

The Aon Investment Update as at 28 February 2017

Aon Hewitt Investment Consulting

This survey is produced by Aon Hewitt New Zealand

Other investment consulting services include:

- Establishing investment objectives for both our clients and investment managers.
- Determining long-term investment strategies, in the form of benchmark portfolios and sector ranges, consistent with the investment objectives.
- Determining the efficient frontier and risk/return profiles.
- Asset/liability modelling.
- Reviewing contractual agreements and legal documentation.
- Assisting in the appointment of investment managers, by
 - Establishing the selection criteria,
 - Identifying suitable investment managers,
 - Analysing investment managers' capabilities against the criteria,
 - Carrying out qualitative reviews.
- Performance monitoring, against both investment objectives and competitors.
- Communication of investment objectives and strategies to investors.

Our Global Reach

We provide a complete range of global investment consulting services tailored to clients' specific goals and circumstances. Our New Zealand actuarial and investment consulting team has a wealth of local experience – and we are also backed by the substantial resources of Aon Hewitt globally. We know the local market and can provide relevant and appropriate advice for New Zealand clients – and we have access to global best practice solutions.

If you need any help reviewing your fund's strategic long term asset allocations, or require any assistance with manager selection, please call your Aon Hewitt consultant. Contact details are at the back of this report on page 13.

Investment Commentary February 2017

Market Summary

Global equity markets moved higher in February on the back of positive corporate results and strong economic data releases. February also proved positive for global bonds as yields stabilised.

Over the course of the month, the market expectation of an interest rate increase from the US Federal Reserve at its March meeting increased from 30% to around 80%. Fed Chair, Janet Yellen's comments to Congress about the strong labour market data and rising inflationary pressures were seen as evidence that a March rate hike was very likely.

Despite this, long bond yields moved lower over the month as doubts remain over how far, and how quickly, rates will rise over the next couple of years, and due to ongoing uncertainty over political developments in Europe. The US 10-year Treasury yield moved down from 2.45% to 2.36% over the month, while the German 10-year Bund yield fell from 0.44% to 0.21%. The UK 10-year yield came down to 1.15% from 1.42%.

Corporate bonds outperformed sovereign over the month as spreads narrowed. The Barclays Capital Global Aggregate Bond Index (NZ\$ hedged) returned 0.96% in February, after posting a negative return in the previous month.

In New Zealand, the Official Cash Rate looks to be on hold for at least the rest of this year. Yields were little changed over the month, and both the S&P/NZX NZ Government Stock Index and the S&P/NZX A Grade Corporate Bond Index returned 0.78%.

Global shares returned around 2% on a fully hedged basis in February, while a weaker NZ dollar meant that the unhedged return was closer to 4%. US stocks rose 4% over the month, with surprisingly low market volatility. A JP Morgan report highlighted the fact that over the first two months of 2017, there was not a single day where the S&P 500 index closed up or down by 1% or more - the first time this has happened since 1966. However there is increased volatility at the stock level - the average stock-to-stock correlation is now below 25%, its lowest level since the late 1990s. This should be an ideal environment for active managers.

The New Zealand share market returned 1.7% over the month, underperforming global markets.

Fund Performance

February was a better month for New Zealand based funds with positive returns coming from all sectors. The median balanced fund returned 1.9% over the month, with returns ranging from 1.3% (Castle Point) to 2.6% (ANZ Investments). Over the last 12 months the Milford Balanced Fund is the best performer (13.1%) while Nikko's Balanced Fund has fared worst (9.7%).

Harbour's Australasian Equity Focus Fund was the best performing domestic equity fund, returning 3.5% in February. Nikko's Concentrated Equity Fund, which has an absolute return benchmark, returned an impressive 5.3% over the month.

Global share funds performed strongly, with the median manager returning 4.2% over the month (unhedged), which was broadly in line with the index.

Returns from New Zealand bond funds ranged from 0.6% to 0.9% over the month compared with 0.8% for the benchmark index. Best performer over the last 12 months has been Milford's Trans Tasman Bond Fund (5.1%), while the Fisher NZ Fixed Interest Fund has returned just 2.0% over the same period.

Fisher's Global Bond Fund, managed by PIMCO, continues to lead the way in that sector. It returned 1.3% over the month and has delivered 7.5% p.a. over the last 3 years and 7.7% p.a. over the last 5 years.

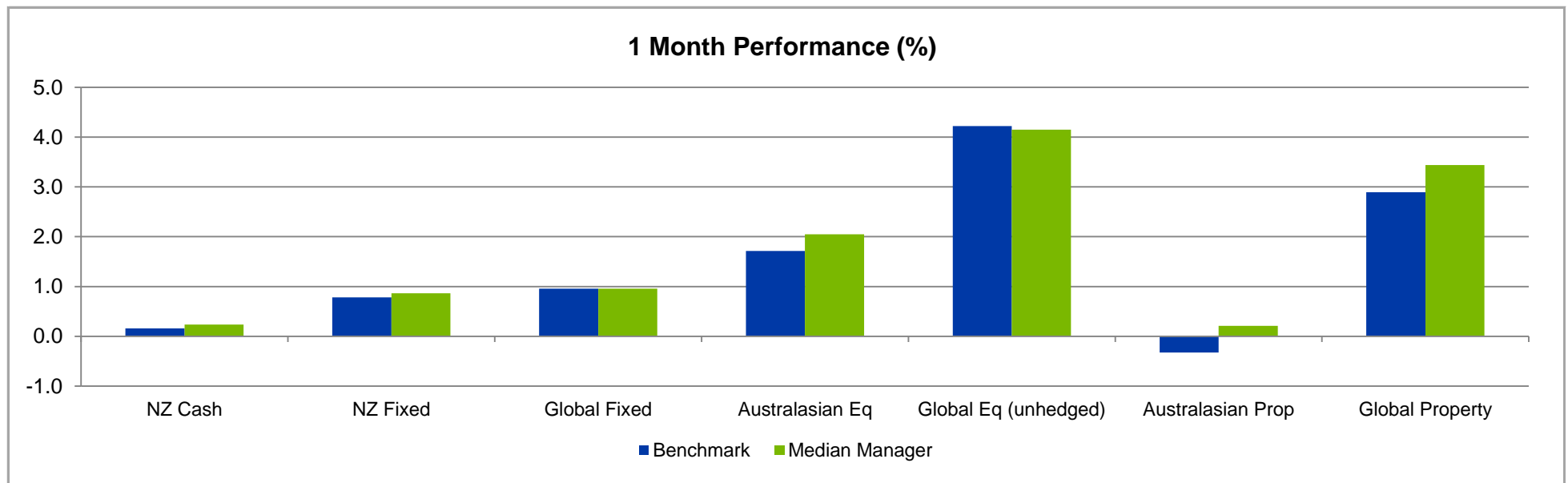
New Zealand Fund Management Changes

Fisher Funds announced that Bruce McLachlan would take over as Chief Executive Officer in April. Bruce has been the CEO of The Co-Operative Bank for the past four years, and prior to that he worked for 10 years at Westpac NZ. Current CEO, Carmel Fisher, will continue to be a shareholder, director and a member of the Investment Committee at Fisher Funds.

Harbour Asset Management was named as the Morningstar New Zealand Fund Manager of the Year for the second year in a row. Devon Funds Management won the domestic equities category, Elevation Capital won the international equities category and AMP Capital won the fixed interest category.

Median Manager Performance v Benchmark

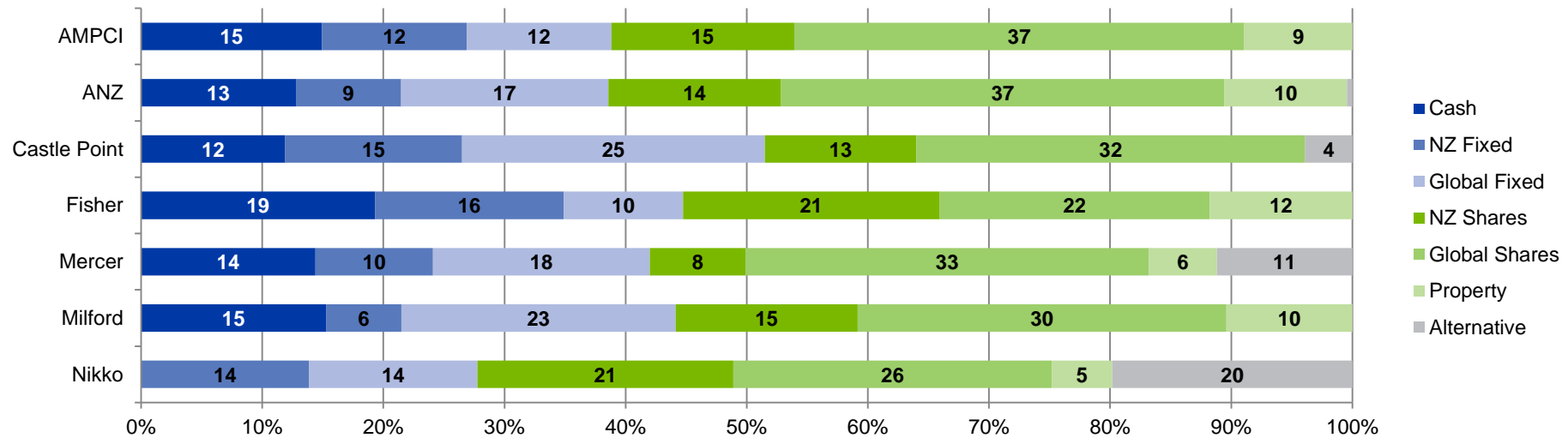
Sector		Returns (%) gross of tax and fees									Volatility 5 Yrs	
		For the period to 28 Feb 2017					For the year ended 28 February					
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2017	2016	2015	2014		2013
NZ Cash	ANZ 90D Bank Bills	0.2	0.5	2.4	3.0	2.9	2.4	3.3	3.5	2.7	2.7	0.2
	Median Manager	0.2	0.7	2.9	3.8	3.8	2.9	3.8	4.3	3.9	4.1	0.2
NZ Fixed Interest	ANZ NZ Govt Stock	0.8	0.2	1.3	5.4	4.2	1.3	6.4	8.6	-0.3	5.5	3.0
	Median Manager	0.9	0.6	2.6	6.0	5.3	2.6	6.8	8.9	1.6	7.3	2.3
International Fixed Interest	Barclays Agg	1.0	1.1	3.6	6.5	6.1	3.6	5.3	10.8	4.1	7.1	2.7
	Median Manager	1.0	1.5	5.3	6.6	6.3	5.3	3.9	10.9	4.0	7.6	2.7
Australasian Shares	NZX 50 Gross	1.7	4.1	16.4	14.3	18.1	16.4	7.4	19.4	16.9	31.8	9.6
	Median Manager	2.1	3.6	16.8	14.0	18.4	16.8	7.2	19.7	19.3	31.3	9.8
Int'l Shares (unhedged)	MSCI ACWI	4.2	5.7	11.3	10.2	11.6	11.3	0.6	19.4	16.6	11.1	9.2
	Median Manager	4.2	6.0	10.7	11.4	12.7	10.7	5.3	19.8	19.0	12.6	9.8
Australasian Property	NZX Property	-0.3	1.2	5.9	14.3	12.9	5.9	10.4	27.6	1.6	21.1	7.8
	Median Manager	0.2	2.0	6.9	14.7	15.3	6.9	10.4	27.3	5.6	25.6	7.5
International Property	FTSE Property	2.9	8.0	14.5	12.9	14.3	14.5	-2.6	29.1	8.9	24.6	11.9
	Median Manager	3.4	6.7	10.7	11.2	13.5	10.7	-3.4	27.7	11.0	23.2	12.6



Balanced Funds

Manager	FUM (\$m)	Returns (%) gross of tax and fees														5 Years	
		For the period to 28 Feb 2017										For the year ended 28 February					
		1 M Rk	1 Qtr Rk	1 Yr Rk	3 Yrs Rk	5 Yrs Rk	2017	2016	2015	2014	2013	Vol	SR Rk				
AMP Capital Investors RIL	44	2.1 (3)	4.1 (2)	10.4 (5)	7.3 (7)	9.8 (6)	10.4	-2.0	14.1	12.0	15.5	4.5	1.5 (7)				
ANZ Investments	96	2.6 (1)	4.2 (1)	10.3 (6)	9.8 (3)	12.0 (2)	10.3	2.6	17.0	12.9	18.2	5.1	1.8 (5)				
Castle Point Funds	4	1.3 (7)	3.5 (6)	12.4 (2)	7.4 (6)	8.5 (7)	12.4	3.5	6.6	9.8	10.5	3.6	1.5 (6)				
Fisher Institutional	853	1.6 (6)	2.9 (7)	10.6 (4)	9.2 (5)	10.0 (5)	10.6	3.8	13.2	9.8	12.9	4.0	1.8 (4)				
Mercer	1,277	1.7 (5)	3.7 (5)	11.2 (3)	9.3 (4)	10.4 (4)	11.2	2.8	14.3	13.1	11.3	4.0	1.9 (3)				
Milford Funds	359	1.9 (4)	4.1 (3)	13.1 (1)	11.5 (1)	13.8 (1)	13.1	3.6	18.3	13.7	21.3	4.6	2.4 (1)				
Nikko Asset Management	246	2.2 (2)	3.9 (4)	9.7 (7)	10.4 (2)	11.6 (3)	9.7	6.4	15.2	12.4	14.6	4.2	2.1 (2)				
Minimum		1.3	2.9	9.7	7.3	8.5	9.7	-2.0	6.6	9.8	10.5	3.6	1.5				
Median		1.9	3.9	10.6	9.3	10.4	10.6	3.5	14.3	12.4	14.6	4.2	1.8				
Maximum		2.6	4.2	13.1	11.5	13.8	13.1	6.4	18.3	13.7	21.3	5.1	2.4				

Asset Allocation



Australasian Shares (Page 1 of 2)

					Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 28 Feb 2017					For the year ended 28 February					For last 5 years									
					1 M Rk	1 Qtr Rk	1 Yr Rk	3 Yrs Rk	5 Yrs Rk	2017	2016	2015	2014	2013	Vol	VA	TE	IR*	Rk					
Core																								
AMPCI	NZ Shares	1	459	0	2.2 (8)	5.0 (6)	15.5 (16)	15.3 (5)	18.1 (10)	15.5	8.0	23.0	14.2	30.9	9.7	-0.1	2.6	-0.0	(11)					
AMPCI	NZ Shares RIL	1	11	0	2.3 (7)	5.5 (1)	18.0 (6)	16.1 (2)		18.0	7.4	23.6	15.7											
ANZ	NZ Equities	1	144	0	1.2 (16)	3.0 (16)	17.1 (9)	13.5 (12)	18.4 (6)	17.1	5.2	18.6	20.6	32.3	9.8	0.3	2.0	0.1	(7)					
ANZ	Australasian Equity	1	871	7	1.3 (15)	3.0 (17)	16.0 (14)	13.3 (14)	18.0 (12)	16.0	4.9	19.5	19.3	31.6	9.8	-0.2	2.1	-0.1	(13)					
CPFM	Trans Tasman Strategy	1	0	16	0.9 (19)	3.3 (15)	22.3 (1)	16.8 (1)		22.3	8.8	19.9												
Devon	NZ Core	1	217	13	1.7 (14)	3.5 (13)	13.5 (19)	14.6 (8)	18.0 (11)	13.5	2.8	28.9	19.2	27.6	10.0	-0.1	3.4	-0.0	(12)					
Devon	NZ Only	1	86	0	0.6 (20)	3.0 (18)	18.4 (5)			18.4														
Devon	Trans Tasman	3	91	50	2.0 (11)	2.4 (20)	20.1 (2)	14.1 (9)	18.4 (7)	20.1	-1.9	25.9	26.0	24.5	9.1	5.3	4.5	1.2	(2)					
Fisher	Trans Tasman Equities	7	196	28	1.7 (13)	3.6 (12)	15.8 (15)	14.0 (10)	17.9 (13)	15.8	7.2	19.1	11.9	37.5	10.1	1.2	3.2	0.4	(6)					
Harbour	Australasian Equity	1	470	25	2.4 (5)	3.7 (8)	17.3 (8)	13.3 (15)	18.8 (4)	17.3	9.3	13.4	23.4	31.9	10.3	-0.4	4.1	-0.1	(14)					
Harbour	Australasian Equity Focus	3	61	47	3.5 (1)	3.4 (14)	13.1 (20)	11.1 (18)		13.1	12.2	8.2												
Harbour	Advanced Beta	2	91	0	2.1 (10)	3.6 (10)	16.5 (13)			16.5	7.1													
Mercer	Trans Tasman Equity	1	381	17	2.0 (12)	3.6 (11)	15.0 (17)	13.2 (16)	18.3 (8)	15.0	6.6	18.4	22.7	29.9	9.6	0.1	2.2	0.0	(9)					
Milford	NZ Equities	1	304	0	1.0 (17)	3.7 (9)	18.8 (4)	13.9 (11)	21.5 (1)	18.8	10.8	12.4	32.5	34.9	9.5	2.8	3.2	0.9	(3)					
Milford	Trans Tasman	3	265	49	3.0 (2)	5.5 (2)	19.4 (3)	11.4 (17)	16.6 (14)	19.4	0.7	15.0	15.9	34.5	9.0	3.7	2.8	1.3	(1)					
Mint	Trans Tasman Equity	1	138	15	2.1 (9)	5.1 (4)	16.7 (11)	15.5 (4)	20.1 (2)	16.7	8.5	21.7	26.4	28.5	8.2	1.5	3.6	0.4	(4)					
Nikko	Core Domestic Equity	1	254	8	2.4 (4)	4.4 (7)	17.9 (7)	16.1 (3)	19.0 (3)	17.9	8.5	22.2	16.8	30.8	9.8	0.8	2.0	0.4	(5)					
Russell	NZ Shares	1	183	0	1.0 (18)	2.9 (19)	16.9 (10)	14.6 (7)		16.9	9.1	17.9	19.2											
Salt	NZ Plus Share	1	487	3	2.4 (6)	5.1 (5)	16.6 (12)	15.0 (6)	18.3 (9)	16.6	5.3	23.9	16.1	31.0	10.2	0.1	3.0	0.0	(10)					
Salt	Javelin	2	71	11	2.8 (3)	5.5 (3)	14.7 (18)	13.4 (13)	18.7 (5)	14.7	5.0	21.1	22.1	32.2	10.4	0.3	4.9	0.1	(8)					
Minimum					0.6	2.4	13.1	11.1	16.6		13.1	-1.9	8.2	11.9	24.5	8.2	-0.4	2.0	-0.1					
Median					2.1	3.6	16.8	14.0	18.4		16.8	7.2	19.7	19.3	31.3	9.8	0.3	3.1	0.1					
Maximum					3.5	5.5	22.3	16.8	21.5		22.3	12.2	28.9	32.5	37.5	10.4	5.3	4.9	1.3					
Absolute Return																								
ANZ	Equity Selection	8	25	0	-0.3 (5)	1.7 (5)	16.0 (3)	10.3 (4)	15.3 (4)	16.0	0.0	15.7	19.4	27.0	8.7	6.6		1.4	(4)					
CPFM	Ranger	8	15	44	-0.5 (6)	3.0 (4)	21.2 (1)	10.5 (3)		21.2	4.0	6.9												
Devon	Alpha	8	98	30	2.5 (2)	0.8 (6)	8.4 (6)	8.9 (5)	16.7 (3)	8.4	-2.3	22.1	33.5	25.5	7.9	3.6		1.8	(2)					
Milford	Active Growth	8	727	20	0.9 (3)	3.1 (3)	13.0 (5)	12.1 (2)	18.3 (2)	13.0	6.3	17.2	22.9	34.2	6.2	7.2		2.5	(1)					
Nikko	Concentrated	8	90	26	5.3 (1)	6.5 (1)	16.0 (2)	17.5 (1)	18.7 (1)	16.0	9.5	27.6	13.2	28.7	9.3	6.1		1.7	(3)					
Salt	Long/Short	8	207	70	0.2 (4)	3.7 (2)	14.2 (4)			14.2	16.5													
Minimum					-0.5	0.8	8.4	8.9	15.3		8.4	-2.3	6.9	13.2	25.5	6.2	3.6		1.4					
Median					0.6	3.1	15.1	10.5	17.5		15.1	5.2	17.2	21.1	27.8	8.3	6.3		1.7					
Maximum					5.3	6.5	21.2	17.5	18.7		21.2	16.5	27.6	33.5	34.2	9.3	7.2		2.5					

*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 28 Feb 2017										For the year ended 28 February					For last 5 years				
					1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2017	2016	2015	2014	2013	Vol	VA	TE	IR	Rk
Equity Income																								
Devon	Dividend Yield	3	75	42	0.9	(3)	0.5	(3)	15.6	(2)	17.9	(2)	19.3	(2)	15.6	6.8	32.6	13.6	30.1	8.9	6.0	5.1	1.2	(1)
Harbour	Australasian Eq Income	n/a	102	40	1.9	(2)	4.0	(2)	12.8	(3)	14.2	(3)	17.3	(3)	12.8	1.5	30.1	11.3	33.7	8.1				
Salt	Dividend Appreciation	1	89	0	2.3	(1)	5.6	(1)	20.4	(1)	19.3	(1)	20.7	(1)	20.4	8.6	30.0	15.1	31.3	9.6	2.2	3.2	0.7	(2)
Minimum					0.9		0.5		12.8		14.2		17.3		12.8	1.5	30.0	11.3	30.1	8.1	2.2	3.2	0.7	
Median					1.9		4.0		15.6		17.9		19.3		15.6	6.8	30.1	13.6	31.3	8.9	4.1	4.1	0.9	
Maximum					2.3		5.6		20.4		19.3		20.7		20.4	8.6	32.6	15.1	33.7	9.6	6.0	5.1	1.2	
Australian Only																								
AMPCI	Australian Share	5	168	100	3.3	(3)	6.3	(1)	12.8	(3)	6.1	(3)	6.3	(3)	12.8	-8.1	15.1	-4.4	19.0	11.9	-0.4	2.4	-0.2	(3)
ANZ	Australian Share	5	680	100	5.0	(1)	6.2	(2)	9.5	(4)	3.5	(4)	6.6	(2)	9.5	-6.5	8.1	2.4	21.7	12.3	-0.0	3.7	-0.0	(2)
Devon	Australian	5	32	100	4.0	(2)	4.2	(3)	19.7	(1)	12.1	(1)	12.9	(1)	19.7	-2.1	20.0	6.8	22.3	11.6	5.8	3.4	1.7	(1)
Milford	Dynamic	6	164	100	0.1	(4)	-0.5	(4)	12.9	(2)	12.0	(2)			12.9	4.3	19.4							
Minimum					0.1		-0.5		9.5		3.5		6.3		9.5	-8.1	8.1	-4.4	19.0	11.6	-0.4	2.4	-0.2	
Median					3.7		5.2		12.9		9.0		6.6		12.9	-4.3	17.2	2.4	21.7	11.9	-0.0	3.4	-0.0	
Maximum					5.0		6.3		19.7		12.1		12.9		19.7	4.3	20.0	6.8	22.3	12.3	5.8	3.7	1.7	
Benchmarks																								
S&P/NZX 50 Gross incl I/C		1			1.7		4.1		16.4		14.3		18.1		16.4	7.4	19.4	16.9	31.8	9.6				
S&P/NZX 50 Portfolio incl I/C		2			0.0																			
NZX50/ASX200 (50/50)		3			3.3		6.1		18.3		10.5		12.4		18.3	-1.3	15.5	5.8	25.8	9.6				
NZX/ASX Small Cap		4			3.4		5.0		18.0		7.4		3.3		18.0	2.3	2.6	-8.9	4.1	11.2				
ASX 200		5			5.0		8.0		19.9		6.4		6.6		19.9	-9.7	11.2	-4.6	19.7	12.5				
ASX SmallCap Industrials		6			n/a		n/a		n/a		n/a		n/a		n/a	n/a	n/a	n/a	n/a					
70% NZX50 / 30% ASX200		7			2.1		2.3		15.3		11.7		16.5		15.3	1.3	19.4	16.9	31.8	9.5				
Other (Absolute Return)		8																						
ASX 200 (in A\$)					2.3		5.9		22.1		6.5		10.6		22.1	-13.7	14.5	10.6	24.2	11.9				

International Shares (Unhedged)

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 28 Feb 2017										For the year ended 28 February					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2017	2016	2015	2014	2013	Vol	VA	TE	IR	Rk
AMPCI	Global Shares	2	849	4.0	(10)	5.6	(12)	11.4	(7)	12.3	(3)	14.8	(2)	11.4	5.6	20.4	24.4	13.2	9.1	2.9	1.9	1.5	(1)
AMPCI	RIL Global Shares	1	57	4.4	(5)	5.9	(9)	9.1	(11)	8.7	(12)	11.6	(11)	9.1	-1.8	19.8	19.7	12.5	9.6	-0.0	1.4	-0.0	(9)
ANZ	International Share	1	4,019	4.7	(2)	6.1	(7)	9.7	(10)	11.9	(5)	14.6	(3)	9.7	5.6	21.0	20.5	17.0	10.0	2.7	2.4	1.2	(2)
EC	Global Equities	1	84	4.2	(7)	6.2	(6)	7.7	(12)	10.8	(9)			7.7	5.5	19.7							
EC	Value Fund	1	23	2.0	(15)	4.5	(14)	12.4	(4)	9.5	(11)	11.6	(10)	12.4	5.3	10.9	19.5	10.4	9.0	-0.2	5.1	-0.0	(11)
Fisher	Overseas Equities	1	434	4.5	(3)	6.3	(4)	10.7	(8)	9.5	(10)	10.7	(12)	10.7	0.8	17.8	16.2	8.6	9.1	-0.9	1.7	-0.5	(12)
FRK	Global Growth	1	64	4.1	(9)	7.0	(2)	9.8	(9)	12.2	(4)	13.6	(4)	9.8	7.0	20.4	18.3	13.3	10.4	1.8	4.2	0.4	(4)
FRK	Global Trust	1	374	2.9	(14)	5.6	(11)	11.7	(6)	5.5	(13)	11.9	(9)	11.7	-5.6	11.4	28.2	16.3	11.5	0.3	4.5	0.1	(8)
Harbour	Global Equity Growth	1	14	4.5	(4)	6.4	(3)	12.0	(5)					12.0	2.0								
Magellan	Global	1	9,127	5.0	(1)	5.2	(13)	5.8	(15)	12.3	(2)	16.4	(1)	5.8	9.8	21.9	21.1	24.6	11.1	4.4	5.1	0.9	(3)
Mercer	Global Equities	2	1,525	3.7	(11)	5.6	(10)	13.1	(2)	12.3	(1)	12.8	(5)	13.1	2.8	21.8	18.2	9.0	9.9	-0.1	3.8	-0.0	(10)
MGH	MGH Investments	1	25	3.2	(13)	6.2	(5)	7.5	(13)	11.4	(7)	12.2	(8)	7.5	13.8	13.1	16.2	10.8	9.0	0.4	5.1	0.1	(7)
Nikko	Global Equity	1	553	3.5	(12)	4.3	(15)	7.4	(14)	10.9	(8)	12.7	(7)	7.4	5.9	19.8	18.2	12.7	9.2	0.9	2.2	0.4	(5)
Russell	Emerging Markets	4	0	4.2	(8)	7.3	(1)	23.6	(1)					23.6	-12.1								
Russell	Global Opportunities	3	437	4.3	(6)	6.0	(8)	13.0	(3)	11.7	(6)	12.7	(6)	13.0	1.5	21.4	18.5	10.2	10.5	0.8	2.1	0.4	(6)
	Minimum			2.0		4.3		5.8		5.5		10.7		5.8	-12.1	10.9	16.2	8.6	9.0	-0.9	1.4	-0.5	
	Median			4.2		6.0		10.7		11.4		12.7		10.7	5.3	19.8	19.0	12.6	9.8	0.6	3.1	0.2	
	Maximum			5.0		7.3		23.6		12.3		16.4		23.6	13.8	21.9	28.2	24.6	11.5	4.4	5.1	1.5	
	MSCI All Country World Index	1		4.2		5.7		11.3		10.2		11.6		11.3	0.6	19.4	16.6	11.1	9.2				
	MSCI World Index	2		4.2		5.6		10.5		10.6		12.8		10.5	2.1	19.8	20.1	12.6	9.6				
	Russell Global Large Cap	3		4.2		5.7		11.4		10.3		11.9		11.4	0.8	19.4	17.5	11.3	9.3				
	Russell Emerging Markets Index	4		4.9		7.1		18.3						18.3	-14.3								
	MSCI World Index (100% hedged)			3.2		7.8		24.5		10.5		14.0		24.5	-8.1	18.0	24.0	15.2	10.0				

Diversified Income

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 28 Feb 2017										For the year ended 28 February					Performance Objective					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012						
Devon	Diversified Income	5	0.9	(5)	0.7	(5)	5.1	(4)						5.1									OCR + 1.5%
Milford	Diversified Income	1,556	1.7	(1)	4.1	(1)	14.7	(1)	14.1	(1)	15.6	(1)		14.7	7.5	20.6	12.7	23.1					OCR + 2.5%
Mint	Diversified Income	139	1.1	(4)	1.5	(4)	5.4	(3)						5.4	6.7								OCR + 2.5%
Nikko	Income	11	1.2	(2)	2.1	(2)	3.8	(5)	7.2	(2)	7.3	(2)		3.8	10.5	7.5	5.1	9.7					8% p.a.
Harbour	Income	80	1.1	(3)	1.6	(3)	5.7	(2)						5.7	5.1								OCR + 2.0%

International Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 28 Feb 2017										For the year ended 28 February					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2017	2016	2015	2014	2013	Vol	VA	TE	IR	Rk
Global Aggregate:																							
AMPCI	Global FI AIFQ	1	87	1.1	(3)	1.6	(4)	4.2	(6)	5.9	(7)	5.8	(6)	4.2	3.0	10.7	4.4	6.8	2.6	-0.4	1.1	-0.3	(5)
AMPCI	Global FI AIFHQ	3	468	0.6	(8)	0.5	(8)	0.3	(8)	5.4	(8)	4.9	(7)	0.3	8.2	7.9	3.1	5.2	2.6				
ANZ	International Aggregate	1	742	1.3	(2)	2.1	(1)	6.3	(2)	7.2	(2)			6.3	4.3	11.2							
Fisher	Global Bonds - PIMCO	1	236	1.3	(1)	2.1	(2)	7.2	(1)	7.5	(1)	7.7	(1)	7.2	1.9	13.6	3.0	13.2	3.6	1.4	2.0	0.7	(2)
Fisher	Global Bonds - Wellington	1	166	0.8	(7)	1.1	(7)	3.4	(7)	6.3	(6)	5.9	(5)	3.4	5.3	10.4	3.1	7.6	2.8	-0.2	0.5	-0.4	(6)
Mercer	Global Bonds	1	1,417	0.9	(6)	1.4	(5)	5.8	(3)	6.7	(4)	7.0	(3)	5.8	2.3	12.3	4.8	10.0	2.7	1.0	1.4	0.7	(3)
Nikko	Global Fixed Interest	1	247	1.0	(4)	1.3	(6)	5.1	(5)	6.5	(5)	6.3	(4)	5.1	5.0	9.6	5.1	6.9	2.5	0.1	0.9	0.2	(4)
Russell	Global Bond	1	1,847	0.9	(5)	1.6	(3)	5.6	(4)	7.0	(3)	7.3	(2)	5.6	3.4	12.3	4.0	11.7	3.0	1.1	1.2	1.0	(1)
	Minimum			0.6		0.5		0.3		5.4		4.9		0.3	1.9	7.9	3.0	5.2	2.5	-0.4	0.5	-0.4	
	Median			1.0		1.5		5.3		6.6		6.3		5.3	3.9	10.9	4.0	7.6	2.7	0.6	1.1	0.4	
	Maximum			1.3		2.1		7.2		7.5		7.7		7.2	8.2	13.6	5.1	13.2	3.6	1.4	2.0	1.0	
Other:																							
LMI	Brandywine	2	n/a	1.9	(1)	4.2	(1)	10.1	(1)	9.5	(1)	9.2	(1)	10.1	-3.9	23.9	1.8	16.4	5.9	3.0	5.0	0.6	(1)
ANZ	International Sovereign	2	2,949	1.1	(3)	1.0	(3)	1.9	(3)	6.1	(3)	5.5	(2)	1.9	5.7	11.0	2.7	6.5	3.2	-0.6	0.5	-1.1	(2)
ANZ	International Credit	x	1,233	1.3	(2)	2.4	(2)	7.8	(2)	6.6	(2)			7.8	1.7	10.5							
	Barclays Capital Global Agg Index	1		1.0		1.1		3.6		6.5		6.1		3.6	5.3	10.8	4.1	7.1	2.7				
	Citigroup World Govt Bond Index	2		1.0		0.7		2.1		6.6		6.1		2.1	6.4	11.5	4.4	6.4	3.0				
	Barclays Global Treasury GDP Wgtd	3																					

Other International Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 28 Feb 2017										For the year ended 28 February					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012						
AMPCI	Commodities	170	0.5	(8)	3.3	(6)	19.9	(2)	-8.6	(8)				19.9	-22.1	-18.2	1.5						Bloomberg Commodity Index
AMPCI	Infrastructure	291	3.8	(3)	7.6	(3)	16.3	(3)	10.0	(4)				16.3	-10.0	27.1	20.7						DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	189	4.8	(2)	8.8	(2)	21.4	(1)	15.2	(1)				21.4	0.6	25.3							FTSE Global Core Infrastructure Net (NZD Hedged)
Magellan	Infrastructure	1,280	7.9	(1)	9.7	(1)	6.9	(7)	13.8	(2)	12.0	(2)		6.9	16.2	18.6	3.6	15.8					S&P Global Infrastructure Index (A\$ Hedged)
Milford	Global	264	3.6	(4)	6.3	(5)	10.0	(6)	7.9	(6)				10.0	-2.1	16.6							OCR + 5%
PATH	Commodity Plus Fund	73	0.9	(7)	1.3	(8)	1.8	(8)	0.8	(7)	-1.5	(4)		1.8	-0.7	1.4	-1.3	-8.3					Bloomberg Commodity Index
PATH	World Equity Fund	32	3.5	(5)	6.7	(4)	14.2	(4)	11.4	(3)	11.1	(3)		14.2	-2.8	24.5	15.2	6.1					MSCI AC World
PATH	Global Water Fund	11	2.1	(6)	3.2	(7)	13.1	(5)	8.0	(5)	12.8	(1)		13.1	3.9	7.4	27.5	13.4					n/a

NZ Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 28 Feb 2017										For the year ended 28 February					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2017	2016	2015	2014	2013	Vol	VA	TE	IR	Rk
AMPCI	NZ Fixed Interest	1	1,859	0.8	(9)	0.4	(9)	2.5	(8)	6.2	(3)	5.3	(5)	2.5	6.4	9.7	1.0	7.1	2.9	1.0	0.5	2.1	(1)
ANZ	NZ Fixed Interest	1	1,848	0.8	(8)	0.3	(10)	2.1	(10)	6.0	(5)	5.2	(6)	2.1	6.9	9.0	0.6	7.6	3.0	0.9	0.5	2.0	(2)
Fisher	NZ Fixed Interest	1	211	0.9	(6)	0.5	(8)	2.0	(11)	5.9	(7)	5.0	(7)	2.0	7.1	8.8	1.2	6.1	2.6	0.7	0.8	0.9	(5)
Harbour	NZ Core Fixed Interest	3	223	0.9	(4)	0.1	(11)	2.8	(5)	5.7	(8)	5.4	(4)	2.8	6.8	7.5	2.8	7.2	2.1				
Harbour	NZ Corporate Bond	2	296	0.8	(7)	0.8	(3)	3.3	(3)	5.6	(9)	5.6	(3)	3.3	6.3	7.2	4.1	7.3	1.5	0.2	0.4	0.5	(6)
Milford	Trans-Tasman Bond	5	301	0.7	(10)	1.1	(1)	5.1	(1)	6.5	(2)			5.1	4.8	9.8							
Nikko	NZ Corporate Bond	1	348	0.9	(3)	0.8	(2)	3.7	(2)	6.6	(1)	6.6	(1)	3.7	7.0	9.1	4.1	9.3	2.1	2.2	1.6	1.4	(4)
Nikko	NZ Fixed Interest	1	298	0.9	(2)	0.6	(5)	2.5	(7)	6.1	(4)	5.9	(2)	2.5	6.9	9.1	2.8	8.6	2.5	1.6	1.0	1.6	(3)
Russell	NZ Fixed Interest	1	152	0.9	(1)	0.7	(4)	3.0	(4)	5.9	(6)			3.0	6.8	8.1	1.1						
Western	NZ Core	4	261	0.9	(5)	0.6	(6)	2.6	(6)					2.6	6.4								
Western	NZ Core Constrained	1	82	0.6	(11)	0.6	(7)	2.5	(9)	4.7	(10)	3.8	(8)	2.5	5.5	6.0	1.6	3.5	1.4	-0.5	1.8	-0.3	(7)
	Minimum			0.6		0.1		2.0		4.7		3.8		2.0	4.8	6.0	0.6	3.5	1.4	-0.5	0.4	-0.3	
	Median			0.9		0.6		2.6		6.0		5.3		2.6	6.8	8.9	1.6	7.3	2.3	0.9	0.8	1.4	
	Maximum			0.9		1.1		5.1		6.6		6.6		5.1	7.1	9.8	4.1	9.3	3.0	2.2	1.8	2.1	
	S&P/NZX NZ Govt Stock Index	1		0.8		0.2		1.3		5.4		4.2		1.3	6.4	8.6	-0.3	5.5	3.0				
	S&P/NZX NZ Corp A Grade Index	2		0.8		0.7		3.2		5.7		5.4		3.2	6.2	7.6	3.4	6.5	1.7				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		0.8		0.5		2.3		5.5		4.8		2.3	6.3	8.1	1.5	6.0	2.3				
	S&P/NZX NZ Comp Inv Grade Index	4		0.8		0.3		1.8						1.8	6.2								
	S&P/NZX NZ Corp/ASX Corp (50/50)	5		0.6		0.9																	

NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 28 Feb 2017										For the year ended 28 February					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk
AMPCI	NZ Cash	1	4,444	0.2	(7)	0.6	(7)	2.7	(7)	3.4	(6)	3.4	(4)	2.7	3.7	3.9	3.4	3.5	0.1	0.5	0.1	7.3	(2)
AMPCI	NZ Short Duration	2	0	0.5	(1)	0.8	(2)	3.6	(2)	5.2	(1)	5.0	(1)	3.6	5.7	6.2	4.1	5.6	0.8				
AMPCI	Global Short Duration	1	0	0.2	(6)	0.8	(1)	3.8	(1)	4.4	(2)			3.8	3.7	5.5	4.3						
ANZ	NZ Cash	1	3,786	0.2	(5)	0.7	(6)	2.8	(6)	3.4	(7)	3.4	(5)	2.8	3.5	3.9	3.3	3.5	0.1	0.5	0.1	6.2	(3)
Fisher	NZ Cash	1	324	0.2	(4)	0.7	(5)	2.8	(5)	3.6	(5)	3.8	(3)	2.8	3.8	4.1	3.8	4.5	0.3	0.9	0.3	2.8	(4)
Harbour	Short Duration	1	72	0.3	(2)	0.7	(4)	2.9	(4)	3.8	(4)			2.9	4.1	4.3	3.9						
Nikko	NZ Cash	1	693	0.3	(3)	0.8	(3)	3.2	(3)	3.8	(3)	3.9	(2)	3.2	4.0	4.3	3.9	4.1	0.2	1.0	0.1	8.2	(1)
	Median			0.2		0.7		2.9		3.8		3.8		2.9	3.8	4.3	3.9	4.1	0.2	0.7	0.1	6.7	
	S&P/NZX 90 Day Bank Bill Index	1		0.2		0.5		2.4		3.0		2.9		2.4	3.3	3.5	2.7	2.7	0.2				
	S&P/NZX Short End Swap Index	2		0.4		0.4		2.4		4.1		3.6		2.4	5.3	4.8	2.3	3.2	0.9				

Australasian Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 28 Feb 2017										For the year ended 28 February					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2017	2016	2015	2014	2013	Vol	VA	TE	IR	Rk
Direct:																							
Fisher Trust	Property Fund		412	0.3	(1)	1.1	(2)	11.4	(2)	12.2	(1)	12.2	(1)	11.4	12.9	12.2	17.6	7.0	4.3				
	Property Fund		128	0.3	(2)	3.4	(1)	13.5	(1)	10.6	(2)	10.1	(2)	13.5	10.5	7.9	9.3	9.6	2.3				
Listed:																							
AMPCI	Listed Property	1	22	0.0	(6)	1.5	(7)	6.4	(7)	14.4	(5)	14.9	(4)	6.4	11.4	26.3	6.3	26.0	7.4	1.7	2.0	0.9	(3)
AMPCI	Property Fund	2	117	1.5	(2)	3.0	(2)	6.9	(5)					6.9	10.3								
ANZ	Property Securities	1	165	0.3	(4)	1.7	(5)	8.1	(3)	14.7	(3)	15.9	(2)	8.1	10.1	26.9	9.9	26.1	8.0	2.7	2.7	1.0	(2)
ANZ	Trans Tasman	2	464	1.7	(1)	3.2	(1)	9.5	(1)	15.5	(2)	17.2	(1)	9.5	9.3	28.8	10.6	29.6	8.3	2.0	2.8	0.7	(4)
Mint	Real Estate Inv Trust	1	51	-0.1	(8)	1.6	(6)	6.5	(6)	14.4	(6)	14.4	(5)	6.5	10.8	26.7	5.0	24.8	7.1	1.2	2.4	0.5	(6)
Nikko	Property Securities	1	33	0.3	(3)	1.1	(8)	6.9	(4)	14.7	(4)	13.9	(6)	6.9	10.4	27.7	3.8	22.3	7.6	0.8	1.3	0.6	(5)
Salt	Listed Property	1	342	0.1	(5)	2.2	(4)	9.4	(2)	16.4	(1)	15.6	(3)	9.4	11.2	29.7	4.5	25.3	7.2	2.4	1.6	1.4	(1)
Salt	Enhanced Property Fund	1	4	-0.0	(7)	2.3	(3)																
Minimum				-0.1		1.1		6.4		14.4		13.9		6.4	9.3	26.3	3.8	22.3	7.1	0.8	1.3	0.5	
Median				0.2		2.0		6.9		14.7		15.3		6.9	10.4	27.3	5.6	25.6	7.5	1.9	2.2	0.8	
Maximum				1.7		3.2		9.5		16.4		17.2		9.5	11.4	29.7	10.6	29.6	8.3	2.7	2.8	1.4	
S&P/NZX Property Index				1		-0.3		1.2		5.9		12.9		5.9	10.4	27.6	1.6	21.1	7.8				
NZX/ASX Property Index				2		1.0		2.6		7.2		14.9		7.2	10.3	31.2	2.9	25.2	8.0				

International Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 28 Feb 2017										For the year ended 28 February					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk
AMPCI	Global Property Securities	1	198	3.5	(2)	6.9	(2)	10.1	(3)	11.0	(2)	13.7	(1)	10.1	-2.0	26.6	12.7	23.6	13.2	-0.5	4.5	-0.1	(1)
ANZ	International Property	1	622	3.1	(4)	7.3	(1)	11.3	(2)	11.4	(1)	13.2	(2)	11.3	-3.4	28.7	9.2	22.8	11.9	-1.1	1.9	-0.6	(2)
PATH	Global Property	1	13	3.9	(1)	6.1	(4)	9.8	(4)					9.8									
Russell	Global Listed Real Estate	1	48	3.4	(3)	6.6	(3)	14.5	(1)					14.5	-5.4								
FTSE EPRA/NAREIT Index*				1		2.9		8.0		14.5		12.9		14.5	-2.6	29.1	8.9	24.6	11.9				
*UBS Global RE Index prior to June 2015																							

Notes	Contact information																																														
<p>List of Managers</p> <table border="0"> <tr><td>AMPCI</td><td>AMP Capital Investors NZ Limited</td></tr> <tr><td>ANZ</td><td>ANZ Investments</td></tr> <tr><td>FSI</td><td>First State Investments</td></tr> <tr><td>CPFM</td><td>Castle Point Funds Management</td></tr> <tr><td>Devon</td><td>Devon Funds Management</td></tr> <tr><td>EC</td><td>Elevation Capital</td></tr> <tr><td>Fisher</td><td>Fisher Institutional</td></tr> <tr><td>FRK</td><td>Franklin Templeton Investments</td></tr> <tr><td>Harbour</td><td>Harbour Asset Management</td></tr> <tr><td>LMI</td><td>Legg Mason Global Asset Management</td></tr> <tr><td>Magellan</td><td>Magellan Asset Management Limited</td></tr> <tr><td>Mercer</td><td>Mercer Investments</td></tr> <tr><td>MGH</td><td>MGH Investments</td></tr> <tr><td>Milford</td><td>Milford Funds</td></tr> <tr><td>Mint</td><td>Mint Asset Management</td></tr> <tr><td>Nikko</td><td>Nikko Asset Management</td></tr> <tr><td>NZAM</td><td>NZ Assets Management</td></tr> <tr><td>PATH</td><td>Pathfinder Asset Management</td></tr> <tr><td>Russell</td><td>Russell Investment Group</td></tr> <tr><td>Salt</td><td>Salt Funds Management</td></tr> <tr><td>Std Life</td><td>Standard Life Investments</td></tr> <tr><td>Trust</td><td>Trust Investments</td></tr> <tr><td>Western</td><td>Western Asset</td></tr> </table> <p>Explanatory notes</p> <ol style="list-style-type: none"> Returns are before management fees and tax. All returns greater than 1 year have been annualised. Overseas Sectors - returns are in NZ\$ and exclude the effects of currency hedging on equities, but include the effects of currency hedging on global property, global bonds and absolute return funds. Property - the returns in this table are influenced by the allocation to direct investment and holdings in listed vehicles. In the case of direct investment, the valuation approach and timing adopted by the manager will influence the returns. Risk Statistics (all are annualised using monthly data): Vol = Volatility = standard deviation of monthly fund returns VA = Value Added = Return (fund) minus Return (index) TE = Tracking Error = standard deviation of monthly Value Added IR = Information Ratio = Value Added divided by Tracking Error SR = Sharpe Ratio = [Return (fund) - Risk Free Rate] / Volatility (Fund) Wherever possible the risk statistics are calculated using each fund's actual benchmark. 	AMPCI	AMP Capital Investors NZ Limited	ANZ	ANZ Investments	FSI	First State Investments	CPFM	Castle Point Funds Management	Devon	Devon Funds Management	EC	Elevation Capital	Fisher	Fisher Institutional	FRK	Franklin Templeton Investments	Harbour	Harbour Asset Management	LMI	Legg Mason Global Asset Management	Magellan	Magellan Asset Management Limited	Mercer	Mercer Investments	MGH	MGH Investments	Milford	Milford Funds	Mint	Mint Asset Management	Nikko	Nikko Asset Management	NZAM	NZ Assets Management	PATH	Pathfinder Asset Management	Russell	Russell Investment Group	Salt	Salt Funds Management	Std Life	Standard Life Investments	Trust	Trust Investments	Western	Western Asset	<p>Guy Fisher Consultant +64 4 819 4054 guy.fisher1@aonhewitt.com</p>
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