

The Aon Investment Update as at 31 August 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 August 2018

Market Summary

Global equities moved higher again in August driven by a surging US market. Bonds also delivered positive returns as yields fell due to ongoing concerns around trade and politics.

While the MSCI index rose over the month, most equity markets fell. The notable exception was the US market where the S&P 500 index rose just over 3% and the NASDAQ was up by more than 5%. Second quarter GDP growth of 4.2% (annualised), driven by strong household spending, supported US share prices, as did the continuation of a strong corporate reporting season.

During the month, the US stock market's bull run, which began on 9 March 2009, became the longest in history. August also saw Apple become the first company ever to reach a market capitalisation of \$1 trillion. Amazon quickly followed, passing the \$1 trillion mark in early September.

While US shares surged, elsewhere things were very different. European stocks were weak, with the German DAX index falling more than 3% and the FTSE 100 in the UK down by more than 4%. Emerging markets also struggled, with US dollar strength a headwind, and the Japanese TOPIX index fell by 1% over the month.

Meanwhile in New Zealand the bull market run continues at pace. The S&P/NZX 50 index returned 4.5% in August and has delivered returns of more than 20% over the last 12 months. Australian stocks were also strong, with the S&P/ASX 200 index returning 1.4% over the month.

Geopolitical risks saw government bond prices rise over the month. US 1-year treasury yields fell 10 basis points from 2.96% to 2.86% while 10-year German bund yields fell from 0.44% to 0.33%. The Barclays Global Aggregate Bond index returned 0.31% (NZD hedged), taking the 12 month return to just 1.14%.

In New Zealand, the government bond index returned 1.3% in August and the Corporate A Grade index returned 1.0%. NZ government bonds have marginally outperformed corporates over the last 12 months.

Fund Performance

Balanced fund returns performed positively this month, ranging from 1.0% to 2.3% in August, and the median manager has returned 4.1% over the last 3 months. Nikko continues to lead the way over the last 12 months with a return of 13.7% while Mercer remains firmly at the lower end with 8.9% over the same period.

Returns from the domestic equity managers fared better this month, ranging from 1.4% from the Devon Trans Tasman fund to 5.4% from the Castlepoint Trans Tasman fund.

Returns from global shares funds picked up slightly this month. The median return in August was 3.0%, with returns ranging from -1.5% from the Russell Emerging Markets Fund to 6.6% from the Magellan Global Fund.

The median domestic bond fund returned 1.1% in August and 2.0% over the last 3 months and has marginally outperformed the benchmark. The Fisher NZ Bond Fund has taken the best performer spot from Nikko over the last 12 months, returning 5.9%.

Global bond fund returns continue to remain consistent compared to last month, ranging from 0.2% to 0.6%. The Milford fund remains the best performer over the last 12 months, returning 3.4%.

Returns from the global absolute return funds were stronger this month. The Nikko Option fund continues to fare best, posting a return of 1.6%, while Mercer Liquid Alternatives returned -0.5% over the month.

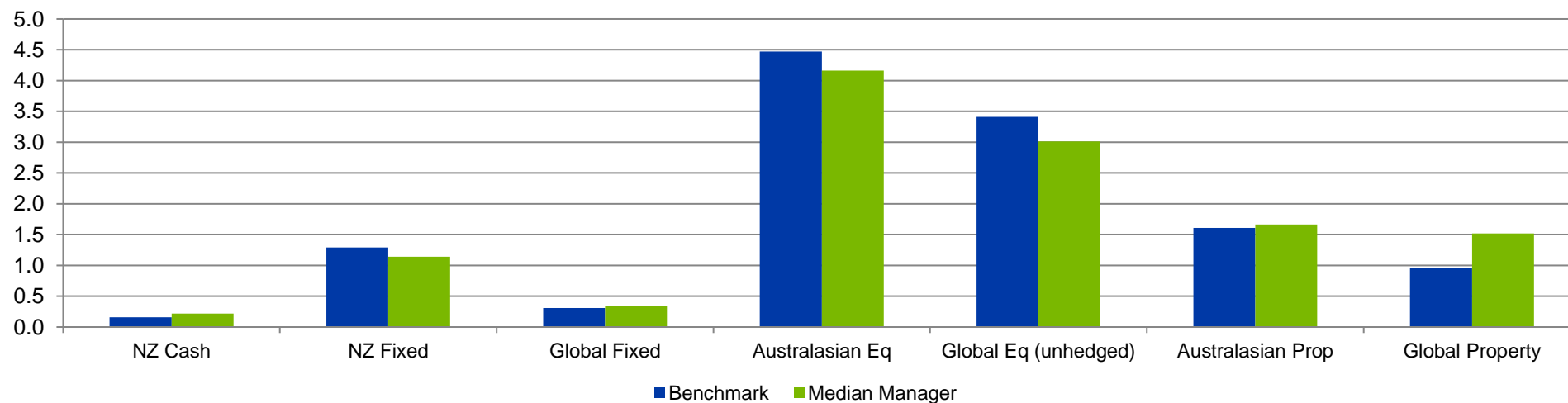
New Zealand Fund Manager News

LJ Partnership (NZ) Ltd has acquired a 50% stake in New Zealand Assets Management Ltd (NZAM). LJ Partnership (NZ) Ltd is owned equally by London-based LJ Partnership, and Tailorspace, the investment arm within the Ben Gough Family Office.

Median Manager Performance v Benchmark

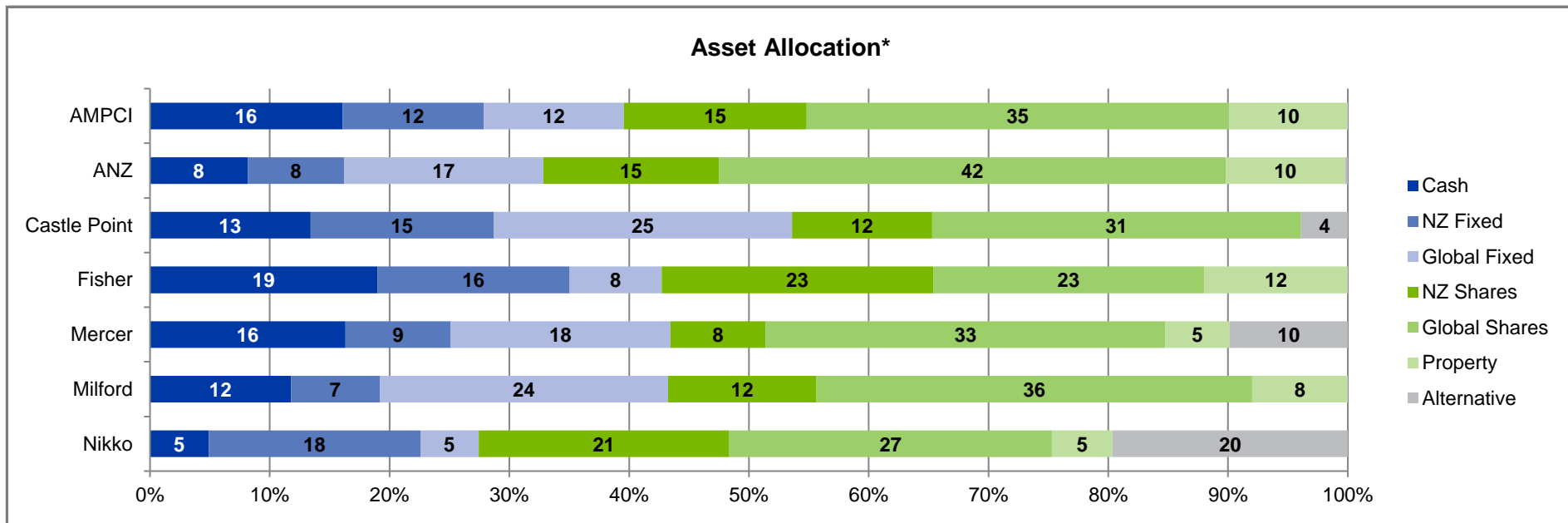
Sector		Returns (%) gross of tax and fees										Volatility 5 Yrs
		For the period to 31 Aug 2018					For the year ended 31 August					
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2018	2017	2016	2015	2014	
NZ Cash	ANZ 90D Bank Bills	0.2	0.5	2.0	2.3	2.7	2.0	2.1	2.7	3.7	3.0	0.1
	Median Manager	0.2	0.7	2.8	3.0	3.5	2.8	2.9	3.4	4.4	3.9	0.2
NZ Fixed Interest	ANZ NZ Govt Stock	1.3	2.3	5.1	4.0	5.2	5.1	0.0	6.9	9.0	5.2	2.4
	Median Manager	1.1	2.0	5.2	4.7	5.8	5.2	1.9	7.0	9.4	5.8	1.9
International Fixed Interest	Barclays Agg	0.3	0.5	1.1	4.0	5.5	1.1	1.5	9.6	6.0	9.8	2.5
	Median Manager	0.3	0.7	1.8	4.4	5.7	1.8	2.5	9.3	5.8	10.6	2.4
Australasian Shares	NZX 50 Gross	4.5	7.7	20.5	19.5	16.9	20.5	7.1	32.4	9.9	16.4	8.6
	Median Manager	4.2	8.0	20.4	18.7	17.2	20.4	7.5	29.4	9.9	21.3	8.9
International Shares (unhdgd)	MSCI ACWI	3.4	9.2	20.3	10.1	13.1	20.3	18.6	-6.4	23.9	11.8	10.0
	Median Manager	3.0	8.1	19.8	10.5	14.2	19.8	20.9	-4.5	29.2	10.8	10.2
Australasian Property	NZX Property	1.6	5.0	13.5	10.5	11.5	13.5	-2.0	21.1	15.1	10.9	7.5
	Median Manager	1.7	5.4	14.6	11.4	12.9	14.6	-2.1	22.8	15.0	14.6	7.3
International Property	FTSE Property	1.0	3.8	5.8	8.3	11.2	5.8	-1.4	21.8	6.2	26.2	11.4
	Median Manager	1.5	4.8	8.8	8.1	12.0	8.8	0.4	15.1	7.0	30.3	11.1

1 Month Performance (%)



Balanced Funds

Manager	FUM (\$m)	Returns (%) gross of tax and fees													5 Years	
		For the period to 31 Aug 2018					For the year ended 31 August									
		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	50	1.7 (3)	4.1 (4)	10.6 (5)	8.3 (7)	9.2 (6)	10.6	8.9	5.3	6.5	15.0	4.2	1.5 (7)			
ANZ Investments	100	1.4 (5)	4.3 (2)	11.7 (3)	9.9 (4)	11.2 (3)	11.7	9.5	8.6	11.0	15.3	4.7	1.8 (5)			
Castle Point Funds	33	1.0 (6)	3.0 (6)	9.2 (6)	8.9 (6)	8.5 (7)	9.2	8.4	9.1	7.4	8.3	3.6	1.6 (6)			
Fisher Institutional	531	1.9 (2)	4.3 (1)	11.2 (4)	10.0 (3)	10.4 (4)	11.2	7.7	11.2	8.2	13.6	3.5	2.2 (2)			
Mercer	1,595	1.0 (7)	2.9 (7)	8.9 (7)	8.9 (5)	10.1 (5)	8.9	8.6	9.1	9.9	14.0	3.6	2.1 (4)			
Milford Funds	596	1.6 (4)	3.6 (5)	12.9 (2)	11.3 (1)	12.4 (1)	12.9	10.0	11.1	13.1	14.8	4.4	2.2 (3)			
Nikko Asset Management	277	2.3 (1)	4.1 (3)	13.7 (1)	11.0 (2)	12.0 (2)	13.7	8.5	10.7	13.7	13.3	4.2	2.2 (1)			
Minimum		1.0	2.9	8.9	8.3	8.5	8.9	7.7	5.3	6.5	8.3	3.5	1.5			
Median		1.6	4.1	11.2	9.9	10.4	11.2	8.6	9.1	9.9	14.0	4.2	2.1			
Maximum		2.3	4.3	13.7	11.3	12.4	13.7	10.0	11.2	13.7	15.3	4.7	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 31 Aug 2018										For the year ended 31 August					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	510	0	4.2	(9)	7.5	(14)	19.4	(14)	18.1	(15)	17.1	(9)	19.4	6.9	29.1	12.6	18.8	8.5	0.1	2.1	0.1	(10)
AMPCI	NZ Shares RIL	1	17	0	3.8	(14)	6.8	(20)	18.0	(17)	18.1	(14)	17.3	(7)	18.0	7.8	29.7	12.9	19.5	8.2	0.3	2.3	0.1	(8)
ANZ	NZ Equities	1	191	0	4.3	(7)	8.3	(7)	19.2	(15)	18.7	(11)	16.6	(13)	19.2	7.3	30.7	6.1	21.4	8.8	-0.3	1.9	-0.2	(15)
ANZ	Australasian Equity	1	1,063	7	4.5	(5)	8.7	(5)	20.2	(11)	18.6	(12)	16.6	(12)	20.2	6.8	29.9	6.2	21.7	9.1	-0.3	2.1	-0.1	(14)
CPFM	Trans Tasman Strategy	1	0	20	5.4	(1)	10.1	(1)	33.6	(1)	25.6	(1)			33.6	11.2	33.4	12.3						
Devon	NZ Core	1	266	11	3.7	(16)	7.8	(12)	17.2	(18)	14.9	(18)	16.1	(14)	17.2	0.7	28.3	11.5	25.0	9.4	-0.7	3.3	-0.2	(16)
Devon	NZ Only	1	107	0	3.1	(18)	7.1	(17)	14.2	(20)					14.2	2.2								
Devon	Trans Tasman	3	145	47	1.4	(21)	7.2	(16)	15.8	(19)	14.3	(19)	15.8	(15)	15.8	5.9	21.8	9.9	26.8	8.7	4.4	5.5	0.8	(4)
Fisher	Trans Tasman Equities	7	310	34	5.0	(2)	9.9	(2)	25.6	(4)	19.6	(8)	16.8	(11)	25.6	5.4	29.4	8.4	17.3	8.2	1.9	2.5	0.7	(5)
Harbour	Australasian Equity	1	555	21	4.2	(10)	8.6	(6)	25.1	(5)	23.1	(4)	19.3	(3)	25.1	15.1	29.4	5.3	23.3	9.7	1.0	4.3	0.2	(7)
Harbour	Australasian Equity Focus	3	109	40	4.3	(7)	9.6	(3)	31.2	(2)	24.6	(3)			31.2	19.0	24.0	2.9						
Harbour	Advanced Beta	2	162	0	3.0	(19)	6.9	(19)	18.9	(16)	18.9	(9)			18.9	8.1	30.7							
Mercer	Trans Tasman Equity	1	493	15	3.8	(15)	8.0	(10)	20.9	(9)	18.5	(13)	17.2	(8)	20.9	6.8	28.8	9.0	22.0	9.0	0.3	2.2	0.1	(9)
Milford	NZ Equities	1	460	6	4.9	(3)	9.0	(4)	29.6	(3)	25.1	(2)	20.9	(1)	29.6	13.2	33.6	10.0	20.1	8.8	3.4	3.0	1.1	(1)
Milford	Trans Tasman Equity	3	403	51	3.1	(17)	7.5	(15)	22.0	(8)	18.7	(10)	15.8	(16)	22.0	16.7	17.4	5.4	17.9	8.9	4.4	5.0	0.9	(3)
Mint	Trans Tasman Equity	1	194	21	4.7	(4)	8.0	(11)	23.6	(7)	19.8	(6)	18.8	(4)	23.6	9.5	27.0	12.5	22.1	7.5	1.5	2.8	0.5	(6)
Mint	SRI Fund	1	19	0	4.0	(13)	8.0	(9)																
Nikko	Core Domestic Equity	1	484	17	2.9	(20)	6.0	(21)	25.0	(6)	22.5	(5)	19.9	(2)	25.0	11.5	31.8	13.7	18.4	9.1	2.5	2.6	1.0	(2)
Russell	NZ Shares	1	216	0	4.1	(12)	8.2	(8)	20.1	(12)	19.7	(7)	17.7	(5)	20.1	8.0	32.2	9.1	20.7	8.8	0.1	2.2	0.0	(12)
Salt	NZ Plus Share	1	664	7	4.4	(6)	7.7	(13)	19.5	(13)	17.1	(16)	17.1	(10)	19.5	5.9	26.7	13.0	21.2	9.2	0.1	2.8	0.0	(11)
Salt	Focus Fund	2	83	9	4.2	(11)	7.1	(18)	20.5	(10)	16.3	(17)	17.4	(6)	20.5	7.0	22.0	13.9	24.6	9.2	-0.1	4.5	-0.0	(13)
	Minimum				1.4		6.0		14.2		14.3		15.8		14.2	0.7	17.4	2.9	17.3	7.5	-0.7	1.9	-0.2	
	Median				4.2		8.0		20.4		18.7		17.2		20.4	7.5	29.4	9.9	21.3	8.9	0.3	2.7	0.1	
	Maximum				5.4		10.1		33.6		25.6		20.9		33.6	19.0	33.6	13.9	26.8	9.7	4.4	5.5	1.1	
Absolute Return																								
ANZ	Equity Selection	8	16	0	2.3	(3)	4.2	(5)	6.9	(5)	11.6	(4)	11.2	(4)	6.9	3.6	25.7	-0.6	23.0	8.5	3.1		1.0	(4)
CPFM	Ranger	8	60	55	3.6	(1)	7.9	(1)	34.6	(1)	21.5	(1)			34.6	13.3	17.7	3.4						
Devon	Alpha	8	104	45	-0.5	(6)	5.7	(2)	18.2	(4)	10.9	(5)	13.9	(3)	18.2	3.1	11.9	9.2	28.9	7.8	1.1		1.4	(3)
Milford	Active Growth	8	1,031	20	1.9	(4)	4.9	(3)	19.2	(3)	14.5	(3)	15.3	(2)	19.2	8.9	15.7	13.7	19.4	5.5	4.4		2.3	(1)
Milford	Australian Absolute Growth	8	92	0	1.6	(5)	4.5	(4)																
Nikko	Concentrated	8	125	36	2.5	(2)	3.0	(6)	25.8	(2)	20.1	(2)	20.5	(1)	25.8	16.2	18.6	27.0	15.4	9.3	2.6		1.9	(2)
Salt	Long/Short	8	273	74	-0.9	(7)	0.6	(7)	5.0	(6)	10.6	(6)			5.0	7.2	20.2	17.0						
	Minimum				-0.9		0.6		5.0		10.6		11.2		5.0	3.1	11.9	-0.6	15.4	5.5	1.1		1.0	
	Median				1.9		4.5		18.7		13.1		14.6		18.7	8.0	18.1	11.5	21.2	8.2	2.8		1.7	
	Maximum				3.6		7.9		34.6		21.5		20.5		34.6	16.2	25.7	27.0	28.9	9.3	4.4		2.3	

*For Absolute Return Funds we show the Sharpe 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 Aug 2018										For the year ended 31 August					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	37	37	1.2	(3)	5.4	(2)	9.4	(3)	13.1	(2)	14.9	(2)	9.4	1.3	30.6	11.5	24.0	8.6	3.5	6.1	0.6	(1)
Harbour	Australasian Eq Income	n/a	68	36	1.3	(2)	5.2	(3)	10.3	(2)	11.0	(3)	13.6	(3)	10.3	5.3	17.7	12.2	23.1	7.3				
Salt	Dividend Appreciation	1	81	0	3.5	(1)	6.5	(1)	17.3	(1)	18.0	(1)	18.4	(1)	17.3	6.7	31.2	16.7	21.6	8.6	1.3	3.0	0.4	(2)
	Minimum				1.2		5.2		9.4		11.0		13.6		9.4	1.3	17.7	11.5	21.6	7.3	1.3	3.0	0.4	
	Median				1.3		5.4		10.3		13.1		14.9		10.3	5.3	30.6	12.2	23.1	8.6	2.4	4.6	0.5	
	Maximum				3.5		6.5		17.3		18.0		18.4		17.3	6.7	31.2	16.7	24.0	8.6	3.5	6.1	0.6	
Australian Only																								
AMPCI	Australian Share	5	193	100	1.3	(2)	7.3	(3)	14.6	(3)	8.4	(3)	7.5	(2)	14.6	13.8	-2.4	-0.4	13.1	12.3	1.4	4.6	0.3	(2)
ANZ	Australian Share	5	898	100	-1.2	(4)	4.9	(4)	11.9	(4)	7.7	(4)	5.6	(3)	11.9	10.2	1.3	-4.0	9.6	12.7	-0.3	5.3	-0.1	(3)
Devon	Australian	5	16	100	0.5	(3)	7.6	(1)	15.0	(2)	12.1	(2)	12.2	(1)	15.0	12.5	8.8	5.8	19.3	11.8	5.8	5.7	1.0	(1)
Milford	Dynamic	6	257	100	5.3	(1)	7.3	(2)	30.8	(1)	17.5	(1)			30.8	6.6	16.3	9.0						
	Minimum				-1.2		4.9		11.9		7.7		5.6		11.9	6.6	-2.4	-4.0	9.6	11.8	-0.3	4.6	-0.1	
	Median				0.9		7.3		14.8		10.2		7.5		14.8	11.4	5.1	2.7	13.1	12.3	1.4	5.3	0.3	
	Maximum				5.3		7.6		30.8		17.5		12.2		30.8	13.8	16.3	9.0	19.3	12.7	5.8	5.7	1.0	
Benchmarks																								
	S&P/NZX 50 Gross incl I/C	1			4.5		7.7		20.5		19.5		16.9		20.5	7.1	32.4	9.9	16.4	8.6				
	S&P/NZX 50 Portfolio incl I/C	2			6.2		6.2		19.6		19.5		17.3		19.6	8.4	31.7	11.7	16.7	8.7				
	NZX50/ASX200 (50/50)	3			2.9		7.6		12.4		12.2		10.8		12.4	8.6	15.9	3.5	13.9	9.4				
	ASX 200	5			1.2		7.3		3.3		7.0		5.7		3.3	17.4	1.1	-3.0	11.0	13.4				
	ASX SmallCap Industrials	6			4.4		5.3		21.7		15.0		11.0		21.7	2.2	22.4	-1.5	12.2	11.5				
	70% NZX50 / 30% ASX200	7			3.5		7.4		19.0		16.3		14.7		19.0	6.2	24.4	8.4	16.4	8.4				
	Other (Absolute Return)	8																						
	ASX 200 (in A\$)				1.4		6.2		15.4		11.5		8.9		15.4	9.8	9.3	-3.2	14.4	10.7				

International Shares (Unhedged)

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2018										For the year ended 31 August					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	999	3.2	(7)	8.6	(6)	19.5	(9)	11.1	(6)	14.7	(5)	19.5	18.6	-3.3	28.6	12.6	9.5	1.4	1.8	0.8	(3)
AMPCI	RIL Global Shares	1	63	3.8	(3)	8.8	(4)	23.8	(4)	10.3	(10)	13.5	(8)	23.8	19.8	-9.6	22.0	15.3	10.2	0.4	1.8	0.2	(8)
ANZ	International Share	1	5,935	3.4	(6)	9.3	(3)	21.4	(7)	11.8	(5)	15.2	(3)	21.4	20.5	-4.5	30.6	11.1	10.0	1.9	2.0	0.9	(1)
EC	Value Fund	1	30	1.3	(12)	7.7	(10)	8.3	(14)	7.5	(13)	9.5	(12)	8.3	13.8	0.7	15.1	10.0	9.4	-3.5	6.8	-0.5	(11)
Fisher	Overseas Equities	1	385	2.8	(9)	8.6	(5)	19.2	(10)	9.7	(11)	12.4	(10)	19.2	19.6	-7.2	23.6	9.9	9.9	-0.6	1.4	-0.5	(10)
FRK	Global Growth	1	n/a	4.3	(2)	7.9	(9)	26.5	(3)	15.0	(2)	17.2	(1)	26.5	24.4	-3.4	31.5	10.4	10.8	3.6	4.5	0.8	(2)
FRK	Global Trust	1	n/a	1.2	(13)	7.4	(11)	16.0	(12)	6.7	(14)	9.9	(11)	16.0	21.2	-13.7	18.2	11.7	11.2	-2.8	3.8	-0.7	(12)
Harbour	Global Equity Growth	1	44	3.7	(4)	8.2	(7)	27.6	(1)	15.1	(1)			27.6	23.2	-3.1							
Magellan	Global	2	11,013	6.6	(1)	13.5	(1)	27.4	(2)	12.1	(3)	16.0	(2)	27.4	19.4	-7.4	39.2	7.3	11.7	2.4	4.1	0.6	(4)
Mercer	Global Equities	2	1,934	3.7	(5)	9.7	(2)	22.2	(6)	12.0	(4)	15.2	(4)	22.2	21.4	-5.3	29.4	11.5	10.5	1.6	3.2	0.5	(5)
MGH	MGH Investments	1	28	2.3	(10)	4.5	(13)	10.4	(13)	9.2	(12)	12.9	(9)	10.4	21.7	-3.0	31.3	7.5	9.9	-0.3	5.2	-0.1	(9)
Nikko	Global Equity	1	446	1.5	(11)	6.5	(12)	19.8	(8)	10.4	(8)	14.2	(6)	19.8	17.5	-4.4	29.0	12.2	10.1	1.0	2.3	0.4	(7)
Nikko	Wholesale Global Shares	1	n/a	0.8	(14)	4.0	(14)	23.4	(5)					23.4									
Russell	Emerging Markets	4	1	-1.5	(15)	-1.5	(15)	3.9	(15)	10.3	(9)			3.9	29.1	0.1							
Russell	Global Opportunities	3	212	3.0	(8)	8.1	(8)	19.1	(11)	10.7	(7)	14.1	(7)	19.1	21.4	-6.2	29.7	10.1	10.6	0.8	1.7	0.5	(6)
	Minimum			-1.5		-1.5		3.9		6.7		9.5		3.9	13.8	-13.7	15.1	7.3	9.4	-3.5	1.4	-0.7	
	Median			3.0		8.1		19.8		10.5		14.2		19.8	20.9	-4.5	29.2	10.8	10.2	0.9	2.8	0.5	
	Maximum			6.6		13.5		27.6		15.1		17.2		27.6	29.1	0.7	39.2	15.3	11.7	3.6	6.8	0.9	
	MSCI All Country World Index	1		3.4		9.2		20.3		10.1		13.1		20.3	18.6	-6.4	23.9	11.8	10.0				
	MSCI World Index	2		3.7		9.9		20.4		9.7		13.4		20.4	17.7	-6.9	26.7	11.9	10.2				
	Russell Global Large Cap	3		3.5		9.3		20.6		10.3		13.3		20.6	18.6	-6.3	24.1	12.2	9.9				
	Russell Emerging Markets Index	4		-0.2		0.8		6.9		10.0				6.9	25.6	-1.0							
	MSCI ACWI (100% hedged)			0.4		2.5		11.3		12.5		12.7		11.3	17.1	9.2	2.8	24.3	9.2				

Diversified Income

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Aug 2018										For the year ended 31 August					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	143	1.2	(3)	3.5	(1)	6.7	(3)	8.5	(2)			6.7	5.9	13.2	7.7							n/a
Devon	Diversified Income	6	0.8	(6)	2.2	(5)	5.5	(6)					5.5	3.4									OCR + 1.5%
Milford	Diversified Income	1,900	1.0	(4)	2.7	(4)	8.9	(1)	11.6	(1)	12.6	(1)	8.9	9.2	17.0	12.2	16.2						OCR + 2.5%
Mint	Diversified Income	152	0.9	(5)	2.1	(6)	6.5	(5)	6.7	(3)			6.5	3.2	10.5	7.9							OCR + 2.5%
Nikko	Income	12	1.3	(1)	2.9	(2)	7.0	(2)	6.4	(5)	7.4	(2)	7.0	2.7	9.6	9.4	8.3						8% p.a.
Harbour	Income	76	1.2	(2)	2.8	(3)	6.5	(4)	6.4	(4)			6.5	3.6	9.1	9.0							OCR + 2.0%

International Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2018										For the year ended 31 August					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	103	0.4	(3)	0.6	(9)	0.9	(8)	3.5	(7)	5.2	(6)	0.9	2.2	7.5	5.6	9.8	2.4	-0.4	0.8	-0.5	(6)
AMPCI	Global FI AIFPQ	3	536	0.3	(5)	0.6	(8)	0.2	(9)	2.8	(8)	4.4	(7)	0.2	1.0	7.4	6.3	7.4	2.7				
ANZ	International Aggregate	1	726	0.5	(2)	1.1	(2)	2.4	(2)	5.3	(1)			2.4	3.6	10.1	5.6						
Fisher	Global Bonds - PIMCO	1	188	0.2	(7)	0.7	(6)	1.8	(5)	5.1	(2)	6.7	(1)	1.8	4.0	9.8	4.9	13.6	2.7	1.2	1.4	0.8	(1)
Fisher	Global Bonds - Wellington	1	94	0.4	(4)	0.9	(3)	1.9	(4)	4.2	(6)	5.5	(5)	1.9	1.3	9.5	6.0	9.3	2.4	0.0	0.4	0.0	(5)
Mercer	Global Bonds	1	1,643	0.2	(9)	0.8	(4)	2.1	(3)	4.5	(4)	6.1	(3)	2.1	2.8	8.7	6.2	11.1	2.2	0.7	1.3	0.6	(3)
Milford	Global Bond Fund	4	330	0.6	(1)	1.3	(1)	3.4	(1)					3.4									
Nikko	Global Fixed Interest	1	246	0.3	(6)	0.7	(5)	1.8	(6)	4.4	(5)	5.7	(4)	1.8	1.6	10.0	5.1	10.6	2.2	0.2	0.9	0.2	(4)
Russell	Global Bond	1	2,999	0.2	(7)	0.7	(7)	1.7	(7)	4.6	(3)	6.2	(2)	1.7	3.2	9.0	6.2	11.1	2.6	0.6	0.9	0.7	(2)
	Minimum			0.2		0.6		0.2		2.8		4.4		0.2	1.0	7.4	4.9	7.4	2.2	-0.4	0.4	-0.5	
	Median			0.3		0.7		1.8		4.4		5.7		1.8	2.5	9.3	5.8	10.6	2.4	0.4	0.9	0.4	
	Maximum			0.6		1.3		3.4		5.3		6.7		3.4	4.0	10.1	6.3	13.6	2.7	1.2	1.4	0.8	
Other:																							
LMI	Brandywine	2	244	-2.8	(3)	-1.8	(3)	-3.0	(3)	4.9	(1)	7.1	(1)	-3.0	8.8	9.3	4.5	17.2	5.5	1.6	4.9	0.3	(1)
ANZ	International Sovereign	2	3,908	0.5	(1)	0.7	(2)	1.1	(1)	3.4	(3)	5.1	(3)	1.1	0.4	8.8	6.4	8.8	3.0	-0.4	0.5	-0.8	(2)
ANZ	International Credit	x	815	0.5	(2)	1.1	(1)	0.3	(2)	4.8	(2)	5.8	(2)	0.3	3.1	11.3	3.7	11.0	3.0				
	Barclays Capital Global Agg Index	1		0.3		0.5		1.1		4.0		5.5		1.1	1.5	9.6	6.0	9.8	2.5				
	Citigroup World Govt Bond Index	2		0.1		0.3		1.2		3.8		5.5		1.2	0.3	10.1	6.6	9.6	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 31 Aug 2018										For the year ended 31 August					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014						
AMPCI	Commodities	89	-1.8	(9)	-7.4	(9)	2.1	(7)	1.6	(8)	-4.6	(7)	2.1	6.3	-3.5	-25.8	1.9						Bloomberg Commodity Index
AMPCI	Infrastructure	315	-0.6	(7)	6.4	(4)	2.6	(6)	6.7	(6)	12.6	(4)	2.6	14.4	3.5	3.8	43.6						DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	218	-1.3	(8)	2.2	(7)	-3.0	(8)	10.1	(3)			-3.0	18.2	16.6	10.6							FTSE Global Core Infrastructure Net (NZD Hedged)
Magellan	Infrastructure	1,723	-0.3	(5)	4.8	(6)	4.2	(5)	11.4	(1)	13.6	(2)	4.2	22.8	8.2	12.7	21.4						S&P Global Infrastructure Index (A\$ Hedged)
Milford	Global Equity	466	2.3	(4)	5.5	(5)	16.9	(3)	8.9	(4)	11.3	(5)	16.9	14.6	-3.5	19.6	10.2						OCR + 5%
PATH	Commodity Plus Fund	9	-0.6	(6)	0.2	(8)	24.0	(1)	5.3	(7)	2.7	(6)	24.0	-5.4	-0.3	1.3	-3.7						Bloomberg Commodity Index
PATH	World Equity Fund	29	3.1	(2)	8.5	(1)	17.7	(2)	8.7	(5)	13.9	(1)	17.7	12.9	-3.2	22.3	22.1						MSCI AC World
PATH	Global Water Fund	18	3.5	(1)	7.8	(3)	13.5	(4)	10.2	(2)	12.9	(3)	13.5	9.7	7.4	12.7	21.6						n/a
PATH	Global Responsibility Fund	3	3.0	(3)	7.9	(2)																	MSCI AC World

NZ Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2018										For the year ended 31 August					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	1,990	1.2	(3)	2.0	(4)	5.2	(6)	4.5	(9)	5.8	(4)	5.2	1.3	7.0	9.4	6.5	2.2	0.6	0.4	1.5	(2)
ANZ	NZ Fixed Interest	1	2,246	1.1	(6)	2.0	(6)	5.0	(8)	4.3	(10)	5.7	(6)	5.0	0.8	7.4	9.6	5.8	2.2	0.4	0.4	1.1	(5)
Fisher	NZ Fixed Interest	1	444	1.4	(1)	2.6	(1)	5.9	(1)	4.8	(5)	5.9	(3)	5.9	1.1	7.4	9.7	5.5	2.3	0.6	0.4	1.6	(1)
Harbour	NZ Core Fixed Interest	3	459	0.9	(8)	1.6	(8)	4.9	(9)	4.8	(4)	5.6	(7)	4.9	2.2	7.3	8.1	5.8	1.6				
Harbour	NZ Corporate Bond	2	366	0.9	(10)	1.6	(9)	4.7	(10)	4.5	(8)	5.4	(8)	4.7	3.0	5.9	8.0	5.6	1.3	-0.0	0.3	-0.1	(6)
Milford	Trans-Tasman Bond	5	387	0.9	(9)	1.6	(10)	5.5	(4)	5.3	(2)			5.5	3.7	6.6	8.1						
Nikko	NZ Corporate Bond	1	211	1.2	(5)	2.0	(5)	5.7	(2)	5.3	(1)	6.5	(1)	5.7	3.3	7.0	9.6	6.9	1.8	1.2	1.1	1.1	(4)
Nikko	NZ Fixed Interest	1	274	1.3	(2)	2.3	(2)	5.6	(3)	4.8	(3)	6.1	(2)	5.6	1.6	7.3	9.4	6.6	2.1	0.8	0.7	1.2	(3)
Russell	NZ Fixed Interest	1	61	1.1	(7)	1.9	(7)	5.4	(5)	4.7	(6)	5.8	(5)	5.4	1.9	7.0	8.8	5.9	1.9				
Western	NZ Core	4	n/a	1.2	(4)	2.2	(3)	5.2	(7)	4.5	(7)			5.2	1.7	6.7	9.4						
Western	NZ Core Constrained	1	n/a	0.6	(11)	1.2	(11)	3.4	(11)	3.3	(11)	4.2	(9)	3.4	2.0	4.6	7.3	4.0	1.1	-1.0	1.4	-0.7	(7)
	Minimum			0.6		1.2		3.4		3.3		4.2		3.4	0.8	4.6	7.3	4.0	1.1	-1.0	0.3	-0.7	
	Median			1.1		2.0		5.2		4.7		5.8		5.2	1.9	7.0	9.4	5.8	1.9	0.6	0.4	1.1	
	Maximum			1.4		2.6		5.9		5.3		6.5		5.9	3.7	7.4	9.7	6.9	2.3	1.2	1.4	1.6	
	S&P/NZX NZ Govt Stock Index	1		1.3		2.3		5.1		4.0		5.2		5.1	0.0	6.9	9.0	5.2	2.4				
	S&P/NZX NZ Corp A Grade Index	2		1.0		1.7		4.7		4.4		5.5		4.7	2.6	5.9	8.5	5.6	1.5				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		1.1		2.0		4.9		4.2		5.3		4.9	1.3	6.4	8.8	5.4	1.9				
	S&P/NZX NZ Comp Inv Grade Index	4		1.2		2.1		5.0		4.1				5.0	0.7	6.7	8.8						
	S&P/NZX NZ Corp/ASX Corp (50/50)	5		0.9		1.5		4.5						4.5	2.8								

NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2018										For the year ended 31 August					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	3,947	0.2	(6)	0.6	(7)	2.4	(6)	2.6	(7)	3.1	(7)	2.4	2.5	3.0	4.1	3.6	0.2	0.4	0.0	9.3	(2)
AMPCI	NZ Short Duration	2	508	0.6	(1)	1.2	(1)	3.8	(1)	3.9	(1)	4.8	(1)	3.8	3.3	4.8	7.0	5.0	0.7	1.1	0.2	4.5	(4)
AMPCI	Global Short Duration	1	209	0.2	(6)	0.7	(6)	2.1	(7)	3.2	(2)	4.0	(2)	2.1	3.2	4.3	4.6	6.0	0.9	1.3	0.9	1.4	(6)
ANZ	NZ Cash	1	4,018	0.2	(5)	0.7	(4)	2.6	(5)	2.8	(6)	3.2	(6)	2.6	2.7	3.0	4.0	3.5	0.2	0.5	0.1	7.5	(3)
Fisher	NZ Cash	1	980	0.3	(2)	0.8	(2)	3.0	(2)	3.0	(5)	3.4	(5)	3.0	2.9	3.2	4.3	3.9	0.2	0.7	0.2	4.0	(5)
Harbour	Short Duration	1	89	0.2	(4)	0.7	(5)	2.8	(4)	3.0	(4)	3.5	(4)	2.8	2.8	3.6	4.5	3.9	0.3				
Nikko	NZ Cash	1	804	0.2	(3)	0.7	(3)	2.9	(3)	3.1	(3)	3.6	(3)	2.9	3.1	3.4	4.4	3.9	0.2	0.8	0.1	12.0	(1)
	Median			0.2		0.7		2.8		3.0		3.5		2.8	2.9	3.4	4.4	3.9	0.2	0.8	0.1	6.0	
	S&P/NZX 90 Day Bank Bill Index	1		0.2		0.5		2.0		2.3		2.7		2.0	2.1	2.7	3.7	3.0	0.1				
	S&P/NZX Short End Swap Index	2		0.5		1.0		2.6		2.9		3.6		2.6	1.9	4.1	6.1	3.3	0.7				

Australasian Property

				Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2018										For the year ended 31 August					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		388	0.5	(1)	1.4	(2)	5.9	(2)	9.7	(2)	11.5	(1)	5.9	11.5	11.8	15.2	13.3	4.1	-0.6	9.3	-0.1	###
	Property Fund		161	0.4	(2)	2.6	(1)	10.2	(1)	12.0	(1)	10.7	(2)	10.2	12.2	13.7	7.5	10.1	2.6				
Listed:																							
AMPCI	Listed Property	1	7	1.5	(6)	4.8	(8)	12.0	(8)	9.7	(7)	11.9	(6)	12.0	-2.6	21.0	16.7	13.8	7.3	0.4	1.9	0.2	(6)
AMPCI	Property Fund	2	142	2.0	(3)	5.3	(5)	14.5	(5)	10.7	(5)			14.5	-3.8	23.1							
ANZ	Property Securities	1	170	2.2	(1)	5.6	(2)	14.3	(6)	11.5	(3)	13.3	(3)	14.3	-1.5	23.0	14.2	18.1	7.4	1.7	2.4	0.7	(2)
ANZ	Trans Tasman	2	777	2.1	(2)	5.4	(4)	15.0	(2)	11.8	(2)	14.1	(1)	15.0	-2.6	24.8	14.2	21.1	7.8	1.2	2.5	0.5	(4)
Mint	Real Estate Inv Trust	1	57	1.6	(5)	5.0	(7)	13.1	(7)	10.6	(6)	12.3	(5)	13.1	-1.6	21.5	14.8	14.9	6.8	0.7	2.0	0.3	(5)
Nikko	Property Securities	1	49	1.7	(4)	5.7	(1)	15.9	(1)	11.4	(4)	12.5	(4)	15.9	-2.6	22.5	15.2	13.2	7.3	0.9	1.4	0.7	(3)
Salt	Listed Property	1	294	1.4	(7)	5.6	(3)	14.7	(4)	12.5	(1)	13.7	(2)	14.7	1.0	22.8	17.0	14.2	6.6	2.0	1.5	1.3	(1)
Salt	Enhanced Property Fund	1	6	1.3	(8)	5.3	(6)	14.8	(3)					14.8	1.6								
Minimum				1.3		4.8		12.0		9.7		11.9		12.0	-3.8	21.0	14.2	13.2	6.6	0.4	1.4	0.2	
Median				1.7		5.4		14.6		11.4		12.9		14.6	-2.1	22.8	15.0	14.6	7.3	1.1	1.9	0.6	
Maximum				2.2		5.7		15.9		12.5		14.1		15.9	1.6	24.8	17.0	21.1	7.8	2.0	2.5	1.3	
S&P/NZX Property Index				1		1.6		5.0		13.5		11.5		13.5	-2.0	21.1	15.1	10.9	7.5				
NZX/ASX Property Index				2		2.0		5.3		14.5		12.7		14.5	-3.3	23.4	16.4	14.3	7.7				

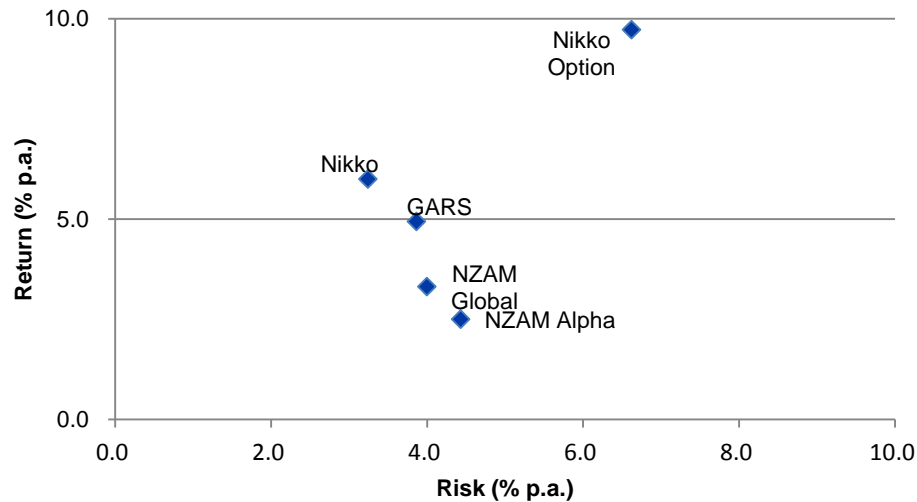
International Property

				Returns (%) gross of tax and fees																				
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2018										For the year ended 31 August					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	207	1.7	(2)	4.6	(3)	10.2	(1)	8.2	(2)	12.5	(1)	10.2	0.8	14.0	7.6	32.5	11.3	1.1	4.7	0.2	(1)	
ANZ	International Property	1	998	1.7	(1)	5.1	(1)	8.1	(4)	8.0	(3)	11.4	(2)	8.1	-0.7	17.4	6.4	28.0	10.9	0.1	2.8	0.0	(2)	
PATH	Global Property	1	15	0.6	(4)	5.1	(2)	8.3	(3)	6.9	(4)			8.3	0.0	12.8								
Russell	Global Listed Real Estate	1	61	1.4	(3)	4.3	(4)	9.3	(2)	9.2	(1)			9.3	2.4	16.2								
FTSE EPRA/NAREIT Index*				1		1.0		3.8		5.8		8.3		11.2		5.8	-1.4	21.8	6.2	26.2	11.4			
*UBS Global RE Index prior to June 2015																								

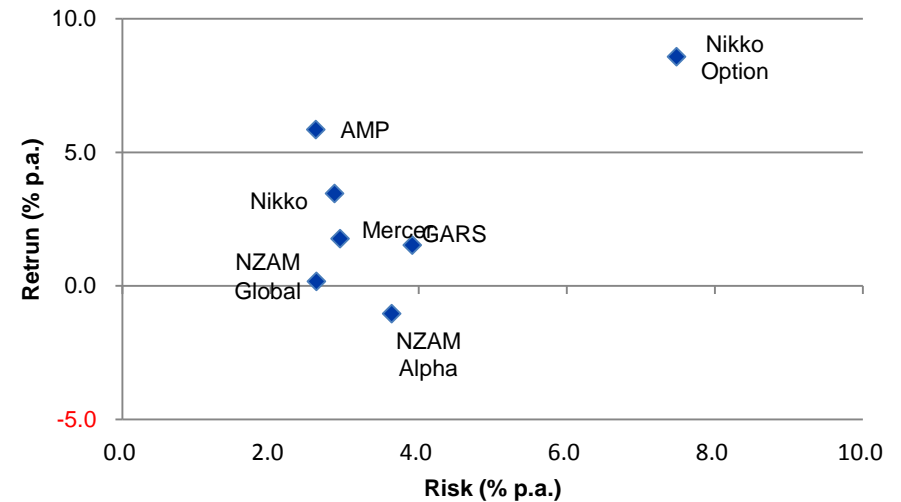
International Alternatives/Absolute Return

			Returns (%) gross of tax and fees																		
Manager	Fund	FUM (\$m)	For the period to 31 Aug 2018								For the year ended 31 August					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	283	0.3	(5)	1.4	(2)	5.1	(2)	5.8	(2)		5.1	7.3	5.1	7.7						CPI + 5%
Mercer	Liquid Alternatives	136	-0.5	(7)	-1.5	(7)	-0.4	(6)	1.8	(4)		-0.4	5.6	0.1	10.5						Cash + 3% to 5%
Nikko	Multi-Strategy	180	0.7	(2)	1.1	(3)	3.8	(3)	3.5	(3)	6.0	3.8	5.3	1.3	7.2	12.8	3.2	1.0	(2)	90 Day Bank Bill + 2.5%	
Nikko	Option	78	1.6	(1)	4.9	(1)	9.5	(1)	8.6	(1)	9.7	(1)	9.5	1.1	15.6	8.6	14.4	6.6	1.1	(1)	90 Day Bank Bill + 4%
NZAM	Alpha	21	0.4	(3)	0.2	(5)	0.9	(5)	-1.0	(7)	2.5	(5)	0.9	-2.3	-1.7	11.4	4.9	4.4	-0.0	(5)	OCR + 4%
NZAM	Global	214	0.3	(4)	0.1	(6)	2.8	(4)	0.2	(6)	3.3	(4)	2.8	0.7	-2.9	12.0	4.6	4.0	0.2	(4)	OCR + 4%
Std Life	GARS	63	-0.4	(6)	0.5	(4)	-0.6	(7)	1.5	(5)	4.9	(3)	-0.6	5.3	-0.1	9.5	11.1	3.9	0.6	(3)	OCR + 5%
OCR + 5%			0.6		1.7		6.8		7.0		7.4		6.8	6.8	7.5	8.4	7.8	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.
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