

The Aon Investment Update as at 30 September 2016

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 – and 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 September 2016

Market Summary

Most global share markets delivered positive returns for September, resulting in a 0.26% return for the MSCI All Country World Index in local currency terms. Global bonds also delivered a small positive return. Domestic assets fared less well with the NZX 50 and the NZ Government bond indices both falling over the month.

For the quarter as a whole it was a generally positive picture. Economic data releases were broadly positive, but not strong enough to suggest that the Federal Reserve would start aggressively raising interest rates. The consensus remains that there will be one 0.25% increase later this year.

The domestic share market rose by around 7% for the quarter, while global shares rose just over 5% on a fully hedged basis. Global and domestic bonds both returned close to 1% for the quarter.

The US Presidential election dominated the news flow during the month. Investment markets appear to be discounting the possibility of a Trump victory, and while the latest opinion polls are supportive of that view, the polls have been wrong before. A Trump victory could have a dramatic impact on markets, at least in the short term, with share markets expected to fall.

Meanwhile, in the UK share prices remain resilient despite the Brexit vote. The sharp fall in the value of Sterling is the most noticeable effect, providing a boost to the export oriented sectors of the market. Positive action from the Bank of England is also helping to reassure markets.

Statements from the Bank of Japan, which undertook a review of monetary policy, and the European Central Bank, which left its Quantitative Easing programme unchanged led to some nervousness amongst bond investors, fearing that perhaps the 'lower for longer' scenario might be coming to an end. This led to a mid-month rise in bond yields which was particularly evident in New Zealand.

At the start of September the yield on the Government Bond due to mature in April 2027 was 2.25%. The yield rose as high as 2.61% by 20th September, before falling back to end the month at 2.31%. This volatility is a good reminder that bond yields in New Zealand are very dependent on global data and there is the potential for significant volatility once overseas Central Banks do begin tightening monetary policy – irrespective of what the Reserve Bank of New Zealand is doing.

Fund Performance

All of the balanced funds in our survey posted positive returns for September, but the median return for the month was just 0.2%. For the quarter as a whole balanced fund returns ranged from 2.7% to 7.6%.

Amongst the domestic share funds the median return for the month was also 0.2% with Devon's Trans Tasman fund faring best (+2.1%) and the Salt Javelin fund the worst performer (-0.6%).

The domestic listed property sector had a disappointing month after a long period of very strong performance. All funds in this sector posted negative returns with the median return being -1.6%. It was a similar picture with Global Listed Property where the median fund return for the month was -1.5%.

Bond funds mostly delivered small positive returns for the month – the median NZ bond manager returning 0.1% and the median global bond manager 0.2%. For the quarter the median returns were 1.4% and 1.6% respectively.

Returns for the global absolute return funds ranged from -0.6% (Standard Life GARS), to +1.2% for the Nikko Options Fund. These types of funds have struggled recently, with only the Nikko Options Fund delivering strong returns over the last 12 months.

New Zealand Fund Management Changes

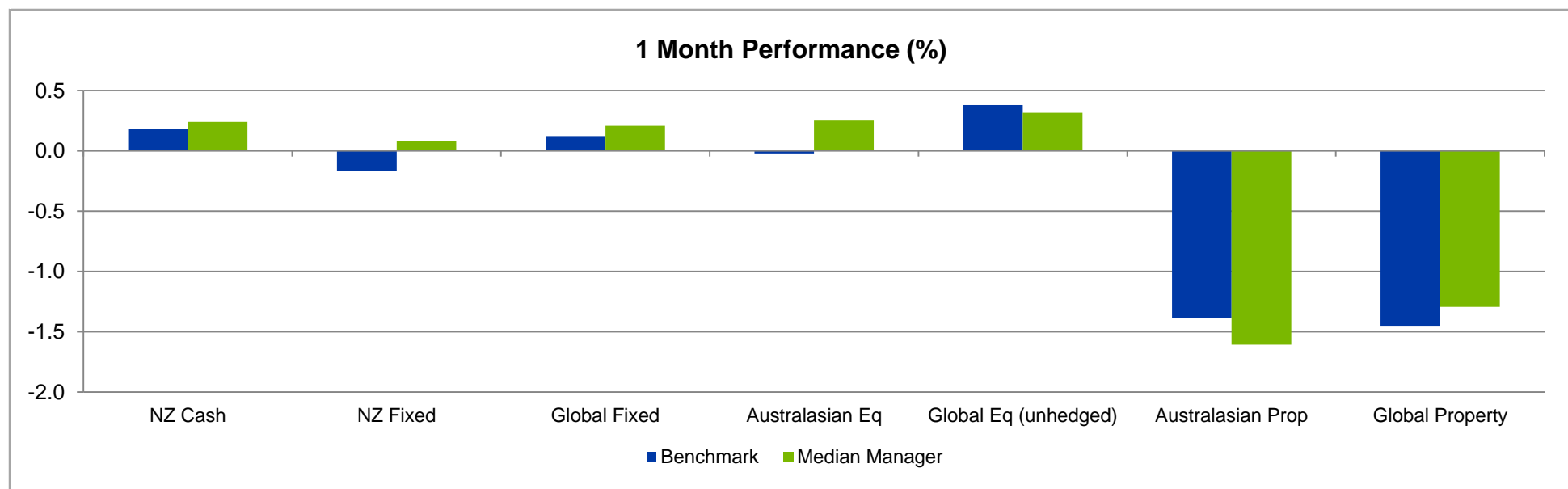
Carmel Fisher has announced her intention to retire as Managing Director of Fisher Funds some time in 2017 after 18 years with the firm. The search is on for her successor but this is expected to take several months.

Fisher Funds also announced that Murray Brown is to retire. Murray has been with Fisher for 8 years, and prior to that was a director of research at First NZ Capital. He is a senior portfolio manager and also has responsibility for Fisher Funds' property and infrastructure portfolios.

ANZ announced that Daria Murray, who joined the Australasian Equity team last year, has left the business. Mark Brown has resumed his previous role as Portfolio Manager and has sole responsibility for the ANZ Australasian Shares Fund. Mark also continues as Head of Australasian Equities for ANZ.

Median Manager Performance v Benchmark

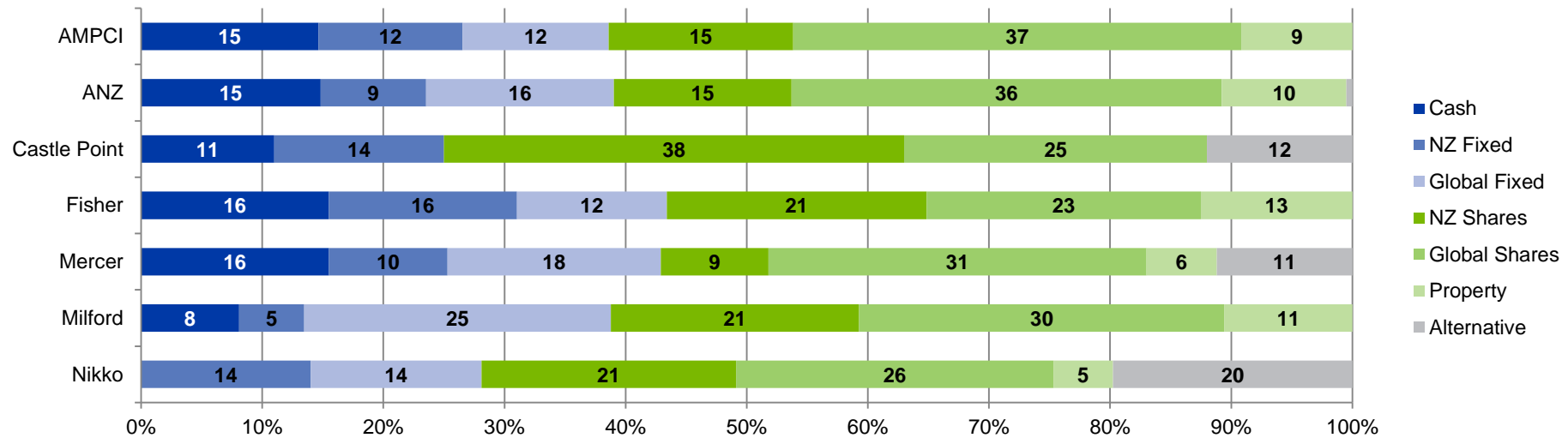
Sector		Returns (%) gross of tax and fees										Volatility 5 Yrs
		For the period to 30 Sep 2016					For the year ended 30 September					
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	
NZ Cash	ANZ 90D Bank Bills	0.2	0.6	2.7	3.1	3.0	2.7	3.6	3.1	2.7	2.7	0.1
	Median Manager	0.2	0.9	3.4	3.9	3.7	3.4	4.4	4.0	4.0	3.6	0.1
NZ Fixed Interest	ANZ NZ Govt Stock	-0.2	0.9	6.6	6.9	5.3	6.6	9.0	5.2	-2.1	8.3	3.0
	Median Manager	0.1	1.4	6.9	7.4	6.2	6.9	9.1	5.8	1.6	8.0	2.1
Global Fixed Interest	Barclays Agg	0.1	1.0	8.8	8.1	7.1	8.8	6.9	8.7	2.8	8.4	2.6
	Median Manager	0.2	1.6	9.0	8.2	7.3	9.0	6.2	9.7	3.1	9.2	2.6
Australasian Equities	NZX 50 Gross	-0.0	7.3	33.2	17.3	18.6	33.2	8.0	12.4	25.1	16.2	9.1
	Median Manager	0.2	6.8	29.9	18.3	19.2	29.9	7.2	16.6	27.1	17.0	9.4
Global Equities (unhedged)	MSCI ACWI	0.4	3.1	-1.5	10.0	11.7	-1.5	13.7	19.0	17.4	11.3	9.1
	Median Manager	0.3	3.7	-0.3	11.1	12.5	-0.3	16.5	17.7	20.5	11.4	9.7
Australasian Property	NZX Property	-1.4	2.3	21.2	16.3	14.6	21.2	15.6	12.3	8.1	15.9	7.5
	Median Manager	-1.6	2.4	22.1	18.2	17.1	22.1	15.9	16.4	11.4	20.9	7.2
Global Property	FTSE Property	-1.5	0.7	17.2	15.5	17.8	17.2	14.1	15.3	12.9	30.6	12.4
	Median Manager	-1.3	0.7	11.9	14.7	17.6	11.9	16.0	16.4	12.7	32.4	13.5



Balanced Funds

Manager	FUM (\$m)	Returns (%) gross of tax and fees														5 Years	
		For the period to 30 Sep 2016										For the year ended 30 September					
		1 M Rk	1 Qtr Rk	1 Yr Rk	3 Yrs Rk	5 Yrs Rk	2016	2015	2014	2013	2012	Vol	SR Rk				
AMP Capital Investors RIL	40	0.1 (7)	2.7 (7)	7.0 (7)	8.3 (7)	10.5 (6)	7.0	4.6	13.5	13.7	14.0	4.5	1.7 (6)				
ANZ Investments	112	0.1 (5)	3.0 (6)	9.9 (6)	10.9 (3)	13.1 (2)	9.9	9.9	12.9	16.9	16.1	5.1	2.0 (4)				
Castle Point Funds	8	0.8 (1)	7.6 (1)	11.7 (4)	8.3 (6)	8.6 (7)	11.7	4.3	9.1	10.6	7.4	3.5	1.6 (7)				
Fisher Institutional	849	0.6 (2)	3.7 (3)	12.1 (2)	10.1 (5)	11.0 (4)	12.1	7.5	10.9	11.1	13.7	4.1	2.0 (3)				
Mercer	1,190	0.1 (6)	3.2 (5)	10.8 (5)	10.2 (4)	11.0 (5)	10.8	7.4	12.5	13.5	10.6	4.2	1.9 (5)				
Milford Funds	347	0.3 (3)	4.0 (2)	12.2 (1)	12.5 (1)	14.6 (1)	12.2	11.0	14.3	18.1	17.4	4.6	2.5 (2)				
Nikko Asset Management	241	0.2 (4)	3.3 (4)	11.9 (3)	12.2 (2)	12.8 (3)	11.9	11.5	13.3	14.2	13.1	3.8	2.6 (1)				
Minimum		0.1	2.7	7.0	8.3	8.6	7.0	4.3	9.1	10.6	7.4	3.5	1.6				
Median		0.2	3.3	11.7	10.2	11.0	11.7	7.5	12.9	13.7	13.7	4.2	2.0				
Maximum		0.8	7.6	12.2	12.5	14.6	12.2	11.5	14.3	18.1	17.4	5.1	2.6				

Asset Allocation



New Zealand and Australian Equities (Page 1 of 2)

					Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 30 Sep 2016					For the year ended 30 September					For last 5 years									
					1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR*	Rk
Core																								
AMPCI	NZ Shares	1	466	0	-0.2	(17)	5.7	(15)	29.5	(13)	17.8	(11)	18.6	(11)	29.5	8.4	16.6	21.0	18.3	9.4	-0.1	2.7	-0.0	(14)
AMPCI	NZ Shares RIL	1	11	0	0.1	(13)	5.9	(14)	31.0	(9)	18.6	(4)		31.0	8.5	17.2								
ANZ	NZ Equities	1	147	0	0.3	(10)	6.8	(11)	32.4	(6)	17.1	(14)	19.2	(9)	32.4	4.2	16.5	27.8	17.0	9.4	0.4	2.0	0.2	(9)
ANZ	Australasian Equity	1	830	0	0.3	(9)	6.5	(13)	32.3	(7)	17.2	(13)	18.7	(10)	32.3	3.7	17.2	27.1	15.3	9.4	0.1	2.1	0.0	(11)
CPFM	Trans Tasman Strategy	1	0	18	0.6	(7)	12.6	(1)	36.8	(1)				36.8	6.1									
Devon	NZ Core	1	228	16	-0.1	(15)	6.8	(10)	29.7	(12)	19.3	(1)	19.4	(5)	29.7	7.2	22.2	25.0	14.3	9.3	0.6	3.4	0.2	(10)
Devon	Trans Tasman	3	82	51	2.1	(1)	9.0	(2)	25.6	(17)	18.5	(6)	19.5	(4)	25.6	8.6	21.9	28.3	14.4	9.0	5.8	4.5	1.3	(3)
Fisher	Trans Tasman Equities	11	191	30	-0.3	(18)	6.6	(12)	29.8	(11)	16.1	(15)	18.3	(13)	29.8	7.2	12.5	20.1	23.4	9.9	1.2	3.3	0.4	(7)
Harbour	Australasian Equity	1	476	25	1.2	(4)	7.6	(4)	32.9	(5)	17.2	(12)	19.4	(6)	32.9	4.3	16.2	31.8	14.4	10.0	-0.1	4.2	-0.0	(13)
Harbour	Australasian Equity Focus	3	59	48	1.3	(3)	5.3	(17)	26.8	(16)				26.8	4.0									
Harbour	Advanced Beta	2	79	0	-0.1	(16)	7.3	(6)	29.9	(10)				29.9										
Mercer	Trans Tasman Equity	1	400	19	0.6	(6)	7.2	(8)	31.1	(8)	17.9	(10)	19.3	(7)	31.1	6.5	17.4	28.0	14.9	9.2	0.5	2.2	0.2	(8)
Milford	NZ Equities	1	301	0	0.7	(5)	8.1	(3)	34.9	(3)	18.9	(3)	22.3	(2)	34.9	9.0	14.4	33.9	21.7	9.1	3.1	3.2	1.0	(4)
Milford	Trans Tasman	3	258	38	1.6	(2)	7.5	(5)	21.1	(19)	12.8	(16)	18.3	(14)	21.1	5.2	12.6	26.1	28.2	9.0	4.7	2.8	1.7	(1)
Mint	Trans Tasman Equity	1	131	12	-0.0	(14)	4.2	(19)	27.0	(15)	18.5	(5)	22.6	(1)	27.0	11.5	17.4	34.0	24.4	8.1	3.2	4.7	0.7	(5)
Nikko	Core Domestic Equity	1	263	7	0.2	(11)	7.3	(7)	34.4	(4)	19.0	(2)	19.7	(3)	34.4	9.6	14.3	26.7	15.0	9.3	0.9	2.0	0.4	(6)
Nikko	Australasian Smallcap	4	5	71	0.4	(8)	3.2	(20)	17.0	(20)	10.9	(17)	16.0	(15)	17.0	8.9	7.0	28.9	19.8	12.1	9.2	6.0	1.5	(2)
Russell	NZ Shares	1	151	0	0.2	(12)	7.1	(9)	34.9	(2)	18.3	(9)		34.9	5.7	16.0								
Salt	NZ Plus Share	1	475	1	-0.3	(19)	5.7	(16)	28.5	(14)	18.3	(8)	18.5	(12)	28.5	8.3	18.8	23.7	14.3	9.8	-0.1	3.0	-0.0	(12)
Salt	Javelin	2	72	11	-0.6	(20)	4.5	(18)	23.6	(18)	18.3	(7)	19.2	(8)	23.6	8.3	23.6	23.6	17.8	10.1	-0.4	4.7	-0.1	(15)
Minimum					-0.6		3.2		17.0		10.9		16.0		17.0	3.7	7.0	20.1	14.3	8.1	-0.4	2.0	-0.1	
Median					0.2		6.8		29.9		18.3		19.2		29.9	7.2	16.6	27.1	17.0	9.4	0.6	3.2	0.2	
Maximum					2.1		12.6		36.8		19.3		22.6		36.8	11.5	23.6	34.0	28.2	12.1	9.2	6.0	1.7	
Absolute Return																								
ANZ	Equity Selection	5	27	0	1.1	(3)	7.2	(2)	28.1	(1)	14.6	(4)	16.2	(4)	28.1	-1.0	18.7	24.5	12.9	8.4	7.4		1.6	(4)
CPFM	Ranger	6	14	45	1.6	(1)	16.5	(1)	24.3	(2)				24.3	-3.0									
Devon	Alpha	7	105	25	1.4	(2)	5.0	(4)	14.9	(6)	15.9	(2)	18.5	(3)	14.9	6.1	27.7	27.4	17.7	7.4	5.2		2.1	(2)
Milford	Active Growth	8	754	20	1.1	(4)	6.5	(3)	16.9	(5)	15.3	(3)	19.8	(1)	16.9	12.3	16.7	26.4	27.3	5.9	8.5		2.8	(1)
Nikko	Concentrated	6	86	29	0.5	(5)	2.7	(6)	19.8	(3)	18.4	(1)	18.7	(2)	19.8	24.6	11.2	25.4	13.2	9.0	6.8		1.8	(3)
Salt	Long/Short	6	175	68	-0.4	(6)	3.0	(5)	17.8	(4)				17.8	15.2									
Minimum					0.5		2.7		14.9		14.6		16.2		14.9	-3.0	11.2	24.5	12.9	5.9	5.2		1.6	
Median					1.1		6.5		19.8		15.6		18.6		19.8	6.1	17.7	25.9	15.5	7.9	7.1		1.9	
Maximum					1.6		16.5		28.1		18.4		19.8		28.1	24.6	27.7	27.4	27.3	9.0	8.5		2.8	

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

New Zealand and Australian Equities (Page 2 of 2)

					Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 30 Sep 2016								For the year ended 30 September					For last 5 years								
					1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk		
Equity Income																										
Devon	Dividend Yield	3	73	43	1.2	(1)	9.5	(1)	31.2	(2)	21.1	(2)		31.2	13.3	19.5	25.7									
Harbour	Australasian Eq Income	n/a	99	34	-0.7	(3)	3.8	(3)	16.6	(3)	15.9	(3)		16.6	13.2	17.8	23.2									
Salt	Dividend Appreciation	1	88	0	0.5	(2)	6.8	(2)	33.8	(1)	21.2	(1)	20.9	(1)	33.8	11.8	19.0	25.3	15.7		9.2	1.9	3.2	0.6	(1)	
Minimum					-0.7		3.8		16.6		15.9		20.9		16.6	11.8	17.8	23.2	15.7		9.2	1.9	3.2	0.6		
Median					0.5		6.8		31.2		21.1		20.9		31.2	13.2	19.0	25.3	15.7		9.2	1.9	3.2	0.6		
Maximum					1.2		9.5		33.8		21.2		20.9		33.8	13.3	19.5	25.7	15.7		9.2	1.9	3.2	0.6		
Australian Only																										
AMPCI	Australian Share	9	164	100	1.3	(3)	4.0	(3)	3.3	(4)	3.9	(3)	7.4	(3)	3.3	-0.6	9.2	10.8	14.8		12.6	0.2	2.3	0.1	(3)	
ANZ	Australian Share	9	649	100	1.3	(4)	3.7	(4)	5.9	(3)	2.6	(4)	7.8	(2)	5.9	-2.8	4.8	21.5	11.2		12.5	0.6	3.8	0.1	(2)	
Devon	Australian	9	30	100	3.5	(1)	8.5	(2)	16.2	(2)	12.1	(2)	13.9	(1)	16.2	5.5	15.0	19.9	13.5		12.0	6.2	3.3	1.9	(1)	
Milford	Dynamic	10	172	100	2.1	(2)	11.0	(1)	18.8	(1)	17.1	(1)			18.8	12.4	20.3									
Minimum					1.3		3.7		3.3		2.6		7.4		3.3	-2.8	4.8	10.8	11.2		12.0	0.2	2.3	0.1		
Median					1.7		6.2		11.1		8.0		7.8		11.1	2.4	12.1	19.9	13.5		12.5	0.6	3.3	0.1		
Maximum					3.5		11.0		18.8		17.1		13.9		18.8	12.4	20.3	21.5	14.8		12.6	6.2	3.8	1.9		
Benchmarks																										
S&P/NZX 50 Gross incl I/C		1			-0.0		7.3		33.2		17.3		18.6		33.2	8.0	12.4	25.1	16.2		9.1					
S&P/NZX 50 Portfolio incl I/C		2			-0.4		6.5		31.3		18.1		19.7		31.3	10.1	13.9	25.3	19.0		8.6					
NZX50/ASX200 (50/50)		3			1.0		6.6		20.4		10.5		12.9		20.4	2.6	9.3	18.2	14.9		9.7					
NZX/ASX Small Cap		4			3.0		9.2		24.8		7.7		6.1		24.8	-3.6	3.9	-3.5	11.6		12.2					
90 Day BB Index + 5%		5			0.6		1.9		7.9		8.4		8.2		7.9	8.9	8.3	7.9	8.0		0.1					
OCR + 5%		6			0.6		1.7		7.4		7.9		7.7		7.4	8.4	7.9	7.5	7.5		0.1					
12% p.a.		7			1.0		3.0		12.0		12.0		12.0		12.0	12.0	12.0	12.0	12.0		n/a					
10% p.a.		8			0.8		2.5		10.0		10.0		10.0		10.0	10.0	10.0	10.0	10.0		n/a					
ASX 200		9			2.1		5.8		8.5		3.7		7.1		8.5	-2.9	5.9	11.5	13.1		13.1					
ASX SmallCap Industrials		10			0.0																					
ASX 200 (in A\$)					0.5		5.1		13.2		6.0		11.2		13.2	-0.7	5.9	24.3	14.8		12.4					
70% NZX50 / 30% ASX200		11			0.3		6.7		26.6		14.5		16.9		26.6	5.6	12.4	25.1	16.2		9.2					

Global Equities (Unhedged)

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Sep 2016										For the year ended 30 September					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk
AMPCI	Global Shares	2	771	0.4	(7)	2.3	(13)	0.7	(7)	12.8	(2)	14.6	(3)	0.7	18.3	20.3	23.6	11.5	9.1	2.6	2.1	1.2	(2)
AMPCI	RIL Global Shares	1	53	0.2	(10)	2.9	(11)	-5.3	(15)	9.2	(11)	11.6	(9)	-5.3	12.6	22.1	19.5	11.2	9.4	-0.1	1.4	-0.1	(8)
ANZ	International Share	1	3,575	0.3	(9)	3.6	(10)	-0.4	(10)	12.2	(5)	15.2	(2)	-0.4	20.6	17.6	24.4	15.2	10.0	3.1	2.4	1.3	(1)
EC	Wholesale Fund	1	26	-1.1	(15)	-1.8	(15)	1.9	(4)	10.0	(9)			1.9	11.0	17.7							
EC	Value Fund	1	24	0.5	(6)	2.3	(14)	4.2	(2)	9.5	(10)	10.8	(10)	4.2	9.9	14.5	22.8	3.9	8.9	-0.9	4.9	-0.2	(10)
Fisher	Overseas Equities	1	422	0.3	(8)	2.6	(12)	-2.9	(12)	9.2	(12)	10.1	(11)	-2.9	14.3	17.2	16.1	7.1	8.8	-1.5	1.8	-0.9	(12)
FRK	Global Growth	1	64	1.0	(2)	4.5	(4)	1.0	(6)	12.6	(3)	14.5	(4)	1.0	23.8	14.3	19.4	15.4	10.5	2.6	4.2	0.6	(5)
FRK	Global Trust	1	374	4.5	(1)	9.6	(1)	-3.4	(13)	6.6	(13)	12.4	(7)	-3.4	7.3	17.1	30.8	13.1	11.6	0.8	4.9	0.2	(7)
Harbour	Global Equity Growth	1	12	0.2	(11)	4.0	(5)	2.0	(3)					2.0									
Magellan	Global	1	8,423	0.1	(12)	4.0	(6)	-4.4	(14)	12.9	(1)	16.7	(1)	-4.4	27.3	18.3	22.7	22.3	11.4	4.5	6.2	0.7	(4)
Mercer	Global Equities	2	1,291	-0.0	(14)	3.7	(8)	1.1	(5)	11.4	(6)	12.3	(8)	1.1	14.7	19.2	18.6	8.8	9.9	-0.4	4.2	-0.1	(9)
MGH	MGH Investments	1	24	0.8	(4)	4.7	(3)	-0.4	(9)	10.4	(8)	8.8	(12)	-0.4	19.3	13.3	14.2	-1.1	9.2	-2.9	6.2	-0.5	(11)
Nikko	Global Equity	1	535	0.8	(5)	3.6	(9)	-0.3	(8)	12.5	(4)	13.6	(5)	-0.3	20.2	18.7	18.7	11.9	9.1	1.6	2.0	0.8	(3)
Russell	Emerging Markets	4	0	1.0	(3)	7.4	(2)	7.2	(1)					7.2	-3.2								
Russell	Global Opportunities	3	271	0.1	(13)	3.9	(7)	-1.6	(11)	11.1	(7)	12.6	(6)	-1.6	18.6	17.7	21.5	8.5	10.5	0.6	2.3	0.3	(6)
Minimum				-1.1		-1.8		-5.3		6.6		8.8		-5.3	-3.2	13.3	14.2	-1.1	8.8	-2.9	1.4	-0.9	
Median				0.3		3.7		-0.3		11.1		12.5		-0.3	16.5	17.7	20.5	11.4	9.7	0.7	3.3	0.2	
Maximum				4.5		9.6		7.2		12.9		16.7		7.2	27.3	22.1	30.8	22.3	11.6	4.5	6.2	1.3	
MSCI All Country World Index				1		0.4		3.1		-1.5		10.0		11.7		-1.5	13.7	19.0	17.4	11.3	9.1		
MSCI World Index				2		0.3		2.7		-2.0		10.7		12.7		-2.0	15.6	19.9	19.9	11.9	9.4		
Russell Global Large Cap				3		0.4		3.1		-1.4		10.2		12.0		-1.4	14.0	19.2	18.2	11.5	9.1		
Russell Emerging Markets Index				4		1.1		6.4		3.8				3.8		-6.3							
MSCI World Index (100% hedged)						0.4		5.2		12.1		10.5		15.7		12.1	1.8	18.3	24.8	23.3	10.7		

Diversified Income

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 30 Sep 2016										For the year ended 30 September					Performance Objective					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012						
Devon	Diversified Income	6	0.3	(2)	3.2	(1)																	OCR + 1.5%
Milford	Diversified Income	1,481	-0.2	(5)	3.1	(2)	16.4	(1)	14.6	(1)	15.8	(1)	16.4	11.7	15.7	17.3	18.2						OCR + 2.5%
Mint	Diversified Income	134	0.0	(3)	1.8	(5)	9.7	(2)					9.7	8.3									OCR + 2.5%
Nikko	Income	10	0.6	(1)	2.9	(3)	9.4	(3)	9.2	(2)	8.9	(2)	9.4	9.6	8.6	5.4	11.9						10% p.a.
Harbour	Income	78	-0.0	(4)	2.1	(4)	8.7	(4)					8.7	9.2									OCR + 2.0%

Global Bonds

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Sep 2016										For the year ended 30 September					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk
Global Aggregate:																							
AMPCI	Global FI AIFQ	1	100	0.1	(6)	1.2	(6)	7.3	(7)	7.4	(6)	6.8	(6)	7.3	6.2	8.6	3.4	8.5	2.5	-0.3	1.3	-0.2	(5)
AMPCI	Global FI AIFHQ	3	419	0.3	(4)	0.4	(8)	5.9	(8)	6.8	(7)	5.6	(7)	5.9	7.9	6.6	2.1	5.8	2.4				
ANZ	International Aggregate	1	756	0.3	(2)	2.1	(2)	10.2	(2)					10.2	6.5								
Fisher	Global Bonds - PIMCO	1	237	0.3	(3)	2.1	(1)	10.3	(1)	9.1	(1)	8.7	(1)	10.3	5.2	11.8	1.7	15.1	3.6	1.5	2.0	0.8	(2)
Fisher	Global Bonds - Wellington	1	184	-0.1	(8)	0.8	(7)	8.6	(6)	8.0	(5)	7.0	(5)	8.6	6.7	8.7	1.7	9.2	2.7	-0.2	0.5	-0.3	(6)
Mercer	Global Bonds	1	1,398	0.1	(7)	1.6	(5)	8.8	(5)	8.5	(3)	8.2	(3)	8.8	6.0	10.8	3.2	12.3	2.6	1.0	1.4	0.7	(3)
Nikko	Global Fixed Interest	1	260	0.2	(5)	1.7	(3)	9.3	(3)	8.2	(4)	7.3	(4)	9.3	5.7	9.7	3.1	9.0	2.4	0.2	0.9	0.2	(4)
Russell	Global Bond	1	1,805	0.4	(1)	1.7	(4)	9.2	(4)	8.6	(2)	8.7	(2)	9.2	6.3	10.4	3.8	14.1	3.0	1.5	1.3	1.1	(1)
	Minimum			-0.1		0.4		5.9		6.8		5.6		5.9	5.2	6.6	1.7	5.8	2.4	-0.3	0.5	-0.3	
	Median			0.2		1.6		9.0		8.2		7.3		9.0	6.2	9.7	3.1	9.2	2.6	0.6	1.3	0.5	
	Maximum			0.4		2.1		10.3		9.1		8.7		10.3	7.9	11.8	3.8	15.1	3.6	1.5	2.0	1.1	
Other:																							
LMI	Brandywine*	2	n/a	0.2	(1)	1.4	(2)	10.4	(2)	9.6	(1)	10.0	(1)	10.4	3.2	15.6	7.3	14.1	5.8	2.8	5.1	0.5	(1)
ANZ	International Sovereign	2	2,677	0.1	(2)	0.5	(3)	7.9	(3)	7.7	(3)	6.5	(2)	7.9	7.6	7.7	2.0	7.6	3.0	-0.5	0.5	-1.0	(2)
ANZ	International Credit	x	1,263	-0.1	(3)	2.1	(1)	10.6	(1)	8.3	(2)			10.6	4.8	9.6							
	Barclays Capital Global Agg Index	1		0.1		1.0		8.8		8.1		7.1		8.8	6.9	8.7	2.8	8.4	2.6				
	Citigroup World Govt Bond Index	2		0.1		0.4		9.0		8.5		7.1		9.0	7.6	8.8	3.2	7.1	2.8				
	Barclays Global Treasury GDP Wgtd	3																					

Other Global Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 30 Sep 2016										For the year ended 30 September					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012						
AMPCI	Commodities	221	3.5	(1)	-2.7	(8)	3.0	(5)	-8.3	(7)				3.0	-23.1	-2.7	-9.9						Bloomberg Commodity Index
AMPCI	Infrastructure	278	2.5	(4)	4.0	(1)	12.1	(3)	14.6	(2)				12.1	2.1	31.5	17.4						DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	168	1.7	(6)	1.5	(5)	19.8	(1)						19.8	10.4								FTSE Global Core Infrastructure Net (NZD Hedged)
Magellan	Infrastructure	1,178	3.0	(3)	0.8	(6)	11.2	(4)	15.2	(1)	13.5	(2)		11.2	14.2	20.4	4.5	17.6					S&P Global Infrastructure Index (A\$ Hedged)
Milford	Global	281	0.4	(7)	2.3	(3)	-1.3	(8)	8.2	(5)				-1.3	14.3	12.3							OCR + 5%
PATH	Commodity Plus Fund	72	3.2	(2)	-1.1	(7)	2.6	(6)	0.5	(6)	-0.2	(3)		2.6	1.1	-2.1	-7.1	4.9					Bloomberg Commodity Index
PATH	World Equity Fund	31	-0.7	(8)	1.7	(4)	0.2	(7)	11.0	(4)				0.2	13.0	20.9	13.8						MSCI AC World
PATH	Global Water Fund	10	2.0	(5)	3.7	(2)	12.2	(2)	12.3	(3)	14.5	(1)		12.2	9.2	15.4	27.7	8.9					n/a

* 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 30 Sep 2016										For the year ended 30 September					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk
AMPCI	NZ Fixed Interest	1	1,817	-0.0	(11)	1.2	(10)	6.9	(5)	7.5	(4)	6.3	(4)	6.9	9.3	6.2	0.1	9.1	2.9	0.9	0.5	1.9	(1)
ANZ	NZ Fixed Interest	1	1,770	0.0	(9)	1.3	(9)	7.2	(4)	7.5	(3)	6.2	(5)	7.2	9.6	5.8	-0.7	9.3	2.9	0.8	0.5	1.6	(2)
Fisher	NZ Fixed Interest	1	207	0.0	(7)	1.4	(7)	7.3	(2)	7.4	(5)	5.8	(7)	7.3	9.6	5.4	0.4	6.7	2.4	0.5	1.2	0.4	(5)
Harbour	NZ Core Fixed Interest	3	220	0.1	(6)	1.4	(8)	7.2	(3)	7.0	(7)	6.3	(3)	7.2	7.9	5.8	2.6	7.9	2.0				
Harbour	NZ Corporate Bond	2	288	0.2	(2)	1.6	(4)	5.7	(10)	6.4	(8)	6.0	(6)	5.7	7.9	5.6	4.3	6.5	1.3	0.1	0.6	0.2	(6)
Milford	Trans-Tasman Bond	5	336	0.2	(4)	1.9	(2)	6.7	(8)					6.7	7.8								
Nikko	NZ Corporate Bond	1	327	0.2	(1)	2.0	(1)	6.8	(7)	7.7	(2)	7.1	(1)	6.8	9.5	6.8	4.3	8.2	1.9	1.7	1.7	1.0	(4)
Nikko	NZ Fixed Interest	1	284	0.2	(2)	1.9	(3)	7.3	(1)	7.7	(1)	6.8	(2)	7.3	9.3	6.6	2.3	8.9	2.3	1.4	1.1	1.3	(3)
Russell	NZ Fixed Interest	1	124	0.0	(8)	1.4	(6)	6.9	(6)	7.2	(6)			6.9	8.7	5.9							
Western	NZ Core	4	261	0.1	(5)	1.5	(5)	6.7	(9)					6.7	9.1								
Western	NZ Core Constrained	1	82	-0.0	(10)	1.0	(11)	4.5	(11)	5.3	(9)	4.1	(8)	4.5	7.2	4.1	0.9	4.1	1.3	-1.2	1.8	-0.6	(7)
	Minimum			-0.0		1.0		4.5		5.3		4.1		4.5	7.2	4.1	-0.7	4.1	1.3	-1.2	0.5	-0.6	
	Median			0.1		1.4		6.9		7.4		6.2		6.9	9.1	5.8	1.6	8.0	2.1	0.8	1.1	1.0	
	Maximum			0.2		2.0		7.3		7.7		7.1		7.3	9.6	6.8	4.3	9.3	2.9	1.7	1.8	1.9	
	S&P/NZX NZ Govt Stock Index	1		-0.2		0.9		6.6		6.9		5.3		6.6	9.0	5.2	-2.1	8.3	3.0				
	S&P/NZX NZ Corp A Grade Index	2		0.2		1.6		5.8		6.6		5.9		5.8	8.5	5.5	3.0	6.7	1.6				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		-0.0		1.2		6.2		6.8		5.6		6.2	8.7	5.4	0.4	7.5	2.2				
	S&P/NZX NZ Comp Inv Grade Index	4		-0.1		1.1		6.4						6.4	8.8								

NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Sep 2016										For the year ended 30 September					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk
AMPCI	NZ Cash	1	4,309	0.2	(7)	0.7	(7)	3.0	(6)	3.5	(6)	3.5	(3)	3.0	4.0	3.6	3.5	3.5	0.1	0.6	0.1	7.9	(2)
AMPCI	NZ Short Duration	2	279	0.2	(4)	1.2	(1)	4.7	(1)	5.5	(1)			4.7	6.9	5.0	4.3						
AMPCI	Global Short Duration	1	189	0.3	(1)	1.0	(2)	4.5	(2)	4.9	(2)			4.5	4.4	5.8	3.3						
ANZ	NZ Cash	1	4,027	0.2	(6)	0.7	(6)	3.0	(7)	3.5	(7)	3.5	(4)	3.0	3.9	3.6	3.4	3.5	0.1	0.5	0.1	6.0	(3)
Fisher	NZ Cash	1	340	0.2	(5)	0.9	(4)	3.1	(5)	3.7	(5)	3.8	(2)	3.1	4.2	3.8	4.4	3.7	0.3	0.9	0.3	2.7	(4)
Harbour	Short Duration	1	47	0.3	(3)	0.9	(3)	3.6	(3)	4.0	(3)			3.6	4.4	4.0	4.1						
Nikko	NZ Cash	1	713	0.3	(2)	0.8	(5)	3.4	(4)	3.9	(4)	4.0	(1)	3.4	4.4	4.0	4.0	4.1	0.1	1.0	0.1	8.3	(1)
	Median			0.2		0.9		3.4		3.9		3.7		3.4	4.4	4.0	4.0	3.6	0.1	0.7	0.1	6.9	
	S&P/NZX 90 Day Bank Bill Index	1		0.2		0.6		2.7		3.1		3.0		2.7	3.6	3.1	2.7	2.7	0.1				
	S&P/NZX Short End Swap Index	2		0.2		1.0		3.9		4.5				3.9	6.1	3.3	1.8		0.8				

NZ Property

		Returns (%) gross of tax and fees																						
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Sep 2016										For the year ended 30 September					For last 5 years					
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk	
Direct:																								
Fisher Trust	Property Fund		428	4.0	(1)	5.0	(1)	11.3	(2)	12.6	(1)	12.3	(1)	11.3	15.5	11.0	17.7	6.0	4.5					
	Property Fund		113	0.4	(2)	1.4	(2)	13.5	(1)	10.2	(2)	9.6	(2)	13.5	7.4	9.6	9.6	7.9	2.2					
Listed:																								
AMPCI	Listed Property	1	22	-1.6	(3)	2.2	(6)	21.0	(7)	17.8	(4)	16.9	(4)	21.0	16.1	16.6	10.4	20.9	7.1	2.0	2.1	1.0	(3)	
AMPCI	Property Fund	2	107	-2.3	(7)	0.9	(7)	21.5	(5)					21.5										
ANZ	Property Securities	1	171	-1.1	(1)	3.3	(1)	23.6	(2)	18.9	(2)	18.3	(2)	23.6	14.9	18.5	12.4	22.3	7.6	3.2	2.7	1.2	(2)	
ANZ	Trans Tasman	2	440	-1.6	(4)	2.5	(2)	24.3	(1)	19.8	(1)	19.9	(1)	24.3	16.4	18.9	14.3	26.1	7.9	2.6	2.9	0.9	(4)	
Mint	Real Estate Inv Trust	1	55	-1.8	(6)	2.2	(5)	21.2	(6)	16.9	(6)	16.7	(5)	21.2	14.9	14.7	12.1	20.9	6.7	1.8	2.5	0.7	(6)	
Nikko	Property Securities	1	36	-1.7	(5)	2.4	(4)	22.1	(4)	17.1	(5)	15.7	(6)	22.1	15.8	13.4	10.1	17.7	7.2	1.0	1.2	0.8	(5)	
Salt	Listed Property	1	373	-1.3	(2)	2.4	(3)	22.7	(3)	18.5	(3)	17.3	(3)	22.7	16.8	16.2	10.7	20.3	6.9	2.3	1.6	1.5	(1)	
Minimum				-2.3		0.9		21.0		16.9		15.7		21.0	14.9	13.4	10.1	17.7	6.7	1.0	1.2	0.7		
Median				-1.6		2.4		22.1		18.2		17.1		22.1	15.9	16.4	11.4	20.9	7.2	2.2	2.3	0.9		
Maximum				-1.1		3.3		24.3		19.8		19.9		24.3	16.8	18.9	14.3	26.1	7.9	3.2	2.9	1.5		
S&P/NZX Property Index		1		-1.4		2.3		21.2		16.3		14.6		21.2	15.6	12.3	8.1	15.9	7.5					
NZX/ASX Property Index		2		-2.2		1.4		22.0		17.8		16.9		22.0	18.4	13.2	11.1	20.0	7.6					

Global Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Sep 2016										For the year ended 30 September					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk
AMPCI	Global Property Securities	1	190	-1.3	(2)	0.0	(4)	9.9	(4)	14.4	(2)	18.1	(1)	9.9	18.1	15.5	14.2	34.3	14.4	0.4	4.8	0.1	(1)
ANZ	International Property	1	595	-0.9	(1)	1.0	(2)	13.7	(1)	14.9	(1)	17.1	(2)	13.7	13.9	17.2	11.1	30.4	12.7	-0.7	2.4	-0.3	(2)
PATH	Global Property	1	12	-1.8	(4)	0.4	(3)	10.9	(3)					10.9									
Russell	Global Listed Real Estate	1	46	-1.3	(3)	2.4	(1)	12.9	(2)					12.9									
FTSE EPRA/NAREIT Index*				-1.5		0.7		17.2		15.5		17.8		17.2	14.1	15.3	12.9	30.6	12.4				
*UBS Global RE Index prior to June 2015																							

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> <tr><td>Western</td><td>Western Asset</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, global bonds 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	Western	Western Asset	<p>Guy Fisher Consultant +64 4 819 4054 guy.fisher1@aonhewitt.com</p> <p>Charles Macdonald Consultant +64 4 819 4050 charles.macdonald@aonhewitt.com</p>
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