

The Aon Investment Update as at 31 August 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 August 2017

Market Summary

Most global share markets were little changed in August as positive economic data was balanced by rising geopolitical risk. Increasing tensions between the US and North Korea led to higher volatility and also contributed to a rally in bonds. The yield on US 10-year Treasuries fell to 2.12%, its lowest level of the year.

The MSCI World Index returned 0.2% in local currency terms over the month, bringing the year-to-date return to just over 10%. Emerging market equities continue to outperform developed markets and the MSCI Emerging Markets index has risen by more than 23% so far this year.

Japanese shares fell over the month despite some very strong economic data. Real GDP in Japan rose by 1% in the June quarter, the sixth consecutive quarter of growth. This is the longest period of continuous growth since mid-2006. The latest corporate reporting season in Japan has also been good, with the majority of companies producing positive earnings surprises compared with the consensus.

In New Zealand the S&P/NZX 50 Gross index continued its strong run, returning 1.7% for the month. Investors appear to be relatively relaxed about the outcome of the General Election which takes place on September 23, with both National and Labour offering relatively centrist policies.

Globally, government bond yields fell over the month as geopolitical tensions increased and Central Banks continued to play down the need for interest rate rises. Developed market government yields declined by between 20 and 25 basis points.

The Barclays Global Aggregate Bond index (NZ\$ hedged) returned just over 1% in August. This index has returned just 1.5% over the last 12 months.

As expected, the Reserve Bank of New Zealand left the Official Cash Rate unchanged at 1.75% at its August meeting, and the accompanying statement was consistent with the market's view that hikes are a long way off. "Monetary policy will remain accommodative for a considerable period. Numerous uncertainties remain and policy may need to adjust accordingly".

New Zealand government bond yields fell by around 10 basis points over the month and the NZ Government Bond index returned 0.50%.

Fund Performance

August was another good month for the Balanced funds in our survey, with returns ranging from 1.2% (Mercer) to 2.0% (Nikko). Milford remains the best performing fund over the last 12 months, with a return of 10.0%.

The median return for the domestic equity managers in August was 2.1%. A stronger Australian dollar meant that those funds with Australian exposure tended to fare best. Devon's NZ Only fund was the only one to deliver a negative return over the month (-0.9%). Nikko was the strongest performer, their Core Domestic Equity fund returned 4.4%, while their Concentrated fund returned 4.1%.

Global share funds mostly delivered strong returns on an unhedged basis, as the New Zealand dollar weakened. Emerging market shares had a good month, resulting in Russell's Emerging Markets fund posting a return of 7.4% for the month.

Domestic bond managers delivered returns which were broadly in line with the index (0.5%). Over the last 12 months, returns have ranged from 0.8% (ANZ) to 3.7% (Milford's Trans Tasman Bond fund).

Within the International Fixed Interest sector, AMP's GDP Weighted Global Bond fund was the best performer over the month, returning 1.4%, while Milford's Global Bond fund returned just 0.4%.

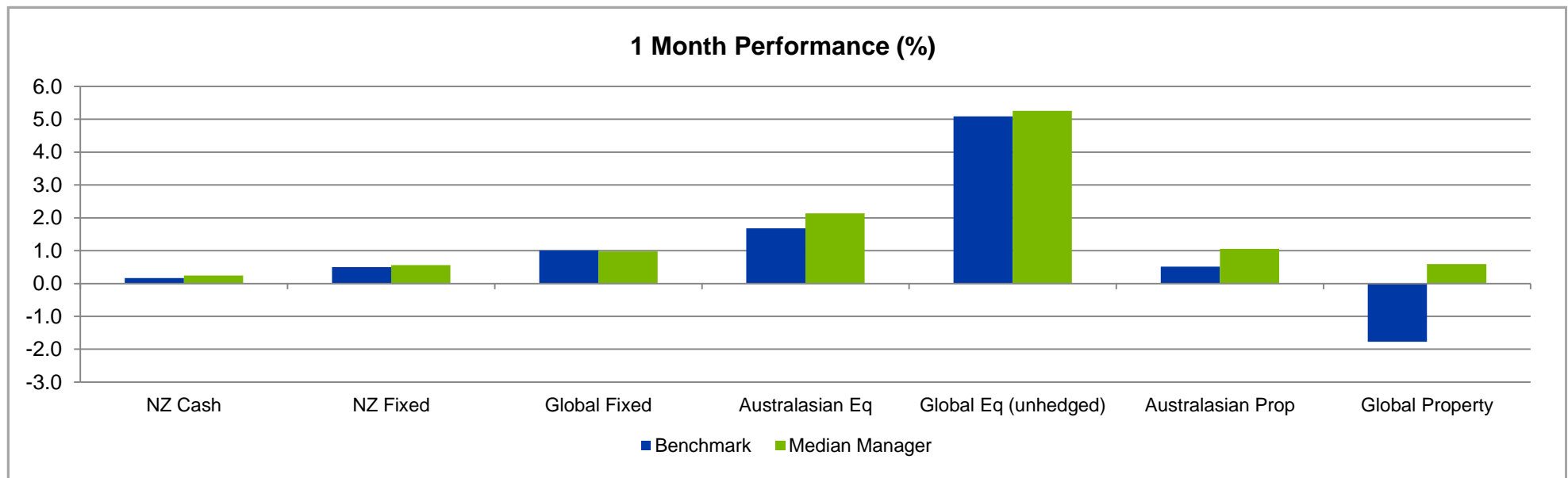
The global absolute return/alternatives funds were all able to post positive returns in August. NZAM had a better month, with their Global fund returning 1.2% and their Alpha fund returning 1.0%. Nikko's Option fund remains the best long term performer in this category.

New Zealand Fund Manager News

Devon Funds Management confirmed that Mark Brown would be joining them as Chief Investment Officer. Mark was formerly Australasian Head of Equities at ANZ Investments. Devon's announcement said "Mark will have specific responsibility for Devon's New Zealand-only equity funds, and will assist portfolio manager Chris Gaskin with management of the Devon Core portfolios when he joins Devon in January 2018".

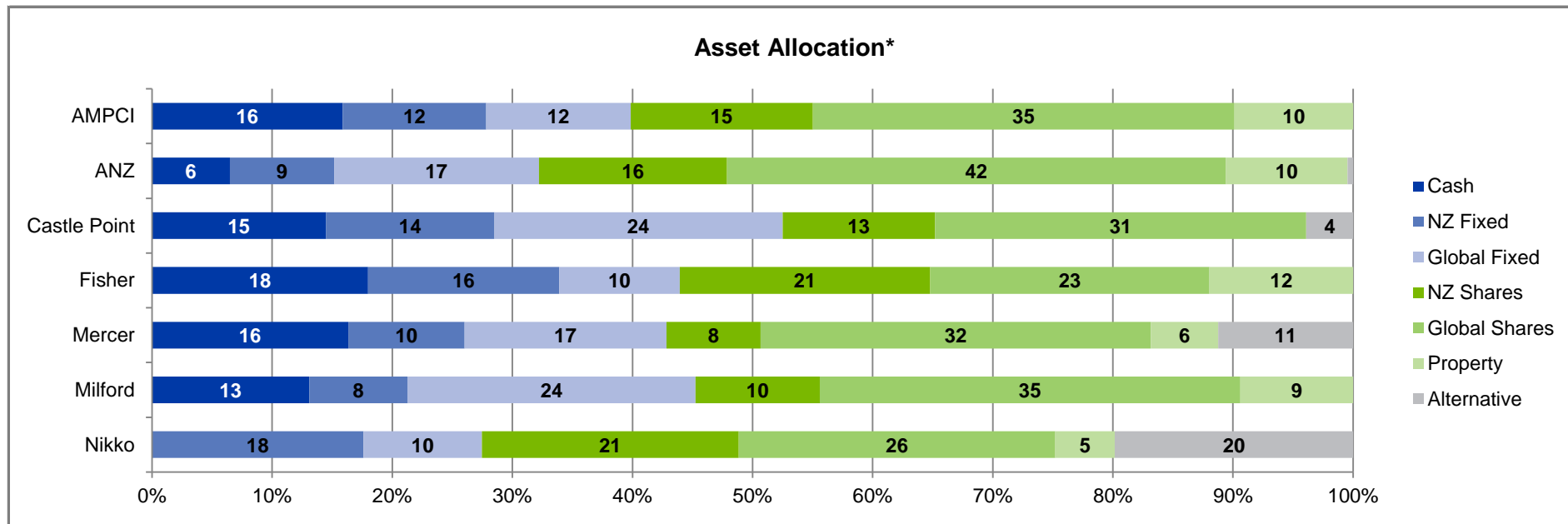
Median Manager Performance v Benchmark

Sector		Returns (%) gross of tax and fees										Volatility 5 Yrs
		For the period to 31 Aug 2017					For the year ended 31 August					
		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	2.1	2.8	2.8	2.1	2.7	3.7	3.0	2.7	0.2
	Median Manager	0.2	0.8	2.9	3.6	3.8	2.9	3.4	4.4	3.9	4.1	0.3
NZ Fixed Interest	ANZ NZ Govt Stock	0.5	0.2	0.0	5.2	3.8	0.0	6.9	9.0	5.2	-1.9	2.8
	Median Manager	0.6	0.7	1.7	5.9	4.9	1.7	7.0	9.4	5.8	1.8	2.2
International Fixed Interest	Barclays Agg	1.0	1.2	1.5	5.6	5.8	1.5	9.6	6.0	9.8	2.4	2.7
	Median Manager	1.0	1.4	2.5	5.7	5.9	2.5	9.3	5.8	10.6	2.6	2.6
Australasian Shares	NZX 50 Gross	1.7	5.6	7.1	15.9	17.9	7.1	32.4	9.9	16.4	25.4	9.0
	Median Manager	2.1	5.6	7.5	14.9	17.9	7.5	29.4	9.9	21.3	25.6	9.2
International Shares (unhdgd)	MSCI ACWI	5.1	2.7	18.6	11.2	13.0	18.6	-6.4	23.9	11.8	19.9	9.5
	Median Manager	5.3	2.8	20.9	13.8	14.6	20.9	-4.5	29.2	10.8	22.8	10.0
Australasian Property	NZX Property	0.5	1.5	-2.0	11.0	11.5	-2.0	21.1	15.1	10.9	13.8	7.7
	Median Manager	1.1	1.7	-2.1	11.3	13.4	-2.1	22.8	15.0	14.6	16.3	7.4
International Property	FTSE Property	-1.8	1.8	-1.4	8.5	11.7	-1.4	21.8	6.2	26.2	8.0	11.7
	Median Manager	0.6	2.4	0.4	7.4	11.5	0.4	15.1	7.0	30.3	6.6	11.9



Balanced Funds

		Returns (%) gross of tax and fees														
Manager	FUM (\$m)	For the period to 31 Aug 2017						For the year ended 31 August					5 Years			
		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	48	1.6 (4)	2.1 (5)	8.9 (3)	6.9 (7)	9.9 (6)	8.9	5.3	6.5	15.0	14.0	4.4	1.6 (7)			
ANZ Investments	99	1.6 (5)	2.2 (3)	9.5 (2)	9.7 (3)	12.0 (3)	9.5	8.6	11.0	15.3	16.0	4.9	1.9 (5)			
Castle Point Funds	12	1.6 (3)	2.7 (2)	8.4 (6)	8.3 (6)	8.8 (7)	8.4	9.1	7.4	8.3	10.6	3.6	1.6 (6)			
Fisher Institutional	797	1.3 (6)	2.0 (6)	7.7 (7)	9.0 (5)	10.3 (5)	7.7	11.2	8.2	13.6	11.1	3.8	2.0 (4)			
Mercer	1,291	1.2 (7)	2.1 (4)	8.6 (4)	9.2 (4)	11.0 (4)	8.6	9.1	9.9	14.0	13.2	3.8	2.1 (3)			
Milford Funds	422	1.8 (2)	1.7 (7)	10.0 (1)	11.4 (1)	13.6 (1)	10.0	11.1	13.1	14.8	19.2	4.6	2.4 (1)			
Nikko Asset Management	251	2.0 (1)	3.5 (1)	8.5 (5)	11.0 (2)	12.1 (2)	8.5	10.7	13.7	13.3	14.2	4.1	2.2 (2)			
Minimum		1.2	1.7	7.7	6.9	8.8	7.7	5.3	6.5	8.3	10.6	3.6	1.6			
Median		1.6	2.1	8.6	9.2	11.0	8.6	9.1	9.9	14.0	14.0	4.1	2.0			
Maximum		2.0	3.5	10.0	11.4	13.6	10.0	11.2	13.7	15.3	19.2	4.9	2.4			



*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 Aug 2017										For the year ended 31 August					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	490	0	2.1	(11)	5.3	(12)	6.9	(13)	15.8	(8)	17.6	(10)	6.9	29.1	12.6	18.8	22.0	9.1	-0.2	2.6	-0.1	(12)
AMPCI	NZ Shares RIL	1	13	0	2.5	(7)	5.6	(10)	7.8	(10)	16.4	(4)		7.8	29.7	12.9	19.5							
ANZ	NZ Equities	1	162	0	2.4	(8)	6.9	(8)	7.3	(11)	14.2	(12)	18.2	(6)	7.3	30.7	6.1	21.4	27.5	9.2	0.2	2.1	0.1	(9)
ANZ	Australasian Equity	1	1,027	6	2.9	(6)	7.3	(6)	6.8	(14)	13.8	(15)	17.9	(8)	6.8	29.9	6.2	21.7	26.9	9.3	0.0	2.2	0.0	(10)
CPFM	Trans Tasman Strategy	1	0	20	3.0	(5)	8.5	(4)	11.2	(6)	18.5	(2)		11.2	33.4	12.3								
Devon	NZ Core	1	229	14	0.7	(19)	3.1	(18)	0.2	(20)	12.8	(17)	16.9	(12)	0.2	28.3	11.5	25.0	22.0	9.3	-0.8	3.5	-0.2	(14)
Devon	NZ Only	1	116	0	-0.9	(20)	1.8	(19)	2.1	(19)				2.1										
Devon	Trans Tasman	3	140	50	0.9	(18)	1.5	(20)	5.9	(17)	12.3	(18)	17.3	(11)	5.9	21.8	9.9	26.8	23.8	8.6	4.0	4.8	0.8	(3)
Fisher	Trans Tasman Equities	7	197	29	1.4	(15)	4.3	(17)	5.4	(18)	13.9	(14)	16.8	(13)	5.4	29.4	8.4	17.3	25.3	9.2	0.8	3.1	0.2	(7)
Harbour	Australasian Equity	1	542	20	4.2	(3)	8.9	(3)	15.1	(3)	16.2	(5)	20.5	(2)	15.1	29.4	5.3	23.3	31.4	9.9	1.2	4.3	0.3	(6)
Harbour	Australasian Equity Focus	3	71	36	4.3	(2)	9.0	(1)	19.0	(1)	14.9	(9)		19.0	24.0	2.9								
Harbour	Advanced Beta	2	116	0	1.1	(17)	5.3	(15)	8.1	(8)				8.1	30.7									
Mercer	Trans Tasman Equity	1	411	17	2.2	(10)	5.5	(11)	6.8	(15)	14.5	(11)	18.4	(5)	6.8	28.8	9.0	22.0	27.1	9.1	0.4	2.3	0.2	(8)
Milford	NZ Equities	1	295	0	2.0	(12)	7.3	(5)	13.2	(4)	18.5	(3)	21.4	(1)	13.2	33.6	10.0	20.1	31.9	9.1	3.0	3.1	1.0	(2)
Milford	Trans Tasman	3	261	47	3.6	(4)	7.2	(7)	16.7	(2)	13.1	(16)	16.5	(14)	16.7	17.4	5.4	17.9	25.9	8.9	3.4	2.6	1.3	(1)
Mint	Trans Tasman Equity	1	144	15	1.9	(13)	5.3	(13)	9.5	(7)	16.1	(6)	20.3	(3)	9.5	27.0	12.5	22.1	31.8	7.7	1.9	3.4	0.6	(5)
Nikko	Core Domestic Equity	1	271	13	4.4	(1)	8.9	(2)	11.5	(5)	18.6	(1)	19.9	(4)	11.5	31.8	13.7	18.4	25.1	9.2	1.7	2.4	0.7	(4)
Russell	NZ Shares	1	235	0	1.3	(16)	5.3	(14)	7.8	(9)	15.9	(7)		7.8	32.2	9.1	20.7							
Salt	NZ Plus Share	1	534	6	1.8	(14)	5.1	(16)	5.9	(16)	14.9	(10)	17.7	(9)	5.9	26.7	13.0	21.2	22.7	9.5	-0.2	3.0	-0.1	(11)
Salt	Focus Fund	2	76	12	2.3	(9)	5.7	(9)	7.0	(12)	14.2	(13)	18.0	(7)	7.0	22.0	13.9	24.6	23.4	9.7	-0.6	4.6	-0.1	(13)
Minimum					-0.9		1.5		0.2		12.3		16.5		0.2	17.4	2.9	17.3	22.0	7.7	-0.8	2.1	-0.2	
Median					2.1		5.6		7.5		14.9		17.9		7.5	29.4	9.9	21.3	25.6	9.2	0.6	3.1	0.2	
Maximum					4.4		9.0		19.0		18.6		21.4		19.0	33.6	13.9	26.8	31.9	9.9	4.0	4.8	1.3	
Absolute Return																								
ANZ	Equity Selection	8	25	0	1.5	(5)	6.1	(3)	3.6	(5)	9.0	(5)	14.7	(4)	3.6	25.7	-0.6	23.0	24.6	8.7	6.1		1.4	(4)
CPFM	Ranger	8	24	50	3.5	(2)	9.3	(1)	13.3	(2)	11.3	(4)		13.3	17.7	3.4								
Devon	Alpha	8	96	41	1.7	(4)	2.2	(6)	3.1	(6)	8.0	(6)	15.4	(3)	3.1	11.9	9.2	28.9	26.0	7.4	2.4		1.7	(3)
Milford	Active Growth	8	751	24	1.9	(3)	3.5	(4)	8.9	(3)	12.7	(3)	16.7	(2)	8.9	15.7	13.7	19.4	26.7	5.9	5.7		2.4	(1)
Nikko	Concentrated	8	100	21	4.1	(1)	8.8	(2)	16.2	(1)	20.5	(1)	20.1	(1)	16.2	18.6	27.0	15.4	23.8	9.1	5.6		1.9	(2)
Salt	Long/Short	8	264	70	0.4	(6)	2.4	(5)	7.2	(4)	14.7	(2)		7.2	20.2	17.0								
Minimum					0.4		2.2		3.1		8.0		14.7		3.1	11.9	-0.6	15.4	23.8	5.9	2.4		1.4	
Median					1.8		4.8		8.0		12.0		16.1		8.0	18.1	11.5	21.2	25.3	8.0	5.7		1.8	
Maximum					4.1		9.3		16.2		20.5		20.1		16.2	25.7	27.0	28.9	26.7	9.1	6.1		2.4	

*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 Aug 2017										For the year ended 31 August					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	78	43	-0.3	(3)	0.8	(3)	1.3	(3)	13.8	(2)	17.9	(2)	1.3	30.6	11.5	24.0	24.3	8.7	4.5	5.3	0.8	(1)
Harbour	Australasian Eq Income	n/a	77	35	1.2	(2)	1.7	(2)	5.3	(2)	11.6	(3)	15.7	(3)	5.3	17.7	12.2	23.1	20.9	7.6				
Salt	Dividend Appreciation	1	94	0	1.8	(1)	4.9	(1)	6.7	(1)	17.8	(1)	19.7	(1)	6.7	31.2	16.7	21.6	24.0	8.9	1.6	3.3	0.5	(2)
	Minimum				-0.3		0.8		1.3		11.6		15.7		1.3	17.7	11.5	21.6	20.9	7.6	1.6	3.3	0.5	
	Median				1.2		1.7		5.3		13.8		17.9		5.3	30.6	12.2	23.1	24.0	8.7	3.0	4.3	0.7	
	Maximum				1.8		4.9		6.7		17.8		19.7		6.7	31.2	16.7	24.0	24.3	8.9	4.5	5.3	0.8	
Australian Only																								
AMPCI	Australian Share	5	188	100	4.2	(2)	6.0	(2)	13.8	(1)	3.4	(3)	6.8	(3)	13.8	-2.4	-0.4	13.1	11.1	12.0	-0.6	2.4	-0.2	(3)
ANZ	Australian Share	5	813	100	3.6	(3)	6.5	(1)	10.2	(3)	2.3	(4)	7.6	(2)	10.2	1.3	-4.0	9.6	22.6	12.5	0.2	3.5	0.0	(2)
Devon	Australian	5	27	100	4.3	(1)	5.2	(3)	12.5	(2)	9.0	(2)	12.7	(1)	12.5	8.8	5.8	19.3	17.5	11.7	4.8	3.5	1.4	(1)
Milford	Dynamic	6	170	100	2.4	(4)	3.7	(4)	6.6	(4)	10.5	(1)			6.6	16.3	9.0							
	Minimum				2.4		3.7		6.6		2.3		6.8		6.6	-2.4	-4.0	9.6	11.1	11.7	-0.6	2.4	-0.2	
	Median				3.9		5.6		11.4		6.2		7.6		11.4	5.1	2.7	13.1	17.5	12.0	0.2	3.5	0.0	
	Maximum				4.3		6.5		13.8		10.5		12.7		13.8	16.3	9.0	19.3	22.6	12.5	4.8	3.5	1.4	
Benchmarks																								
	S&P/NZX 50 Gross incl I/C	1			1.7		5.6		7.1		15.9		17.9		7.1	32.4	9.9	16.4	25.4	9.0				
	S&P/NZX 50 Portfolio incl I/C	2			1.5		5.7		8.4		16.8		18.7		8.4	31.7	11.7	16.7	26.9	8.6				
	NZX50/ASX200 (50/50)	3			3.2		6.1		12.3		10.4		12.7		12.3	15.9	3.5	13.9	18.3	9.4				
	ASX 200	5			4.7		6.5		17.4		4.8		7.3		17.4	1.1	-3.0	11.0	11.2	12.7				
	ASX SmallCap Industrials	6			1.8		4.0		2.2		7.2		10.8		2.2	22.4	-1.5	12.2	20.8	12.2				
	70% NZX50 / 30% ASX200	7			1.8		4.7		6.2		12.7		15.9		6.2	24.4	8.4	16.4	25.4	8.8				
	Other (Absolute Return)	8																						
	ASX 200 (in A\$)				0.7		0.9		9.8		5.1		10.6		9.8	9.3	-3.2	14.4	24.3	11.5				

International Shares (Unhedged)

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2017										For the year ended 31 August					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	892	4.6	(12)	1.8	(13)	18.6	(12)	13.8	(7)	15.8	(4)	18.6	-3.3	28.6	12.6	25.6	9.3	2.5	1.9	1.3	(1)
AMPCI	RIL Global Shares	1	60	5.3	(7)	2.8	(8)	19.8	(9)	9.7	(10)	13.1	(9)	19.8	-9.6	22.0	15.3	21.5	10.0	0.1	1.4	0.1	(9)
ANZ	International Share	1	4,868	4.7	(11)	2.1	(11)	20.5	(8)	14.5	(4)	16.0	(1)	20.5	-4.5	30.6	11.1	25.5	10.1	2.6	2.3	1.1	(2)
EC	Value Fund	1	27	0.9	(14)	-0.1	(14)	13.8	(14)	9.7	(11)	12.5	(12)	13.8	0.7	15.1	10.0	24.0	9.3	-0.7	5.5	-0.1	(11)
Fisher	Overseas Equities	1	463	5.5	(6)	2.7	(9)	19.6	(10)	11.1	(9)	12.6	(11)	19.6	-7.2	23.6	9.9	20.2	9.4	-0.4	1.6	-0.3	(12)
FRK	Global Growth	1	64	5.9	(3)	3.6	(3)	24.4	(2)	16.5	(1)	15.9	(2)	24.4	-3.4	31.5	10.4	20.0	10.7	2.6	4.3	0.6	(4)
FRK	Global Trust	1	374	3.7	(13)	2.9	(6)	21.2	(7)	7.3	(12)	13.0	(10)	21.2	-13.7	18.2	11.7	33.3	11.4	0.1	4.3	0.0	(10)
Harbour	Global Equity Growth	1	21	4.8	(10)	4.3	(2)	23.2	(3)					23.2	-3.1								
Magellan	Global	2	10,109	6.1	(2)	1.8	(12)	19.4	(11)	15.4	(3)	15.8	(3)	19.4	-7.4	39.2	7.3	26.4	11.3	2.0	4.0	0.5	(6)
Mercer	Global Equities	2	1,680	5.2	(9)	2.8	(7)	21.4	(5)	14.2	(5)	14.9	(6)	21.4	-5.3	29.4	11.5	20.7	10.2	1.1	3.6	0.3	(7)
MGH	MGH Investments	1	28	5.2	(8)	2.4	(10)	21.7	(4)	15.7	(2)	14.2	(8)	21.7	-3.0	31.3	7.5	16.7	9.7	0.9	5.0	0.2	(8)
Nikko	Global Equity	1	390	5.7	(4)	3.2	(5)	17.5	(13)	13.1	(8)	14.3	(7)	17.5	-4.4	29.0	12.2	20.0	9.6	1.1	2.1	0.5	(5)
Russell	Emerging Markets	4	0	7.4	(1)	9.0	(1)	29.1	(1)					29.1	0.1								
Russell	Global Opportunities	3	361	5.5	(5)	3.6	(4)	21.4	(6)	13.9	(6)	15.1	(5)	21.4	-6.2	29.7	10.1	24.3	10.5	1.7	1.9	0.9	(3)
	Minimum			0.9		-0.1		13.8		7.3		12.5		13.8	-13.7	15.1	7.3	16.7	9.3	-0.7	1.4	-0.3	
	Median			5.3		2.8		20.9		13.8		14.6		20.9	-4.5	29.2	10.8	22.8	10.0	1.1	3.0	0.4	
	Maximum			7.4		9.0		29.1		16.5		16.0		29.1	0.7	39.2	15.3	33.3	11.4	2.6	5.5	1.3	
	MSCI All Country World Index	1		5.1		2.7		18.6		11.2		13.0		18.6	-6.4	23.9	11.8	19.9	9.5				
	MSCI World Index	2		4.8		2.0		17.7		11.6		13.7		17.7	-6.9	26.7	11.9	22.2	9.8				
	Russell Global Large Cap	3		5.1		2.7		18.6		11.3		13.3		18.6	-6.3	24.1	12.2	20.6	9.5				
	Russell Emerging Markets Index	4		7.0		7.8		25.6						25.6	-1.0								
	MSCI World Index (100% hedged)			0.3		1.9		17.3		9.8		15.0		17.3	8.1	4.4	23.8	22.9	9.1				

Diversified Income

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Aug 2017										For the year ended 31 August					Performance Objective					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012						
AMPCI	Income Generator	115	1.1	(2)	2.7	(1)	5.9	(2)	8.9	(2)				5.9	13.2	7.7							n/a
Devon	Diversified Income	5	0.3	(6)	1.5	(5)	3.4	(4)						3.4									OCR + 1.5%
Milford	Diversified Income	1,675	1.5	(1)	1.7	(3)	9.2	(1)	12.7	(1)	14.7	(1)		9.2	17.0	12.2	16.2	19.1					OCR + 2.5%
Mint	Diversified Income	148	0.9	(3)	1.6	(4)	3.2	(5)	7.2	(5)				3.2	10.5	7.9							OCR + 2.5%
Nikko	Income	11	0.7	(5)	1.7	(2)	2.7	(6)	7.2	(3)	7.2	(2)		2.7	9.6	9.4	8.3	6.0					8% p.a.
Harbour	Income	22	0.7	(4)	1.2	(6)	3.6	(3)	7.2	(4)				3.6	9.1	9.0							OCR + 2.0%

International Fixed Interest

				Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2017								For the year ended 31 August					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	83	0.9	(8)	1.2	(7)	2.2	(5)	5.1	(7)	5.6	(5)	2.2	7.5	5.6	9.8	3.1	2.6	-0.2	1.1	-0.2	(5)
AMPCI	Global FI AIFHQ	3	486	1.4	(1)	1.0	(8)	1.0	(8)	4.9	(8)	4.6	(7)	1.0	7.4	6.3	7.4	1.3	2.6				
ANZ	International Aggregate	1	720	1.0	(5)	1.4	(5)	3.6	(2)	6.4	(1)			3.6	10.1	5.6							
Fisher	Global Bonds - PIMCO	1	231	1.1	(2)	1.7	(1)	4.0	(1)	6.2	(2)	6.9	(1)	4.0	9.8	4.9	13.6	2.5	3.5	1.0	1.8	0.6	(3)
Fisher	Global Bonds - Wellington	1	167	1.0	(3)	1.2	(6)	1.3	(7)	5.6	(5)	5.5	(6)	1.3	9.5	6.0	9.3	1.7	2.7	-0.3	0.4	-0.6	(6)
Mercer	Global Bonds	1	1,465	0.9	(7)	1.5	(3)	2.8	(4)	5.9	(4)	6.5	(3)	2.8	8.7	6.2	11.1	4.0	2.6	0.9	1.3	0.6	(2)
Milford	Global Bond Fund	1	257	0.4	(9)	1.6	(2)																
Nikko	Global Fixed Interest	1	242	1.0	(4)	0.9	(9)	1.6	(6)	5.5	(6)	5.9	(4)	1.6	10.0	5.1	10.6	2.6	2.5	0.1	0.9	0.1	(4)
Russell	Global Bond	1	2,600	1.0	(6)	1.4	(4)	3.2	(3)	6.1	(3)	6.8	(2)	3.2	9.0	6.2	11.1	4.6	3.0	0.9	1.1	0.9	(1)
	Minimum			0.4		0.9		1.0		4.9		4.6		1.0	7.4	4.9	7.4	1.3	2.5	-0.3	0.4	-0.6	
	Median			1.0		1.4		2.5		5.7		5.9		2.5	9.3	5.8	10.6	2.6	2.6	0.5	1.1	0.3	
	Maximum			1.4		1.7		4.0		6.4		6.9		4.0	10.1	6.3	13.6	4.6	3.5	1.0	1.8	0.9	
Other:																							
LMI	Brandywine	2	n/a	0.8	(3)	3.4	(1)	8.8	(1)	7.5	(1)	9.3	(1)	8.8	9.3	4.5	17.2	7.2	5.7	3.3	4.7	0.7	(1)
ANZ	International Sovereign	2	3,151	1.2	(1)	1.0	(3)	0.4	(3)	5.2	(3)	5.1	(2)	0.4	8.8	6.4	8.8	1.5	3.1	-0.6	0.4	-1.4	(2)
ANZ	International Credit	x	1,244	0.8	(2)	1.8	(2)	3.1	(2)	6.0	(2)			3.1	11.3	3.7	11.0						
	Barclays Capital Global Agg Index	1		1.0		1.2		1.5		5.6		5.8		1.5	9.6	6.0	9.8	2.4	2.7				
	Citigroup World Govt Bond Index	2		1.1		1.1		0.3		5.6		5.8		0.3	10.1	6.6	9.6	2.9	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 31 Aug 2017								For the year ended 31 August					Benchmark						
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014		2013	2012				
AMPCI	Commodities	160		0.6	(7)	2.8	(2)	6.3	(7)	-8.7	(8)	-6.2	(5)	6.3	-3.5	-25.8	1.9	-6.4					Bloomberg Commodity Index
AMPCI	Infrastructure	328		0.7	(6)	2.0	(3)	14.4	(4)	7.1	(6)			14.4	3.5	3.8	43.6					DJ Brookfield Global Infrastructure Index	
FSI	Infrastructure	212		2.3	(3)	2.0	(4)	18.2	(2)	15.1	(1)			18.2	16.6	10.6						FTSE Global Core Infrastructure Net (NZD Hedged)	
Magellan	Infrastructure	1,517		7.0	(1)	6.5	(1)	22.8	(1)	14.4	(2)	13.5	(2)	22.8	8.2	12.7	21.4	3.8					S&P Global Infrastructure Index (A\$ Hedged)
Milford	Global	333		2.3	(4)	1.4	(6)	14.6	(3)	9.8	(5)			14.6	-3.5	19.6	10.2					OCR + 5%	
PATH	Commodity Plus Fund	13		0.0	(8)	1.4	(5)	-5.4	(8)	-1.5	(7)	-2.6	(4)	-5.4	-0.3	1.3	-3.7	-4.7					Bloomberg Commodity Index
PATH	World Equity Fund	32		2.7	(2)	1.2	(7)	12.9	(5)	10.1	(3)	12.7	(3)	12.9	-3.2	22.3	22.1	11.5					MSCI AC World
PATH	Global Water Fund	15		1.8	(5)	-0.2	(8)	9.7	(6)	9.9	(4)	14.9	(1)	9.7	7.4	12.7	21.6	23.8					n/a

NZ Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2017										For the year ended 31 August					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	1,772	0.5	(9)	0.3	(11)	1.3	(9)	5.8	(8)	4.8	(5)	1.3	7.0	9.4	6.5	0.2	2.7	1.0	0.4	2.2	(1)
ANZ	NZ Fixed Interest	1	2,031	0.6	(6)	0.5	(10)	0.8	(11)	5.9	(6)	4.6	(7)	0.8	7.4	9.6	5.8	-0.5	2.7	0.7	0.4	1.7	(5)
Fisher	NZ Fixed Interest	1	219	0.6	(3)	0.7	(6)	1.1	(10)	6.0	(4)	4.8	(6)	1.1	7.4	9.7	5.5	0.4	2.6	0.9	0.5	1.9	(2)
Harbour	NZ Core Fixed Interest	3	236	0.6	(5)	0.8	(5)	1.5	(8)	5.6	(10)	5.0	(4)	1.5	7.3	8.1	5.8	2.6	1.9				
Harbour	NZ Corporate Bond	2	298	0.5	(7)	1.0	(2)	3.0	(3)	5.6	(9)	5.4	(3)	3.0	5.9	8.0	5.6	4.4	1.4	0.2	0.3	0.7	(6)
Milford	Trans-Tasman Bond	5	310	0.4	(10)	0.9	(4)	3.7	(1)	6.1	(2)			3.7	6.6	8.1							
Nikko	NZ Corporate Bond	1	220	0.7	(1)	1.5	(1)	3.3	(2)	6.6	(1)	6.3	(1)	3.3	7.0	9.6	6.9	4.6	2.0	2.4	1.4	1.7	(4)
Nikko	NZ Fixed Interest	1	323	0.7	(2)	0.9	(3)	1.6	(7)	6.1	(3)	5.5	(2)	1.6	7.3	9.4	6.6	2.6	2.4	1.6	0.9	1.8	(3)
Russell	NZ Fixed Interest	1	185	0.6	(4)	0.7	(8)	1.9	(5)	5.8	(7)			1.9	7.0	8.8	5.9						
Western	NZ Core	4	261	0.5	(7)	0.6	(9)	1.7	(6)	5.9	(5)			1.7	6.7	9.4							
Western	NZ Core Constrained	1	82	0.3	(11)	0.7	(7)	2.0	(4)	4.6	(11)	3.8	(8)	2.0	4.6	7.3	4.0	1.0	1.3	-0.1	1.6	-0.0	(7)
	Minimum			0.3		0.3		0.8		4.6		3.8		0.8	4.6	7.3	4.0	-0.5	1.3	-0.1	0.3	-0.0	
	Median			0.6		0.7		1.7		5.9		4.9		1.7	7.0	9.4	5.8	1.8	2.2	0.9	0.5	1.7	
	Maximum			0.7		1.5		3.7		6.6		6.3		3.7	7.4	9.7	6.9	4.6	2.7	2.4	1.6	2.2	
	S&P/NZX NZ Govt Stock Index	1		0.5		0.2		0.0		5.2		3.8		0.0	6.9	9.0	5.2	-1.9	2.8				
	S&P/NZX NZ Corp A Grade Index	2		0.5		0.9		2.6		5.7		5.1		2.6	5.9	8.5	5.6	3.1	1.6				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		0.5		0.5		1.3		5.5		4.5		1.3	6.4	8.8	5.4	0.6	2.2				
	S&P/NZX NZ Comp Inv Grade Index	4		0.5		0.4		0.7		5.3				0.7	6.7	8.8							
	S&P/NZX NZ Corp/ASX Corp (50/50)	5		0.4		0.6		2.8						2.8									

NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2017										For the year ended 31 August					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	4,667	0.2	(6)	0.6	(7)	2.5	(7)	3.2	(7)	3.3	(6)	2.5	3.0	4.1	3.6	3.5	0.2	0.5	0.1	7.2	(2)
AMPCI	NZ Short Duration	2	418	0.3	(1)	0.9	(2)	3.3	(1)	5.0	(1)	4.9	(1)	3.3	4.8	7.0	5.0	4.4	0.8	1.4	0.3	4.2	(4)
AMPCI	Global Short Duration	1	199	0.2	(5)	0.9	(1)	3.2	(2)	4.0	(2)	4.5	(2)	3.2	4.3	4.6	6.0	4.2	1.2	1.6	1.2	1.3	(6)
ANZ	NZ Cash	1	3,647	0.2	(7)	0.7	(6)	2.7	(6)	3.2	(6)	3.3	(7)	2.7	3.0	4.0	3.5	3.4	0.1	0.5	0.1	6.7	(3)
Fisher	NZ Cash	1	312	0.3	(3)	0.8	(4)	2.9	(4)	3.4	(5)	3.7	(5)	2.9	3.2	4.3	3.9	4.3	0.3	0.8	0.2	3.4	(5)
Harbour	Short Duration	1	72	0.3	(2)	0.8	(3)	2.8	(5)	3.6	(4)	3.8	(4)	2.8	3.6	4.5	3.9	4.1	0.3				
Nikko	NZ Cash	1	586	0.2	(4)	0.7	(5)	3.1	(3)	3.6	(3)	3.8	(3)	3.1	3.4	4.4	3.9	4.1	0.2	0.9	0.1	9.3	(1)
	Median			0.2		0.8		2.9		3.6		3.8		2.9	3.4	4.4	3.9	4.1	0.3	0.9	0.2	5.5	
	S&P/NZX 90 Day Bank Bill Index	1		0.2		0.5		2.1		2.8		2.8		2.1	2.7	3.7	3.0	2.7	0.2				
	S&P/NZX Short End Swap Index	2		0.2		0.6		1.9		4.0		3.4		1.9	4.1	6.1	3.3	1.7	0.9				

Australasian Property

		Returns (%) gross of tax and fees																						
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2017										For the year ended 31 August					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		414	0.4	(2)	1.3	(2)	11.5	(2)	12.8	(1)	12.9	(1)	11.5	11.8	15.2	13.3	12.9	4.3					
	Property Fund		136	0.5	(1)	3.5	(1)	12.2	(1)	11.1	(2)	10.6	(2)	12.2	13.7	7.5	10.1	9.3	2.4					
Listed:																								
AMPCI	Listed Property	1	9	0.7	(8)	1.0	(6)	-2.6	(6)	11.2	(4)	12.8	(5)	-2.6	21.0	16.7	13.8	16.5	7.4	1.1	1.9	0.6	(3)	
AMPCI	Property Fund	2	122	0.8	(7)	-0.5	(8)	-3.8	(8)					-3.8	23.1									
ANZ	Property Securities	1	167	1.1	(3)	2.4	(2)	-1.5	(3)	11.4	(3)	13.9	(3)	-1.5	23.0	14.2	18.1	17.4	7.8	2.1	2.7	0.8	(2)	
ANZ	Trans Tasman	2	525	1.4	(1)	0.9	(7)	-2.6	(7)	11.5	(2)	14.6	(1)	-2.6	24.8	14.2	21.1	17.7	8.2	1.6	2.8	0.6	(4)	
Mint	Real Estate Inv Trust	1	46	1.1	(4)	1.4	(5)	-1.6	(4)	11.1	(6)	12.9	(4)	-1.6	21.5	14.8	14.9	16.1	7.1	1.2	2.4	0.5	(6)	
Nikko	Property Securities	1	34	1.3	(2)	1.9	(4)	-2.6	(5)	11.2	(5)	12.3	(6)	-2.6	22.5	15.2	13.2	14.8	7.5	0.7	1.4	0.5	(5)	
Salt	Listed Property	1	367	0.9	(6)	2.2	(3)	1.0	(2)	13.2	(1)	14.0	(2)	1.0	22.8	17.0	14.2	16.0	7.0	2.2	1.6	1.4	(1)	
Salt	Enhanced Property Fund	1	5	1.0	(5)	2.6	(1)	1.6	(1)					1.6										
Minimum				0.7		-0.5		-3.8		11.1		12.3		-3.8	21.0	14.2	13.2	14.8	7.0	0.7	1.4	0.5		
Median				1.1		1.7		-2.1		11.3		13.4		-2.1	22.8	15.0	14.6	16.3	7.4	1.4	2.1	0.6		
Maximum				1.4		2.6		1.6		13.2		14.6		1.6	24.8	17.0	21.1	17.7	8.2	2.2	2.8	1.4		
S&P/NZX Property Index		1		0.5		1.5		-2.0		11.0		11.5		-2.0	21.1	15.1	10.9	13.8	7.7					
NZX/ASX Property Index		2		0.8		-0.0		-3.3		11.6		12.8		-3.3	23.4	16.4	14.3	15.3	7.8					

International Property

		Returns (%) gross of tax and fees																						
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2017										For the year ended 31 August					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	216	0.7	(2)	2.3	(3)	0.8	(2)	7.3	(2)	11.9	(1)	0.8	14.0	7.6	32.5	7.0	12.4	0.2	4.5	0.0	(1)	
ANZ	International Property	1	650	0.4	(3)	2.7	(1)	-0.7	(4)	7.5	(1)	11.0	(2)	-0.7	17.4	6.4	28.0	6.3	11.4	-0.6	2.3	-0.3	(2)	
PATH	Global Property	1	15	2.5	(1)	2.4	(2)	0.0	(3)					0.0	12.8									
Russell	Global Listed Real Estate	1	75	0.2	(4)	1.7	(4)	2.4	(1)					2.4	16.2									
FTSE EPRA/NAREIT Index*						-1.8		1.8		-1.4		8.5		11.7		-1.4	21.8	6.2	26.2	8.0	11.7			
*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> <p>Nandini Chand Analyst +64 9 362 9826 nandini.chand@Aonhewitt.com</p>
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																																														

About Aon Hewitt

Part of Aon plc, Aon Hewitt is the global leader in human resource consulting and outsourcing solutions. Our services focus on helping organisations mitigate risk in their workforce and realise the untapped potential of their employees. We also help individuals maximise their wealth to enable people to live the life they want.

In New Zealand, our team of experts partner with your organisation to develop and deliver people strategies that achieve positive business outcomes in the areas of:

- Actuarial and Investment consulting.
- Talent, leadership and employee engagement.
- Remuneration and incentives.
- Total rewards.
- Health and benefits.
- Global benefits.
- Aon KiwiSaver Scheme.
- Aon Master Trust.

With more than 30,000 professionals in 90 countries, Aon Hewitt makes the world a better place to work for clients and their employees. Aon Hewitt is the global talent, retirement and health solutions business of Aon plc.

For more information on Aon Hewitt, please visit aonhewitt.co.nz.

Copyright 2017 Aon New Zealand

The information used to compile this survey has been provided by the investment managers or is from publically available sources. The information is provided for general information purposes only. It is given without knowledge of your individual circumstances and should not be used as a substitute for you seeking your own independent professional advice. No liability will be accepted for loss resulting from reliance on information contained in this report which proves to be inaccurate and/or incomplete.