

The Aon Investment Update as at 31 January 2015

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 – but 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 January 2015

Market summary

January saw continued strong returns from shares, bonds and property, and continuing weakness in commodity prices. However, economic data which was mixed, combined with some unexpected actions from Central Banks, led to increased volatility across financial markets.

In the US the earnings season has generally been disappointing, which has put pressure on share prices there. But, an exception to this is Apple, which in January announced the biggest quarterly profit ever made by a public company (US\$18bn). Apple sold 74.5 million iPhones in the last quarter – which works out at 567 phones every minute.

The major surprise over the month was the announcement by the Swiss National Bank (SNB) that they would remove the cap on the exchange rate between the Swiss franc and the euro. The cap had been in place since 2011, and the franc immediately soared in value and the Swiss equity market fell sharply. Only two days prior to the cap being removed the SNB Vice President had said: "We're convinced that the cap on the franc must remain the pillar of our monetary policy."

Less of a surprise was the announcement from the European Central Bank (ECB) of its own quantitative easing programme. The ECB will purchase €60bn a month of assets (primarily Eurozone sovereign debt) until September 2016 in order to try to stimulate some growth and inflation. An announcement had been expected; however the scale of the purchases was larger than anticipated. The immediate impact of the announcement was a further depreciation in the value of the euro. The change of government in Greece only added to uncertainty in the region.

US shares fell 3% over the month but European shares had their best month in nearly four years following the ECB's announcement of additional stimulus. Japanese, Asian and Emerging Market shares all posted modest positive returns. Global bonds also made strong gains over the month, with the 10-year US Treasury yield falling from 2.17% to 1.64% and the equivalent UK bond yield falling from 1.76% to 1.33%.

The oil price continued to slide – falling below \$50 per barrel by the end of January. Agricultural and metals prices were also generally weaker over the month with only precious metals (in particular gold) showing some strength.

Fund Performance

Domestic equity fund returns ranged from 2.0% (ANZ Investments) to 4.8% (Devon) for January, with the median return being 3.1%. It was a very strong month for the Devon suite of funds - they took the top three places in the survey with their Trans Tasman, Australasian Equity and Equity Income Funds. Their Alpha Fund, which has an absolute return benchmark also returned 4.8% for the month.

Global equity returns were mixed, but weakness in the NZ dollar meant that, on an unhedged basis, performance was good. Emerging markets outperformed Developed markets over the month.

Domestic bond funds provided solid returns over the month, but generally underperformed the benchmark as government bonds significantly outperformed corporates. Over the last 12 months, the Government Bond index has returned 9.2%, compared with 8.1% for the Corporate A Grade index. Global bonds had another good month with the median manager returning 2.6% in January.

Once again, property was the strongest performing sector. The median NZ listed property fund returned 4.1% over the month, and all 6 funds in the sector have returned close to 30% over the last 12 months. Returns from global property funds have been even stronger.

New Zealand Fund Management Changes

Harbour Asset Management became the first of the major fund managers to be granted a Managed Investment Scheme (MIS) license. Becoming licensed is the first step on the path towards becoming fully compliant with the Financial Markets Conduct Act 2013.

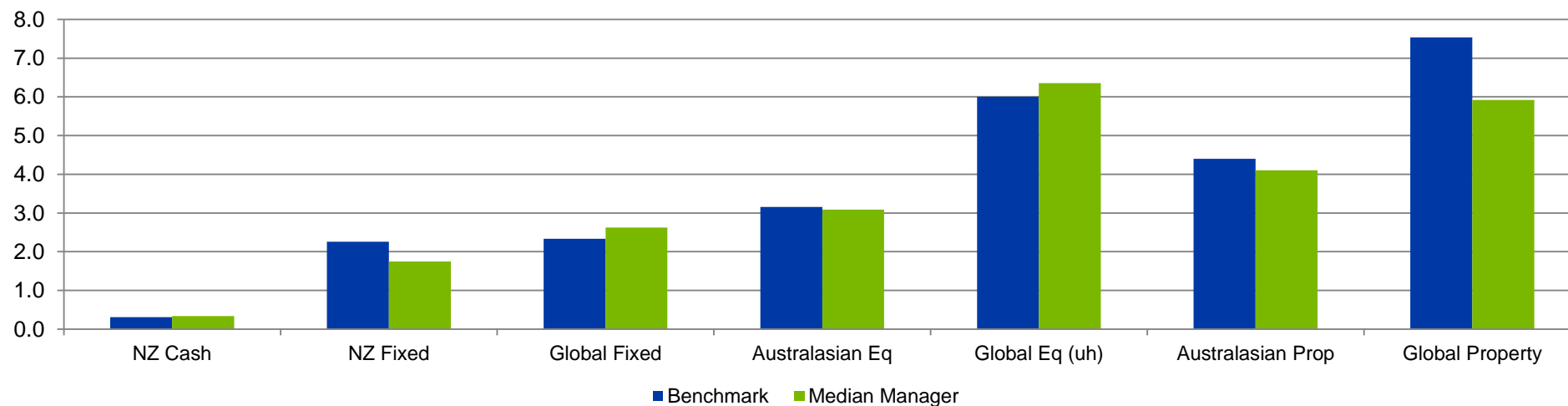
The London Stock Exchange Group (LSEG) announced during the month that they have put the investment management business of Russell Investments up for sale. LSEG acquired the investment management business last year when they purchased Russell's index business.

Milford Asset Management confirmed that they are the subject of a market investigation by the Financial Markets Authority. At this stage no details have been released about the exact nature of the investigation.

Median Manager Performance v Benchmark

Sector		Returns (%) gross of tax and fees									Volatility 5 Yrs	
		For the period to 31 Jan 2015					For the year ended 31 January					
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2015	2014	2013	2012		2011
NZ Cash	ANZ 90D Bank Bills	0.3	0.9	3.4	2.9	2.9	3.4	2.7	2.7	2.8	3.0	0.1
	Median Manager	0.3	1.0	4.1	3.9	3.8	4.1	3.8	3.9	3.7	4.0	0.1
NZ Fixed Interest	ANZ NZ Govt Stock	2.3	4.1	9.2	4.3	6.2	9.2	-0.8	4.5	11.5	7.0	3.1
	Median Manager	1.8	3.3	9.7	5.6	7.3	9.7	2.3	6.5	10.9	8.0	2.5
Global Fixed Interest	Barclays Agg	2.3	4.5	11.9	7.6	7.7	11.9	4.3	6.8	9.5	6.2	2.5
	Median Manager	2.6	4.5	12.4	8.4	8.9	12.4	3.5	9.1	10.5	8.7	3.0
Australasian Equities	NZX 50 Gross	3.2	6.8	19.5	21.9	14.2	19.5	16.0	30.8	0.2	6.8	8.5
	Median Manager	3.1	6.0	21.9	23.7	15.2	21.9	16.5	30.3	0.9	7.3	9.0
Global Equities (unhedged)	MSCI ACWI	6.0	5.2	19.0	16.3	9.2	19.0	17.1	12.9	-9.7	9.1	9.8
	Median Manager	6.4	6.1	19.6	17.7	10.1	19.6	19.5	14.2	-9.4	8.7	10.4
Australasian Property	NZX Property	4.4	10.7	30.3	16.2	14.1	30.3	2.1	18.1	14.6	7.4	7.8
	Median Manager	4.1	10.9	29.4	19.5	16.7	29.4	6.6	23.5	14.2	8.9	7.3
Global Property	UBS Property	7.5	12.4	36.8	21.4	19.9	36.8	5.8	23.7	5.6	31.1	13.4
	Median Manager	5.9	9.7	33.8	20.9	19.8	33.8	6.6	24.0	4.7	33.1	15.7

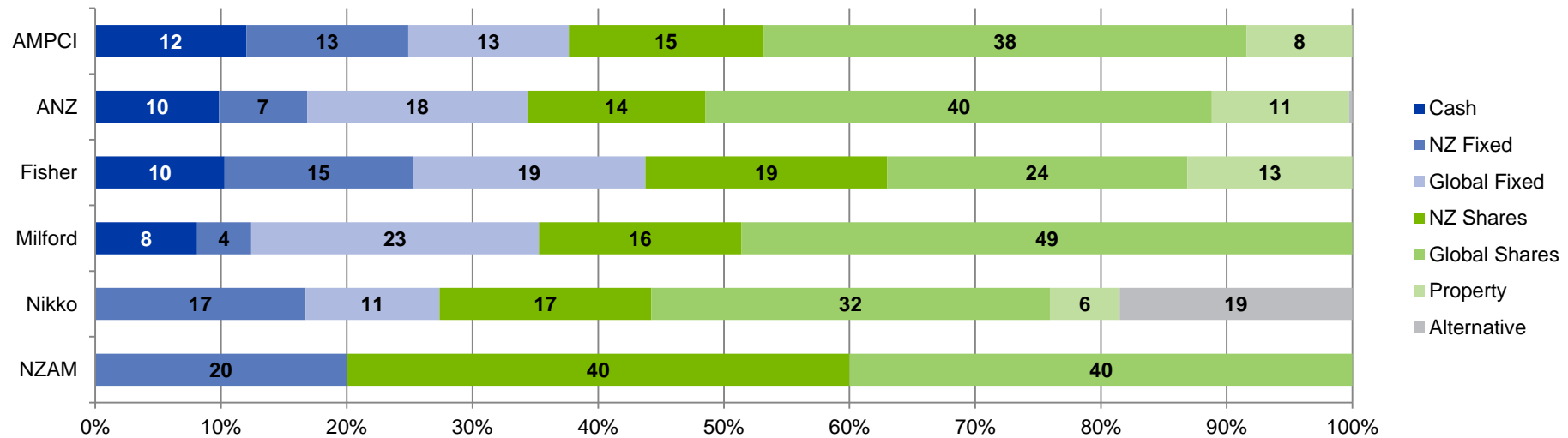
1 Month Performance (%)



Balanced Funds

Manager	FUM (\$m)	Returns (%) gross of tax and fees													5 Years	
		For the period to 31 Jan 2015										For the year ended 31 January				
		1 M Rk	1 Qtr Rk	1 Yr Rk	3 Yrs Rk	5 Yrs Rk	2015	2014	2013	2012	2011	Vol	SR Rk			
AMP Capital Investors NZ Limited	20	2.2 (3)	2.4 (7)	13.6 (6)	12.1 (6)	9.5 (4)	13.6	8.1	14.5	2.3	9.6	4.9	1.3 (6)			
AMP Capital Investors RIL	25	2.0 (4)	3.5 (5)	14.7 (4)	13.9 (4)	11.0 (2)	14.7	10.7	16.2	2.9	11.0	4.6	1.8 (3)			
ANZ Investments	499	3.0 (2)	5.1 (1)	17.9 (1)	16.0 (2)	12.7 (1)	17.9	11.8	18.3	4.3	11.7	5.4	1.8 (2)			
Fisher Institutional	937	1.8 (6)	3.6 (4)	13.9 (5)	12.2 (5)	9.5 (5)	13.9	8.7	14.0	2.2	9.3	4.3	1.5 (5)			
Milford Funds	226	1.9 (5)	4.0 (3)	16.6 (2)	17.0 (1)		16.6	13.3	21.3	4.8						
Nikko Investment Management	204	3.1 (1)	5.0 (2)	15.5 (3)	14.2 (3)	10.6 (3)	15.5	12.3	14.7	1.9	8.9	4.4	1.7 (4)			
NZAM	50	0.6 (7)	2.7 (6)	8.3 (7)	9.4 (7)	7.9 (6)	8.3	9.3	10.8	3.6	7.5	2.2	2.2 (1)			
Minimum		0.6	2.4	8.3	9.4	7.9	8.3	8.1	10.8	1.9	7.5	2.2	1.3			
Median		2.0	3.6	14.7	13.9	10.1	14.7	10.7	14.7	2.9	9.4	4.5	1.7			
Maximum		3.1	5.1	17.9	17.0	12.7	17.9	13.3	21.3	4.8	11.7	5.4	2.2			

Asset Allocation



NZ and Australasian Equities

					Returns (%) gross of tax and fees														
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 31 Jan 2015					For the year ended 31 January					For last 5 years				
					1 M Rk	1 Qtr Rk	1 Yr Rk	3 Yrs Rk	5 Yrs Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	NZ Shares	1	514	0	3.4 (8)	7.2 (4)	24.9 (7)	23.2 (11)	15.2 (8)	24.9	12.2	33.3	-0.4	9.0	9.0	0.9	2.8	0.3	(11)
AMPCI	NZ Shares RIL	1	8	0	3.6 (5)	7.8 (3)	25.4 (6)			25.4	13.6								
AMPCI	Strategic NZ Share	2	165	0	3.4 (7)	8.1 (2)	26.1 (5)	24.0 (8)	14.6 (11)	26.1	13.9	32.6	-2.9	7.0	9.2	0.2	3.4	0.0	(13)
ANZ	NZ Equities	1	182	0	2.0 (20)	5.1 (14)	21.0 (13)	23.7 (9)	16.1 (4)	21.0	18.4	32.3	3.9	7.3	8.6	1.7	1.8	1.0	(4)
ANZ	Australasian Equity	1	669	9	2.3 (19)	5.1 (15)	22.2 (9)	23.3 (10)	15.6 (7)	22.2	17.0	31.3	3.2	6.6	8.5	1.2	1.9	0.6	(7)
CPFM	Trans Tasman Strategy	1	0	20	3.0 (12)	3.0 (17)	22.1 (10)			22.1									
Devon	NZ Core	1	176	12	4.4 (3)	6.0 (11)	29.2 (3)	24.7 (4)	15.7 (6)	29.2	18.4	26.8	0.9	5.9	8.6	1.3	3.5	0.4	(9)
Devon	Equity Income	3	24	48	4.6 (2)	6.9 (6)	32.3 (1)	24.1 (6)		32.3	14.8	25.9							
Devon	Trans Tasman	3	99	52	4.8 (1)	7.1 (5)	27.3 (4)	24.6 (5)	14.4 (12)	27.3	24.6	21.8	-4.0	5.5	9.7	4.0	4.1	1.0	(3)
Fisher	Trans Tasman Equities	1	495	9	2.8 (13)	5.3 (13)	20.1 (15)	22.9 (12)	14.2 (13)	20.1	10.6	39.9	-0.6	5.4	10.0	0.1	3.4	0.0	(14)
Harbour	Australasian Equity	5	594	28	2.8 (15)	2.5 (18)	13.8 (17)	22.6 (15)		13.8	23.3	31.3	-2.5						
Milford	NZ Equities	1	479	0	2.6 (18)	4.7 (16)	11.2 (19)	24.9 (2)	16.3 (3)	11.2	29.7	35.3	3.1	6.0	8.7	1.9	3.0	0.6	(8)
Milford	Trans Tasman	3	282	50	3.2 (10)	0.0 (19)	12.2 (18)	20.2 (16)	14.7 (10)	12.2	16.7	32.7	6.1	7.4	9.1	4.2	3.7	1.1	(2)
Mint	Trans Tasman Equity	1	66	10	2.8 (13)	6.8 (7)	21.2 (12)	26.2 (1)	18.6 (1)	21.2	28.5	29.1	4.1	12.3	9.0	3.9	5.2	0.8	(6)
Nikko	Core Domestic Equity	1	289	9	3.5 (6)	6.7 (8)	21.7 (11)	22.6 (14)	14.2 (14)	21.7	16.3	30.3	0.1	5.2	8.9	0.1	2.3	0.0	(15)
Nikko	Australasian Smallcap	4	13	59	2.8 (16)	-2.0 (20)	9.4 (20)	15.2 (17)	9.8 (15)	9.4	9.1	28.0	-8.5	14.4	13.8	8.5	6.9	1.2	(1)
Russell	NZ Shares	5	85	0	3.3 (9)	5.6 (12)	19.2 (16)			19.2									
Salt	Dividend Appreciation	1	77	0	3.8 (4)	9.3 (1)	32.1 (2)	24.9 (3)	16.8 (2)	32.1	13.7	29.8	1.0	10.2	8.9	2.3	2.9	0.8	(5)
Salt	NZ Plus Share	1	409	4	3.0 (11)	6.4 (9)	24.4 (8)	22.9 (13)	15.1 (9)	24.4	15.3	29.5	0.8	7.8	9.2	0.8	2.8	0.3	(12)
Salt	Javelin	2	56	13	2.6 (17)	6.0 (10)	20.2 (14)	24.1 (7)	16.1 (5)	20.2	22.5	29.8	1.5	8.5	10.1	1.5	4.5	0.3	(10)
Minimum					2.0	-2.0	9.4	15.2	9.8		9.4	9.1	21.8	-8.5	5.2	8.5	0.1	1.8	0.0
Median					3.1	6.0	21.9	23.7	15.2		21.9	16.5	30.3	0.9	7.3	9.0	1.6	3.4	0.6
Maximum					4.8	9.3	32.3	26.2	18.6		32.3	29.7	39.9	6.1	14.4	13.8	8.5	6.9	1.2
NZX 50 Gross incl I/C					1		3.2	6.8	19.5	21.9	14.2				8.5				
NZX 50 Portfolio incl I/C					2		3.3	7.7	22.3	23.1	14.4			8.6					
NZX50/ASX200 (50/50)					3		4.5	1.8	15.9	14.8	9.9			10.2					
NZX/ASX Small Cap					4		0.6	-4.2	1.0	-0.3	1.0			13.9					
Russell NZ Tradeable Gross					5		3.3	7.6	22.3	23.1									

Australian Only Equity

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jan 2015										For the year ended 31 January					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	Australian Share	1	33	6.2	(2)	-2.0	(3)	17.1	(2)	9.5	(3)	6.2	(2)	17.1	-3.6	16.3	-5.5	9.0	14.6	0.7	1.7	0.4	(1)
ANZ	Australian Share	1	479	5.3	(3)	-3.7	(4)	9.3	(4)	9.9	(2)	7.3	(1)	9.3	5.7	15.0	-5.7	13.6	13.2	1.6	3.8	0.4	(2)
Devon	Australian	1	36	6.7	(1)	-0.4	(2)	19.5	(1)	15.1	(1)			19.5	8.0	18.0	-7.7						
Milford	Dynamic	2	121	0.2	(4)	1.1	(1)	11.0	(3)					11.0									
Minimum				0.2		-3.7		9.3		9.5		6.2		9.3	-3.6	15.0	-7.7	9.0	13.2	0.7	1.7	0.4	
Median				5.8		-1.2		14.0		9.9		6.8		17.1	5.7	16.3	-5.7	11.3	13.9	1.1	2.8	0.4	
Maximum				6.7		1.1		19.5		15.1		7.3		19.5	8.0	18.0	-5.5	13.6	14.6	1.6	3.8	0.4	
ASX 200				1		-3.2		11.9		7.8		5.4		11.9	-3.5	15.9	-6.5	11.0	14.8				
ASX SmallCap Industrials				2		-0.7		6.5		12.5				6.5	7.7	24.2							
ASX 200 (in A\$)						3.3		2.0		12.5		8.8		12.5	11.1	20.1	-6.2	8.5					

Income

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Jan 2015										For the year ended 31 January					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011						
Harbour	Australasian Eq Income	83	4.4	(1)	8.0	(1)	31.6	(1)	24.7	(1)			31.6	11.6	31.9								n/a
Milford	Income	1,050	1.6	(2)	4.0	(2)	19.3	(2)	17.8	(2)			19.3	12.3	21.9	11.3							ANZ 90 Day Bank Bill Index
Nikko	Income	4	0.7	(3)	2.7	(3)	8.2	(3)	7.5	(3)	7.8	(1)	8.2	5.1	9.2	6.5	10.1						10% p.a.
Minimum			0.7		2.7		8.2		7.5		7.8		8.2	5.1	9.2	6.5	10.1						
Median			1.6		4.0		19.3		17.8		7.8		19.3	11.6	21.9	8.9	10.1						
Maximum			4.4		8.0		31.6		24.7		7.8		31.6	12.3	31.9	11.3	10.1						

Global Equities (Unhedged)

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jan 2015										For the year ended 31 January					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	Global Shares	2	999	6.5	(6)	5.9	(8)	20.1	(5)	20.0	(3)	11.0	(4)	20.1	24.4	15.7	-10.5	9.0	10.3	1.8	1.8	1.0	(2)
AMPCI	RIL Global Shares	1	36	6.0	(11)	4.8	(11)	20.2	(4)	17.9	(6)	10.1	(6)	20.2	19.5	14.2	-10.4	10.1	9.8	0.9	1.3	0.7	(4)
ANZ	International Share	1	3,121	6.2	(9)	7.4	(4)	21.1	(2)	20.4	(2)	12.2	(2)	21.1	21.1	18.9	-6.8	9.4	10.4	2.8	2.4	1.2	(1)
EC	Global Value	1	14	6.3	(8)	4.5	(13)	12.3	(12)	13.7	(12)	9.8	(8)	12.3	20.1	9.0	-2.8	11.7	7.8	0.3	5.1	0.1	(10)
EC	Value Fund of Funds	1	9	7.3	(2)	8.4	(2)	16.6	(10)	15.7	(10)			16.6	19.2	11.5							
Fisher	Overseas Equities	1	683	6.4	(7)	5.7	(9)	18.9	(8)	14.9	(11)	8.0	(11)	18.9	16.3	9.7	-10.9	8.5	9.7	-1.1	1.9	-0.6	(11)
FRK	Global Growth	1	56	5.6	(12)	7.0	(5)	19.6	(7)	18.1	(5)	11.1	(3)	19.6	18.5	16.2	-8.0	11.9	10.5	1.8	4.1	0.4	(6)
FRK	Global Trust	1	354	5.2	(14)	3.5	(14)	11.7	(13)	18.9	(4)	9.8	(9)	11.7	24.9	20.7	-10.1	5.5	11.5	0.7	4.2	0.2	(8)
Magellan	Global	1	7,525	5.4	(13)	10.1	(1)	21.6	(1)	23.4	(1)	16.5	(1)	21.6	22.9	25.7	5.8	7.7	10.6	6.6	7.0	0.9	(3)
MGH	MGH Investments	1	21	6.7	(5)	5.6	(10)	13.3	(11)	12.3	(13)	6.8	(12)	13.3	14.9	8.9	-8.9	7.8	8.1	-3.6	4.7	-2.0	(12)
Nikko	Global Equity	1	424	7.3	(3)	6.3	(7)	20.0	(6)	17.7	(7)	10.7	(5)	20.0	18.8	14.4	-5.3	7.9	8.9	1.4	2.3	0.6	(5)
Nikko	Global SRI	1	10	7.0	(4)	8.1	(3)	18.5	(9)	17.6	(8)	9.6	(10)	18.5	21.0	13.6	-10.0	8.0	10.7	0.4	4.1	0.1	(9)
Russell	Emerging Markets	4	n/a	9.8	(1)	4.7	(12)																
Russell	Global Opportunities	3	303	6.2	(10)	6.9	(6)	20.5	(3)	17.3	(9)	10.1	(7)	20.5	19.0	12.5	-10.0	11.2	10.8	0.9	2.2	0.4	(7)
	Minimum			5.2		3.5		11.7		12.3		6.8		11.7	14.9	8.9	-10.9	5.5	7.8	-3.6	1.3	-2.0	
	Median			6.4		6.1		19.6		17.7		10.1		19.6	19.5	14.2	-9.4	8.7	10.4	0.9	3.3	0.4	
	Maximum			9.8		10.1		21.6		23.4		16.5		21.6	24.9	25.7	5.8	11.9	11.5	6.6	7.0	1.2	
	MSCI All Country World Index	1		6.0		5.2		19.0		16.3		9.2		19.0	17.1	12.9	-9.7	9.1	9.8				
	MSCI World Index	2		5.7		5.6		19.2		17.9		10.1		19.2	20.6	14.0	-9.3	8.7	10.1				
	Russell Global Large Cap	3		6.0		5.3		19.1		16.7		9.1		19.1	17.9	13.1	-9.7	8.1	9.9				
	Russell Emerging Markets Index	4		8.3		1.6																	
	MSCI World Index (100% hedged)			-0.4		2.3		16.2		18.3		13.9		16.2	20.5	18.3	-2.2	18.1	11.9				

Global Bonds

		Returns (%) gross of tax and fees																						
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jan 2015										For the year ended 31 January					For last 5 years					
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk	
AMPCI	Global Fixed Interest	1	162	2.6	(5)	4.4	(5)	11.9	(6)	7.8	(4)	7.6	(5)	11.9	4.3	7.2	7.1	7.8	2.6	-0.1	1.7	-0.0	(5)	
ANZ	International Sovereign	2	1,887	2.6	(3)	5.2	(2)	12.4	(4)	7.1	(6)	7.3	(6)	12.4	3.0	6.1	9.8	5.7	2.8	-0.2	0.6	-0.3	(6)	
ANZ	International Credit	x	1,078	2.6	(6)	4.4	(6)	12.0	(5)					12.0										
ANZ	International Aggregate	1	683	2.1	(7)	4.2	(7)																	
Fisher	Global Fixed Interest	1	1,025	2.6	(4)	4.5	(4)	13.9	(2)	9.1	(3)	10.4	(2)	13.9	2.7	11.0	13.5	11.1	3.5	2.5	1.8	1.4	(2)	
LMI	Brandywine*	2	193	4.7	(1)	7.2	(1)	25.4	(1)	14.4	(1)	13.7	(1)	25.4	0.9	18.2	13.0	12.2	5.2	5.7	4.6	1.2	(3)	
Nikko	Global Fixed Interest	1	198	1.9	(8)	3.5	(8)	10.3	(7)	7.4	(5)	7.8	(4)	10.3	5.3	6.6	9.0	7.9	2.5	0.1	0.9	0.1	(4)	
Russell	Global Bond	1	1,448	3.0	(2)	4.9	(3)	13.7	(3)	9.8	(2)	10.0	(3)	13.7	4.0	11.8	11.1	9.5	3.1	2.1	1.5	1.4	(1)	
Minimum				1.9		3.5		10.3		7.1		7.3		10.3	0.9	6.1	7.1	5.7	2.5	-0.2	0.6	-0.3		
Median				2.6		4.5		12.4		8.4		8.9		12.4	3.5	9.1	10.5	8.7	3.0	1.1	1.6	0.7		
Maximum				4.7		7.2		25.4		14.4		13.7		25.4	5.3	18.2	13.5	12.2	5.2	5.7	4.6	1.4		
Barclays Capital Global Agg Index				1		2.3		4.5		11.9		7.6		7.7		11.9	4.3	6.8	9.5	2.5				
Citigroup World Govt Bond Index				2		2.5		5.1		12.7		7.7		7.5		12.7	4.5	6.0	9.5	2.8				

Other Global Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Jan 2015										For the year ended 31 January					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011						
AMPCI	Commodities	325	-3.2	(5)	-12.7	(5)	-14.9	(5)						-14.9	-8.6								n/a
AMPCI	Infrastructure	168	0.5	(3)	4.0	(2)	28.6	(1)						28.6	17.2								n/a
CFS	Infrastructure	139	4.1	(1)	7.6	(1)	28.2	(2)						28.2									UBS Global Infrastructure/Utilities
PATH	Commodity Plus Fund	54	0.3	(4)	1.0	(4)	1.5	(4)	-2.2	(2)	0.6	(1)		1.5	-6.3	-1.7	-4.9	16.1					Bloomberg Commodity Index
PATH	Global Water Fund	5	1.3	(2)	1.3	(3)	13.2	(3)	16.8	(1)				13.2	23.0	14.6	-7.8						n/a
Minimum			-3.2		-12.7		-14.9		-2.2		0.6			-14.9	-8.6	-1.7	-7.8	16.1					
Median			0.5		1.3		13.2		7.3		0.6			13.2	5.4	6.5	-6.3	16.1					
Maximum			4.1		7.6		28.6		16.8		0.6			28.6	23.0	14.6	-4.9	16.1					

* 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 31 Jan 2015										For the year ended 31 January					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	NZ Fixed Interest	1	1,768	2.2	(2)	4.2	(1)	10.2	(1)	5.6	(4)	7.2	(4)	10.2	0.8	6.0	11.9	7.7	3.0	0.9	0.6	1.7	(1)
ANZ	NZ Fixed Interest	1	1,171	2.3	(1)	4.1	(2)	9.8	(3)	5.4	(6)	7.3	(3)	9.8	0.1	6.5	11.8	8.8	3.0	1.0	0.8	1.4	(2)
Fisher	NZ Fixed Interest	1	999	2.2	(2)	4.1	(3)	9.4	(6)	5.3	(7)	6.8	(5)	9.4	0.9	5.6	10.6	7.6	2.5	0.5	1.2	0.4	(5)
Harbour	NZ Core Fixed Interest	3	115	1.3	(7)	2.6	(8)	7.7	(8)	5.6	(5)			7.7	2.6	6.5							
Harbour	NZ Corporate Bond	2	189	1.3	(8)	2.5	(9)	7.6	(9)	6.0	(3)	6.4	(6)	7.6	3.7	6.8	7.5	6.3	1.3	-0.3	1.0	-0.3	(6)
Milford	NZ Fixed Interest	1	238	1.1	(9)	3.0	(7)	9.8	(4)					9.8									
Nikko	NZ Corporate Bond	1	89	1.8	(5)	3.3	(6)	9.9	(2)	7.2	(1)	8.1	(1)	9.9	3.5	8.3	9.8	9.1	2.0	1.7	2.0	0.9	(4)
Nikko	NZ Fixed Interest	1	224	1.9	(4)	3.5	(4)	9.7	(5)	6.5	(2)	7.8	(2)	9.7	2.3	7.5	11.1	8.3	2.6	1.4	1.1	1.3	(3)
Russell	NZ Fixed Interest	1	73	1.7	(6)	3.3	(5)	8.6	(7)					8.6									
Minimum				1.1		2.5		7.6		5.3		6.4		7.6	0.1	5.6	7.5	6.3	1.3	-0.3	0.6	-0.3	
Median				1.8		3.3		9.7		5.6		7.3		9.7	2.3	6.5	10.9	8.0	2.5	1.0	1.0	1.1	
Maximum				2.3		4.2		10.2		7.2		8.1		10.2	3.7	8.3	11.9	9.1	3.0	1.7	2.0	1.7	
	ANZ NZ Govt Stock Index	1		2.3		4.1		9.2		4.3		6.2		9.2	-0.8	4.5	11.5	7.0	3.1				
	ANZ NZ Corp A Grade Index	2		1.5		2.9		8.1		5.6		6.7		8.1	3.0	5.9	8.7	8.2	1.7				
	ANZ NZ Govt/Corp A Index (50/50)	3		1.9		3.5		8.7		4.9		6.5		8.7	1.1	5.2	10.1	7.6	2.3				

NZ Cash

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jan 2015										For the year ended 31 January					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	NZ Cash	1	3,875	0.3	(3)	1.0	(4)	3.9	(4)	3.6	(3)	3.8	(3)	3.9	3.4	3.6	3.8	4.2	0.1	0.8	0.1	9.8	(1)
ANZ	NZ Cash	1	1,917	0.3	(5)	1.0	(5)	3.9	(5)	3.6	(4)	3.6	(4)	3.9	3.3	3.5	3.7	3.8	0.1	0.7	0.1	7.8	(3)
Fisher	NZ Cash	1	903	0.3	(3)	1.0	(3)	4.1	(3)	4.1	(1)	3.8	(2)	4.1	3.8	4.5	2.9	3.6	0.3	0.8	0.3	2.4	(4)
Harbour	Short Duration	1	43	0.4	(2)	1.1	(2)	4.2	(2)					4.2	3.9								
Nikko	NZ Cash	1	361	0.4	(1)	1.2	(1)	4.2	(1)	4.1	(2)	4.2	(1)	4.2	4.0	4.2	4.0	4.5	0.1	1.2	0.1	8.2	(2)
Minimum				0.3		1.0		3.9		3.6		3.6		3.9	3.3	3.5	2.9	3.6	0.1	0.7	0.1	2.4	
Median				0.3		1.0		4.1		3.9		3.8		4.1	3.8	3.9	3.7	4.0	0.1	0.8	0.1	8.0	
Maximum				0.4		1.2		4.2		4.1		4.2		4.2	4.0	4.5	4.0	4.5	0.3	1.2	0.3	9.8	
	ANZ 90 Day Bank Bill Index	1		0.3		0.9		3.4		2.9		2.9		3.4	2.7	2.7	2.8	3.0	0.1				

NZ Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jan 2015										For the year ended 31 January					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
Direct:																							
AMPCI	Property Fund		134	3.6	(1)	4.6	(1)	12.0	(1)	11.3	(2)	4.6	(3)	12.0	11.4	10.6	6.5	-14.9	7.0				
Fisher Trust	Property Fund		331	0.5	(3)	2.8	(2)	12.0	(2)	12.7	(1)	10.0	(1)	12.0	17.8	8.6	3.3	8.7	3.8				
	Property Fund		93	0.6	(2)	1.2	(3)	7.7	(3)	8.7	(3)	8.1	(2)	7.7	9.0	9.4	6.9	7.4	1.8				
Listed:																							
AMPCI	Listed Property	1	18	4.5	(2)	11.6	(2)	29.1	(4)	19.9	(3)	16.7	(3)	29.1	6.9	24.8	13.2	11.2	6.9	2.2	2.7	0.8 (3)	
ANZ	Property Securities	1	139	4.0	(5)	11.2	(3)	29.0	(5)	20.7	(2)	17.0	(1)	29.0	10.1	23.8	14.7	8.9	7.8	2.6	2.7	1.0 (2)	
ANZ	Trans Tasman	2	330	4.8	(1)	11.7	(1)	30.5	(2)	22.5	(1)	16.5	(4)	30.5	10.4	27.7	8.6	7.2	8.1	1.5	2.9	0.5 (4)	
Mint	Real Estate Inv Trust	1	42	4.0	(4)	9.6	(6)	28.6	(6)	19.0	(5)	15.4	(5)	28.6	6.3	23.1	13.8	6.8	7.0	1.0	2.9	0.4 (5)	
Nikko	Property Securities	1	38	4.2	(3)	10.0	(5)	29.7	(3)	17.4	(6)			29.7	4.4	19.6	15.1						
Salt	Listed Property	1	266	3.9	(6)	10.6	(4)	30.7	(1)	19.1	(4)	16.9	(2)	30.7	5.4	22.7	15.6	11.9	7.3	2.5	1.5	1.6 (1)	
Minimum				3.9		9.6		28.6		17.4		15.4		28.6	4.4	19.6	8.6	6.8	6.9	1.0	1.5	0.4	
Median				4.1		10.9		29.4		19.5		16.7		29.4	6.6	23.5	14.2	8.9	7.3	2.2	2.7	0.8	
Maximum				4.8		11.7		30.7		22.5		17.0		30.7	10.4	27.7	15.6	11.9	8.1	2.6	2.9	1.6	
NZX Property Index				1		4.4		10.7		30.3		14.1		30.3	2.1	18.1	14.6	7.4	7.8				
NZX/ASX Property Index				2		5.4		11.5		33.3		14.7		33.3	3.0	22.5	10.6	6.9	7.5				

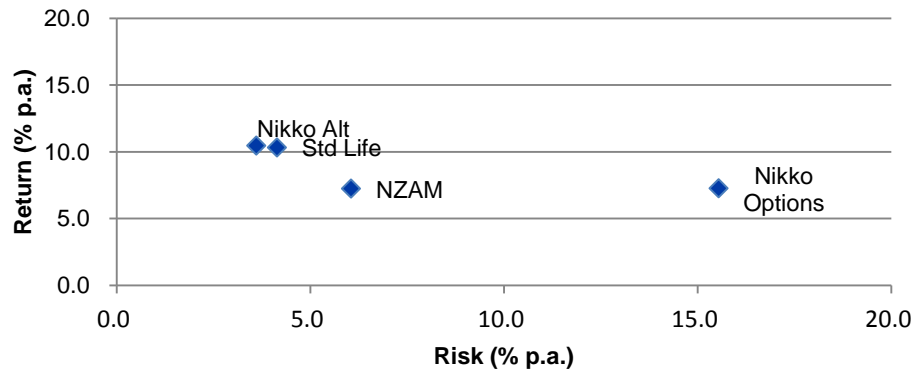
Global Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jan 2015										For the year ended 31 January					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	Global Property Securities	1	111	3.1	(3)	7.8	(2)	31.2	(2)	21.0	(1)	20.0	(1)	31.2	8.0	25.1	4.8	33.8	16.9	0.5	5.3	0.1 (1)	
ANZ	International Property	1	417	6.9	(1)	11.7	(1)	36.4	(1)	20.8	(2)	19.6	(2)	36.4	5.2	23.0	4.6	32.5	14.4	-0.2	2.7	-0.1 (2)	
Russell	Global Listed Real Estate	2	43	5.9	(2)																		
UBS Global Property Index				1		7.5		12.4		36.8		21.4		36.8	5.8	23.7	5.6	31.1	13.4				
FTSE EPRA/NAREIT Index				2																			

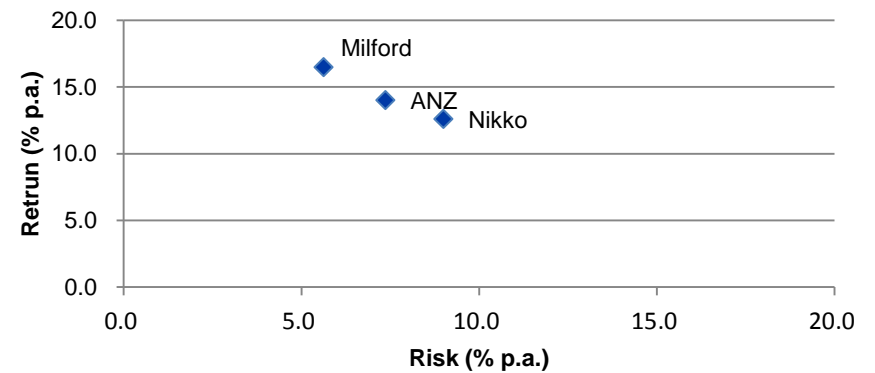
Alternatives/Absolute Return

		Returns (%) gross of tax and fees																			
Manager	Fund	FUM (\$m)	For the period to 31 Jan 2015										For the year ended 31 January					5 Years			Benchmark
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	SR	Rk	
Global:																					
Milford	Global	189	3.0	(1)	5.0	(3)	15.4	(1)			15.4										OCR + 5%
Nikko	Alternative Investment	102	-0.2	(5)	1.8	(5)	8.3	(5)	11.3	(1)	10.4	(1)	8.3	13.6	12.1	3.0	15.5	3.6	2.1	(1)	90 Day Bank Bill + 2.5%
Nikko	Options	155	-1.7	(6)	1.5	(6)	5.5	(6)	10.2	(3)	7.2	(3)	5.5	11.2	13.9	-3.4	9.9	15.5	0.3	(4)	90 Day Bank Bill + 4%
NZAM	Alpha	16	2.1	(3)	8.7	(1)	13.1	(2)					13.1	6.1							OCR + 4%
NZAM	Global	594	1.9	(4)	5.7	(2)	10.0	(4)	10.7	(2)	7.2	(4)	10.0	12.9	9.2	-3.1	7.8	6.1	0.7	(3)	OCR + 4%
Std Life	GARS*	72	2.9	(2)	4.4	(4)	12.0	(3)	10.0	(4)	10.3	(2)	12.0	9.3	8.6	9.3	12.3	4.1	1.8	(2)	OCR + 5%
Australasian:																					
ANZ	Equity Selection	35	1.4	(5)	4.0	(5)	18.3	(3)	20.6	(4)	14.0	(2)	18.3	18.6	24.9	6.2	3.4	7.4	1.5	(2)	90 Day Bank Bill + 5%
CPFM	Ranger	6	-0.7	(6)	-3.6	(6)	9.1	(5)					9.1								OCR + 5%
Devon	Alpha	98	4.8	(2)	5.8	(3)	22.4	(2)	26.1	(1)			22.4	31.7	24.4	-6.7					12% p.a.
Milford	Active Growth	818	2.1	(3)	5.8	(2)	15.2	(4)	23.7	(2)	16.5	(1)	15.2	22.4	34.2	5.5	7.3	5.6	2.4	(1)	10% p.a.
Nikko	Concentrated	52	5.3	(1)	11.7	(1)	24.9	(1)	21.4	(3)	12.6	(3)	24.9	14.7	24.8	-3.5	4.9	9.0	1.1	(3)	90 Day Bank Bill + 5%
Salt	Long/Short	7	1.6	(4)	5.6	(4)															OCR + 5%
OCR + 5%			0.7		2.1		8.2		7.7		7.7		8.2	7.5	7.5	7.6	7.8	0.1			

5 Year risk/return - Global Funds



5 Year risk/return - Australasian Funds



*GARS returns use a simulated hedge prior to March 2013

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>CFS</td><td>Colonial First State</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>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 Investment 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> </table> <p>Explanatory notes</p> <ol style="list-style-type: none"> Returns are before management fees and tax and are generally per annum, except for quarterly returns which are per quarter. 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 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	CFS	Colonial First State	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	MGH	MGH Investments	Milford	Milford Funds	Mint	Mint Asset Management	Nikko	Nikko Investment 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	<p>Guy Fisher Consultant +64 4 819 4054 guy.fisher@aonhewitt.com</p> <p>Greg Lee Actuary & Principal +64 9 362 9825 greg.lee@aonhewitt.com</p> <p>Charles Macdonald Consultant +64 4 819 4050 charles.macdonald@aonhewitt.com</p>
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Salt	Salt Funds Management																																										
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Trust	Trust Investments																																										

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- Actuarial and Investment consulting
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- Global benefits
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