

The Aon Investment Update as at 31 October 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 October 2018

Market Summary

October saw a material fall in global equities and a negative return on global bonds.

The MSCI ACWI index (hedged) fell 7.3% over the month. Several factors contributed to investor concerns, including continuing trade tensions between the US and China, hawkish comments from the Fed, worries about growth in future US corporate earnings, and the spike in US bond yields renewing interest rate concerns. The S&P 500 was down 6.9% and the Nasdaq down 9.2%.

Further political uncertainty also continued to impact markets, with the build-up to the US midterms, Chancellor Angela Merkel's announcement that she will step down in as party leader, the Italian Government's proposed budgets differing from the EU's expectations and continued uncertainty over Brexit. The DAX ended the month down 6.5%, while the FTSE 100 fared a little better, ending down 5.1%. News from emerging markets was no better, with the Russell Emerging Markets Index down 7.3% over the month.

In New Zealand, the S&P/NZX 50 was down 6.4% during October bringing the returns over the last 12 months down to 8.6%. Australian shares had similar results for the month, with the ASX200 down 6.1% for October in A\$ terms.

10-year US Treasury yields reached 3.15% at the end of the month, rising 2bps from the September end position. UK and German yields fell 14bps and 10bps respectively, reflecting increased demand for bonds. The Barclays Capital Global Aggregate Bond Index returned -0.2% (NZD hedged) for the month, bringing the 12 month return down to 0.4%.

In New Zealand, the Government Bond Index and the Corporate A Grade Index both rose 0.4%. NZ government bonds continue to marginally outperform corporates over the last 12 months.

Fund Performance

Balanced fund returns fared worse this month, ranging from -4.1% to -1.6% in October, with the median manager returning -3.3% over the same period. Milford continues to lead the way over the last 3 years with a return of 9.1%, while AMP Capital Investors RIL fund was the worst performer with a 6.7% return over the same period.

Returns from the domestic equity managers also performed negatively over the month, ranging from -8.2% from the Fisher Trans Tasman equities fund to -5.2% from the AMPCI NZ shares RIL fund.

Magellan Global fund was the best performer in the global shares category over the month, returning -2.8%. The median return over the month of -6.0% performed in line with the MSCI World Index of -6.0%.

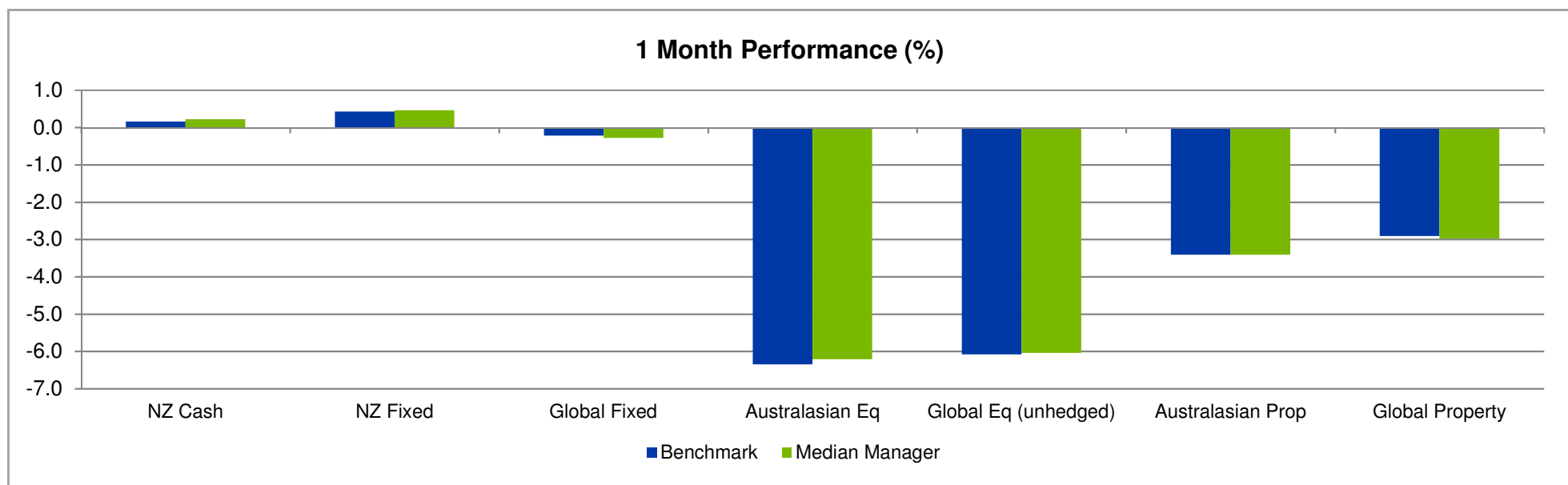
The median domestic bond fund over the last 3 months returned 1.5% with the movement in returns closely in line with the benchmark. The Fisher NZ Bond Fund continues to remain best performer over the last 12 months, returning 5.6%.

Global bond fund returns also fared worse this month, ranging from -0.5% (AMPCI Global AIFQ) to 0.1% (Fisher-Wellington). The Mercer bond fund has claimed the best performer spot over the last 12 months from Milford, returning 1.7%.

Returns from the global absolute return funds were generally negative this month. The Nikko bond option fund fared best over the last 12 months, posting a return of 8.7%, while Standard Life GARS fund returned -2.9% over the same period.

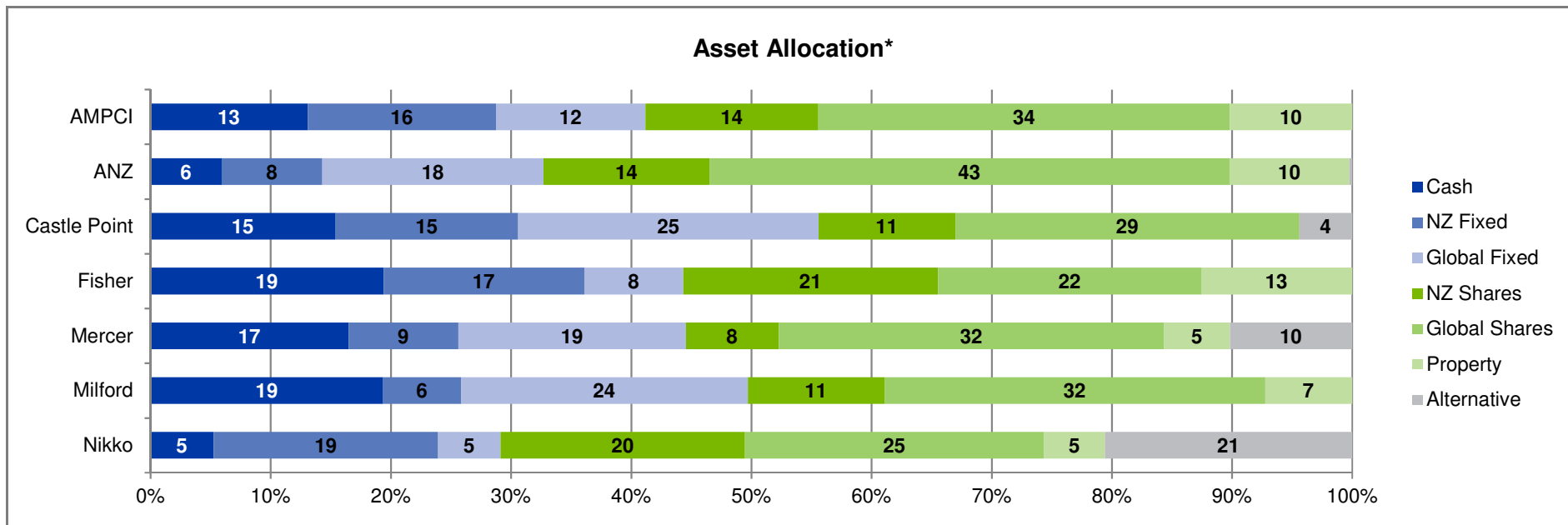
Median Manager Performance v Benchmark

		Returns (%) gross of tax and fees										
Sector		For the period to 31 Oct 2018					For the year ended 31 October					Volatility 5 Yrs
		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	2.2	2.7	1.9	2.1	2.7	3.5	3.2	0.1
	Median Manager	0.2	0.6	2.7	3.0	3.5	2.7	3.1	3.2	4.2	4.0	0.2
NZ Fixed Interest	ANZ NZ Govt Stock	0.4	1.6	4.8	4.0	5.1	4.8	2.1	5.1	7.9	5.8	2.4
	Median Manager	0.5	1.5	4.9	4.7	5.7	4.9	3.5	5.6	8.0	6.3	1.9
International Fixed Interest	Barclays Agg	-0.2	-0.3	0.4	3.3	5.0	0.4	2.3	7.3	6.4	8.6	2.5
	Median Manager	-0.3	-0.1	1.1	3.8	5.1	1.1	3.2	7.4	6.2	8.7	2.5
Australasian Shares	NZX 50 Gross	-6.4	-1.5	8.6	14.8	13.6	8.6	18.5	17.6	12.6	11.2	9.0
	Median Manager	-6.2	-1.8	9.4	14.5	13.6	9.4	17.2	16.1	10.3	15.6	9.3
International Shares (unhdgd)	MSCI ACWI	-6.1	-2.4	4.4	9.0	11.3	4.4	28.7	-3.5	14.9	14.7	10.2
	Median Manager	-6.0	-2.3	5.2	9.5	12.2	5.2	30.4	-3.0	19.4	14.4	10.6
Australasian Property	NZX Property	-3.4	0.6	12.0	8.8	12.1	12.0	4.4	10.2	17.2	17.1	7.5
	Median Manager	-3.4	0.1	12.0	9.2	12.6	12.0	5.5	11.3	18.3	17.9	7.5
International Property	FTSE Property	-2.9	-4.2	2.6	3.7	8.4	2.6	3.5	4.9	11.5	20.3	11.4
	Median Manager	-3.0	-3.7	3.3	3.9	8.8	3.3	8.6	1.3	12.6	21.6	11.0



Balanced Funds

Manager	FUM (\$m)	Returns (%) gross of tax and fees														5 Years	
		For the period to 31 Oct 2018										For the year ended 31 October					
		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	49	-3.3 (4)	-1.6 (4)	3.6 (6)	6.7 (7)	7.6 (7)	3.6	13.5	3.1	6.0	12.1	4.5	1.1 (7)				
ANZ Investments	93	-4.1 (7)	-2.8 (7)	3.7 (5)	7.6 (5)	9.2 (3)	3.7	14.8	4.6	10.8	12.5	5.1	1.3 (6)				
Castle Point Funds	41	-1.6 (1)	0.1 (1)	5.5 (1)	8.3 (3)	7.8 (6)	5.5	12.0	7.5	6.5	7.5	3.7	1.4 (5)				
Fisher Institutional	517	-2.8 (2)	-1.1 (2)	5.3 (3)	8.1 (4)	8.7 (4)	5.3	11.4	7.8	8.6	10.6	3.7	1.6 (3)				
Mercer	1,552	-2.8 (3)	-1.5 (3)	3.3 (7)	7.3 (6)	8.6 (5)	3.3	12.5	6.4	10.3	10.8	3.8	1.5 (4)				
Milford Funds	584	-3.6 (5)	-1.9 (6)	5.1 (4)	9.1 (1)	10.6 (1)	5.1	15.5	7.1	12.6	13.2	4.8	1.7 (1)				
Nikko Asset Management	278	-3.6 (6)	-1.8 (5)	5.3 (2)	8.8 (2)	10.2 (2)	5.3	14.3	7.0	13.3	11.5	4.6	1.6 (2)				
Minimum		-4.1	-2.8	3.3	6.7	7.6	3.3	11.4	3.1	6.0	7.5	3.7	1.1				
Median		-3.3	-1.6	5.1	8.1	8.7	5.1	13.5	7.0	10.3	11.5	4.5	1.5				
Maximum		-1.6	0.1	5.5	9.1	10.6	5.5	15.5	7.8	13.3	13.2	5.1	1.7				



*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 Oct 2018					For the year ended 31 October					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	515	0	-5.9 (7)	-1.6 (9)	9.6 (9)	13.6 (15)	13.9 (7)	9.6	16.1	15.2	12.7	15.8	8.9	0.1	2.1	0.1	(8)	
AMPCI	NZ Shares RIL	1	17	0	-5.2 (1)	-0.7 (1)	9.5 (10)	14.2 (11)	14.3 (5)	9.5	15.8	17.6	12.9	16.0	8.5	0.5	2.4	0.2	(7)	
ANZ	NZ Equities	1	175	0	-6.3 (12)	-1.5 (6)	8.9 (13)	14.5 (10)	13.2 (11)	8.9	16.2	18.5	7.8	15.1	9.2	-0.4	1.9	-0.2	(15)	
ANZ	Australasian Equity	1	974	7	-6.3 (13)	-1.6 (7)	9.0 (12)	14.5 (9)	13.2 (12)	9.0	17.0	17.7	7.2	15.6	9.5	-0.4	2.1	-0.2	(14)	
CPFM	Trans Tasman Strategy	1	0	20	-7.7 (19)	-2.3 (13)	15.3 (1)	20.8 (1)		15.3	24.7	22.6	8.5							
Devon	NZ Core	1	252	13	-5.7 (5)	-1.1 (3)	9.4 (11)	11.3 (18)	13.0 (13)	9.4	10.1	14.6	9.1	22.4	9.6	-0.6	3.3	-0.2	(13)	
Devon	NZ Only	1	92	0	-5.9 (9)	-1.8 (11)	8.2 (15)			8.2	7.3									
Devon	Trans Tasman	3	138	50	-5.2 (2)	-2.9 (15)	7.6 (20)	11.0 (19)	12.8 (15)	7.6	10.9	14.8	12.2	18.8	8.9	4.5	5.5	0.8	(2)	
Fisher	Trans Tasman Equities	7	1,061	34	-8.2 (21)	-4.2 (18)	10.6 (6)	14.1 (13)	13.0 (14)	10.6	14.8	17.1	9.3	13.2	9.1	1.5	2.7	0.5	(5)	
Harbour	Australasian Equity	1	511	22	-6.9 (16)	-3.5 (17)	7.6 (19)	17.7 (5)	14.9 (4)	7.6	28.1	18.2	9.2	12.6	10.0	0.2	4.2	0.1	(9)	
Harbour	Australasian Equity Focus	3	98	41	-8.0 (20)	-5.6 (21)	8.2 (16)	18.4 (3)		8.2	33.9	14.6	7.7							
Harbour	Advanced Beta	2	152	0	-6.7 (15)	-2.3 (12)	8.1 (17)	14.2 (12)		8.1	18.7	16.0								
Mercer	Trans Tasman Equity	1	460	17	-6.2 (11)	-3.0 (16)	8.1 (18)	13.8 (14)	13.4 (10)	8.1	17.5	16.1	10.4	15.5	9.3	-0.2	2.2	-0.1	(11)	
Milford	NZ Equities	1	451	4	-7.1 (18)	-2.6 (14)	13.8 (2)	19.2 (2)	16.7 (1)	13.8	23.9	20.0	14.1	12.1	9.3	2.7	3.1	0.9	(1)	
Milford	Trans Tasman Equity	3	372	47	-7.0 (17)	-4.9 (20)	6.1 (21)	14.6 (8)	11.9 (16)	6.1	26.4	12.2	5.5	10.4	9.3	3.7	5.0	0.7	(4)	
Mint	Trans Tasman Equity	1	179	11	-5.7 (3)	-1.6 (8)	10.8 (5)	14.9 (7)	15.4 (3)	10.8	20.6	13.5	15.8	16.5	8.0	1.5	2.9	0.5	(6)	
Mint	SRI Fund	1	18	0	-5.9 (6)	-1.3 (4)	11.3 (3)			11.3										
Nikko	Core Domestic Equity	1	477	17	-6.6 (14)	-4.3 (19)	8.5 (14)	17.7 (4)	15.9 (2)	8.5	26.5	18.8	13.1	13.5	9.6	2.0	2.7	0.8	(3)	
Russell	NZ Shares	1	199	0	-6.1 (10)	-1.6 (10)	9.6 (8)	15.5 (6)	14.0 (6)	9.6	17.0	20.0	10.3	13.6	9.1	-0.3	2.1	-0.1	(12)	
Salt	NZ Plus Share	1	646	6	-5.9 (8)	-1.4 (5)	10.1 (7)	12.9 (16)	13.5 (9)	10.1	15.1	13.5	12.3	16.6	9.5	-0.1	2.7	-0.0	(10)	
Salt	Focus Fund	2	76	8	-5.7 (3)	-1.1 (2)	10.9 (4)	12.5 (17)	13.6 (8)	10.9	17.4	9.2	13.2	17.7	9.2	-1.0	4.2	-0.2	(16)	
	Minimum				-8.2	-5.6	6.1	11.0	11.9	6.1	7.3	9.2	5.5	10.4	8.0	-1.0	1.9	-0.2		
	Median				-6.2	-1.8	9.4	14.5	13.6	9.4	17.2	16.1	10.3	15.6	9.3	0.2	2.7	0.1		
	Maximum				-5.2	-0.7	15.3	20.8	16.7	15.3	33.9	22.6	15.8	22.4	10.0	4.5	5.5	0.9		
Absolute Return																				
ANZ	Equity Selection	8	15	0	-4.8 (4)	-1.1 (3)	2.0 (6)	8.9 (5)	8.8 (4)	2.0	7.9	17.2	2.2	15.7	8.7	0.8		0.7	(4)	
CPFM	Ranger	8	64	54	-5.5 (6)	-0.9 (1)	19.5 (1)	19.3 (1)		19.5	23.0	15.6	0.7							
Devon	Alpha	8	101	58	-4.0 (2)	-3.8 (5)	11.3 (2)	8.8 (6)	11.2 (3)	11.3	8.0	7.0	8.5	21.7	7.7	-1.3		1.1	(3)	
Milford	Active Growth	8	989	15	-4.5 (3)	-2.4 (4)	8.7 (3)	11.5 (3)	12.7 (2)	8.7	15.5	10.3	15.4	13.8	5.8	2.1		1.7	(1)	
Milford	Australian Absolute Growth	8	96	0	-5.2 (5)	-4.0 (6)														
Nikko	Concentrated	8	124	40	-7.6 (7)	-7.8 (7)	5.1 (5)	15.0 (2)	16.3 (1)	5.1	30.7	10.8	24.7	12.2	10.2	0.4		1.3	(2)	
Salt	Long/Short	8	272	73	-1.7 (1)	-1.0 (2)	5.2 (4)	9.0 (4)		5.2	7.9	14.2	20.3							
	Minimum				-7.6	-7.8	2.0	8.8	8.8	2.0	7.9	7.0	0.7	12.2	5.8	-1.3		0.7		
	Median				-4.8	-2.4	7.0	10.3	12.0	7.0	11.8	12.5	12.0	14.8	8.2	0.6		1.2		
	Maximum				-1.7	-0.9	19.5	19.3	16.3	19.5	30.7	17.2	24.7	21.7	10.2	2.1		1.7		

*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 Oct 2018										For the year ended 31 October					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	33	34	-5.4	(2)	-1.7	(2)	4.8	(3)	9.5	(2)	12.8	(2)	4.8	5.0	19.5	15.1	20.5	9.0	4.4	6.2	0.7	(1)
Harbour	Australasian Eq Income	n/a	65	35	-4.1	(1)	-1.8	(3)	5.0	(2)	7.9	(3)	11.3	(3)	5.0	12.8	6.0	14.5	19.0	7.5				
Salt	Dividend Appreciation	1	77	0	-5.6	(3)	-1.5	(1)	8.6	(1)	14.2	(1)	15.2	(1)	8.6	14.7	19.4	15.7	18.0	8.9	1.4	3.0	0.4	(2)
	Minimum				-5.6		-1.8		4.8		7.9		11.3		4.8	5.0	6.0	14.5	18.0	7.5	1.4	3.0	0.4	
	Median				-5.4		-1.7		5.0		9.5		12.8		5.0	12.8	19.4	15.1	19.0	8.9	2.9	4.6	0.6	
	Maximum				-4.1		-1.5		8.6		14.2		15.2		8.6	14.7	19.5	15.7	20.5	9.0	4.4	6.2	0.7	
Australian Only																								
AMPCI	Australian Share	5	175	100	-6.7	(2)	-6.6	(3)	-0.1	(3)	7.2	(3)	4.7	(3)	-0.1	20.3	2.6	-6.2	8.6	12.5	1.4	4.6	0.3	(3)
ANZ	Australian Share	5	809	100	-9.0	(3)	-11.0	(4)	-4.9	(4)	5.0	(4)	2.3	(4)	-4.9	19.1	2.2	-7.1	4.4	13.2	-0.8	5.4	-0.1	(4)
Devon	Australian	5	15	100	-5.4	(1)	-5.0	(1)	4.1	(2)	10.8	(2)	9.4	(2)	4.1	14.4	14.2	1.9	12.9	11.9	5.9	5.7	1.0	(1)
Milford	Dynamic	6	229	100	-9.4	(4)	-5.1	(2)	8.3	(1)	11.7	(1)	13.5	(1)	8.3	16.5	10.5	15.9	16.5	10.8	5.7	6.9	0.8	(2)
	Minimum				-9.4		-11.0		-4.9		5.0		2.3		-4.9	14.4	2.2	-7.1	4.4	10.8	-0.8	4.6	-0.1	
	Median				-7.8		-5.8		2.0		9.0		7.0		2.0	17.8	6.6	-2.1	10.7	12.2	3.6	5.6	0.6	
	Maximum				-5.4		-5.0		8.3		11.7		13.5		8.3	20.3	14.2	15.9	16.5	13.2	5.9	6.9	1.0	
Benchmarks																								
	S&P/NZX 50 Gross incl I/C	1			-6.4		-1.5		8.6		14.8		13.6		8.6	18.5	17.6	12.6	11.2	9.0				
	S&P/NZX 50 Portfolio incl I/C	2			-6.2		1.3		8.6		15.2		14.5		8.6	20.8	16.6	13.6	13.5	9.2				
	NZX50/ASX200 (50/50)	3			-6.5		-4.0		-1.2		9.4		7.7		-1.2	18.0	12.3	2.4	8.3	9.7				
	ASX 200	5			-6.6		-6.5		-9.2		5.9		2.9		-9.2	22.2	7.0	-7.4	5.1	13.5				
	ASX SmallCap Industrials	6			-10.6		-7.0		1.1		8.2		6.9		1.1	14.8	9.3	7.6	2.4	12.4				
	70% NZX50 / 30% ASX200	7			-6.3		-2.9		6.7		12.2		11.4		6.7	15.8	14.4	9.0	11.2	8.8				
	Other (Absolute Return)	8																						
	ASX 200 (in A\$)				-6.1		-5.9		2.9		8.2		6.0		2.9	16.1	6.1	-0.7	6.4	11.1				

International Shares (Unhedged)

				Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Oct 2018										For the year ended 31 October					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	911	-5.7	(5)	-1.3	(5)	5.2	(8)	10.3	(5)	13.1	(5)	5.2	28.6	-0.8	17.9	17.1	9.9	1.6	1.8	0.9	(2)
AMPCI	RIL Global Shares	1	59	-6.0	(7)	-2.2	(7)	6.5	(3)	9.3	(8)	11.5	(9)	6.5	30.6	-6.0	12.8	17.1	10.4	0.2	1.7	0.1	(7)
ANZ	International Share	1	5,396	-6.0	(6)	-2.7	(9)	5.2	(7)	10.3	(6)	13.3	(4)	5.2	31.4	-3.0	20.9	15.1	10.4	1.8	2.0	0.9	(1)
EC	Value Fund	1	29	-3.3	(2)	-0.8	(2)	3.4	(10)	7.2	(13)	8.6	(11)	3.4	16.0	2.6	12.5	8.9	9.4	-2.8	7.0	-0.4	(11)
Fisher	Overseas Equities	1	1,105	-5.5	(4)	-2.3	(8)	4.0	(9)	8.8	(11)	11.0	(10)	4.0	29.7	-4.5	14.4	14.3	10.0	-0.3	1.3	-0.2	(10)
FRK	Global Growth	1	n/a	-8.4	(15)	-4.4	(11)	6.0	(4)	12.2	(3)	14.6	(2)	6.0	37.3	-3.0	22.7	14.0	11.6	3.0	4.6	0.7	(4)
FRK	Global Trust	1	n/a	-7.4	(13)	-4.5	(12)	0.4	(14)	6.3	(14)	7.8	(12)	0.4	30.3	-8.3	11.4	9.0	11.5	-3.1	3.9	-0.8	(12)
Harbour	Global Equity Growth	1	49	-6.6	(11)	-5.3	(13)	5.9	(5)	12.6	(1)			5.9	35.7	-0.7							
Magellan	Global	2	10,703	-2.8	(1)	4.2	(1)	15.1	(1)	12.3	(2)	15.5	(1)	15.1	28.6	-4.4	27.5	13.9	11.5	3.5	4.3	0.8	(3)
Mercer	Global Equities	2	1,799	-6.0	(8)	-2.0	(6)	5.4	(6)	11.1	(4)	13.4	(3)	5.4	32.8	-1.9	19.4	14.6	10.9	1.6	3.1	0.5	(5)
MGH	MGH Investments	1	27	-3.9	(3)	-0.9	(3)	0.9	(12)	9.7	(7)	11.9	(7)	0.9	27.6	2.6	19.5	11.3	10.0	0.4	5.2	0.1	(8)
Nikko	Global Equity	1	n/a	-7.9	(14)	-6.7	(14)	0.9	(13)	8.1	(12)	11.8	(8)	0.9	29.7	-3.5	20.1	15.2	10.7	0.5	2.5	0.2	(6)
Nikko	Wholesale Global Shares	1	n/a	-6.1	(9)	-1.1	(4)	11.0	(2)					11.0									
Russell	Emerging Markets	4	1	-6.9	(12)	-8.4	(15)	-9.5	(15)	8.9	(10)			-9.5	33.5	6.9	-0.9						
Russell	Global Opportunities	3	181	-6.1	(10)	-3.2	(10)	1.8	(11)	9.3	(9)	12.4	(6)	1.8	33.0	-3.7	19.6	15.3	10.9	-0.3	3.2	-0.1	(9)
	Minimum			-8.4		-8.4		-9.5		6.3		7.8		-9.5	16.0	-8.3	-0.9	8.9	9.4	-3.1	1.3	-0.8	
	Median			-6.0		-2.3		5.2		9.5		12.2		5.2	30.4	-3.0	19.4	14.4	10.6	0.4	3.1	0.2	
	Maximum			-2.8		4.2		15.1		12.6		15.5		15.1	37.3	6.9	27.5	17.1	11.6	3.5	7.0	0.9	
	MSCI All Country World Index	1		-6.1		-2.4		4.4		9.0		11.3		4.4	28.7	-3.5	14.9	14.7	10.2				
	MSCI World Index	2		-6.0		-2.1		4.4		8.6		11.6		4.4	28.2	-4.3	17.0	15.6	10.5				
	Russell Global Large Cap	3		0.0																			
	Russell Emerging Markets Index	4		-7.3		-7.9		-8.4		7.6				-8.4	30.9	4.0	-5.5						
	MSCI ACWI (100% hedged)			-7.3		-6.4		0.0		8.5		9.4		0.0	21.7	4.8	6.7	15.2	9.7				

Diversified Income

				Returns (%) gross of tax and fees																			
Manager	Fund	FUM (\$m)	For the period to 31 Oct 2018										For the year ended 31 October					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	139	-2.5	(6)	-1.3	(6)	2.8	(6)	6.8	(2)				2.8	9.0	8.8	8.1						n/a
Devon	Diversified Income	6	-0.8	(3)	0.5	(3)	4.0	(5)						4.0	5.7								OCR + 1.5%
Milford	Diversified Income	1,919	-1.3	(5)	0.2	(5)	5.8	(3)	10.1	(1)	11.7	(1)		5.8	13.2	11.6	11.9	16.3					OCR + 2.5%
Mint	Diversified Income	159	-0.1	(2)	1.2	(2)	6.0	(2)	5.9	(4)				6.0	5.3	6.5	8.9						OCR + 2.5%
Nikko	Income	13	0.4	(1)	1.8	(1)	6.5	(1)	6.0	(3)	7.2	(2)		6.5	3.4	8.3	11.0	6.9					8% p.a.
Harbour	Income	78	-1.0	(4)	0.4	(4)	4.6	(4)	5.4	(5)				4.6	6.3	5.3	9.1						OCR + 3.5%

International Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Oct 2018										For the year ended 31 October					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	100	-0.5	(9)	-0.4	(8)	0.0	(9)	3.0	(7)	4.6	(6)	0.0	2.7	6.3	5.5	8.7	2.4	-0.4	0.8	-0.5	(6)
AMPCI	Global FI AIFPQ	3	534	-0.3	(4)	-0.3	(6)	0.2	(8)	2.0	(8)	3.9	(7)	0.2	0.7	5.2	6.8	6.7	2.7				
ANZ	International Aggregate	1	721	-0.3	(5)	-0.1	(5)	1.4	(2)	4.7	(1)			1.4	4.4	8.4	6.1						
Fisher	Global Bonds - PIMCO	1	586	-0.2	(2)	-0.1	(4)	1.2	(4)	4.7	(2)	6.2	(1)	1.2	4.6	8.4	5.1	12.2	2.8	1.2	1.4	0.9	(1)
Fisher	Global Bonds - Wellington	1	152	0.1	(1)	0.0	(3)	1.1	(5)	3.6	(6)	5.1	(5)	1.1	2.5	7.2	6.3	8.6	2.5	0.1	0.4	0.3	(4)
Mercer	Global Bonds	1	1,642	-0.2	(3)	0.3	(2)	1.7	(1)	4.2	(3)	5.7	(2)	1.7	4.0	6.8	6.2	10.2	2.2	0.9	1.3	0.7	(2)
Milford	Global Bond Fund	4	333	-0.3	(6)	0.3	(1)	1.4	(3)					1.4									
Nikko	Global Fixed Interest	1	245	-0.4	(8)	-0.3	(7)	0.9	(6)	3.6	(5)	5.1	(4)	0.9	2.4	7.6	6.3	8.6	2.2	0.2	0.9	0.2	(5)
Russell	Global Bond	1	2,960	-0.3	(7)	-0.5	(9)	0.5	(7)	4.0	(4)	5.6	(3)	0.5	3.6	8.0	5.9	10.1	2.6	0.6	0.9	0.7	(3)
Minimum				-0.5		-0.5		0.0		2.0		3.9		0.0	0.7	5.2	5.1	6.7	2.2	-0.4	0.4	-0.5	
Median				-0.3		-0.1		1.1		3.8		5.1		1.1	3.2	7.4	6.2	8.7	2.5	0.4	0.9	0.5	
Maximum				0.1		0.3		1.7		4.7		6.2		1.7	4.6	8.4	6.8	12.2	2.8	1.2	1.4	0.9	
Other:																							
LMI	Brandywine	2	263	-2.6	(3)	-4.0	(3)	-3.1	(3)	4.0	(1)	6.3	(1)	-3.1	6.6	8.8	2.7	17.7	5.7	1.3	5.1	0.3	(1)
ANZ	International Sovereign	2	4,119	0.0	(1)	-0.1	(1)	0.7	(1)	2.7	(3)	4.5	(3)	0.7	1.3	6.2	6.6	8.0	3.0	-0.4	0.5	-0.9	(2)
ANZ	International Credit	x	807	-0.8	(2)	-0.7	(2)	-1.3	(2)	3.9	(2)	5.1	(2)	-1.3	4.6	8.7	4.6	9.1	3.1				
Barclays Capital Global Agg Index				-0.2		-0.3		0.4		3.3		5.0		0.4	2.3	7.3	6.4	8.6	2.5				
Citigroup World Govt Bond Index				-0.0		-0.4		0.7		3.1		5.0		0.7	1.4	7.2	7.1	8.7	2.9				
Barclays Global Treasury GDP Wgtd																							
Barclays Global Aggregate 3-5 Yr TR																							

Other International Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Oct 2018										For the year ended 31 October					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014						
AMPCI	Commodities	89	-2.6	(4)	-3.2	(5)	-1.8	(8)	2.0	(8)	-4.3	(7)	-1.8	5.3	2.6	-22.6	-2.1						Bloomberg Commodity Index
AMPCI	Infrastructure	303	-0.7	(2)	-3.4	(6)	0.2	(4)	5.5	(6)	10.1	(3)	0.2	14.4	2.5	6.1	29.5						DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	214	0.1	(1)	-2.6	(3)	-4.9	(9)	8.3	(2)			-4.9	18.3	12.8	11.8							FTSE Global Core Infrastructure Net (NZD Hedged)
Magellan	Infrastructure	1,755	-1.6	(3)	-2.5	(2)	-0.0	(5)	10.6	(1)	11.7	(1)	-0.0	23.0	10.0	10.0	16.6						S&P Global Infrastructure Index (A\$ Hedged)
Milford	Global Equity	434	-6.4	(8)	-4.7	(9)	2.1	(3)	6.3	(4)	9.0	(5)	2.1	23.0	-4.2	14.1	12.1						OCR + 5%
PATH	Commodity Plus Fund	11	-5.1	(5)	-3.7	(8)	15.0	(1)	4.1	(7)	2.5	(6)	15.0	-2.1	0.4	0.7	-0.6						Bloomberg Commodity Index
PATH	World Equity Fund	25	-6.1	(6)	-2.9	(4)	3.6	(2)	6.0	(5)	10.7	(2)	3.6	22.0	-5.6	16.8	19.3						MSCI AC World
PATH	Global Water Fund	17	-6.1	(6)	-2.0	(1)	-0.7	(7)	7.2	(3)	9.5	(4)	-0.7	19.1	4.2	11.0	15.0						n/a
PATH	Global Responsibility Fund	3	-6.9	(9)	-3.5	(7)	-0.2	(6)					-0.2										MSCI AC World

NZ Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Oct 2018										For the year ended 31 October					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	2,241	0.6	(2)	1.7	(4)	4.9	(6)	4.6	(8)	5.7	(4)	4.9	3.2	5.6	8.2	6.8	2.2	0.6	0.4	1.5	(2)
ANZ	NZ Fixed Interest	1	1,848	0.4	(8)	1.5	(7)	4.7	(7)	4.4	(10)	5.6	(6)	4.7	2.7	5.7	8.4	6.4	2.2	0.4	0.4	1.0	(5)
Fisher	NZ Fixed Interest	1	667	0.6	(1)	1.9	(1)	5.6	(1)	4.8	(4)	5.8	(3)	5.6	3.4	5.6	8.5	5.9	2.3	0.6	0.4	1.6	(1)
Harbour	NZ Core Fixed Interest	3	506	0.5	(6)	1.4	(10)	4.4	(10)	4.7	(6)	5.5	(7)	4.4	3.8	6.0	7.4	5.9	1.7				
Harbour	NZ Corporate Bond	2	371	0.4	(10)	1.4	(9)	4.4	(9)	4.5	(9)	5.3	(8)	4.4	4.0	5.0	7.1	6.0	1.3	-0.0	0.3	-0.0	(6)
Milford	Trans-Tasman Bond	5	397	0.4	(9)	1.4	(8)	4.6	(8)	5.3	(2)			4.6	5.4	5.7	7.2						
Nikko	NZ Corporate Bond	1	221	0.6	(3)	1.8	(3)	5.3	(3)	5.3	(1)	6.3	(1)	5.3	5.0	5.6	8.5	7.3	1.8	1.1	1.1	1.1	(4)
Nikko	NZ Fixed Interest	1	283	0.5	(5)	1.8	(2)	5.4	(2)	4.8	(3)	6.0	(2)	5.4	3.6	5.5	8.3	7.1	2.1	0.8	0.7	1.1	(3)
Russell	NZ Fixed Interest	1	61	0.6	(3)	1.5	(6)	5.1	(4)	4.7	(5)	5.7	(5)	5.1	3.5	5.6	8.0	6.3	1.9				
Western	NZ Core	4	n/a	0.5	(6)	1.6	(5)	4.9	(5)	4.6	(7)			4.9	3.5	5.3	8.0						
Western	NZ Core Constrained	1	n/a	0.2	(11)	0.9	(11)	3.1	(11)	3.3	(11)	4.2	(9)	3.1	2.8	4.0	6.4	4.6	1.1	-1.0	1.4	-0.7	(7)
	Minimum			0.2		0.9		3.1		3.3		4.2		3.1	2.7	4.0	6.4	4.6	1.1	-1.0	0.3	-0.7	
	Median			0.5		1.5		4.9		4.7		5.7		4.9	3.5	5.6	8.0	6.3	1.9	0.6	0.4	1.1	
	Maximum			0.6		1.9		5.6		5.3		6.3		5.6	5.4	6.0	8.5	7.3	2.3	1.1	1.4	1.6	
	S&P/NZX NZ Govt Stock Index	1		0.4		1.6		4.8		4.0		5.1		4.8	2.1	5.1	7.9	5.8	2.4				
	S&P/NZX NZ Corp A Grade Index	2		0.4		1.4		4.4		4.4		5.3		4.4	3.8	4.9	7.6	5.9	1.5				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		0.4		1.5		4.6		4.2		5.2		4.6	3.0	5.0	7.8	5.9	1.9				
	S&P/NZX NZ Comp Inv Grade Index	4		0.4		1.5		4.7		4.1				4.7	2.5	5.1	7.7						
	S&P/NZX NZ Corp/ASX Corp (50/50)	5		0.4		1.3		4.0						4.0	4.1								

NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Oct 2018										For the year ended 31 October					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	3,702	0.2	(6)	0.6	(6)	2.4	(6)	2.6	(7)	3.1	(7)	2.4	2.5	2.9	3.9	3.7	0.2	0.4	0.0	9.5	(2)
AMPCI	NZ Short Duration	2	511	0.3	(1)	1.0	(1)	3.5	(1)	3.9	(1)	4.7	(1)	3.5	3.8	4.4	6.2	5.4	0.7	1.1	0.2	4.5	(5)
AMPCI	Global Short Duration	1	209	0.1	(7)	0.5	(7)	1.9	(7)	2.8	(6)	3.9	(2)	1.9	3.2	3.2	5.5	5.6	0.9	1.2	0.9	1.3	(6)
ANZ	NZ Cash	1	3,848	0.2	(5)	0.6	(5)	2.6	(5)	2.8	(5)	3.1	(6)	2.6	2.7	3.0	3.8	3.6	0.2	0.5	0.1	7.5	(3)
Fisher	NZ Cash	1	1,218	0.3	(2)	0.8	(2)	3.0	(2)	3.0	(3)	3.4	(5)	3.0	3.1	3.0	4.0	3.8	0.2	0.7	0.2	4.5	(4)
Harbour	Short Duration	1	92	0.2	(4)	0.6	(4)	2.7	(4)	3.0	(4)	3.5	(4)	2.7	2.9	3.4	4.2	4.1	0.3				
Nikko	NZ Cash	1	801	0.2	(3)	0.7	(3)	2.9	(3)	3.1	(2)	3.5	(3)	2.9	3.1	3.3	4.3	4.0	0.2	0.8	0.1	12.1	(1)
	Median			0.2		0.6		2.7		3.0		3.5		2.7	3.1	3.2	4.2	4.0	0.2	0.8	0.1	6.0	
	S&P/NZX 90 Day Bank Bill Index	1		0.2		0.5		1.9		2.2		2.7		1.9	2.1	2.7	3.5	3.2	0.1				

S&P/NZX Short End Swap Index	2	0.3	0.8	2.4	2.8	3.5	2.4	2.2	3.7	5.5	3.7	0.7
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Australasian Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Oct 2018								For the year ended 31 October					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		402	2.4	(1)	2.2	(1)	7.1	(2)	8.6	(2)	10.4	(2)	7.1	7.5	11.2	15.4	11.0	3.5	-2.1	8.8	-0.2	###
	Property Fund		175	0.4	(2)	1.5	(2)	10.5	(1)	12.0	(1)	10.6	(1)	10.5	11.2	14.3	7.4	9.8	2.6				
Listed:																							
AMPCI	Listed Property	1	0	0.0	(1)																		
AMPCI	Property Fund	2	138	-3.3	(4)	-0.6	(6)	10.1	(6)	8.3	(6)												
ANZ	Property Securities	1	164	-3.9	(7)	0.1	(4)	12.0	(4)	9.3	(3)	12.7	(2)	12.0	4.0	12.1	18.3	17.9	7.6	0.6	1.9	0.3	(3)
	Trans Tasman	2	702	-4.3	(8)	-1.4	(7)	9.9	(7)	9.0	(4)	12.6	(4)	9.9	5.5	11.8	18.5	17.9	7.9	0.1	1.9	0.0	(4)
Mint	Real Estate Inv Trust	1	57	-3.5	(5)	-0.2	(5)	10.7	(5)	8.7	(5)	12.0	(5)	10.7	4.7	10.9	16.8	17.6	7.1	-0.1	1.8	-0.1	(5)
Nikko	Property Securities	1	47	-3.8	(6)	0.2	(3)	13.5	(1)	9.5	(2)	12.6	(3)	13.5	4.6	10.7	17.3	17.8	7.5	0.5	1.3	0.4	(2)
Salt	Listed Property	1	290	-3.3	(3)	0.2	(2)	12.1	(3)	10.8	(1)	13.9	(1)	12.1	7.2	13.1	18.5	19.0	6.7	1.6	1.4	1.1	(1)
	Enhanced Property Fund	1	6	-3.2	(2)	0.3	(1)	12.1	(2)														
Minimum				-4.3		-1.4		9.9		8.3		12.0		9.9	4.0	9.0	16.8	17.6	6.7	-0.1	1.3	-0.1	
Median				-3.4		0.1		12.0		9.2		12.6		12.0	5.5	11.3	18.3	17.9	7.5	0.5	1.8	0.3	
Maximum				0.0		0.3		13.5		10.8		13.9		13.5	7.6	13.1	18.5	19.0	7.9	1.6	1.9	1.1	
S&P/NZX Property Index		1		-3.4		0.6		12.0		8.8		12.1		12.0	4.4	10.2	17.2	17.1	7.5				
NZX/ASX Property Index		2		-3.3		-0.2		10.8		8.7		12.5		10.8	5.7	9.7	18.9	18.1	7.8				

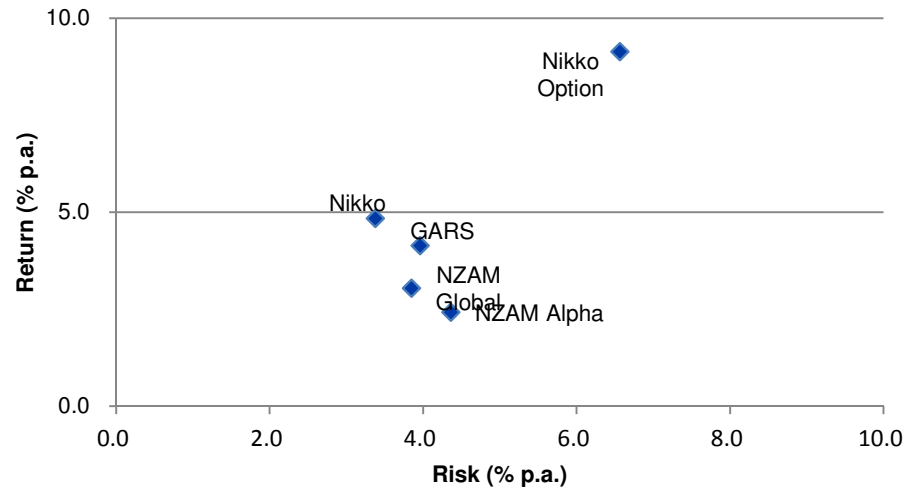
International Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Oct 2018								For the year ended 31 October					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	201	-4.4	(4)	-4.1	(4)	2.6	(3)	3.5	(4)	8.8	(2)	2.6	8.9	-0.7	13.5	21.1	11.1	0.3	4.6	0.1	(2)
ANZ	International Property	1	1,072	-2.3	(1)	-2.4	(1)	4.1	(1)	3.9	(3)	8.9	(1)	4.1	6.0	1.5	11.6	22.2	10.9	0.3	2.8	0.1	(1)
PATH	Global Property	1	15	-2.7	(2)	-3.8	(3)	2.3	(4)	4.0	(2)												
Russell	Global Listed Real Estate	1	58	-3.3	(3)	-3.7	(2)	4.0	(2)	4.8	(1)												
FTSE EPRA/NAREIT Index*				-2.9		-4.2		2.6		3.7		8.4		2.6	3.5	4.9	11.5	20.3	11.4				
*UBS Global RE Index prior to June 2015																							

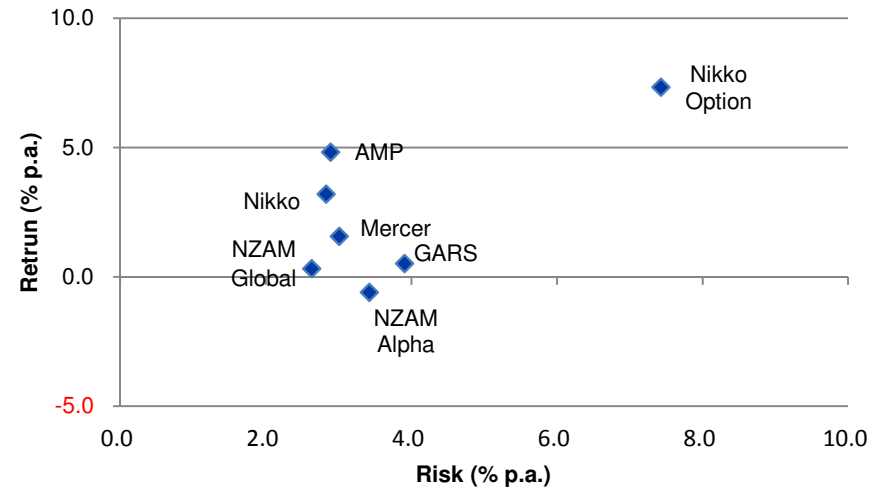
International Alternatives/Absolute Return

		Returns (%) gross of tax and fees																			
Manager	Fund	FUM (\$m)	For the period to 31 Oct 2018										For the year ended 31 October					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	271	-2.3	(7)	-1.7	(6)	1.2	(2)	4.8	(2)		1.2	9.3	4.0	7.2						CPI + 5%
Mercer	Liquid Alternatives	134	-1.1	(4)	-1.3	(4)	-2.7	(6)	1.6	(4)	4.1	(4)	-2.7	7.0	0.6	9.4	6.6	3.4	0.4	###	Cash + 3% to 5%
Nikko	Multi-Strategy	180	-2.1	(6)	-1.7	(5)	0.9	(5)	3.2	(3)	4.8	(2)	0.9	5.5	3.3	5.4	9.3	3.4	0.6	(2)	90 Day Bank Bill + 2.5%
Nikko	Option	78	-0.1	(2)	1.9	(1)	8.7	(1)	7.3	(1)	9.1	(1)	8.7	-0.1	13.8	16.7	7.3	6.6	1.0	(1)	90 Day Bank Bill + 4%
NZAM	Alpha	13	0.0	(1)	0.8	(2)	0.9	(4)	-0.6	(7)	2.4	(6)	0.9	-1.5	-1.2	8.1	6.1	4.4	-0.1	(5)	OCR + 4%
NZAM	Global	200	-0.7	(3)	-0.0	(3)	0.9	(3)	0.3	(6)	3.0	(5)	0.9	2.7	-2.7	8.1	6.5	3.9	0.1	(4)	OCR + 4%
Std Life	GARS	57	-2.0	(5)	-2.0	(7)	-2.9	(7)	0.5	(5)	4.1	(3)	-2.9	5.7	-1.1	8.7	10.9	4.0	0.4	(3)	OCR + 5%
OCR + 5%			0.6		1.7		6.8		7.0		7.4		6.8	6.8	7.3	8.3	8.0	0.2			

5 Year risk/return



3 Year risk/return



Notes

List of Managers

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

Explanatory notes

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

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