

# The Aon Investment Update as at 30 June 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 June 2018

### Market Summary

Whilst a strong initial start to the second quarter helped global equity markets to rebound from the previous quarter's decline, equity market momentum (as measured by the MSCI All Country World Index) faltered over the remaining period, culminating in a flat return over June. Building headwinds, namely trade turmoil and slowing growth (with the exception of the US), led to an increase in risk aversion amongst investors which dampened returns. Global equities, nonetheless, generated a positive return of 2.9% in local currency terms and 0.7% in US dollar terms over the quarter.

Receding political uncertainty within the Eurozone during 2017 seems very distant now with a coalition between the MS5 and NL in Italy, and a new government in Spain following a no-confidence vote for former Prime Minister Rajoy. This, alongside economic data coming off slightly, led to Europe's relative underperformance; a quarterly return of 2.9% in euro terms.

While Brexit uncertainties persist, UK equities rebounded strongly following a particularly weak start to the year. The tailwinds of sterling depreciation, higher energy prices, and a degree of reversion from being oversold in the previous quarter drove a 9.4% return for UK equities in local currency terms.

Emerging market equities were hardest hit by the trade turmoil as they returned -3.4% in local currency terms. The strength of the US dollar compounded the issue, with unhedged US investors returning -7.9% from EM equities.

The New Zealand share market continues to perform strongly. The S&P/NZX 50 index returned 3.4% for the month, taking the return for Q2 to 7.7%. Australian shares also fared well with the S&P/ASX 300 returning 8.4% over the quarter (11.4% in NZD terms).

Short term US interest rates rose during June as the Federal Reserve raised rates, but longer dated yields were little changed. The Barclays Global Aggregate Bond Index (NZD hedged) returned 0.2% for the month, and 0.2% also for the quarter.

The S&P/NZX NZ Government Stock Index returned 0.6% in June (1.1% for the quarter), while returns from the S&P/NZX A Grade Corporate Bond Index were broadly similar (0.4% for the month and 1.1% for the quarter).

### Fund Performance

Balanced fund returns ranged from 0.7% to 1.5% in June, and the median manager has returned 3.8% over the last 3 months. Nikko continues to lead the way over the last 12 months with a return of 14.3% while Mercer remains firmly at the lower end with 8.5% over the same period.

Returns from the domestic equity managers remain positive, ranging from 3.2% from the AMP NZ shares RIL fund to 4.6% from the Harbour Australasian Equity focus fund. Over the last 3 months, Devon has had the best performing fund (10.2% from their Trans Tasman Fund) and the worst performance has come from the Salt Focus Fund (6.2%).

Returns from global shares funds were stronger this month. The median return in June was 2.9%, with returns ranging from -1.6% from the Russell Emerging Markets Fund to 6.9% from the Elevation Capital Value Fund.

The median domestic bond fund returned 0.5% in June and 1.1% over the last 3 months. The Nikko NZ Corporate Bond Fund is the best performer over the last 12 months, returning 5.9%.

Global bond fund returns ranged from 0.1% to 0.5%. The Milford fund remains the best performer over the last 12 months, returning 3.4%.

Returns from the global absolute return funds were very mixed. The Nikko Option fund fared best, posting a return of 2.0%, while Mercer's Liquid Alternatives fund returned -1.3% over the month.

### New Zealand Fund Manager News

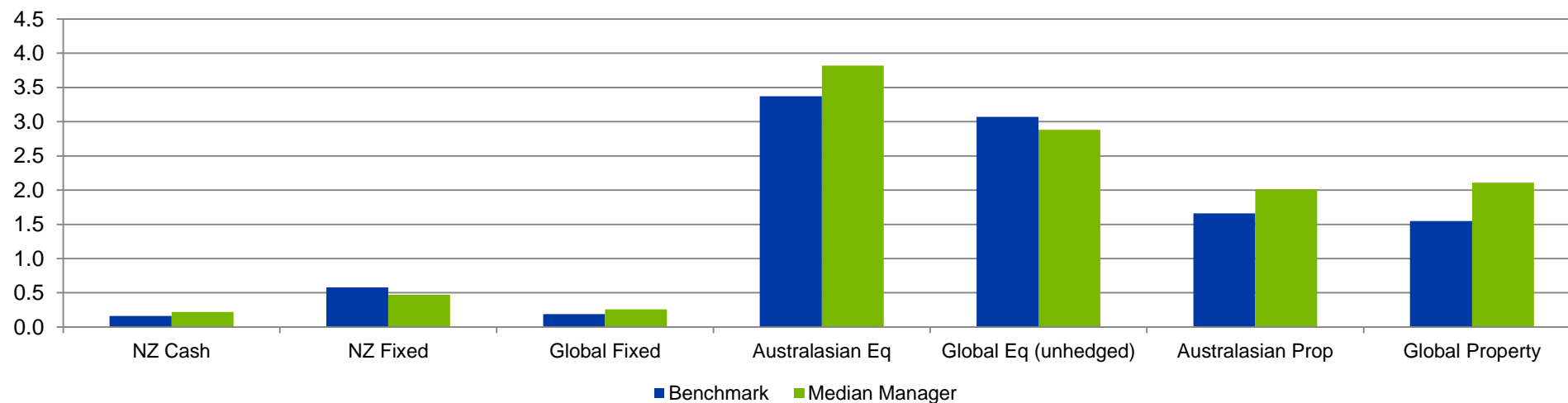
ANZ Investments confirmed that Paul Huxford has been appointed as Chief Investment Officer. Paul has been acting in the role since April of this year.

Milford Asset Management announced that Michael Robson has been appointed to the role of head of intermediary distribution, focusing on servicing and growing relationships with financial advisers, wealth management firms and adviser networks.

## Median Manager Performance v Benchmark

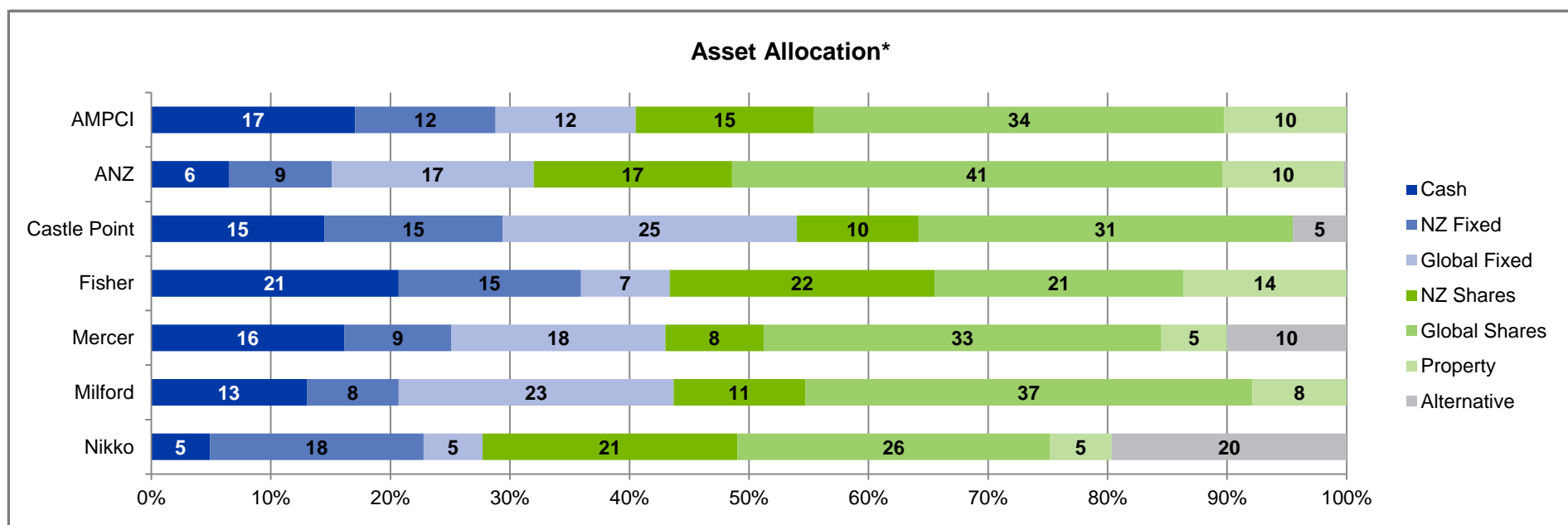
Sector		Returns (%) gross of tax and fees										Volatility 5 Yrs
		For the period to 30 Jun 2018					For the year ended 30 June					
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2018	2017	2016	2015	2014	
NZ Cash	ANZ 90D Bank Bills	0.2	0.5	1.9	2.3	2.7	1.9	2.2	2.9	3.7	2.8	0.1
	Median Manager	0.2	0.7	2.9	3.1	3.6	2.9	3.0	3.6	4.5	3.9	0.2
NZ Fixed Interest	ANZ NZ Govt Stock	0.6	1.1	4.3	4.1	4.6	4.3	0.2	8.0	8.5	2.1	2.4
	Median Manager	0.5	1.1	4.8	4.9	5.3	4.8	2.1	7.5	8.8	3.2	1.9
International Fixed Interest	Barclays Agg	0.2	0.2	2.2	4.3	5.6	2.2	0.9	10.1	6.9	8.0	2.5
	Median Manager	0.3	0.4	2.9	4.7	5.8	2.9	2.4	9.0	6.7	8.5	2.5
Australasian Shares	NZX 50 Gross	3.4	7.7	18.9	17.4	16.5	18.9	11.7	21.9	13.0	17.2	8.5
	Median Manager	3.8	8.7	19.3	16.7	17.1	19.3	11.5	20.3	14.1	22.3	8.8
International Shares (unhdgd)	MSCI ACWI	3.1	7.1	19.7	8.1	12.3	19.7	15.5	-8.6	30.4	8.5	9.9
	Median Manager	2.9	7.1	20.0	9.4	13.8	20.0	19.0	-6.5	33.2	9.3	10.1
Australasian Property	NZX Property	1.7	6.3	9.9	9.8	11.2	9.9	1.8	18.5	19.1	7.8	7.5
	Median Manager	2.0	6.5	11.5	10.6	12.7	11.5	1.6	19.2	19.0	11.8	7.3
International Property	FTSE Property	1.6	6.5	3.3	7.3	9.8	3.3	0.9	18.6	10.9	16.6	11.7
	Median Manager	2.1	6.6	8.5	7.4	10.4	8.5	0.4	13.2	9.8	21.1	11.5

### 1 Month Performance (%)



## Balanced Funds

		Returns (%) gross of tax and fees														
Manager	FUM (\$m)	For the period to 30 Jun 2018					For the year ended 30 June					5 Years				
		1 M Rk	1 Qtr Rk	1 Yr Rk	3 Yrs Rk	5 Yrs Rk	2018	2017	2016	2015	2014	Vol	SR Rk			
AMP Capital Investors RIL	54	1.1 (5)	3.5 (5)	9.9 (5)	6.5 (7)	9.0 (6)	9.9	9.3	0.6	11.3	14.3	4.2	1.5 (7)			
ANZ Investments	100	1.4 (2)	4.4 (2)	10.9 (3)	8.7 (4)	11.0 (3)	10.9	10.3	5.0	15.0	14.2	4.8	1.7 (5)			
Castle Point Funds	28	0.7 (6)	1.5 (7)	9.8 (6)	8.7 (5)	8.2 (7)	9.8	12.5	4.0	7.8	6.9	3.6	1.5 (6)			
Fisher Institutional	665	1.5 (1)	3.8 (4)	10.4 (4)	9.0 (3)	10.0 (5)	10.4	8.8	7.9	9.7	13.3	3.5	2.1 (3)			
Mercer	1,421	0.7 (7)	2.3 (6)	8.5 (7)	8.0 (6)	10.1 (4)	8.5	9.9	5.5	12.7	14.1	3.7	2.0 (4)			
Milford Funds	553	1.2 (4)	4.4 (1)	12.4 (2)	10.6 (1)	12.2 (1)	12.4	11.8	7.7	16.7	12.7	4.4	2.1 (2)			
Nikko Asset Management	274	1.4 (2)	4.0 (3)	14.3 (1)	10.5 (2)	11.8 (2)	14.3	8.4	8.8	15.8	12.1	4.2	2.2 (1)			
Minimum		0.7	1.5	8.5	6.5	8.2	8.5	8.4	0.6	7.8	6.9	3.5	1.5			
Median		1.2	3.8	10.4	8.7	10.1	10.4	9.9	5.5	12.7	13.3	4.2	2.0			
Maximum		1.5	4.4	14.3	10.6	12.2	14.3	12.5	8.8	16.7	14.3	4.8	2.2			



\*Allocations may not sum to 100 due to rounding

## Australasian Shares (Page 1 of 2)

					Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 30 Jun 2018										For the year ended 30 June					For last 5 years				
					1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR*	Rk
<b>Core</b>																								
AMPCI	NZ Shares	1	493	0	3.6	(13)	7.2	(18)	18.0	(15)	16.6	(13)	17.1	(8)	18.0	10.6	21.7	15.2	20.3	8.4	0.5	2.2	0.2	(9)
AMPCI	NZ Shares RIL	1	15	0	3.2	(21)	6.6	(20)	17.0	(17)	17.0	(9)	17.5	(6)	17.0	11.2	23.1	15.0	21.9	8.1	0.9	2.4	0.4	(7)
ANZ	NZ Equities	1	188	0	4.1	(5)	8.8	(10)	18.8	(12)	16.2	(14)	16.3	(12)	18.8	10.2	19.8	10.5	22.8	8.7	-0.2	1.9	-0.1	(15)
ANZ	Australasian Equity	1	1,029	7	4.2	(4)	9.1	(8)	19.8	(9)	16.1	(15)	16.4	(11)	19.8	9.1	19.9	10.9	23.0	8.9	-0.1	2.2	-0.0	(14)
CPFM	Trans Tasman Strategy	1	0	18	4.0	(8)	7.9	(16)	34.0	(1)	24.0	(1)			34.0	17.2	21.4	15.9						
Devon	NZ Core	1	255	12	3.5	(17)	9.5	(4)	13.2	(18)	13.1	(18)	15.7	(16)	13.2	6.9	19.6	16.9	22.3	9.3	-0.7	3.3	-0.2	(16)
Devon	NZ Only	1	105	0	3.6	(15)	9.5	(5)	10.9	(20)					10.9	9.6								
Devon	Trans Tasman	3	153	51	3.4	(19)	10.2	(1)	12.8	(19)	12.7	(19)	16.2	(14)	12.8	12.1	13.1	16.6	27.1	8.7	4.7	5.5	0.9	(4)
Fisher	Trans Tasman Equities	7	167	33	4.3	(3)	10.1	(3)	22.1	(7)	17.4	(8)	16.2	(13)	22.1	10.0	20.6	10.2	18.9	8.1	1.6	2.5	0.6	(5)
Harbour	Australasian Equity	1	533	21	4.3	(2)	8.9	(9)	26.1	(5)	21.3	(5)	19.3	(3)	26.1	16.7	21.4	10.5	22.3	9.6	1.4	4.3	0.3	(8)
Harbour	Australasian Equity Focus	3	101	44	4.6	(1)	10.1	(2)	31.2	(2)	22.4	(3)			31.2	18.1	18.5	10.5						
Harbour	Advanced Beta	2	155	0	3.4	(18)	8.0	(15)	18.3	(14)	16.7	(11)			18.3	12.9	19.0							
Mercer	Trans Tasman Equity	1	476	15	3.8	(11)	9.2	(6)	19.0	(11)	16.7	(10)	17.0	(10)	19.0	11.1	20.3	13.2	21.9	8.9	0.5	2.2	0.2	(10)
Milford	NZ Equities	1	407	0	4.1	(6)	8.7	(11)	28.0	(4)	23.0	(2)	20.6	(1)	28.0	17.4	23.8	11.8	22.7	8.6	3.6	3.0	1.2	(2)
Milford	Trans Tasman Equity	3	361	52	3.6	(14)	8.6	(12)	23.6	(6)	16.7	(12)	15.7	(15)	23.6	17.6	9.4	12.6	16.1	8.9	4.4	5.0	0.9	(3)
Mint	Trans Tasman Equity	1	179	17	3.6	(16)	7.4	(17)	21.1	(8)	18.2	(6)	18.5	(4)	21.1	11.8	22.0	15.7	22.3	7.4	1.7	2.8	0.6	(6)
Mint	SRI Fund	1	18	0	4.1	(6)	8.3	(14)																
Nikko	Core Domestic Equity	1	487	15	3.9	(10)	9.1	(7)	30.1	(3)	21.6	(4)	20.1	(2)	30.1	12.4	23.1	17.1	18.7	9.0	3.2	2.5	1.3	(1)
Russell	NZ Shares	1	211	0	3.9	(9)	8.5	(13)	18.6	(13)	18.0	(7)	17.3	(7)	18.6	12.3	23.3	13.0	19.6	8.7	0.1	2.2	0.0	(13)
Salt	NZ Plus Share	1	639	6	3.7	(12)	7.1	(19)	17.2	(16)	15.5	(16)	17.1	(9)	17.2	10.2	19.2	16.7	22.4	9.1	0.5	2.9	0.2	(11)
Salt	Focus Fund	2	80	7	3.3	(20)	6.2	(21)	19.6	(10)	15.0	(17)	17.7	(5)	19.6	9.4	16.3	16.7	27.2	9.2	0.4	4.4	0.1	(12)
	Minimum				3.2		6.2		10.9		12.7		15.7		10.9	6.9	9.4	10.2	16.1	7.4	-0.7	1.9	-0.2	
	Median				3.8		8.7		19.3		16.7		17.1		19.3	11.5	20.3	14.1	22.3	8.8	0.7	2.7	0.3	
	Maximum				4.6		10.2		34.0		24.0		20.6		34.0	18.1	23.8	17.1	27.2	9.6	4.7	5.5	1.3	
<b>Absolute Return</b>																								
ANZ	Equity Selection	8	16	0	2.0	(3)	6.5	(3)	8.1	(5)	9.2	(6)	11.4	(4)	8.1	6.3	13.3	6.8	23.3	8.5	3.2		1.0	(4)
CPFM	Ranger	8	53	47	1.9	(4)	3.8	(6)	38.5	(1)	20.7	(2)			38.5	19.2	6.5	6.5						
Devon	Alpha	8	103	51	2.3	(2)	10.7	(1)	16.8	(4)	9.4	(5)	14.1	(3)	16.8	4.6	7.1	16.7	26.4	7.7	1.2		1.5	(3)
Milford	Active Growth	8	971	20	1.8	(6)	5.9	(4)	18.8	(3)	14.0	(3)	15.4	(2)	18.8	11.7	11.7	15.6	19.2	5.5	4.5		2.3	(1)
Milford	Australian Absolute Growth	8	69	0	1.9	(5)	5.7	(5)																
Nikko	Concentrated	8	123	32	3.0	(1)	7.4	(2)	34.7	(2)	21.3	(1)	21.6	(1)	34.7	10.8	19.7	27.7	16.3	9.2	2.8		2.1	(2)
Salt	Long/Short	8	275	75	0.1	(7)	-1.2	(7)	6.5	(6)	12.0	(4)			6.5	8.8	21.3	25.1						
	Minimum				0.1		-1.2		6.5		9.2		11.4		6.5	4.6	6.5	6.5	16.3	5.5	1.2		1.0	
	Median				1.9		5.9		17.8		13.0		14.7		17.8	9.8	12.5	16.1	21.3	8.1	3.0		1.8	
	Maximum				3.0		10.7		38.5		21.3		21.6		38.5	19.2	21.3	27.7	26.4	9.2	4.5		2.3	

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

## Australasian Shares (Page 2 of 2)

					Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 30 Jun 2018										For the year ended 30 June					For last 5 years				
					1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
<b>Equity Income</b>																								
Devon	Dividend Yield	3	40	38	2.5	(2)	<b>9.0</b>	(1)	7.0	(3)	12.3	(2)	14.7	(2)	7.0	8.9	21.4	18.7	18.4	8.6	3.4	6.1	0.6	(2)
Harbour	Australasian Eq Income	n/a	65	37	2.5	(3)	7.7	(2)	8.5	(2)	10.0	(3)	13.3	(3)	8.5	8.9	12.6	18.1	18.7	7.3				
Salt	Dividend Appreciation	1	79	0	<b>3.5</b>	(1)	6.9	(3)	<b>16.3</b>	(1)	<b>16.9</b>	(1)	<b>18.7</b>	(1)	<b>16.3</b>	<b>11.2</b>	<b>23.4</b>	<b>20.0</b>	<b>22.8</b>	8.5	1.9	3.0	<b>0.6</b>	(1)
	Minimum				2.5		6.9		7.0		10.0		13.3		7.0	8.9	12.6	18.1	18.4	7.3	1.9	3.0	0.6	
	Median				2.5		7.7		8.5		12.3		14.7		8.5	8.9	21.4	18.7	18.7	8.5	2.6	4.5	0.6	
	Maximum				3.5		9.0		16.3		16.9		18.7		16.3	11.2	23.4	20.0	22.8	8.6	3.4	6.1	0.6	
<b>Australian Only</b>																								
AMPCI	Australian Share	5	188	100	4.5	(2)	11.3	(3)	18.6	(2)	5.8	(3)	7.6	(2)	<b>18.6</b>	<b>9.8</b>	<b>-9.1</b>	<b>13.8</b>	<b>7.0</b>	12.3	1.1	4.7	0.2	(2)
ANZ	Australian Share	5	1,051	100	<b>4.8</b>	(1)	11.7	(2)	18.0	(3)	5.6	(4)	6.9	(3)	18.0	7.0	<b>-6.8</b>	9.5	8.2	12.8	0.5	5.2	0.1	(3)
Devon	Australian	5	16	100	4.2	(3)	<b>13.0</b>	(1)	18.0	(4)	9.9	(2)	<b>12.8</b>	(1)	18.0	11.4	1.1	19.0	15.3	11.9	5.9	5.7	<b>1.0</b>	(1)
Milford	Dynamic	6	222	100	1.6	(4)	7.4	(4)	<b>27.6</b>	(1)	<b>15.5</b>	(1)			27.6	12.5	7.4	19.1						
	Minimum				1.6		7.4		18.0		5.6		6.9		18.0	7.0	<b>-9.1</b>	9.5	7.0	11.9	0.5	4.7	0.1	
	Median				4.4		11.5		18.3		7.9		7.6		18.3	10.6	<b>-2.8</b>	16.4	8.2	12.3	1.1	5.2	0.2	
	Maximum				4.8		13.0		27.6		15.5		12.8		27.6	12.5	7.4	19.1	15.3	12.8	5.9	5.7	1.0	
<b>Benchmarks</b>																								
	S&P/NZX 50 Gross incl I/C	1			3.4		7.7		18.9		17.4		16.5		18.9	11.7	21.9	13.0	17.2	8.5				
	S&P/NZX 50 Portfolio incl I/C	2			2.7		7.9		19.1		17.5		17.1		19.1	12.4	21.1	15.3	17.6	8.2				
	NZX50/ASX200 (50/50)	3			3.9		9.5		11.6		9.8		10.8		11.6	11.5	6.3	12.5	12.1	9.3				
	ASX 200	5			4.5		11.3		7.1		4.2		6.1		7.1	14.3	<b>-7.5</b>	11.4	6.8	13.5				
	ASX SmallCap Industrials	6			1.4		6.9		19.0		13.3		12.0		19.0	8.4	12.8	7.2	13.1	11.6				
	70% NZX50 / 30% ASX200	7			3.5		8.2		17.7		14.0		14.3		17.7	10.0	14.4	12.5	17.2	8.4				
	Other (Absolute Return)	8																						
	ASX 200 (in A\$)				3.3		8.5		13.0		9.0		10.0		13.0	14.1	0.6	5.7	17.4	10.9				

## International Shares (Unhedged)

				Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Jun 2018										For the year ended 30 June					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	955	2.8	(9)	6.3	(12)	18.5	(11)	9.8	(7)	14.3	(4)	18.5	15.4	-3.3	32.9	11.0	9.5	1.7	1.8	1.0	(3)
AMPCI	RIL Global Shares	1	63	2.5	(12)	6.8	(9)	23.4	(6)	7.5	(11)	12.7	(8)	23.4	16.3	-13.6	31.8	11.2	10.1	0.3	1.8	0.2	(8)
ANZ	International Share	1	5,397	3.3	(5)	7.5	(7)	19.9	(9)	10.3	(4)	14.6	(3)	19.9	19.1	-5.9	34.1	9.6	10.0	2.0	2.1	1.0	(1)
EC	Value Fund	1	32	6.9	(1)	8.5	(6)	9.7	(15)	7.2	(12)	10.0	(12)	9.7	13.5	-1.1	17.6	11.0	9.4	-2.4	6.6	-0.4	(10)
Fisher	Overseas Equities	1	403	2.9	(8)	6.8	(10)	19.2	(10)	8.0	(10)	11.7	(10)	19.2	15.8	-8.6	27.2	8.4	9.8	-0.6	1.3	-0.4	(11)
FRK	Global Growth	1	n/a	3.4	(4)	8.6	(5)	29.6	(1)	14.1	(1)	17.0	(1)	29.6	20.4	-4.8	36.1	8.3	10.7	4.2	4.4	1.0	(2)
FRK	Global Trust	1	n/a	3.0	(7)	6.5	(11)	16.6	(12)	5.2	(14)	10.3	(11)	16.6	21.4	-17.7	23.6	13.1	11.2	-1.8	3.9	-0.5	(12)
Harbour	Global Equity Growth	1	39	2.6	(11)	8.9	(4)	28.8	(2)	13.2	(2)			28.8	20.2	-6.4							
Magellan	Global	2	10,873	4.2	(2)	10.8	(1)	23.7	(4)	10.7	(3)	14.2	(5)	23.7	17.3	-6.6	38.9	3.0	11.4	1.4	4.0	0.4	(7)
Mercer	Global Equities	2	1,824	3.1	(6)	7.1	(8)	21.2	(7)	10.1	(5)	14.8	(2)	21.2	19.4	-7.9	34.8	10.7	10.5	1.9	3.3	0.6	(5)
MGH	MGH Investments	1	28	1.6	(14)	2.9	(14)	13.7	(14)	9.1	(8)	12.6	(9)	13.7	19.5	-4.3	33.0	4.6	9.9	0.1	5.1	0.0	(9)
Nikko	Global Equity	1	517	3.4	(3)	9.6	(2)	23.6	(5)	10.1	(6)	14.1	(6)	23.6	13.6	-5.1	33.3	8.9	10.1	1.6	2.1	0.8	(4)
Nikko	Wholesale Global Shares	1	16	2.3	(13)	9.1	(3)	27.6	(3)					27.6									
Russell	Emerging Markets	4	1	-1.6	(15)	-3.4	(15)	15.2	(13)	7.1	(13)			15.2	23.8	-13.9							
Russell	Global Opportunities	3	202	2.7	(10)	5.8	(13)	20.0	(8)	8.9	(9)	13.4	(7)	20.0	18.9	-9.5	36.0	7.0	10.6	0.9	1.7	0.5	(6)
	Minimum			-1.6		-3.4		9.7		5.2		10.0		9.7	13.5	-17.7	17.6	3.0	9.4	-2.4	1.3	-0.5	
	Median			2.9		7.1		20.0		9.4		13.8		20.0	19.0	-6.5	33.2	9.3	10.1	1.1	2.7	0.4	
	Maximum			6.9		10.8		29.6		14.1		17.0		29.6	23.8	-1.1	38.9	13.1	11.4	4.2	6.6	1.0	
	MSCI All Country World Index	1		3.1		7.1		19.7		8.1		12.3		19.7	15.5	-8.6	30.4	8.5	9.9				
	MSCI World Index	2		3.5		7.7		18.8		8.0		12.6		18.8	15.0	-7.7	31.3	9.4	10.2				
	Russell Global Large Cap	3		3.1		7.2		19.9		8.3		12.6		19.9	15.6	-8.5	30.5	9.1	9.9				
	Russell Emerging Markets Index	4		-0.7		-1.9		16.1		5.6				16.1	20.0	-15.5							
	MSCI ACWI (100% hedged)			-1.1		1.3		8.5		9.3		12.5		8.5	22.8	-1.9	10.9	24.5	9.4				

## Diversified Income

				Returns (%) gross of tax and fees																			
Manager	Fund	FUM (\$m)		For the period to 30 Jun 2018										For the year ended 30 June					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		1.6	(1)	3.5	(1)	6.8	(2)	7.9	(2)			6.8	7.1	10.0	9.1						n/a
Devon	Diversified Income	6		0.8	(5)	2.7	(4)	5.4	(6)					5.4	5.0								OCR + 1.5%
Milford	Diversified Income	1,845		0.9	(3)	3.3	(3)	8.6	(1)	11.3	(1)	12.7	(1)	8.6	11.2	14.2	15.3	14.3					OCR + 2.5%
Mint	Diversified Income	149		0.8	(6)	2.6	(5)	6.6	(4)	6.5	(4)			6.6	3.7	9.4							OCR + 2.5%
Nikko	Income	12		1.1	(2)	1.8	(6)	6.7	(3)	6.6	(3)	7.2	(2)	6.7	3.4	9.9	8.8	7.3					8% p.a.
Harbour	Income	71		0.9	(4)	3.4	(2)	5.7	(5)	6.1	(5)			5.7	4.8	8.0	10.3						OCR + 2.0%



## International Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Jun 2018								For the year ended 30 June					For last 5 years						
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
<b>Global Aggregate:</b>																							
AMPCI	Global FI AIFQ	1	107	0.1	(9)	0.0	(8)	1.8	(8)	3.6	(7)	4.9	(6)	1.8	1.8	7.3	6.8	6.8	2.5	-0.6	0.9	-0.7	(6)
AMPCI	Global FI AIFPQ	3	528	0.2	(6)	0.2	(6)	1.5	(9)	3.3	(8)	4.4	(7)	1.5	-0.6	9.2	5.9	6.1	2.7				
ANZ	International Aggregate	1	716	<b>0.5</b>	<b>(1)</b>	<b>0.7</b>	<b>(1)</b>	3.3	(2)	<b>5.4</b>	<b>(1)</b>			3.3	3.8	9.4	6.7						
Fisher	Global Bonds - PIMCO	1	214	0.1	(7)	0.4	(4)	3.0	(4)	5.2	(2)	<b>6.7</b>	<b>(1)</b>	3.0	<b>4.1</b>	8.5	7.2	<b>11.2</b>	2.8	1.1	1.4	<b>0.8</b>	<b>(1)</b>
Fisher	Global Bonds - Wellington	1	97	0.5	(2)	0.5	(2)	2.7	(6)	4.5	(6)	5.5	(5)	2.7	0.8	<b>10.2</b>	6.6	7.5	2.5	-0.1	0.4	-0.1	(5)
Mercer	Global Bonds	1	1,594	0.4	(3)	0.4	(5)	3.1	(3)	4.9	(3)	6.2	(2)	3.1	2.8	8.7	6.8	9.7	2.2	0.8	1.3	0.6	(2)
Milford	Global Bond Fund	4	316	0.1	(8)	0.0	(7)	<b>3.4</b>	<b>(1)</b>					<b>3.4</b>									
Nikko	Global Fixed Interest	1	245	0.3	(5)	0.4	(3)	2.6	(7)	4.7	(5)	5.8	(4)	2.6	1.9	9.7	5.7	9.3	2.2	0.2	0.9	0.2	(4)
Russell	Global Bond	1	2,991	0.3	(4)	-0.2	(9)	2.9	(5)	4.8	(4)	6.1	(3)	2.9	2.9	8.8	<b>7.8</b>	8.5	2.6	0.5	0.9	0.6	(3)
	Minimum			0.1		-0.2		1.5		3.3		4.4		1.5	-0.6	7.3	5.7	6.1	2.2	-0.6	0.4	-0.7	
	Median			0.3		0.4		2.9		4.7		5.8		2.9	2.4	9.0	6.7	8.5	2.5	0.4	0.9	0.4	
	Maximum			0.5		0.7		3.4		5.4		6.7		3.4	4.1	10.2	7.8	11.2	2.8	1.1	1.4	0.8	
<b>Other:</b>																							
LMI	Brandywine	2	n/a	-0.6	(3)	-3.7	(3)	0.0	(3)	4.4	(2)	<b>6.8</b>	<b>(1)</b>	0.0	<b>8.0</b>	5.3	<b>11.4</b>	<b>9.5</b>	5.4	1.1	4.8	<b>0.2</b>	<b>(1)</b>
ANZ	International Sovereign	2	3,448	<b>0.5</b>	<b>(1)</b>	<b>0.5</b>	<b>(1)</b>	<b>2.2</b>	<b>(1)</b>	3.8	(3)	5.0	(3)	<b>2.2</b>	-0.5	<b>10.0</b>	7.1	6.5	3.0	-0.6	0.4	-1.3	(2)
ANZ	International Credit	x	1,215	-0.1	(2)	-0.5	(2)	0.9	(2)	<b>4.6</b>	<b>(1)</b>	5.6	(2)	0.9	3.7	9.4	5.3	9.1	3.1				
	Barclays Capital Global Agg Index	1		0.2		0.2		2.2		4.3		5.6		2.2	0.9	10.1	6.9	8.0	2.5				
	Citigroup World Govt Bond Index	2		0.4		0.2		2.7		4.4		5.6		2.7	-0.7	11.5	7.3	7.6	2.9				
	Barclays Global Treasury GDP Wgtd	3																					
	Barclays Global Aggregate 3-5 Yr TR	4																					

## Other International Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 30 Jun 2018								For the year ended 30 June					Benchmark							
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016		2015	2014					
AMPCI	Commodities	172	-3.8	(9)	0.1	(9)	9.3	(5)	-1.0	(8)	-2.7	(7)	9.3	-2.9	-8.6	-20.5	13.2						Bloomberg Commodity Index
AMPCI	Infrastructure	307	<b>4.1</b>	<b>(1)</b>	8.0	(2)	4.2	(7)	4.6	(7)	12.2	(3)	4.2	11.8	-1.7	11.5	<b>39.4</b>						DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	214	1.9	(4)	3.1	(7)	0.1	(8)	10.0	(2)			0.1	<b>13.8</b>	<b>16.9</b>	13.8							FTSE Global Core Infrastructure Net (NZD Hedged)
Magellan	Infrastructure	1,719	3.9	(2)	<b>8.0</b>	<b>(1)</b>	12.8	(4)	<b>11.0</b>	<b>(1)</b>	<b>13.0</b>	<b>(1)</b>	12.8	10.1	10.1	20.2	12.2						S&P Global Infrastructure Index (A\$ Hedged)
Milford	Global Equity	433	1.7	(5)	5.6	(4)	15.8	(2)	7.8	(3)	10.6	(5)	15.8	13.7	-4.9	22.8	7.9						OCR + 5%
PATH	Commodity Plus Fund	8	1.4	(7)	7.3	(3)	<b>27.1</b>	<b>(1)</b>	4.9	(6)	3.3	(6)	<b>27.1</b>	-10.6	1.6	3.2	-1.1						Bloomberg Commodity Index
PATH	World Equity Fund	29	2.1	(3)	5.2	(5)	13.4	(3)	5.7	(5)	12.6	(2)	13.4	12.9	-7.7	<b>30.6</b>	17.6						MSCI AC World
PATH	Global Water Fund	18	0.6	(8)	2.6	(8)	7.6	(6)	6.6	(4)	12.1	(4)	7.6	9.8	2.5	17.3	24.4						n/a
PATH	Global Responsibility Fund	2	1.7	(5)	3.3	(6)																	MSCI AC World

## NZ Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Jun 2018										For the year ended 30 June					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	1,935	0.4	(7)	1.1	(9)	4.6	(10)	4.7	(8)	5.3	(5)	4.6	1.6	7.9	9.4	3.1	2.3	0.7	0.4	1.7	(1)
ANZ	NZ Fixed Interest	1	2,183	0.6	(5)	1.1	(5)	4.6	(9)	4.6	(10)	5.1	(8)	4.6	1.0	8.5	9.0	3.0	2.3	0.5	0.4	1.2	(5)
Fisher	NZ Fixed Interest	1	459	<b>0.7</b>	<b>(1)</b>	1.2	(4)	5.1	(5)	4.9	(5)	5.3	(4)	5.1	1.3	<b>8.5</b>	8.8	3.1	2.3	0.7	0.4	1.6	(2)
Harbour	NZ Core Fixed Interest	3	425	0.4	(10)	1.1	(8)	4.8	(6)	4.9	(4)	5.3	(3)	4.8	2.4	7.7	8.1	3.8	1.7				
Harbour	NZ Corporate Bond	2	353	0.4	(8)	1.1	(7)	4.7	(7)	4.7	(7)	5.2	(7)	4.7	3.2	6.2	7.8	4.2	1.3	0.0	0.3	0.1	(6)
Milford	Trans-Tasman Bond	5	384	0.4	(8)	1.1	(10)	5.4	(2)	5.4	(2)			5.4	<b>4.4</b>	6.3	8.5						
Nikko	NZ Corporate Bond	1	205	0.6	(3)	<b>1.3</b>	<b>(1)</b>	<b>5.9</b>	<b>(1)</b>	<b>5.5</b>	<b>(1)</b>	<b>6.1</b>	<b>(1)</b>	<b>5.9</b>	3.5	7.2	<b>9.5</b>	<b>4.7</b>	1.8	1.5	1.1	1.3	(4)
Nikko	NZ Fixed Interest	1	271	0.6	(2)	1.3	(2)	5.3	(3)	5.0	(3)	5.6	(2)	5.3	2.0	7.7	9.2	4.0	2.1	1.0	0.7	1.3	(3)
Russell	NZ Fixed Interest	1	59	0.5	(6)	1.2	(3)	5.1	(4)	4.9	(6)	5.3	(6)	5.1	2.1	7.5	8.6	3.2	1.9				
Western	NZ Core	4	n/a	0.6	(4)	1.1	(6)	4.6	(8)	4.7	(9)			4.6	2.1	7.3	9.5						
Western	NZ Core Constrained	1	n/a	0.4	(11)	0.9	(11)	3.3	(11)	3.5	(11)	4.0	(9)	3.3	2.2	5.2	7.0	2.5	1.2	<b>-0.6</b>	1.4	<b>-0.4</b>	(7)
	Minimum			0.4		0.9		3.3		3.5		4.0		3.3	1.0	5.2	7.0	2.5	1.2	<b>-0.6</b>	0.3	<b>-0.4</b>	
	Median			0.5		1.1		4.8		4.9		5.3		4.8	2.1	7.5	8.8	3.2	1.9	0.7	0.4	1.3	
	Maximum			0.7		1.3		5.9		5.5		6.1		5.9	4.4	8.5	9.5	4.7	2.3	1.5	1.4	1.7	
	S&P/NZX NZ Govt Stock Index	1		0.6		1.1		4.3		4.1		4.6		4.3	0.2	8.0	8.5	2.1	2.4				
	S&P/NZX NZ Corp A Grade Index	2		0.4		1.1		4.5		4.5		5.2		4.5	3.0	6.2	8.4	3.8	1.5				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		0.5		1.1		4.4		4.3		4.9		4.4	1.6	7.1	8.5	3.0	1.9				
	S&P/NZX NZ Comp Inv Grade Index	4		0.5		1.1		4.4		4.2				4.4	0.9	7.6	8.4						
	S&P/NZX NZ Corp/ASX Corp (50/50)	5		0.4		0.9		4.3						4.3									

## NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Jun 2018										For the year ended 30 June					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	3,979	0.2	(6)	0.6	(6)	2.4	(6)	2.7	(7)	3.2	(7)	2.4	2.5	3.2	4.1	3.5	0.2	0.4	0.0	9.2	(2)
AMPCI	NZ Short Duration	2	489	<b>0.4</b>	<b>(1)</b>	<b>0.9</b>	<b>(1)</b>	<b>3.8</b>	<b>(1)</b>	<b>4.1</b>	<b>(1)</b>	<b>4.7</b>	<b>(1)</b>	<b>3.8</b>	<b>3.4</b>	<b>5.1</b>	<b>6.9</b>	4.2	0.7	1.2	0.2	4.7	(4)
AMPCI	Global Short Duration	1	211	0.1	(7)	0.5	(7)	2.1	(7)	3.1	(3)	4.0	(2)	2.1	3.3	4.0	5.1	<b>5.7</b>	0.9	1.3	0.9	1.4	(6)
ANZ	NZ Cash	1	3,844	0.2	(3)	0.7	(5)	2.6	(5)	2.8	(6)	3.2	(6)	2.6	2.8	3.1	4.1	3.3	0.2	0.5	0.1	7.5	(3)
Fisher	NZ Cash	1	913	0.2	(2)	0.8	(2)	3.0	(2)	3.1	(5)	3.4	(5)	3.0	3.0	3.2	4.3	3.7	0.2	0.7	0.2	3.9	(5)
Harbour	Short Duration	1	86	0.2	(5)	0.7	(3)	2.9	(4)	3.1	(4)	3.6	(4)	2.9	2.9	3.6	4.5	3.9	0.3				
Nikko	NZ Cash	1	837	0.2	(3)	0.7	(4)	2.9	(3)	3.2	(2)	3.6	(3)	2.9	3.2	3.6	4.5	3.9	0.2	0.9	0.1	<b>11.7</b>	<b>(1)</b>
	Median			0.2		0.7		2.9		3.1		3.6		2.9	3.0	3.6	4.5	3.9	0.2	0.8	0.1	6.1	
	S&P/NZX 90 Day Bank Bill Index	1		0.2		0.5		1.9		2.3		2.7		1.9	2.2	2.9	3.7	2.8	0.1				
	S&P/NZX Short End Swap Index	2		0.3		0.7		2.5		3.0		3.5		2.5	2.1	4.4	6.0	2.5	0.7				

## Australasian Property

				Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Jun 2018										For the year ended 30 June					For last 5 years						
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk		
<b>Direct:</b>																									
Fisher Trust	Property Fund		393	0.5	(2)	1.4	(2)	5.9	(2)	10.3	(2)	11.6	(1)	5.9	11.6	13.5	13.7	13.5	4.1	-0.3	9.3	-0.0	###		
	Property Fund		158	1.7	(1)	5.4	(1)	9.9	(1)	12.1	(1)	10.7	(2)	9.9	12.6	13.8	7.9	9.5	2.6						
<b>Listed:</b>																									
AMPCI	Listed Property	1	7	1.5	(8)	6.0	(8)	8.3	(8)	9.2	(7)	11.7	(6)	8.3	1.4	18.5	19.7	11.7	7.3	0.4	1.9	0.2	(6)		
AMPCI	Property Fund	2	135	1.9	(6)	7.8	(1)	11.3	(6)	10.2	(5)			11.3	-1.1	21.8									
ANZ	Property Securities	1	165	2.0	(5)	6.6	(4)	11.6	(4)	10.6	(4)	13.1	(3)	11.6	1.8	19.2	18.1	15.8	7.5	1.7	2.5	0.7	(3)		
ANZ	Trans Tasman	2	746	2.1	(3)	7.6	(2)	12.9	(2)	11.0	(2)	13.6	(1)	12.9	0.0	21.0	18.8	16.8	7.8	1.3	2.6	0.5	(4)		
Mint	Real Estate Inv Trust	1	49	1.8	(7)	6.3	(6)	9.8	(7)	9.9	(6)	11.9	(5)	9.8	2.3	18.3	18.4	11.3	6.8	0.5	2.1	0.3	(5)		
Nikko	Property Securities	1	36	2.4	(1)	7.1	(3)	13.0	(1)	10.7	(3)	12.4	(4)	13.0	0.8	19.1	19.2	10.7	7.2	1.0	1.4	0.7	(2)		
Salt	Listed Property	1	293	2.2	(2)	6.5	(5)	11.5	(5)	11.7	(1)	13.5	(2)	11.5	4.4	19.9	20.7	12.0	6.6	2.0	1.5	1.4	(1)		
Salt	Enhanced Property Fund	1	6	2.0	(4)	6.1	(7)	12.2	(3)					12.2	4.7										
<b>Minimum</b>				1.5		6.0		8.3		9.2		11.7		8.3	-1.1	18.3	18.1	10.7	6.6	0.4	1.4	0.2			
<b>Median</b>				2.0		6.5		11.5		10.6		12.7		11.5	1.6	19.2	19.0	11.8	7.3	1.1	2.0	0.6			
<b>Maximum</b>				2.4		7.8		13.0		11.7		13.6		13.0	4.7	21.8	20.7	16.8	7.8	2.0	2.6	1.4			
<b>S&amp;P/NZX Property Index</b>				1		1.7		6.3		9.9		9.8		11.2		9.9	1.8	18.5	19.1	7.8	7.5				
<b>NZX/ASX Property Index</b>				2		1.8		7.5		11.1		10.3		12.2		11.1	-0.0	21.0	21.0	9.5	7.7				

## International Property

				Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 30 Jun 2018										For the year ended 30 June					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	202	1.9	(4)	6.5	(3)	8.8	(2)	7.4	(2)	11.0	(1)	8.8	0.7	13.2	8.9	24.8	11.7	1.0	4.7	0.2	(1)		
ANZ	International Property	1	939	2.2	(2)	5.8	(4)	6.4	(4)	7.0	(3)	9.8	(2)	6.4	-0.0	15.3	10.7	17.5	11.2	-0.1	2.8	-0.0	(2)		
PATH	Global Property	1	15	3.8	(1)	8.7	(1)	10.2	(1)					10.2	-0.8										
Russell	Global Listed Real Estate	1	60	2.0	(3)	6.7	(2)	8.2	(3)	7.7	(1)			8.2	5.0	10.0									
<b>FTSE EPRA/NAREIT Index*</b>				1		1.6		6.5		3.3		7.3		9.8		3.3	0.9	18.6	10.9	16.6	11.7				
<b>*UBS Global RE Index prior to June 2015</b>																									



## Notes

### List of Managers

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

### Explanatory notes

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

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