

The Aon Investment Update as at 31 March 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 14.](#)

Investment Commentary March 2015

Market summary

Equity market performance over the month of March was mixed with strong gains from many European markets and from China and Japan, while in the US and the UK shares fell. Bond returns were positive over the month as yields moved lower in most markets.

Central bank policies were a key factor in the regional variations. The European Central Bank launched its Quantitative Easing (QE) programme during the quarter and German shares rose 5% over March and French shares were up 1.8%. Investors have seen the German equity index rise by more than 20% since the start of the year and the French index by nearly 18% over the same period.

Chinese shares rose 18% over the month after the People's Bank of China cut interest rates (for the second time in three months), and Japanese equities also continued to benefit from the Bank of Japan's QE programme – they rose 2% over the month and 10% over the quarter.

With the Federal Reserve 'tapering' their QE programme, US equities fell in March and were broadly flat over the quarter. The US dollar continued to strengthen, putting pressure on US companies with offshore earnings. Business confidence remains fragile and many analysts are anticipating a disappointing first-quarter reporting season.

The ECB's bond buying programme helped to push European bond yields lower over the month, while US yields also fell following comments from Federal Reserve Chair, Janet Yellen, which suggested that the likelihood of a June rate rise had reduced.

Central Bank policies globally remain broadly accommodative and we have seen 21 central banks cut policy rates so far this year. As a result, global bonds have returned around 3% to New Zealand investors over the first three months of 2015.

In New Zealand the Reserve Bank left interest rates on hold in their March review and the accompanying statement implied that the Official Cash Rate might remain at 3.5% for some time. A good case can be made for either a rise in the OCR (strong housing market and high business and consumer confidence), or a cut (high NZ\$ and low inflation), so the RBNZ can feel justified in leaving things as they are until the picture is clearer one way or another.

Fund Performance

The median Balanced fund in our survey returned 0.2% for the month of March, 4.4% for the first quarter of 2015 and 13.8% for the last 12 months.

Domestic equities funds struggled to provide positive returns over the month, with the median manager returning -0.4%. However a decent showing in January and February meant that returns for the quarter were generally strong. Devon had the best two performing funds over the first three months of 2015 - their Trans Tasman fund returned 10.2% and their Equity Income fund 8.0%.

Over the last 12 months there is a large dispersion in returns from the domestic equity managers. Devon's Equity Income and Trans Tasman funds have led the way with returns of 29.6% and 27.1% respectively, while Milford's NZ Equity Fund returned just 5.9%.

Domestic bond funds all provided small positive returns for March and the median manager returned 2.4% for the quarter. The best performing fund over the last 12 months was AMPCI's NZ Fixed Interest Fund with a 10.4% return.

ANZ's International Aggregate fund was the best performing global bond fund in March with a 1.4% return for the month and a 3.6% return for the quarter. The median manager in this sector has returned 12.2% over the last 12 months.

New Zealand Fund Management Changes

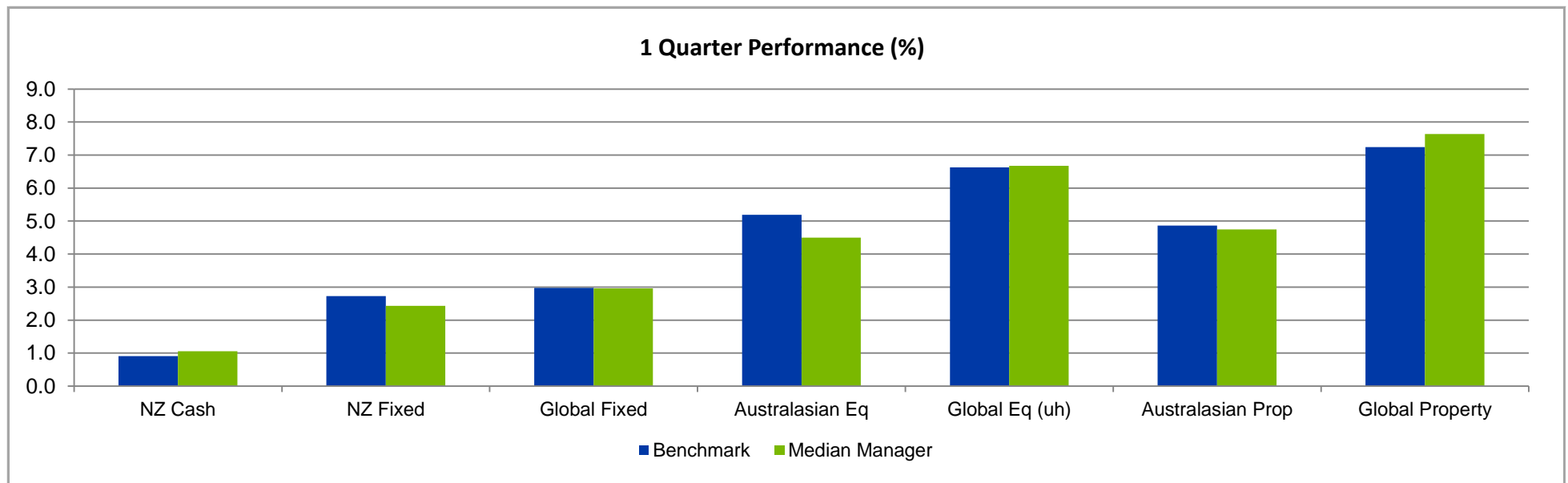
AMP Capital announced that they have selected Salt Funds Management as the investment manager for their domestic equity portfolios. The mandate is worth close to \$700m and takes Salt's total funds under management to around \$1.4bn.

The New Zealand Superannuation Fund suspended the Fund's mandate with Milford Asset Management pending completion of the FMA's investigation into Milford. The timing of this decision was surprising given that Milford confirmed that it was being investigated in early February. The mandate with Milford is worth \$280m.

Harbour Asset Management has hired Kendal Law as Head of Sales. Kendal will work with Jody Kaye in Harbour's Auckland office and will be responsible for investment and marketing support for Harbour's funds.

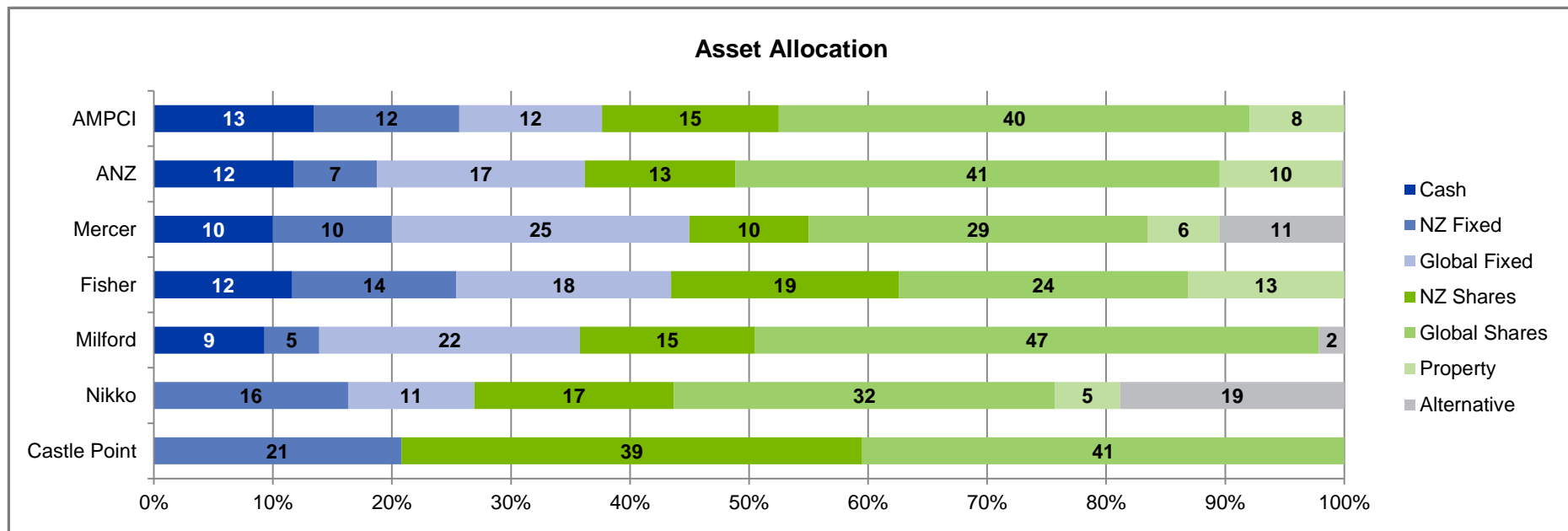
Median Manager Performance v Benchmark

Sector		Returns (%) gross of tax and fees									Volatility 5 Yrs	
		For the period to 31 Mar 2015					For the year ended 31 March					
		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	3.6	3.0	3.0	3.6	2.7	2.7	2.8	3.1	0.1
	Median Manager	0.4	1.1	4.3	4.1	3.8	4.3	3.7	4.2	3.6	4.1	0.1
NZ Fixed Interest	ANZ NZ Govt Stock	0.6	2.7	9.4	4.6	6.1	9.4	-1.7	6.4	10.1	6.9	3.1
	Median Manager	0.6	2.4	9.7	5.9	7.1	9.7	0.9	7.8	9.8	8.2	2.5
Global Fixed Interest	Barclays Agg	0.9	3.0	11.4	7.6	7.6	11.4	3.7	7.8	9.5	5.6	2.5
	Median Manager	0.5	3.0	12.2	8.9	9.5	12.2	4.2	10.0	11.0	8.7	2.7
Australasian Equities	NZX 50 Gross	-0.4	5.2	15.2	20.0	13.8	15.2	17.5	27.7	3.6	6.6	8.5
	Median Manager	-0.4	4.5	17.0	21.2	14.6	17.0	18.9	27.2	3.0	8.4	8.9
Global Equities (unhedged)	MSCI ACWI	-0.7	6.6	22.0	14.1	7.8	22.0	12.6	8.1	-7.6	6.1	9.6
	Median Manager	-0.7	6.7	22.8	15.4	8.8	22.8	13.8	8.7	-7.7	6.3	10.1
Australasian Property	NZX Property	0.4	4.9	28.6	14.7	14.0	28.6	-0.7	18.3	17.5	8.6	7.8
	Median Manager	0.3	4.7	28.1	17.9	16.3	28.1	3.6	23.4	16.9	10.2	7.4
Global Property	UBS Property	0.8	7.2	30.2	19.3	17.4	30.2	5.7	23.5	7.9	21.7	13.2
	Median Manager	1.4	7.6	28.8	19.7	17.7	28.8	8.9	22.4	7.7	22.2	15.4



Balanced Funds

Manager	FUM (\$m)	Returns (%) gross of tax and fees														5 Years		
		For the period to 31 Mar 2015										For the year ended 31 March						
		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	17	-0.1 (6)	4.0 (5)	12.3 (6)	11.3 (7)	9.2 (6)	12.3	8.4	13.3	4.1	8.2	4.9	1.3	(8)				
AMP Capital Investors RIL	25	-0.1 (7)	3.7 (6)	13.3 (5)	13.1 (4)	10.4 (3)	13.3	10.9	15.0	4.9	8.3	4.5	1.6	(4)				
ANZ Investments	504	0.1 (5)	5.0 (3)	17.2 (2)	15.0 (2)	12.1 (2)	17.2	11.3	16.6	5.8	9.7	5.3	1.7	(3)				
Castle Point Funds	0	-0.2 (8)	-0.1 (8)	6.5 (8)	8.5 (8)	7.2 (8)	6.5	8.7	10.4	3.4	7.2	2.3	1.9	(2)				
Fisher Institutional	960	0.5 (3)	3.5 (7)	12.2 (7)	11.6 (6)	9.0 (7)	12.2	9.5	13.2	2.9	7.4	4.2	1.4	(7)				
Mercer	89	0.5 (2)	5.1 (2)	14.3 (4)	12.5 (5)	9.7 (5)	14.3	12.6	10.8	4.0	7.2	4.4	1.5	(6)				
Milford Funds	260	0.6 (1)	5.7 (1)	17.6 (1)	17.0 (1)	12.7 (1)	17.6	12.8	20.9	6.1	7.0	4.2	2.3	(1)				
Nikko Asset Management	204	0.3 (4)	4.8 (4)	15.6 (3)	13.4 (3)	10.0 (4)	15.6	10.7	13.9	2.6	7.9	4.3	1.6	(5)				
Minimum		-0.2	-0.1	6.5	8.5	7.2	6.5	8.4	10.4	2.6	7.0	2.3	1.3					
Median		0.2	4.4	13.8	12.8	9.9	13.8	10.8	13.6	4.1	7.7	4.4	1.6					
Maximum		0.6	5.7	17.6	17.0	12.7	17.6	12.8	20.9	6.1	9.7	5.3	2.3					



NZ and Australasian Equities

					Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 31 Mar 2015										For the year ended 31 March					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	506	0	-0.5 (12)	4.2 (13)	19.4 (9)	20.1 (14)	14.5 (10)	19.4	15.0	26.1	4.3	8.9	8.9	0.6	2.9	0.2 (13)						
AMPCI	NZ Shares RIL	1	9	0	-0.9 (15)	4.1 (14)	19.4 (8)			19.4	17.0													
AMPCI	Strategic NZ Share	2	162	0	-0.4 (9)	4.6 (9)	21.8 (5)	21.6 (8)	14.0 (12)	21.8	15.0	28.3	0.7	6.3	9.0	-0.2	3.4	-0.0 (14)						
ANZ	NZ Equities	1	157	0	-0.4 (11)	2.3 (20)	13.3 (16)	21.1 (10)	15.2 (6)	13.3	22.2	28.1	6.6	7.4	8.5	1.3	2.0	0.6 (7)						
ANZ	Australasian Equity	1	646	10	-0.3 (7)	2.6 (17)	14.4 (13)	20.9 (12)	14.8 (7)	14.4	21.4	27.3	3.9	8.4	8.4	0.8	2.1	0.4 (9)						
CPFM	Trans Tasman Strategy	1	0	17	-1.0 (16)	1.8 (21)	17.0 (12)			17.0														
Devon	NZ Core	1	172	16	0.2 (2)	7.2 (3)	25.5 (4)	23.0 (5)	15.5 (5)	25.5	20.6	23.1	1.6	8.8	8.5	1.5	3.5	0.4 (8)						
Devon	Equity Income	3	27	38	-0.5 (13)	8.0 (2)	29.6 (1)	23.3 (4)		29.6	14.7	26.0												
Devon	Trans Tasman	3	107	54	-0.0 (4)	10.2 (1)	27.1 (2)	25.1 (1)	13.9 (13)	27.1	26.6	21.6	-6.9	5.1	9.7	4.6	4.2	1.1 (3)						
Fisher	Trans Tasman Equities	1	496	30	-0.1 (6)	3.6 (16)	14.2 (14)	19.6 (16)	13.4 (15)	14.2	14.8	30.5	6.0	3.5	9.8	-0.3	3.4	-0.1 (15)						
Harbour	Australasian Equity	5	576	27	-2.4 (21)	2.3 (19)	8.6 (20)	19.9 (15)	13.7 (14)	8.6	23.4	28.8	-0.8	11.2	9.0	-1.8	4.3	-0.4 (17)						
Mercer	Trans Tasman Equity	1	340	14	-1.1 (18)	4.5 (11)	13.5 (15)	21.0 (11)	14.5 (11)	13.5	23.7	26.1	2.8	8.1	8.1	0.5	2.3	0.2 (12)						
Milford	NZ Equities	1	479	0	-1.0 (17)	4.0 (15)	5.9 (21)	22.5 (7)	16.0 (2)	5.9	31.3	32.1	7.1	6.8	8.7	1.9	3.0	0.6 (6)						
Milford	Trans Tasman	3	290	49	-0.7 (14)	6.6 (5)	11.0 (19)	19.0 (17)	14.6 (8)	11.0	15.4	31.6	8.1	8.6	9.1	5.3	3.5	1.5 (1)						
Mint	Trans Tasman Equity	1	69	14	-0.3 (8)	4.6 (10)	18.3 (10)	23.5 (3)	18.2 (1)	18.3	24.8	27.5	7.9	13.5	8.8	3.8	5.1	0.7 (4)						
Nikko	Core Domestic Equity	1	254	10	-1.4 (19)	4.3 (12)	17.0 (11)	20.4 (13)	13.4 (16)	17.0	17.5	26.8	3.0	4.2	8.8	-0.4	2.3	-0.2 (16)						
Nikko	Australasian Smallcap	4	5	60	-0.4 (10)	6.9 (4)	12.3 (18)	13.6 (18)	9.3 (17)	12.3	4.6	24.7	-3.2	9.9	13.8	8.9	6.8	1.3 (2)						
Russell	NZ Shares	5	89	0	-1.5 (20)	2.6 (18)	13.0 (17)			13.0	20.4													
Salt	Dividend Appreciation	1	74	0	-0.1 (5)	5.2 (7)	26.9 (3)	22.8 (6)	16.0 (3)	26.9	15.5	26.3	3.5	9.6	8.8	1.9	2.9	0.7 (5)						
Salt	NZ Plus Share	1	411	4	0.1 (3)	5.0 (8)	21.5 (6)	21.4 (9)	14.6 (9)	21.5	16.0	27.1	1.9	8.3	9.1	0.7	2.8	0.3 (11)						
Salt	Javelin	2	59	12	0.9 (1)	5.8 (6)	20.8 (7)	23.7 (2)	15.8 (4)	20.8	20.2	30.3	1.0	8.8	9.9	1.5	4.5	0.3 (10)						
	Minimum				-2.4	1.8	5.9	13.6	9.3	5.9	4.6	21.6	-6.9	3.5	8.1	-1.8	2.0	-0.4						
	Median				-0.4	4.5	17.0	21.2	14.6	17.0	18.9	27.2	3.0	8.4	8.9	1.4	3.4	0.4						
	Maximum				0.9	10.2	29.6	25.1	18.2	29.6	31.3	32.1	8.1	13.5	13.8	8.9	6.8	1.5						
	NZX 50 Gross incl I/C	1			-0.4	5.2	15.2	20.0	13.8	15.2	17.5	27.7	3.6	6.6	8.5									
	NZX 50 Portfolio incl I/C	2			-0.3	5.9	18.7	22.0	14.1	18.7	17.4	30.3	1.1	5.4	8.5									
	NZX50/ASX200 (50/50)	3			-1.0	6.3	12.2	13.9	8.8	12.2	7.1	23.0	-4.4	7.7	10.0									
	NZX/ASX Small Cap	4			-2.7	3.5	0.8	-1.9	0.1	0.8	-8.3	2.2	-8.1	15.7	14.0									
	Russell NZ Tradeable Gross	5			-0.4	4.9	17.6	21.2	15.7	17.6	19.0	27.2	6.8	9.2	8.4									

Australian Only Equity

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Mar 2015										For the year ended 31 March					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	32	-0.7	(3)	7.1	(4)	12.7	(3)	9.4	(3)	4.4	(2)	12.7	-1.8	18.4	-11.7	7.2	14.3	0.8	1.8	0.4	(2)
ANZ	Australian Share	1	449	0.4	(2)	7.4	(3)	7.8	(4)	10.3	(2)	5.9	(1)	7.8	4.5	19.1	-9.5	9.8	13.0	2.0	3.9	0.5	(1)
Devon	Australian	1	37	-1.1	(4)	9.4	(2)	18.4	(1)	15.8	(1)			18.4	8.4	21.1	-14.1						
Milford	Dynamic	2	136	3.6	(1)	11.0	(1)	18.4	(2)					18.4									
Minimum				-1.1		7.1		7.8		9.4		4.4		7.8	-1.8	18.4	-14.1	7.2	13.0	0.8	1.8	0.4	
Median				-0.1		8.4		15.5		10.3		5.2		12.7	4.5	19.1	-11.7	8.5	13.6	1.4	2.9	0.5	
Maximum				3.6		11.0		18.4		15.8		5.9		18.4	8.4	21.1	-9.5	9.8	14.3	2.0	3.9	0.5	
ASX 200				1		-1.6		7.3		8.9		7.8		3.5		8.9	-2.6	18.1	-12.4	8.4	14.5		
ASX SmallCap Industrials				2		-0.7		7.5		8.8		10.7			8.8	9.2	13.9	-0.1					
ASX 200 (in A\$)						-0.1		10.3		14.1		15.8		8.6		14.1	13.5	20.0	-6.1	3.4			

Income

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Mar 2015										For the year ended 31 March					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	0.1	(3)	6.8	(1)	27.3	(1)	23.0	(1)				27.3	12.7	29.8							n/a
Milford	Income	1,101	0.6	(2)	4.2	(2)	19.2	(2)	17.7	(2)	15.1	(1)		19.2	11.6	22.5	11.5	11.2					ANZ 90 Day Bank Bill Index
Nikko	Income	4	1.3	(1)	2.0	(3)	8.6	(3)	7.6	(3)	7.9	(2)		8.6	4.3	9.9	5.0	11.8					10% p.a.
Minimum			0.1		2.0		8.6		7.6		7.9			8.6	4.3	9.9	5.0	11.2					
Median			0.6		4.2		19.2		17.7		11.5			19.2	11.6	22.5	8.3	11.5					
Maximum			1.3		6.8		27.3		23.0		15.1			27.3	12.7	29.8	11.5	11.8					

Global Equities (Unhedged)

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Mar 2015										For the year ended 31 March					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	1,035	-1.0	(10)	6.8	(7)	23.2	(6)	17.3	(2)	9.6	(3)	23.2	18.4	10.5	-7.7	6.2	10.1	1.7	1.8	1.0	(3)
AMPCI	RIL Global Shares	1	38	-0.8	(8)	6.5	(8)	21.9	(9)	15.7	(6)	8.8	(7)	21.9	16.2	9.2	-7.9	7.1	9.7	1.0	1.3	0.7	(4)
ANZ	International Share	1	3,264	-0.7	(6)	7.1	(5)	24.2	(5)	17.2	(3)	10.8	(2)	24.2	15.4	12.4	-2.4	6.4	10.3	2.9	2.4	1.2	(1)
EC	Value Fund	1	14	-2.5	(14)	4.5	(14)	10.0	(13)	11.3	(12)	8.7	(10)	10.0	15.4	8.7	-2.3	12.6	7.9	0.6	5.1	0.1	(10)
Fisher	Overseas Equities	1	724	-0.7	(7)	6.0	(10)	19.7	(10)	12.7	(11)	6.4	(12)	19.7	12.5	6.2	-9.9	5.6	9.5	-1.4	1.9	-0.7	(11)
FRK	Global Growth	1	53	-2.0	(13)	5.4	(13)	22.7	(8)	14.2	(10)	9.3	(5)	22.7	12.3	8.0	-2.9	7.8	10.3	1.4	4.1	0.3	(7)
FRK	Global Trust	1	361	-1.5	(12)	5.6	(12)	12.8	(12)	16.5	(4)	8.8	(9)	12.8	23.5	13.5	-7.9	4.5	11.5	1.0	4.2	0.2	(9)
Magellan	Global	1	7,648	-0.8	(9)	6.5	(9)	25.0	(4)	19.6	(1)	15.3	(1)	25.0	13.8	20.2	13.0	5.4	10.5	6.9	6.9	1.0	(2)
Mercer	Global Equities	2	852	0.3	(3)	8.5	(2)	26.0	(2)	15.4	(7)	8.0	(11)	26.0	14.6	6.4	-8.3	4.1	8.9	-0.1	3.7	-1.8	(12)
MGH	MGH Investments	1	21	1.6	(1)	6.9	(6)	16.9	(11)	11.0	(13)	6.3	(13)	16.9	8.4	8.0	-8.4	8.3	8.1	-2.8	5.0	-1.9	(13)
Nikko	Global Equity	1	424	-0.3	(5)	7.9	(4)	22.8	(7)	15.4	(8)	9.5	(4)	22.8	13.8	9.8	-3.4	6.3	8.8	1.5	2.3	0.7	(5)
Nikko	Global SRI	1	10	0.9	(2)	10.1	(1)	26.8	(1)	15.7	(5)	8.9	(6)	26.8	12.3	8.6	-5.0	4.3	10.6	1.1	4.1	0.3	(8)
Russell	Emerging Markets	4	0	-1.0	(11)	5.9	(11)																
Russell	Global Opportunities	3	302	-0.2	(4)	8.0	(3)	25.4	(3)	15.2	(9)	8.8	(8)	25.4	13.7	7.4	-7.7	7.8	10.6	0.9	2.2	0.4	(6)
	Minimum			-2.5		4.5		10.0		11.0		6.3		10.0	8.4	6.2	-9.9	4.1	7.9	-2.8	1.3	-1.9	
	Median			-0.7		6.7		22.8		15.4		8.8		22.8	13.8	8.7	-7.7	6.3	10.1	1.0	3.7	0.3	
	Maximum			1.6		10.1		26.8		19.6		15.3		26.8	23.5	20.2	13.0	12.6	11.5	6.9	6.9	1.2	
	MSCI All Country World Index	1		-0.7		6.6		22.0		14.1		7.8		22.0	12.6	8.1	-7.6	6.1	9.6				
	MSCI World Index	2		-0.7		6.6		22.7		15.6		8.8		22.7	15.0	9.4	-6.4	5.5	9.9				
	Russell Global Large Cap	3		-0.5		6.7		22.1		14.5		7.8		22.1	13.4	8.4	-7.8	5.4	9.7				
	Russell Emerging Markets Index	4		-0.3		6.4																	
	MSCI World Index (100% hedged)			-0.1		5.5		17.4		17.9		13.2		17.4	20.7	15.7	2.4	10.8	11.8				

Global Bonds

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Mar 2015										For the year ended 31 March					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
Global Aggregate:																							
AMPCI	Global Fixed Interest	1	152	0.5	(4)	2.9	(4)	10.7	(5)	7.3	(5)	7.3	(5)	10.7	4.2	7.0	7.5	7.3	2.6	-0.3	1.7	-0.2	(5)
ANZ	International Aggregate	1	837	1.4	(1)	3.6	(1)	12.3	(3)					12.3									
Fisher	Global Fixed Interest	1	1,035	0.8	(2)	3.5	(2)	12.8	(1)	8.9	(3)	10.2	(1)	12.8	3.0	11.3	13.7	10.5	3.5	2.5	1.8	1.4	(1)
Mercer	Global Bonds	1	654	0.4	(6)	2.8	(5)	12.0	(4)	8.9	(2)	9.5	(2)	12.0	4.9	10.0	11.0	9.9	2.7	1.8	1.3	1.4	(2)
Nikko	Global Fixed Interest	1	198	0.6	(3)	2.6	(6)	9.4	(6)	7.3	(4)	7.7	(4)	9.4	5.1	7.5	9.1	7.2	2.5	0.1	0.9	0.1	(4)
Russell	Global Bond	1	1,483	0.5	(5)	3.1	(3)	12.5	(2)	9.2	(1)	9.5	(3)	12.5	3.5	11.8	11.4	8.7	3.1	1.8	1.5	1.2	(3)
Minimum				0.4		2.6		9.4		7.3		7.3		9.4	3.0	7.0	7.5	7.2	2.5	-0.3	0.9	-0.2	
Median				0.5		3.0		12.2		8.9		9.5		12.2	4.2	10.0	11.0	8.7	2.7	1.8	1.5	1.2	
Maximum				1.4		3.6		12.8		9.2		10.2		12.8	5.1	11.8	13.7	10.5	3.5	2.5	1.8	1.4	
Other:																							
LMI	Brandywine*	2	193	0.1	(3)	5.2	(1)	20.8	(1)	13.9	(1)	13.0	(1)	20.8	3.0	18.7	12.9	10.3	5.1	5.1	4.5	1.1	(1)
ANZ	International Sovereign	2	1,998	1.0	(1)	3.0	(2)	11.9	(2)	7.1	(2)	7.2	(2)	11.9	2.0	7.7	9.4	5.5	2.9	-0.2	0.6	-0.4	(2)
ANZ	International Credit	x	1,098	0.6	(2)	2.9	(3)	10.9	(3)					10.9									
Barclays Capital Global Agg Index				0.9		3.0		11.4		7.6		7.6		11.4	3.7	7.8	9.5	5.6	2.5				
Citigroup World Govt Bond Index				1.1		3.1		12.2		7.8		7.5		12.2	3.8	7.5	9.6	4.4	2.8				

Other Global Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Mar 2015										For the year ended 31 March					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011						
AMPCI	Commodities	448	-4.5	(6)	-5.2	(6)	-22.6	(6)					-22.6	1.8									n/a
AMPCI	Infrastructure	180	2.3	(1)	7.1	(2)	25.4	(2)					25.4	19.8									DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	155	0.4	(3)	7.0	(3)	23.3	(3)					23.3										UBS Global Infrastructure/Utilities
PATH	Commodity Plus Fund	55	0.0	(5)	0.8	(5)	0.7	(5)	-2.0	(3)	-0.5	(1)	0.7	-0.8	-5.9	-12.8	18.9						Bloomberg Commodity Index
PATH	World Equity Fund	33	0.8	(2)	8.2	(1)	26.8	(1)	15.2	(1)			26.8	11.0	8.4								MSCI AC World
PATH	Global Water Fund	6	0.3	(4)	2.4	(4)	9.2	(4)	14.9	(2)			9.2	23.4	12.8	-7.1							n/a
Minimum			-4.5		-5.2		-22.6		-2.0		-0.5		-22.6	-0.8	-5.9	-12.8	18.9						
Median			0.4		4.7		16.2		14.9		-0.5		16.2	11.0	8.4	-10.0	18.9						
Maximum			2.3		8.2		26.8		15.2		-0.5		26.8	23.4	12.8	-7.1	18.9						

* 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 Mar 2015										For the year ended 31 March					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	1,708	0.7	(1)	2.9	(1)	10.4	(1)	5.9	(4)	7.1	(4)	10.4	-0.2	7.7	11.1	7.0	3.0	0.9	0.5	1.7	(1)
ANZ	NZ Fixed Interest	1	1,187	0.6	(7)	2.8	(3)	9.7	(5)	5.7	(6)	7.1	(3)	9.7	-0.6	8.1	9.9	8.9	3.0	0.9	0.7	1.3	(3)
Fisher	NZ Fixed Interest	1	943	0.7	(3)	2.8	(2)	9.5	(6)	5.3	(7)	6.7	(5)	9.5	0.1	6.6	9.7	7.9	2.5	0.5	1.2	0.4	(5)
Harbour	NZ Core Fixed Interest	3	118	0.6	(6)	2.2	(8)	8.1	(8)	5.8	(5)			8.1	1.7	7.8							
Harbour	NZ Corporate Bond	2	192	0.5	(9)	2.0	(9)	7.7	(9)	6.0	(3)	6.2	(6)	7.7	3.3	7.1	6.4	6.8	1.3	-0.3	0.9	-0.3	(6)
Milford	NZ Fixed Interest	1	236	0.6	(8)	2.3	(7)	10.0	(2)					10.0									
Nikko	NZ Corporate Bond	1	89	0.7	(2)	2.4	(5)	9.8	(3)	7.2	(1)	7.9	(1)	9.8	3.1	8.9	8.5	9.3	2.0	1.6	1.9	0.8	(4)
Nikko	NZ Fixed Interest	1	224	0.7	(4)	2.6	(4)	9.8	(4)	6.6	(2)	7.7	(2)	9.8	1.6	8.7	10.0	8.5	2.5	1.4	1.1	1.3	(2)
Russell	NZ Fixed Interest	1	78	0.6	(5)	2.4	(6)	8.8	(7)					8.8	-0.1								
Minimum				0.5		2.0		7.7		5.3		6.2		7.7	-0.6	6.6	6.4	6.8	1.3	-0.3	0.5	-0.3	
Median				0.6		2.4		9.7		5.9		7.1		9.7	0.9	7.8	9.8	8.2	2.5	0.9	1.0	1.1	
Maximum				0.7		2.9		10.4		7.2		7.9		10.4	3.3	8.9	11.1	9.3	3.0	1.6	1.9	1.7	
	ANZ NZ Govt Stock Index	1		0.6		2.7		9.4		4.6		6.1		9.4	-1.7	6.4	10.1	6.9	3.1				
	ANZ NZ Corp A Grade Index	2		0.5		2.1		8.1		5.8		6.6		8.1	2.6	6.7	6.8	8.8	1.7				
	ANZ NZ Govt/Corp A Index (50/50)	3		0.6		2.4		8.7		5.2		6.4		8.7	0.5	6.5	8.5	7.8	2.3				

NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Mar 2015										For the year ended 31 March					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	4,124	0.3	(6)	1.0	(6)	4.0	(6)	3.7	(4)	3.8	(3)	4.0	3.4	3.5	3.6	4.3	0.1	0.8	0.1	9.3	(1)
AMPCI	NZ Short Duration	2	186	0.5	(2)	1.6	(2)	6.6	(1)	5.2	(1)			6.6	3.7	5.5							
AMPCI	Global Short Duration	1	175	0.7	(1)	1.7	(1)	5.9	(2)					5.9	4.4								
ANZ	NZ Cash	1	2,077	0.3	(5)	1.0	(7)	4.0	(7)	3.6	(5)	3.6	(4)	4.0	3.3	3.5	3.5	4.0	0.1	0.7	0.1	7.6	(3)
Fisher	NZ Cash	1	936	0.3	(7)	1.0	(5)	4.2	(5)	4.1	(3)	3.8	(2)	4.2	3.7	4.3	3.1	3.6	0.3	0.8	0.4	2.3	(4)
Harbour	Short Duration	1	40	0.4	(3)	1.1	(4)	4.3	(4)					4.3	3.9								
Nikko	NZ Cash	1	361	0.4	(3)	1.1	(3)	4.4	(3)	4.1	(2)	4.2	(1)	4.4	3.9	4.2	4.0	4.5	0.1	1.2	0.2	7.9	(2)
Minimum				0.3		1.0		4.0		3.6		3.6		4.0	3.3	3.5	3.1	3.6	0.1	0.7	0.1	2.3	
Median				0.4		1.1		4.3		4.1		3.8		4.3	3.7	4.2	3.6	4.1	0.1	0.8	0.1	7.7	
Maximum				0.7		1.7		6.6		5.2		4.2		6.6	4.4	5.5	4.0	4.5	0.3	1.2	0.4	9.3	
	ANZ 90 Day Bank Bill Index	1		0.3		0.9		3.6		3.0		3.0		3.6	2.7	2.7	2.8	3.1	0.1				
	ANZ Short End Swap Index	2		0.4		1.4		5.2		3.4				5.2	1.8	3.4			1.0				

NZ Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Mar 2015										For the year ended 31 March					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:																							
Fisher Trust	Property Fund		338	2.0	(1)	3.4	(1)	12.6	(1)	13.4	(1)	10.2	(1)	12.6	15.3	12.3	4.2	6.9	3.8				
	Property Fund		93	0.6	(2)	1.8	(2)	7.4	(2)	8.7	(2)	7.9	(2)	7.4	9.0	9.6	7.7	5.9	1.7				
Listed:																							
AMPCI	Listed Property	1	19	0.7	(1)	4.7	(4)	27.6	(4)	18.0	(3)	16.2	(4)	27.6	3.7	24.0	16.1	11.2	6.9	1.9	2.6	0.7 (4)	
AMPCI	Property Fund	2	133	-0.3	(6)	4.6	(6)																
ANZ	Property Securities	1	139	-0.0	(5)	4.4	(7)	27.0	(5)	19.2	(2)	17.0	(2)	27.0	7.7	23.6	17.6	10.0	7.8	2.6	2.7	1.0 (3)	
ANZ	Trans Tasman	2	331	-0.5	(7)	5.8	(1)	28.7	(2)	21.4	(1)	16.4	(3)	28.7	9.5	26.9	11.2	7.4	8.1	1.5	2.9	0.5 (5)	
Mint	Real Estate Inv Trust	1	43	0.3	(4)	4.6	(5)	26.8	(6)	17.4	(5)	15.3	(5)	26.8	3.6	23.2	15.3	9.0	7.0	1.0	2.9	0.3 (6)	
Nikko	Property Securities	1	40	0.5	(3)	5.1	(3)	28.5	(3)	16.1	(6)	15.2	(6)	28.5	1.9	19.4	17.7	10.3	7.5	1.0	1.1	1.0 (2)	
Salt	Listed Property	1	270	0.7	(2)	5.5	(2)	30.2	(1)	17.9	(4)	17.0	(1)	30.2	3.2	22.0	18.0	13.3	7.3	2.6	1.6	1.7 (1)	
Minimum				-0.5		4.4		26.8		16.1		15.2		26.8	1.9	19.4	11.2	7.4	6.9	1.0	1.1	0.3	
Median				0.3		4.7		28.1		17.9		16.3		28.1	3.6	23.4	16.9	10.2	7.4	1.7	2.7	0.8	
Maximum				0.7		5.8		30.2		21.4		17.0		30.2	9.5	26.9	18.0	13.3	8.1	2.6	2.9	1.7	
NZX Property Index		1		0.4		4.9		28.6		14.7		14.0		28.6	-0.7	18.3	17.5	8.6	7.8				
NZX/ASX Property Index		2		-0.1		6.6		31.9		17.9		14.7		31.9	1.6	22.5	12.5	7.7	7.5				

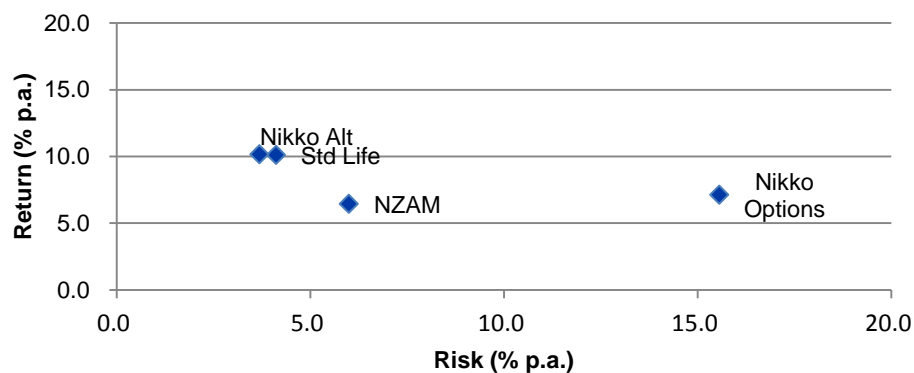
Global Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Mar 2015										For the year ended 31 March					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	115	2.5	(1)	7.9	(1)	27.3	(2)	20.5	(1)	18.3	(1)	27.3	11.5	23.2	8.3	22.3	16.7	1.1	5.5	0.2 (1)	
ANZ	International Property	1	422	1.4	(2)	7.4	(3)	30.3	(1)	18.9	(2)	17.1	(2)	30.3	6.2	21.5	7.1	22.2	14.1	-0.2	2.7	-0.1 (2)	
Russell	Global Listed Real Estate	2	44	1.2	(3)	7.6	(2)																
UBS Global Property Index				0.8		7.2		30.2		19.3		17.4		30.2	5.7	23.5	7.9	21.7	13.2				
FTSE EPRA/NAREIT Index																							

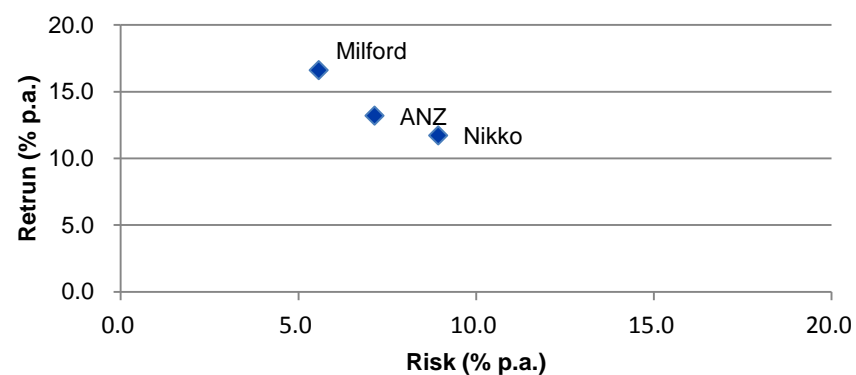
Alternatives/Absolute Return

		Returns (%) gross of tax and fees																								
Manager	Fund	FUM (\$m)	For the period to 31 Mar 2015										For the year ended 31 March					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:																										
Mercer	Liquid Alternatives	132	1.8	(2)	5.2	(3)	13.0	(4)				13.0														Cash + 3% to 5%
Milford	Global	213	0.7	(5)	7.1	(1)	18.9	(1)				18.9	9.0													OCR + 5%
Nikko	Alternative Investment	102	1.4	(3)	4.0	(4)	8.3	(6)	10.7	(1)	10.2	(1)	8.3	12.8	11.1	3.9	15.1	3.7	1.9	(1)						90 Day Bank Bill + 2.5%
Nikko	Options	155	2.8	(1)	1.0	(7)	6.4	(7)	10.5	(2)	7.1	(3)	6.4	9.7	15.5	-5.9	11.1	15.6	0.3	(4)						90 Day Bank Bill + 4%
NZAM	Alpha	20	-0.4	(7)	1.3	(6)	13.6	(3)				13.6	4.8													OCR + 4%
NZAM	Global	595	-0.1	(6)	1.7	(5)	11.6	(5)	9.5	(4)	6.4	(4)	11.6	9.8	7.1	-2.6	6.8	6.0	0.6	(3)						OCR + 4%
Std Life	GARS*	78	0.8	(4)	5.8	(2)	14.7	(2)	10.0	(3)	10.1	(2)	14.7	6.8	8.7	11.2	9.3	4.1	1.7	(2)						OCR + 5%
Australasian:																										
ANZ	Equity Selection	34	-0.2	(3)	1.2	(5)	11.5	(4)	19.2	(4)	13.2	(2)	11.5	21.1	25.5	3.4	5.9	7.1	1.4	(2)						90 Day Bank Bill + 5%
CPFM	Ranger	5	-0.9	(4)	-2.9	(6)	6.2	(5)				6.2														OCR + 5%
Devon	Alpha	102	-0.9	(5)	7.1	(1)	19.8	(2)	25.2	(1)		19.8	33.7	22.4	-6.0											12% p.a.
Milford	Active Growth	822	0.3	(1)	5.3	(3)	13.9	(3)	22.4	(2)	16.6	(1)	13.9	23.4	30.4	10.0	6.8	5.6	2.4	(1)						10% p.a.
Nikko	Concentrated	52	-1.6	(6)	6.9	(2)	23.5	(1)	21.1	(3)	11.7	(3)	23.5	12.5	27.8	-4.8	2.9	8.9	1.0	(3)					90 Day Bank Bill + 5%	
Salt	Long/Short	11	0.2	(2)	3.2	(4)																			OCR + 5%	
OCR + 5%			0.7		2.0		8.4		7.8		7.7		8.4	7.5	7.5	7.5	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>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> </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 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	<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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