

The Aon Investment Update as at 31 July 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 July 2018

Market Summary

Global equities were generally higher over the month due to strong corporate earnings and some easing in trade tensions. Bond yields rose as a result of economic news which was primarily positive.

US equities rose by close to 4% over the month on the back of strong corporate earnings and a buoyant economy. US economic growth accelerated rapidly by 4.1% over the second quarter; up from a revised 2.2% reading. The fastest pace of growth since 2014 was driven by a surge in consumer spending and business. Moreover, potential retaliatory tariffs boosted US exports. The one blemish was a stuttering housing market with sales for both existing and new homes falling over the month; existing home sales fell by a further 0.6% while new home sales dropped by 5.3%, below expectations of a 3.1% fall.

Emerging markets shares bounced back after a disappointing June, but still underperformed developed markets.

European share prices were also strong, with the MSCI EMU index returning 3.5% over the month. US President Trump's meeting with EU President Juncker went better than many expected with an agreement to work together towards removing all tariffs.

UK shares also rose, but underperformed the rest of Europe as Brexit continues to dominate the headlines. Markets are nervous about the ability of the UK government to negotiate a good deal and sterling continues to depreciate.

In New Zealand the NZX 50 index fell by 0.2% in July as business confidence continued to weaken, fuelling expectations about slower economic growth ahead. Australian shares returned 1.3% in local currency terms.

After mostly moving sideways in June, government bond yields were higher over July, but corporate bonds had a better month, mostly delivering positive returns. Overall, the Barclays Global Aggregate index (hedged to NZ\$) returned 0.03% over the month, taking the 12 month return to just 1.8%.

With weaker economic data in New Zealand, bond yields here rose over the month and the S&P/NZX NZ Government Stock Index returned 0.4%. The RBNZ meeting in early August confirmed that the Official Cash Rate looks set to remain at 1.75%

Fund Performance

Balanced fund returns ranged from 0.3% to 1.4% in July, and the median manager has returned 3.4% over the last 3 months. Nikko continues to lead the way over the last 12 months with a return of 13.2% while Mercer remains firmly at the lower end with 9.2% over the same period.

Returns from the domestic equity managers were mixed, ranging from -0.9% from the Nikko Core Domestic Equity fund to 2.2% from the Devon Trans Tasman fund. Over the last 3 months, Devon continues to remain the best performing fund (9.1% from their Trans Tasman Fund) and the worst performance has come from the Salt Focus Fund (4.3%).

Returns from global shares funds dropped slightly this month. The median return in July was 2.2%, with returns ranging from -0.6% from the Elevation Capital Value Fund to 3.1% from the Templeton Global Trust Fund.

The median domestic bond fund returned 0.3% in July and 1.6% over the last 3 months and remains in line with the benchmark. The Nikko NZ Corporate Bond Fund remains the best performer over the last 12 months, returning 5.3%.

Global bond fund returns remained consistent compared to last month, ranging from 0.1% to 0.6%. The Milford fund remains the best performer over the last 12 months, returning 3.1%.

Returns from the global absolute return funds were stronger this month. The Nikko Option fund continues to fare best, posting a return of 1.2%, while NZAM Global returned -0.1% over the month.

New Zealand Fund Manager News

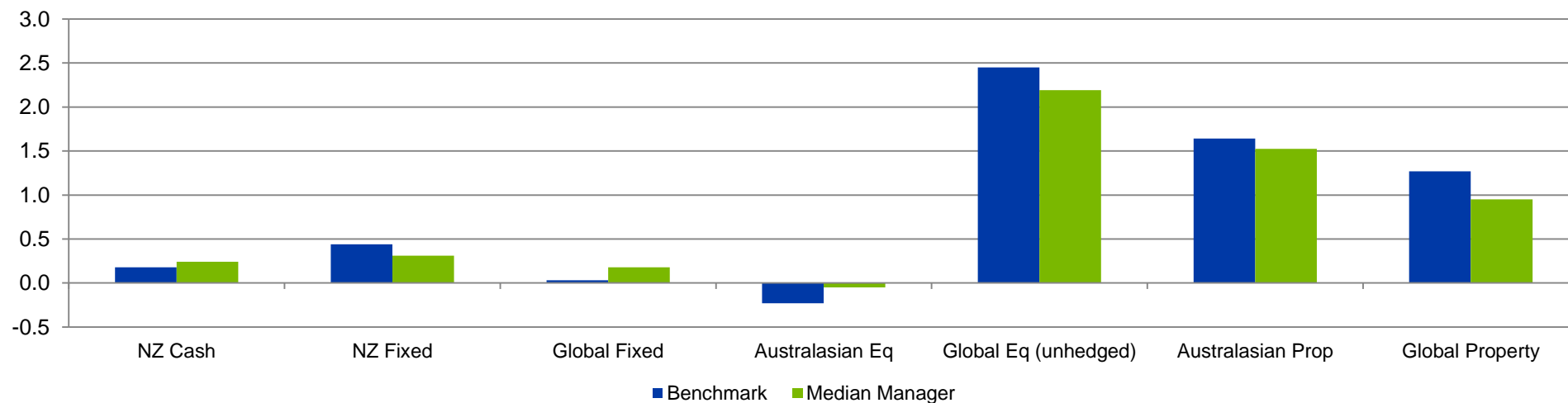
Carmel Fisher has stepped down from the board of Fisher Funds, the company she founded in 1998.

AMP Capital announced the closure of the AMP Capital Listed Property Securities Fund. Investors have been given the option to switch into the Australasian Property Index Fund, Global Property Securities Fund or Australasian Property Shares Fund.

Median Manager Performance v Benchmark

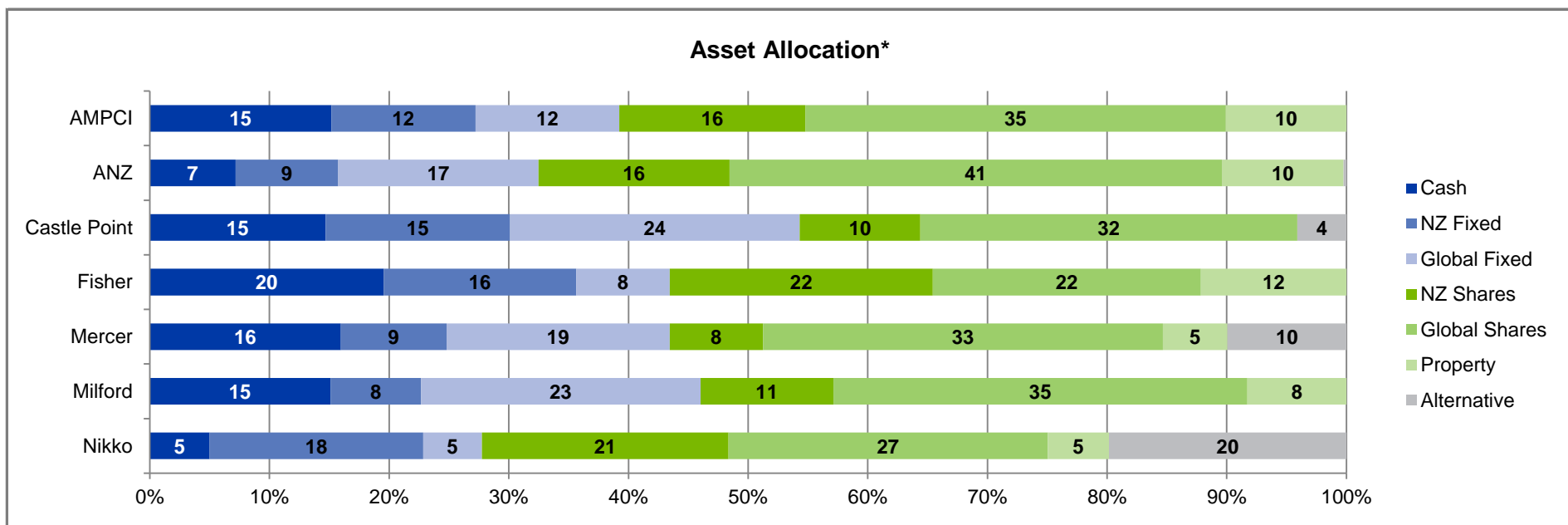
		Returns (%) gross of tax and fees										
Sector		For the period to 31 Jul 2018					For the year ended 31 July					Volatility 5 Yrs
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2018	2017	2016	2015	2014	
NZ Cash	ANZ 90D Bank Bills	0.2	0.5	2.0	2.3	2.7	2.0	2.2	2.8	3.7	2.9	0.1
	Median Manager	0.2	0.7	2.8	3.1	3.5	2.8	2.9	3.5	4.5	3.9	0.2
NZ Fixed Interest	ANZ NZ Govt Stock	0.4	1.7	4.3	3.7	4.7	4.3	-0.3	7.3	9.4	3.2	2.4
	Median Manager	0.3	1.6	4.6	4.5	5.4	4.6	1.7	7.0	9.7	4.5	1.9
International Fixed Interest	Barclays Agg	0.0	0.6	1.8	3.9	5.4	1.8	0.5	9.5	7.7	7.9	2.5
	Median Manager	0.2	0.7	2.6	4.3	5.6	2.6	1.8	8.5	7.4	8.6	2.5
Australasian Shares	NZX 50 Gross	-0.2	5.8	17.3	16.0	15.9	17.3	6.0	25.6	16.3	15.3	8.5
	Median Manager	-0.1	6.8	18.4	15.9	16.5	18.4	5.2	23.5	16.6	20.4	8.8
International Shares (unhdgd)	MSCI ACWI	2.5	6.2	22.2	8.1	12.5	22.2	12.6	-8.3	31.4	8.7	9.9
	Median Manager	2.2	5.8	23.0	9.3	13.8	23.0	15.1	-6.2	34.7	8.2	10.1
Australasian Property	NZX Property	1.6	6.6	12.3	9.0	11.3	12.3	-1.2	16.6	21.3	9.0	7.5
	Median Manager	1.5	6.7	13.7	9.6	12.7	13.7	-2.0	17.8	21.3	12.2	7.3
International Property	FTSE Property	1.3	5.8	2.9	5.9	9.9	2.9	-2.1	17.9	15.6	16.6	11.7
	Median Manager	1.0	4.6	8.6	5.9	10.3	8.6	-3.1	11.6	15.1	19.8	11.5

1 Month Performance (%)



Balanced Funds

		Returns (%) gross of tax and fees														
Manager	FUM (\$m)	For the period to 31 Jul 2018					For the year ended 31 July					5 Years				
		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	48	1.3 (4)	3.4 (4)	10.5 (5)	6.6 (7)	8.8 (6)	10.5	7.2	2.4	11.7	12.6	4.2	1.4 (7)			
ANZ Investments	101	1.4 (1)	4.1 (1)	11.8 (3)	8.3 (5)	10.8 (3)	11.8	7.7	5.5	16.8	12.5	4.7	1.7 (5)			
Castle Point Funds	30	1.3 (2)	2.5 (7)	9.8 (6)	8.5 (4)	8.3 (7)	9.8	10.0	5.6	9.2	7.0	3.6	1.6 (6)			
Fisher Institutional	521	0.9 (5)	3.7 (2)	10.7 (4)	8.6 (3)	9.9 (4)	10.7	6.5	8.6	12.0	11.7	3.5	2.1 (3)			
Mercer	1,582	1.3 (2)	2.5 (6)	9.2 (7)	7.9 (6)	9.9 (5)	9.2	7.7	6.8	13.1	12.7	3.6	2.0 (4)			
Milford Funds	569	0.9 (6)	3.6 (3)	13.1 (2)	10.1 (1)	12.0 (1)	13.1	8.5	8.9	17.4	12.6	4.4	2.1 (2)			
Nikko Asset Management	277	0.3 (7)	3.3 (5)	13.2 (1)	9.6 (2)	11.5 (2)	13.2	6.6	9.0	17.7	11.3	4.2	2.1 (1)			
Minimum		0.3	2.5	9.2	6.6	8.3	9.2	6.5	2.4	9.2	7.0	3.5	1.4			
Median		1.3	3.4	10.7	8.5	9.9	10.7	7.7	6.8	13.1	12.5	4.2	2.0			
Maximum		1.4	4.1	13.2	10.1	12.0	13.2	10.0	9.0	17.7	12.7	4.7	2.1			



*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 Jul 2018										For the year ended 31 July					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	490	0	-0.5 (20)	5.4 (18)	17.0 (13)	15.2 (13)	16.4 (9)	17.0	4.5	24.9	18.1	18.5	8.4	0.4	2.2	0.2 (10)						
AMPCI	NZ Shares RIL	1	17	0	-0.3 (16)	5.4 (17)	16.4 (17)	15.7 (11)	16.8 (6)	16.4	5.5	26.1	17.3	19.5	8.1	0.7	2.4	0.3 (8)						
ANZ	NZ Equities	1	184	0	-0.2 (15)	6.8 (12)	17.1 (12)	14.9 (14)	15.8 (14)	17.1	4.9	23.5	13.7	20.4	8.7	-0.1	1.9	-0.1 (15)						
ANZ	Australasian Equity	1	1,025	7	-0.1 (12)	6.9 (8)	18.4 (10)	14.9 (15)	15.9 (13)	18.4	3.7	23.5	13.9	20.9	9.0	-0.0	2.2	-0.0 (14)						
CPFM	Trans Tasman Strategy	1	0	18	0.5 (3)	7.3 (4)	30.6 (2)	22.7 (1)		30.6	11.5	26.8	17.7											
Devon	NZ Core	1	256	12	0.5 (5)	7.1 (6)	13.8 (19)	12.2 (18)	15.5 (16)	13.8	0.3	23.7	18.5	22.9	9.3	-0.3	3.3	-0.1 (16)						
Devon	NZ Only	1	104	0	0.3 (8)	7.2 (5)	9.9 (20)			9.9	4.0													
Devon	Trans Tasman	3	155	50	2.2 (1)	9.1 (1)	15.3 (18)	12.0 (19)	16.1 (11)	15.3	4.4	16.9	17.9	27.0	8.7	4.7	5.5	0.9 (4)						
Fisher	Trans Tasman Equities	7	310	34	0.3 (7)	8.6 (2)	21.2 (7)	15.9 (9)	15.9 (12)	21.2	4.1	23.5	14.6	17.4	8.1	1.7	2.5	0.7 (5)						
Harbour	Australasian Equity	1	532	23	-0.1 (11)	6.8 (11)	25.1 (5)	19.7 (4)	18.7 (3)	25.1	9.6	25.0	12.7	21.7	9.6	1.3	4.3	0.3 (7)						
Harbour	Australasian Equity Focus	3	103	43	0.5 (4)	7.7 (3)	31.3 (1)	20.6 (3)		31.3	11.0	20.5	12.5											
Harbour	Advanced Beta	2	156	0	0.4 (6)	6.5 (15)	16.8 (15)	15.9 (10)		16.8	8.6	22.8												
Mercer	Trans Tasman Equity	1	476	16	0.2 (9)	7.0 (7)	19.0 (9)	15.5 (12)	16.5 (8)	19.0	4.3	24.2	15.6	20.7	8.9	0.6	2.2	0.2 (9)						
Milford	NZ Equities	1	409	0	-0.2 (13)	6.8 (9)	26.0 (4)	21.7 (2)	20.0 (1)	26.0	11.6	28.1	15.0	20.3	8.7	3.6	3.0	1.2 (1)						
Milford	Trans Tasman Equity	3	369	50	0.6 (2)	6.8 (13)	22.6 (6)	16.0 (8)	15.7 (15)	22.6	11.7	14.0	12.2	18.2	8.9	4.4	5.0	0.9 (3)						
Mint	Trans Tasman Equity	1	181	24	-0.5 (18)	5.1 (20)	20.3 (8)	16.5 (7)	17.7 (4)	20.3	6.3	23.5	18.4	21.0	7.4	1.5	2.8	0.5 (6)						
Mint	SRI Fund	1	18	0	-0.2 (14)	6.8 (10)																		
Nikko	Core Domestic Equity	1	484	18	-0.9 (21)	6.3 (16)	26.8 (3)	19.7 (5)	19.2 (2)	26.8	7.2	26.0	20.1	17.1	9.1	2.9	2.5	1.2 (2)						
Russell	NZ Shares	1	208	0	-0.0 (10)	6.7 (14)	16.9 (14)	16.5 (6)	16.8 (5)	16.9	7.1	26.3	16.0	18.8	8.7	0.2	2.2	0.1 (13)						
Salt	NZ Plus Share	1	637	6	-0.4 (17)	5.3 (19)	16.5 (16)	14.2 (16)	16.3 (10)	16.5	4.3	22.7	19.3	19.6	9.1	0.3	2.8	0.1 (11)						
Salt	Focus Fund	2	80	7	-0.5 (18)	4.3 (21)	18.4 (11)	13.9 (17)	16.6 (7)	18.4	4.5	19.4	19.6	21.9	9.1	0.5	4.5	0.1 (12)						
	Minimum				-0.9	4.3	9.9	12.0	15.5	9.9	0.3	14.0	12.2	17.1	7.4	-0.3	1.9	-0.1						
	Median				-0.1	6.8	18.4	15.9	16.5	18.4	5.2	23.5	16.6	20.4	8.8	0.6	2.7	0.3						
	Maximum				2.2	9.1	31.3	22.7	20.0	31.3	11.7	28.1	20.1	27.0	9.6	4.7	5.5	1.2						
Absolute Return																								
ANZ	Equity Selection	8	16	0	-0.2 (6)	5.0 (5)	6.0 (6)	8.1 (6)	11.0 (4)	6.0	3.3	15.5	9.4	21.5	8.5	2.8		1.0 (4)						
CPFM	Ranger	8	57	47	2.2 (2)	6.1 (2)	34.5 (1)	20.2 (1)		34.5	17.4	9.9	7.4											
Devon	Alpha	8	105	50	3.9 (1)	11.0 (1)	20.9 (3)	9.8 (5)	14.7 (3)	20.9	1.0	8.6	17.3	27.6	7.8	1.8		1.5 (3)						
Milford	Active Growth	8	997	17	1.1 (4)	5.3 (4)	19.1 (4)	13.6 (3)	15.1 (2)	19.1	7.7	14.3	16.9	17.6	5.5	4.2		2.3 (1)						
Milford	Australian Absolute Growth	8	78	0	1.0 (5)	5.6 (3)																		
Nikko	Concentrated	8	125	39	-2.4 (7)	3.2 (6)	27.9 (2)	18.4 (2)	20.0 (1)	27.9	8.3	20.0	28.6	16.5	9.3	2.4		1.9 (2)						
Salt	Long/Short	8	278	75	1.4 (3)	1.4 (7)	6.3 (5)	12.2 (4)		6.3	9.7	21.0	17.1											
	Minimum				-2.4	1.4	6.0	8.1	11.0	6.0	1.0	8.6	7.4	16.5	5.5	1.8		1.0						
	Median				1.1	5.3	20.0	12.9	14.9	20.0	8.0	14.9	17.0	19.6	8.1	2.6		1.7						
	Maximum				3.9	11.0	34.5	20.2	20.0	34.5	17.4	21.0	28.6	27.6	9.3	4.2		2.3						

*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 31 Jul 2018										For the year ended 31 July					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	38	38	1.6	(1)	7.1	(2)	7.8	(3)	11.7	(2)	15.0	(2)	7.8	1.8	26.9	18.6	21.8	8.6	3.7	6.1	0.6	(1)
Harbour	Australasian Eq Income	n/a	65	39	1.4	(2)	7.1	(1)	10.2	(2)	9.5	(3)	13.4	(3)	10.2	4.7	13.9	19.0	19.7	7.3				
Salt	Dividend Appreciation	1	79	0	-0.6	(3)	5.3	(3)	15.4	(1)	15.7	(1)	18.0	(1)	15.4	5.4	27.5	22.0	20.8	8.6	1.7	3.0	0.6	(2)
	Minimum				-0.6		5.3		7.8		9.5		13.4		7.8	1.8	13.9	18.6	19.7	7.3	1.7	3.0	0.6	
	Median				1.4		7.1		10.2		11.7		15.0		10.2	4.7	26.9	19.0	20.8	8.6	2.7	4.5	0.6	
	Maximum				1.6		7.1		15.4		15.7		18.0		15.4	5.4	27.5	22.0	21.8	8.6	3.7	6.1	0.6	
Australian Only																								
AMPCI	Australian Share	5	188	100	1.4	(2)	7.8	(2)	18.0	(3)	5.5	(3)	7.9	(2)	18.0	5.1	-5.2	10.1	13.1	12.3	1.2	4.7	0.2	(2)
ANZ	Australian Share	5	1,003	100	1.3	(3)	7.7	(3)	17.3	(4)	5.5	(4)	6.9	(3)	17.3	2.6	-2.6	5.8	12.7	12.8	0.3	5.1	0.1	(3)
Devon	Australian	5	15	100	2.6	(1)	10.8	(1)	19.3	(2)	9.9	(2)	13.2	(1)	19.3	5.2	5.9	15.9	20.7	12.0	6.0	5.7	1.1	(1)
Milford	Dynamic	6	229	100	0.4	(4)	7.5	(4)	27.2	(1)	15.0	(1)			27.2	5.1	13.7	18.1						
	Minimum				0.4		7.5		17.3		5.5		6.9		17.3	2.6	-5.2	5.8	12.7	12.0	0.3	4.7	0.1	
	Median				1.4		7.8		18.6		7.7		7.9		18.6	5.1	1.6	13.0	13.1	12.3	1.2	5.1	0.2	
	Maximum				2.6		10.8		27.2		15.0		13.2		27.2	5.2	13.7	18.1	20.7	12.8	6.0	5.7	1.1	
Benchmarks																								
	S&P/NZX 50 Gross incl I/C	1			-0.2		5.8		17.3		16.0		15.9		17.3	6.0	25.6	16.3	15.3	8.5				
	S&P/NZX 50 Portfolio incl I/C	2			-2.6		3.2		14.3		15.2		15.8		14.3	7.7	24.3	18.7	14.8	8.4				
	NZX50/ASX200 (50/50)	3			0.6		6.9		9.1		9.1		10.6		9.1	7.4	10.9	11.6	14.4	9.3				
	ASX 200	5			1.4		7.9		6.9		4.2		6.4		6.9	8.4	-2.4	6.6	13.2	13.5				
	ASX SmallCap Industrials	6			-0.5		4.8		18.6		11.8		10.5		18.6	-0.1	17.8	6.7	10.6	11.4				
	70% NZX50 / 30% ASX200	7			0.3		6.1		17.0		12.8		13.9		17.0	4.2	17.9	15.8	15.2	8.4				
	Other (Absolute Return)	8																						
	ASX 200 (in A\$)				1.4		5.8		14.6		8.0		9.2		14.6	7.3	2.4	5.7	16.5	10.8				

International Shares (Unhedged)

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2018										For the year ended 31 July					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	967	2.3	(5)	5.5	(9)	21.2	(11)	9.3	(7)	14.3	(5)	21.2	12.5	-4.2	35.7	10.2	9.5	1.6	1.8	0.9	(1)
AMPCI	RIL Global Shares	1	60	2.3	(6)	5.8	(8)	25.5	(5)	7.8	(12)	12.8	(8)	25.5	13.8	-12.2	30.6	11.5	10.1	0.3	1.8	0.2	(8)
ANZ	International Share	1	5,661	2.4	(4)	6.6	(4)	23.0	(8)	9.8	(4)	14.5	(4)	23.0	15.1	-6.5	37.7	8.0	10.0	1.8	2.0	0.9	(2)
EC	Value Fund	1	30	-0.6	(15)	4.9	(11)	7.9	(15)	6.7	(13)	9.4	(12)	7.9	11.2	1.1	17.8	9.9	9.4	-3.0	6.8	-0.4	(11)
Fisher	Overseas Equities	1	401	2.7	(2)	6.0	(7)	22.2	(9)	8.0	(11)	11.9	(10)	22.2	12.9	-8.8	30.3	7.1	9.8	-0.5	1.3	-0.4	(10)
FRK	Global Growth	1	n/a	0.0	(14)	6.2	(6)	28.5	(3)	12.5	(1)	16.5	(1)	28.5	16.7	-5.0	40.1	7.3	10.8	3.5	4.5	0.8	(3)
FRK	Global Trust	1	n/a	3.1	(1)	4.7	(13)	18.8	(12)	5.3	(14)	10.1	(11)	18.8	18.8	-17.4	25.5	10.6	11.2	-2.1	3.8	-0.5	(12)
Harbour	Global Equity Growth	1	42	1.6	(10)	6.8	(2)	29.0	(2)	12.2	(2)			29.0	17.1	-6.4							
Magellan	Global	2	10,474	2.3	(6)	10.5	(1)	26.9	(4)	9.5	(5)	14.6	(3)	26.9	12.5	-8.1	44.4	4.1	11.4	1.7	4.0	0.4	(7)
Mercer	Global Equities	2	1,874	2.6	(3)	6.4	(5)	23.9	(7)	10.3	(3)	14.9	(2)	23.9	15.3	-6.1	33.1	12.2	10.5	1.9	3.3	0.6	(5)
MGH	MGH Investments	1	28	0.6	(13)	-0.3	(14)	13.6	(13)	8.2	(10)	12.8	(9)	13.6	15.6	-3.7	33.7	7.7	9.9	0.1	5.1	0.0	(9)
Nikko	Global Equity	1	446	1.5	(11)	6.7	(3)	24.7	(6)	9.3	(8)	14.1	(6)	24.7	11.3	-6.0	36.7	8.4	10.1	1.4	2.1	0.7	(4)
Nikko	Wholesale Global Shares	1	n/a	0.8	(12)	5.3	(10)	29.0	(1)					29.0									
Russell	Emerging Markets	4	1	1.7	(9)	-3.3	(15)	13.4	(14)	9.4	(6)			13.4	22.7	-6.0							
Russell	Global Opportunities	3	207	2.2	(8)	4.9	(12)	22.0	(10)	8.5	(9)	13.5	(7)	22.0	15.2	-9.0	38.6	6.3	10.6	0.8	1.7	0.5	(6)
	Minimum			-0.6		-3.3		7.9		5.3		9.4		7.9	11.2	-17.4	17.8	4.1	9.4	-3.0	1.3	-0.5	
	Median			2.2		5.8		23.0		9.3		13.8		23.0	15.1	-6.2	34.7	8.2	10.1	1.1	2.7	0.5	
	Maximum			3.1		10.5		29.0		12.5		16.5		29.0	22.7	1.1	44.4	12.2	11.4	3.5	6.8	0.9	
	MSCI All Country World Index	1		2.5		6.2		22.2		8.1		12.5		22.2	12.6	-8.3	31.4	8.7	9.9				
	MSCI World Index	2		2.5		6.8		21.8		7.6		12.7		21.8	11.7	-8.3	34.1	8.8	10.2				
	Russell Global Large Cap	3		2.4		6.2		22.4		8.2		12.7		22.4	12.6	-8.1	31.7	9.0	9.9				
	Russell Emerging Markets Index	4		1.6		-2.2		14.6		8.2				14.6	19.4	-7.4							
	MSCI ACWI (100% hedged)			3.2		3.2		9.4		9.8		12.2		9.4	20.1	0.7	13.3	18.6	9.3				

Diversified Income

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Jul 2018										For the year ended 31 July					Performance Objective					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014						
AMPCI	Income Generator	143	0.7	(4)	3.4	(1)	6.6	(3)	7.7	(2)					6.6	4.8	11.8	10.2					n/a
Devon	Diversified Income	6	0.6	(5)	2.4	(5)	5.0	(6)						5.0	3.4								OCR + 1.5%
Milford	Diversified Income	1,863	0.7	(2)	2.6	(4)	9.4	(1)	10.9	(1)	12.5	(1)		9.4	8.2	15.2	15.1	14.9					OCR + 2.5%
Mint	Diversified Income	147	1.3	(1)	3.1	(3)	7.6	(2)	6.6	(3)				7.6	2.6	9.7							OCR + 2.5%
Nikko	Income	12	0.6	(5)	2.1	(6)	6.3	(4)	6.3	(4)	7.1	(2)		6.3	2.9	9.7	9.4	7.5					8% p.a.
Harbour	Income	73	0.7	(2)	3.3	(2)	6.0	(5)	5.9	(5)				6.0	3.4	8.2	10.8						OCR + 2.0%

International Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2018										For the year ended 31 July					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	104	0.1	(6)	0.6	(7)	1.5	(8)	3.3	(7)	5.0	(6)	1.5	1.4	7.2	7.4	7.9	2.4	-0.4	0.8	-0.5	(6)
AMPCI	Global FI AIFPQ	3	532	0.1	(9)	0.6	(6)	1.2	(9)	2.9	(8)	4.3	(7)	1.2	-0.6	8.1	7.1	5.9	2.7				
ANZ	International Aggregate	1	718	0.2	(5)	1.1	(1)	2.9	(2)	5.0	(1)			2.9	2.9	9.1	8.1						
Fisher	Global Bonds - PIMCO	1	190	0.3	(2)	1.0	(2)	2.7	(4)	4.8	(2)	6.6	(1)	2.7	3.4	8.4	7.8	11.1	2.8	1.1	1.4	0.8	(1)
Fisher	Global Bonds - Wellington	1	95	0.1	(8)	0.9	(3)	2.5	(6)	4.1	(6)	5.4	(5)	2.5	0.3	9.5	7.5	7.6	2.5	0.0	0.4	0.0	(5)
Mercer	Global Bonds	1	1,647	0.2	(3)	0.7	(5)	2.8	(3)	4.5	(4)	6.1	(2)	2.8	2.2	8.4	7.4	9.7	2.2	0.8	1.3	0.6	(3)
Milford	Global Bond Fund	4	318	0.6	(1)	0.5	(8)	3.1	(1)					3.1									
Nikko	Global Fixed Interest	1	246	0.2	(3)	0.8	(4)	2.6	(5)	4.2	(5)	5.6	(4)	2.6	0.9	9.4	6.4	9.2	2.2	0.2	0.9	0.2	(4)
Russell	Global Bond	1	3,037	0.1	(7)	0.5	(9)	2.4	(7)	4.5	(3)	6.0	(3)	2.4	2.4	8.7	8.2	8.6	2.6	0.6	0.9	0.6	(2)
	Minimum			0.1		0.5		1.2		2.9		4.3		1.2	-0.6	7.2	6.4	5.9	2.2	-0.4	0.4	-0.5	
	Median			0.2		0.7		2.6		4.3		5.6		2.6	1.8	8.5	7.4	8.6	2.5	0.4	0.9	0.4	
	Maximum			0.6		1.1		3.1		5.0		6.6		3.1	3.4	9.5	8.2	11.1	2.8	1.1	1.4	0.8	
Other:																							
LMI	Brandywine	2	244	1.7	(1)	-1.3	(3)	0.5	(3)	4.8	(1)	7.4	(1)	0.5	8.3	5.7	11.0	11.9	5.4	1.9	4.8	0.4	(1)
ANZ	International Sovereign	2	3,705	-0.2	(3)	0.8	(1)	1.7	(1)	3.2	(3)	4.9	(3)	1.7	-0.8	9.0	8.0	6.7	3.0	-0.5	0.4	-1.2	(2)
ANZ	International Credit	x	1,021	0.7	(2)	0.7	(2)	0.7	(2)	4.5	(2)	5.6	(2)	0.7	2.8	10.2	6.0	8.9	3.1				
	Barclays Capital Global Agg Index	1		0.0		0.6		1.8		3.9		5.4		1.8	0.5	9.5	7.7	7.9	2.5				
	Citigroup World Govt Bond Index	2		-0.2		0.4		2.2		3.8		5.4		2.2	-0.9	10.4	8.2	7.8	2.9				
	Barclays Global Treasury GDP Wgtd	3																					
	Barclays Global Aggregate 3-5 Yr TR	4																					

Other International Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Jul 2018										For the year ended 31 July					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014						
AMPCI	Commodities	170	-2.0	(9)	-4.2	(9)	4.6	(6)	1.8	(8)	-3.5	(7)	4.6	3.9	-2.9	-25.3	6.3						Bloomberg Commodity Index
AMPCI	Infrastructure	316	2.8	(4)	8.5	(1)	3.9	(7)	5.2	(7)	12.0	(3)	3.9	12.7	-0.7	13.8	33.4						DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	221	1.7	(5)	4.6	(6)	0.5	(8)	9.1	(2)			0.5	12.9	14.6	19.0							FTSE Global Core Infrastructure Net (NZD Hedged)
Magellan	Infrastructure	1,704	1.1	(7)	5.3	(3)	11.8	(4)	10.8	(1)	13.5	(1)	11.8	10.2	10.5	20.2	15.0						S&P Global Infrastructure Index (A\$ Hedged)
Milford	Global Equity	447	1.4	(6)	4.8	(4)	16.8	(3)	7.3	(4)	10.5	(5)	16.8	11.5	-5.3	25.9	6.0						OCR + 5%
PATH	Commodity Plus Fund	9	-0.6	(8)	1.5	(8)	24.7	(1)	5.5	(6)	3.0	(6)	24.7	-3.8	-2.0	1.7	-3.3						Bloomberg Commodity Index
PATH	World Equity Fund	29	3.1	(2)	5.4	(2)	17.2	(2)	6.1	(5)	12.5	(2)	17.2	9.8	-7.2	32.5	13.7						MSCI AC World
PATH	Global Water Fund	18	3.5	(1)	4.4	(7)	11.7	(5)	7.9	(3)	11.9	(4)	11.7	7.5	4.8	20.1	16.2						n/a
PATH	Global Responsibility Fund	3	3.0	(3)	4.6	(5)																	MSCI AC World

NZ Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2018										For the year ended 31 July					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
AMPCI	NZ Fixed Interest	1	1,962	0.4	(3)	1.6	(5)	4.5	(7)	4.2	(9)	5.4	(4)	4.5	1.1	7.2	10.0	4.5	2.3	0.7	0.4	1.7	(1)
ANZ	NZ Fixed Interest	1	2,221	0.3	(7)	1.5	(7)	4.4	(9)	4.2	(10)	5.3	(7)	4.4	0.5	7.8	9.9	4.1	2.2	0.5	0.4	1.3	(4)
Fisher	NZ Fixed Interest	1	444	0.5	(1)	1.8	(1)	5.0	(3)	4.5	(6)	5.4	(3)	5.0	0.7	7.9	9.9	4.0	2.3	0.7	0.4	1.6	(2)
Harbour	NZ Core Fixed Interest	3	434	0.3	(9)	1.4	(8)	4.5	(8)	4.6	(3)	5.4	(5)	4.5	2.0	7.4	8.4	4.7	1.7				
Harbour	NZ Corporate Bond	2	360	0.3	(6)	1.3	(9)	4.4	(10)	4.4	(7)	5.3	(8)	4.4	2.9	6.0	8.2	5.0	1.3	0.0	0.3	0.0	(6)
Milford	Trans-Tasman Bond	5	387	0.3	(8)	1.2	(10)	5.0	(2)	5.1	(2)			5.0	4.1	6.2	8.6						
Nikko	NZ Corporate Bond	1	211	0.3	(10)	1.6	(6)	5.3	(1)	5.1	(1)	6.2	(1)	5.3	3.2	7.0	9.9	5.9	1.7	1.4	1.1	1.2	(5)
Nikko	NZ Fixed Interest	1	274	0.3	(5)	1.7	(3)	5.0	(4)	4.6	(4)	5.7	(2)	5.0	1.5	7.4	9.7	5.2	2.1	1.0	0.7	1.3	(3)
Russell	NZ Fixed Interest	1	60	0.4	(4)	1.6	(4)	4.9	(5)	4.5	(5)	5.4	(6)	4.9	1.7	7.0	9.2	4.2	1.9				
Western	NZ Core	4	n/a	0.4	(2)	1.7	(2)	4.6	(6)	4.3	(8)			4.6	1.6	6.9	10.0						
Western	NZ Core Constrained	1	n/a	0.2	(11)	1.0	(11)	3.0	(11)	3.3	(11)	4.1	(9)	3.0	2.0	4.8	7.5	3.1	1.2	-0.7	1.4	-0.5	(7)
	Minimum			0.2		1.0		3.0		3.3		4.1		3.0	0.5	4.8	7.5	3.1	1.2	-0.7	0.3	-0.5	
	Median			0.3		1.6		4.6		4.5		5.4		4.6	1.7	7.0	9.7	4.5	1.9	0.7	0.4	1.3	
	Maximum			0.5		1.8		5.3		5.1		6.2		5.3	4.1	7.9	10.0	5.9	2.3	1.4	1.4	1.7	
	S&P/NZX NZ Govt Stock Index	1		0.4		1.7		4.3		3.7		4.7		4.3	-0.3	7.3	9.4	3.2	2.4				
	S&P/NZX NZ Corp A Grade Index	2		0.3		1.3		4.2		4.3		5.2		4.2	2.6	6.0	8.8	4.8	1.5				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		0.4		1.5		4.2		4.0		5.0		4.2	1.2	6.7	9.1	4.0	1.9				
	S&P/NZX NZ Comp Inv Grade Index	4		0.4		1.6		4.3		3.9				4.3	0.4	7.0	9.1						
	S&P/NZX NZ Corp/ASX Corp (50/50)	5		0.3		1.1		4.0						4.0									

NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2018										For the year ended 31 July					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	4,004	0.2	(7)	0.6	(7)	2.4	(6)	2.7	(7)	3.1	(7)	2.4	2.5	3.1	4.1	3.5	0.2	0.4	0.0	9.2	(2)
AMPCI	NZ Short Duration	2	497	0.3	(2)	1.0	(1)	3.6	(1)	3.9	(1)	4.7	(1)	3.6	3.3	4.9	7.0	4.7	0.7	1.1	0.2	4.6	(4)
AMPCI	Global Short Duration	1	208	0.3	(1)	0.7	(6)	2.1	(7)	3.1	(3)	4.0	(2)	2.1	3.2	4.1	5.1	5.5	0.9	1.3	0.9	1.4	(6)
ANZ	NZ Cash	1	3,933	0.2	(4)	0.7	(4)	2.6	(5)	2.8	(6)	3.2	(6)	2.6	2.7	3.1	4.1	3.4	0.2	0.5	0.1	7.5	(3)
Fisher	NZ Cash	1	970	0.3	(3)	0.8	(2)	3.0	(2)	3.0	(5)	3.4	(5)	3.0	2.9	3.2	4.3	3.9	0.2	0.7	0.2	4.0	(5)
Harbour	Short Duration	1	88	0.2	(6)	0.7	(3)	2.8	(4)	3.1	(4)	3.5	(4)	2.8	2.8	3.7	4.5	3.9	0.3				
Nikko	NZ Cash	1	804	0.2	(5)	0.7	(5)	2.9	(3)	3.2	(2)	3.6	(3)	2.9	3.1	3.5	4.5	3.9	0.2	0.8	0.1	11.7	(1)
	Median			0.2		0.7		2.8		3.1		3.5		2.8	2.9	3.5	4.5	3.9	0.2	0.8	0.1	6.0	
	S&P/NZX 90 Day Bank Bill Index	1		0.2		0.5		2.0		2.3		2.7		2.0	2.2	2.8	3.7	2.9	0.1				
	S&P/NZX Short End Swap Index	2		0.2		0.8		2.4		2.9		3.5		2.4	1.9	4.3	6.1	3.0	0.7				

Australasian Property

				Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2018										For the year ended 31 July					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		371	0.5	(1)	1.6	(2)	5.9	(2)	9.9	(2)	11.6	(1)	5.9	11.6	12.2	14.8	13.5	4.1	-0.4	9.3	-0.0	###
	Property Fund		159	0.4	(2)	2.9	(1)	10.3	(1)	12.1	(1)	10.8	(2)	10.3	12.1	13.8	7.8	9.9	2.6				
Listed:																							
AMPCI	Listed Property	1	7	1.7	(3)	6.2	(8)	11.2	(8)	8.3	(7)	11.8	(6)	11.2	-2.0	16.7	22.5	12.0	7.3	0.4	1.9	0.2	(6)
AMPCI	Property Fund	2	138	1.4	(7)	6.5	(6)	13.2	(6)	9.1	(5)			13.2	-4.9	20.6							
ANZ	Property Securities	1	167	1.4	(6)	6.8	(4)	13.2	(5)	9.6	(4)	12.9	(3)	13.2	-1.3	17.8	20.9	15.2	7.4	1.4	2.4	0.6	(3)
ANZ	Trans Tasman	2	756	1.1	(8)	6.7	(5)	14.2	(3)	9.8	(2)	13.6	(2)	14.2	-3.5	20.2	21.1	17.8	7.8	1.0	2.6	0.4	(4)
Mint	Real Estate Inv Trust	1	50	1.5	(4)	6.4	(7)	12.5	(7)	9.0	(6)	11.9	(5)	12.5	-1.9	17.5	21.1	11.8	6.8	0.5	2.1	0.2	(5)
Nikko	Property Securities	1	49	1.5	(5)	7.5	(1)	15.5	(1)	9.8	(3)	12.4	(4)	15.5	-2.5	17.5	21.5	11.7	7.3	0.9	1.4	0.7	(2)
Salt	Listed Property	1	290	1.9	(1)	7.3	(2)	14.2	(4)	11.2	(1)	13.6	(1)	14.2	1.3	18.7	22.4	12.5	6.6	2.0	1.5	1.3	(1)
Salt	Enhanced Property Fund	1	6	1.9	(2)	7.0	(3)	14.5	(2)					14.5	1.7								
Minimum				1.1		6.2		11.2		8.3		11.8		11.2	-4.9	16.7	20.9	11.7	6.6	0.4	1.4	0.2	
Median				1.5		6.7		13.7		9.6		12.7		13.7	-2.0	17.8	21.3	12.2	7.3	1.0	2.0	0.5	
Maximum				1.9		7.5		15.5		11.2		13.6		15.5	1.7	20.6	22.5	17.8	7.8	2.0	2.6	1.3	
S&P/NZX Property Index				1		1.6		6.6		12.3		11.3		12.3	-1.2	16.6	21.3	9.0	7.5				
NZX/ASX Property Index				2		1.5		6.6		13.1		12.4		13.1	-4.0	19.8	22.8	12.2	7.7				

International Property

				Returns (%) gross of tax and fees																				
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2018										For the year ended 31 July					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	202	1.0	(2)	4.2	(4)	9.2	(2)	5.8	(3)	10.7	(1)	9.2	-2.2	11.0	15.4	21.7	11.7	0.7	4.7	0.1	(1)	
ANZ	International Property	1	963	1.1	(1)	4.7	(2)	6.7	(4)	5.7	(4)	9.8	(2)	6.7	-3.9	15.2	14.8	17.9	11.2	-0.2	2.8	-0.1	(2)	
PATH	Global Property	1	15	0.6	(4)	6.8	(1)	10.3	(1)	5.9	(2)			10.3	-4.0	12.1								
Russell	Global Listed Real Estate	1	61	0.9	(3)	4.5	(3)	8.0	(3)	6.4	(1)			8.0	0.7	10.8								
FTSE EPRA/NAREIT Index*				1		1.3		5.8		2.9		5.9		9.9		2.9	-2.1	17.9	15.6	16.6	11.7			
*UBS Global RE Index prior to June 2015																								

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.

Contact information

Guy Fisher
Consultant
+64 4 819 4054
guy.fisher1@aon.com

Nandini Chand
Analyst
+64 9 362 9826
nandini.chand@Aon.com

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