6	(1)
Fisher	Global Bonds - Wellington	1	97	0.3	(6)	0.6	(6)	2.2	(6)	4.0	(6)	5.1	(5)	2.2	2.9	6.9	8.2	5.1	2.6	-0.2	0.5	-0.4	(5)
Mercer	Global Bonds	1	1,572	0.2	(7)	0.6	(7)	2.8	(2)	4.3	(4)	5.7	(2)	2.8	4.6	5.6	8.9	6.9	2.5	0.6	1.3	0.5	(2)
Milford	Global Bond Fund	1	299	-0.1	(9)	-0.2	(9)	3.7	(1)					3.7									
Nikko	Global Fixed Interest	1	243	0.3	(5)	1.0	(2)	2.0	(7)	4.3	(5)	5.4	(4)	2.0	3.8	7.1	7.3	6.9	2.4	0.1	0.9	0.2	(4)
Russell	Global Bond	1	2,973	0.0	(8)	0.6	(8)	2.4	(5)	4.4	(3)	5.6	(3)	2.4	5.1	5.6	9.5	5.8	2.9	0.4	1.0	0.4	(3)
	Minimum			-0.1		-0.2		0.6		3.0		4.2		0.6	1.5	4.8	6.9	5.0	2.4	-0.6	0.5	-0.6	
	Median			0.3		0.8		2.4		4.3		5.4		2.4	4.2	6.1	8.6	5.8	2.6	0.3	1.0	0.3	
	Maximum			0.5		1.1		3.7		5.0		6.2		3.7	6.2	7.2	9.5	7.3	3.1	0.9	1.5	0.6	
Other:																							
LMI	Brandywine	2	n/a	-2.3	(3)	-1.9	(3)	2.1	(1)	3.8	(2)	6.4	(1)	2.1	9.4	0.1	14.8	6.2	5.5	1.0	4.8	0.2	(1)
ANZ	International Sovereign	2	3,423	0.6	(1)	1.2	(1)	1.3	(2)	3.4	(3)	4.7	(3)	1.3	2.3	6.5	8.8	4.5	3.0	-0.6	0.5	-1.4	(2)
ANZ	International Credit	x	1,218	0.1	(2)	-0.2	(2)	1.0	(3)	4.2	(1)	5.2	(2)	1.0	5.6	6.2	7.2	6.0	3.3				
	Barclays Capital Global Agg Index	1		0.4		0.9		1.8		3.9		5.3		1.8	3.1	6.8	8.6	6.0	2.6				
	Citigroup World Govt Bond Index	2		0.2		1.1		2.0		3.9		5.3		2.0	2.0	7.7	9.2	6.0	3.0				
	Barclays Global Treasury GDP Wgtd	3																					

Other International Funds

				Returns (%) gross of tax and fees																			
Manager	Fund	FUM (\$m)		For the period to 31 May 2018								For the year ended 31 May					Benchmark						
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016		2015	2014				
AMPCI	Commodities	180		1.6	(2)	3.6	(4)	13.3	(2)	0.9	(8)	-2.9	(7)	13.3	1.3	-10.3	-21.2	6.5					Bloomberg Commodity Index
AMPCI	Infrastructure	309		1.3	(3)	4.1	(3)	-1.6	(7)	2.3	(7)	10.7	(4)	-1.6	18.8	-8.3	20.6	28.3					DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	207		0.9	(4)	1.6	(7)	-3.2	(8)	7.6	(2)			-3.2	20.0	7.4	21.1						FTSE Global Core Infrastructure Net (NZD Hedged)
Magellan	Infrastructure	1,651		0.3	(6)	4.7	(2)	5.9	(5)	10.0	(1)	11.4	(2)	5.9	12.6	11.6	17.4	9.9					S&P Global Infrastructure Index (A\$ Hedged)
Milford	Global Equity	424		1.7	(1)	3.1	(5)	12.4	(3)	7.2	(3)	10.2	(5)	12.4	12.8	-2.8	22.1	7.8					OCR + 5%
PATH	Commodity Plus Fund	7		0.7	(5)	9.2	(1)	25.5	(1)	4.9	(6)	3.1	(6)	25.5	-11.5	4.0	1.8	-1.2					Bloomberg Commodity Index
PATH	World Equity Fund	29		0.1	(8)	0.9	(8)	9.7	(4)	5.4	(5)	11.6	(1)	9.7	11.2	-3.9	29.5	13.8					MSCI AC World
PATH	Global Water Fund	17		0.3	(7)	2.4	(6)	5.1	(6)	6.4	(4)	11.2	(3)	5.1	9.9	4.2	18.7	19.0					n/a
PATH	Global Responsibility Fund	2		-0.2	(9)	-1.4	(9)																MSCI AC World

NZ Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2018										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	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
AMPCI	NZ Fixed Interest	1	1,922	0.7	(2)	1.4	(2)	3.5	(9)	4.8	(7)	4.8	(6)	3.5	3.1	8.0	8.2	1.3	2.6	0.7	0.4	1.9	(1)
ANZ	NZ Fixed Interest	1	2,163	0.7	(7)	1.3	(6)	3.5	(10)	4.7	(10)	4.6	(8)	3.5	2.5	8.2	7.9	1.0	2.5	0.6	0.4	1.3	(5)
Fisher	NZ Fixed Interest	1	496	0.6	(8)	1.4	(3)	3.9	(7)	5.0	(6)	4.8	(5)	3.9	2.7	8.4	7.8	1.4	2.5	0.8	0.5	1.6	(2)
Harbour	NZ Core Fixed Interest	3	424	0.7	(4)	1.4	(4)	4.0	(6)	5.1	(3)	5.0	(3)	4.0	3.6	7.9	7.1	2.5	1.8				
Harbour	NZ Corporate Bond	2	344	0.6	(9)	1.1	(8)	4.1	(5)	4.8	(8)	5.0	(4)	4.1	3.9	6.4	7.0	3.6	1.4	0.1	0.3	0.3	(6)
Milford	Trans-Tasman Bond	5	361	0.5	(10)	0.9	(10)	4.8	(2)	5.2	(2)			4.8	5.2	5.7	8.9						
Nikko	NZ Corporate Bond	1	201	0.7	(6)	1.1	(9)	5.1	(1)	5.6	(1)	5.8	(1)	5.1	4.4	7.2	8.5	3.9	1.9	1.7	1.2	1.4	(4)
Nikko	NZ Fixed Interest	1	322	0.7	(2)	1.2	(7)	4.3	(3)	5.0	(5)	5.2	(2)	4.3	3.2	7.7	8.2	2.7	2.3	1.1	0.8	1.4	(3)
Russell	NZ Fixed Interest	1	59	0.7	(1)	1.5	(1)	4.1	(4)	5.1	(4)	4.8	(7)	4.1	3.3	7.8	7.5	1.2	2.2				
Western	NZ Core	4	n/a	0.7	(4)	1.3	(5)	3.6	(8)	4.7	(9)			3.6	3.4	7.2	8.2						
Western	NZ Core Constrained	1	n/a	0.4	(11)	0.7	(11)	2.8	(11)	3.7	(11)	3.8	(9)	2.8	2.8	5.5	5.9	1.8	1.3	-0.3	1.6	-0.2	(7)
	Minimum			0.4		0.7		2.8		3.7		3.8		2.8	2.5	5.5	5.9	1.0	1.3	-0.3	0.3	-0.2	
	Median			0.7		1.3		4.0		5.0		4.8		4.0	3.3	7.7	7.9	1.8	2.2	0.7	0.5	1.4	
	Maximum			0.7		1.5		5.1		5.6		5.8		5.1	5.2	8.4	8.9	3.9	2.6	1.7	1.6	1.9	
	S&P/NZX NZ Govt Stock Index	1		0.7		1.4		2.9		4.2		4.0		2.9	1.9	7.9	7.3	0.2	2.7				
	S&P/NZX NZ Corp A Grade Index	2		0.6		1.0		3.8		4.7		4.9		3.8	3.9	6.3	7.3	3.2	1.6				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		0.6		1.2		3.4		4.4		4.5		3.4	2.9	7.1	7.3	1.7	2.1				
	S&P/NZX NZ Comp Inv Grade Index	4		0.7		1.3		3.2		4.3				3.2	2.3	7.5	7.3						
	S&P/NZX NZ Corp/ASX Corp (50/50)	5		0.5		0.9		3.6						3.6									

NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2018										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	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
AMPCI	NZ Cash	1	3,991	0.2	(6)	0.6	(6)	2.4	(6)	2.8	(7)	3.2	(7)	2.4	2.6	3.3	4.1	3.5	0.2	0.4	0.0	8.7	(2)
AMPCI	NZ Short Duration	2	490	0.4	(1)	0.8	(1)	3.5	(1)	4.2	(1)	4.6	(1)	3.5	3.8	5.3	6.3	4.0	0.8	1.2	0.2	4.7	(4)
AMPCI	Global Short Duration	1	211	0.2	(6)	0.5	(7)	2.3	(7)	3.2	(4)	3.9	(2)	2.3	3.3	3.9	5.5	4.5	1.0	1.1	1.0	1.1	(6)
ANZ	NZ Cash	1	3,833	0.2	(5)	0.7	(5)	2.6	(5)	2.9	(6)	3.2	(6)	2.6	2.8	3.2	4.1	3.3	0.2	0.5	0.1	7.5	(3)
Fisher	NZ Cash	1	881	0.3	(3)	0.7	(3)	3.0	(2)	3.1	(5)	3.4	(5)	3.0	2.9	3.4	4.2	3.6	0.2	0.7	0.2	3.8	(5)
Harbour	Short Duration	1	85	0.3	(2)	0.7	(4)	2.9	(4)	3.2	(3)	3.6	(4)	2.9	2.9	3.9	4.4	3.8	0.3				
Nikko	NZ Cash	1	826	0.3	(4)	0.7	(2)	3.0	(3)	3.3	(2)	3.6	(3)	3.0	3.2	3.7	4.4	3.8	0.2	0.9	0.1	11.5	(1)
	Median			0.3		0.7		2.9		3.2		3.6		2.9	2.9	3.7	4.4	3.8	0.2	0.8	0.1	6.1	
	S&P/NZX 90 Day Bank Bill Index	1		0.2		0.5		1.9		2.4		2.7		1.9	2.3	3.0	3.7	2.8	0.1				
	S&P/NZX Short End Swap Index	2		0.3		0.5		2.2		3.1		3.4		2.2	2.5	4.8	5.1	2.5	0.8				

Australasian Property

				Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2018										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	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
Direct:																							
Fisher Trust	Property Fund		393	0.7	(2)	2.0	(2)	5.9	(2)	10.3	(2)	11.6	(1)	5.9	11.6	13.6	12.4	15.0	4.1	1.1	9.6	0.1	###
	Property Fund		156	0.8	(1)	4.0	(1)	11.2	(1)	11.8	(1)	10.5	(2)	11.2	13.4	10.9	7.7	9.6	2.6				
Listed:																							
AMPCI	Listed Property	1	9	2.9	(8)	5.2	(8)	8.0	(8)	9.0	(7)	10.5	(6)	8.0	-0.5	20.7	18.6	7.0	7.6	0.6	1.9	0.3	(6)
AMPCI	Property Fund	2	133	3.1	(4)	6.5	(1)	8.2	(7)	9.2	(6)			8.2	0.4	20.0							
ANZ	Property Securities	1	165	3.3	(3)	5.5	(4)	10.8	(4)	10.0	(3)	11.6	(3)	10.8	-0.7	21.1	18.3	9.9	7.9	1.7	2.5	0.7	(3)
ANZ	Trans Tasman	2	745	3.4	(2)	6.1	(2)	10.1	(5)	9.8	(5)	12.4	(1)	10.1	0.7	19.5	21.7	11.1	8.0	1.2	2.6	0.5	(4)
Mint	Real Estate Inv Trust	1	48	2.9	(7)	5.4	(6)	9.2	(6)	9.8	(4)	10.7	(5)	9.2	0.3	21.0	18.0	6.5	7.1	0.8	2.2	0.4	(5)
Nikko	Property Securities	1	36	3.4	(1)	5.7	(3)	11.7	(2)	10.2	(2)	10.8	(4)	11.7	-0.5	20.5	18.4	5.2	7.6	0.9	1.4	0.7	(2)
Salt	Listed Property	1	289	3.0	(5)	5.4	(5)	11.0	(3)	11.4	(1)	11.9	(2)	11.0	1.8	22.2	19.9	6.1	7.1	1.9	1.5	1.3	(1)
Salt	Enhanced Property Fund	1	6	3.0	(6)	5.3	(7)	11.9	(1)					11.9									
Minimum				2.9		5.2		8.0		9.0		10.5		8.0	-0.7	19.5	18.0	5.2	7.1	0.6	1.4	0.3	
Median				3.1		5.5		10.5		9.8		11.2		10.5	0.3	20.7	18.5	6.8	7.6	1.1	2.0	0.6	
Maximum				3.4		6.5		11.9		11.4		12.4		11.9	1.8	22.2	21.7	11.1	8.0	1.9	2.6	1.3	
S&P/NZX Property Index				1		3.2		5.7		9.7		9.5		9.7	-1.1	21.0	17.9	2.8	7.9				
NZX/ASX Property Index				2		3.2		6.3		8.7		9.5		8.7	0.5	20.1	22.8	4.5	7.9				

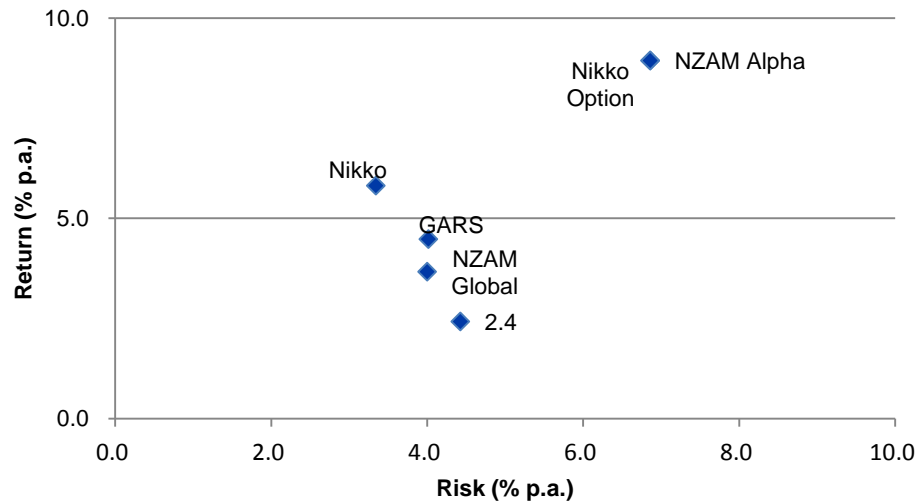
International Property

				Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2018										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	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
AMPCI	Global Property Securities	1	212	1.3	(4)	7.3	(1)	7.9	(1)	5.0	(2)	9.8	(1)	7.9	1.7	5.4	17.6	17.3	11.9	0.7	4.8	0.1	(1)
ANZ	International Property	1	924	1.4	(3)	5.3	(4)	5.6	(3)	4.5	(3)	8.8	(2)	5.6	2.1	5.9	17.5	13.5	11.3	-0.3	2.8	-0.1	(2)
PATH	Global Property	1	14	2.2	(1)	7.2	(2)	5.6	(4)					5.6	2.9								
Russell	Global Listed Real Estate	1	60	1.5	(2)	7.0	(3)	6.6	(2)	5.4	(1)			6.6	6.6	3.1							
FTSE EPRA/NAREIT Index*				1		2.9		8.3		3.7		5.1		3.7	3.0	8.8	17.5	12.4	11.8				
*UBS Global RE Index prior to June 2015																							

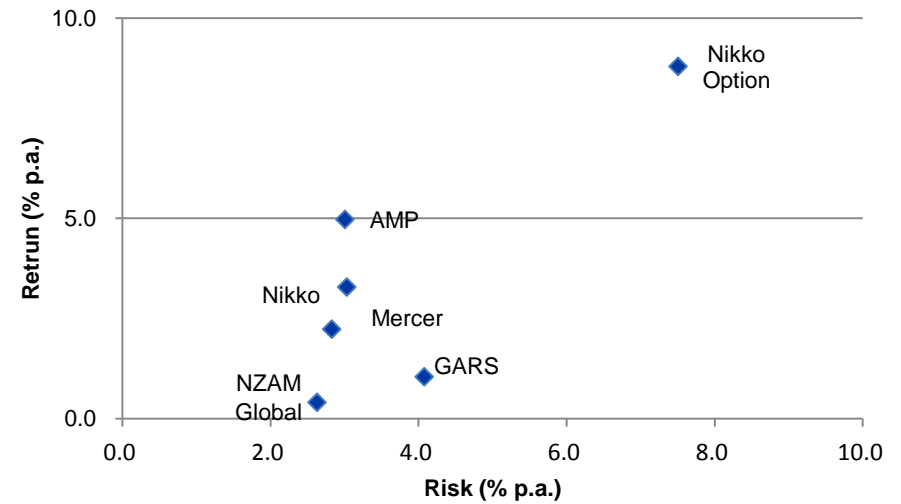
International Alternatives/Absolute Return

			Returns (%) gross of tax and fees																							
Manager	Fund	FUM (\$m)	For the period to 31 May 2018								For the year ended 31 May					5 Years			Benchmark							
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol		SR	Rk					
AMPCI	Multi-Asset	280	-0.4	(5)	-0.2	(6)	4.6	(2)	5.0	(2)	4.6	8.3	2.0	11.5												CPI + 5%
Mercer	Liquid Alternatives	136	-1.4	(7)	-1.5	(7)	2.8	(5)	2.2	(4)	2.8	5.0	-1.0	12.3												Cash + 3% to 5%
Nikko	Multi-Strategy	179	1.4	(2)	1.1	(3)	4.0	(3)	3.3	(3)	4.0	5.2	0.7	8.6	10.8	3.3	0.9	(1)								90 Day Bank Bill + 2.5%
Nikko	Option	77	-0.1	(3)	4.6	(1)	6.8	(1)	8.8	(1)	6.8	1.4	18.9	6.3	12.1	6.9	0.9	(2)								90 Day Bank Bill + 4%
NZAM	Alpha	21	-0.9	(6)	0.2	(5)	0.7	(6)	-0.9	(7)	0.7	-3.6	0.3	13.1	2.3	4.4	-0.1	(5)								OCR + 4%
NZAM	Global	234	-0.4	(4)	1.0	(4)	3.3	(4)	0.4	(6)	3.3	-0.5	-1.6	13.1	4.6	4.0	0.2	(4)								OCR + 4%
Milford	Australian Absolute Growth	47	2.7	(1)	2.9	(2)																				OCR + 5%
Std Life	GARS	78	-1.8	(8)	-3.0	(8)	-0.3	(7)	1.0	(5)	4.5	3.7	(4)	-0.3	3.0	0.5	13.8	6.0	4.0	0.4	(3)					OCR + 5%
OCR + 5%			0.6		1.7		6.8		7.1		7.5			6.8	6.9	7.7	8.5	7.6	0.2							

5 Year risk/return



3 Year risk/return



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.

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- Remuneration and incentives.
- Total rewards.
- Health and benefits.
- Global benefits.
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