

The Aon Investment Update as at 31 May 2016

Aon Hewitt Investment Consulting

This survey is produced by Aon Hewitt New Zealand

Other investment consulting services include:

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

Our Global Reach

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

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

Investment Commentary May 2016

Market Summary

Most equity markets pushed higher in May as commodity prices rose and global economic data releases were mostly encouraging. Bonds also provided positive returns with sovereign bonds outperforming corporates.

The New Zealand sharemarket continues to be one of the best performing in the world as it gained another 3.2% over the month. Since the start of 2016, the S&P/NZX 50 index has returned 11.3%, while global shares have returned just 1.2% to New Zealand based investors on a fully hedged basis. Over the last 12 months, the S&P/NZX 50 index return has been 20.4% compared with -3.9% for fully hedged global shares.

The weakest major sharemarket over the month was the UK where the increasing possibility of a 'leave' vote in the EU referendum on 23 June appeared to be weighing on investors. Uncertainty around the referendum also put pressure on the UK pound which fell against most major currencies.

US shares rose over the month with the S&P 500 index up by 1.5%. However, this index is still 0.5% below where it was 12 months ago. Japanese shares have also struggled. Despite a strong showing in May, Japanese shares have fallen by 9.5% since the start of the year, and they have fallen by more than 16% over the last 12 months.

Bond yields were mixed in May with the US Treasury 10 year yield rising from 1.83% to 1.85%, while in the UK the 10 year gilt yield fell from 1.60% to 1.43% and the German 10 year yield fell from 0.27% to 0.14%. Overall, the Barclays Capital Global Aggregate Bond index returned 0.6% on a fully hedged basis, taking the year to date return for global bonds to 4.9%.

In New Zealand, long dated bond yields fell over the month. The S&P/NZX NZ Government Stock index returned 0.8% and the S&P/NZX A Grade Corporate Bond index returned 0.4%. The 10 year New Zealand government bond yield fell by 24bps over the month to 2.59%.

The New Zealand dollar weakened over the month against the US dollar, the UK pound and the Euro but it remains higher than the Reserve Bank of New Zealand would like.

Fund Performance

Balanced funds posted positive returns again in May, with Nikko leading the way with a 2.5% return for the month. The Nikko fund has returned 10.5% over the last 12 months, well ahead of the next best manager, Fisher, with 8.3%. Milford is still the best performing balanced fund over 3 years and 5 years.

Equity funds continue to perform strongly. The median domestic and the median overseas equity managers both returned 3.2% over the month, though in both cases this was slightly behind the benchmark. The best performing domestic equity fund over the month was the ANZ Equity Selection Fund which returned 6.0%. Nikko's Core and Concentrated equity funds both performed strongly.

The median domestic bond manager returned 0.6% in May and 7.7% over the last 12 months. The median global bond manager also returned 0.6% for the month. Nikko lead the way with their fund, managed by Goldman Sachs returning 0.7%, while AMP Capital's multi manager product returned just 0.1% in May. Fisher Funds' PIMCO product remains the best performer over 3 years and 5 years.

Amongst the other global funds performance was mixed. Magellan's Infrastructure Fund returned -1.6% over the month while the global property funds from Pathfinder and AMP Capital both returned 1.8%. Commodity funds continue to benefit from rising oil prices - the Pathfinder Commodity Plus Fund has returned 4.8% over the last 3 months, and the AMP Capital Commodity Fund has returned 12.4%.

New Zealand Fund Management Changes

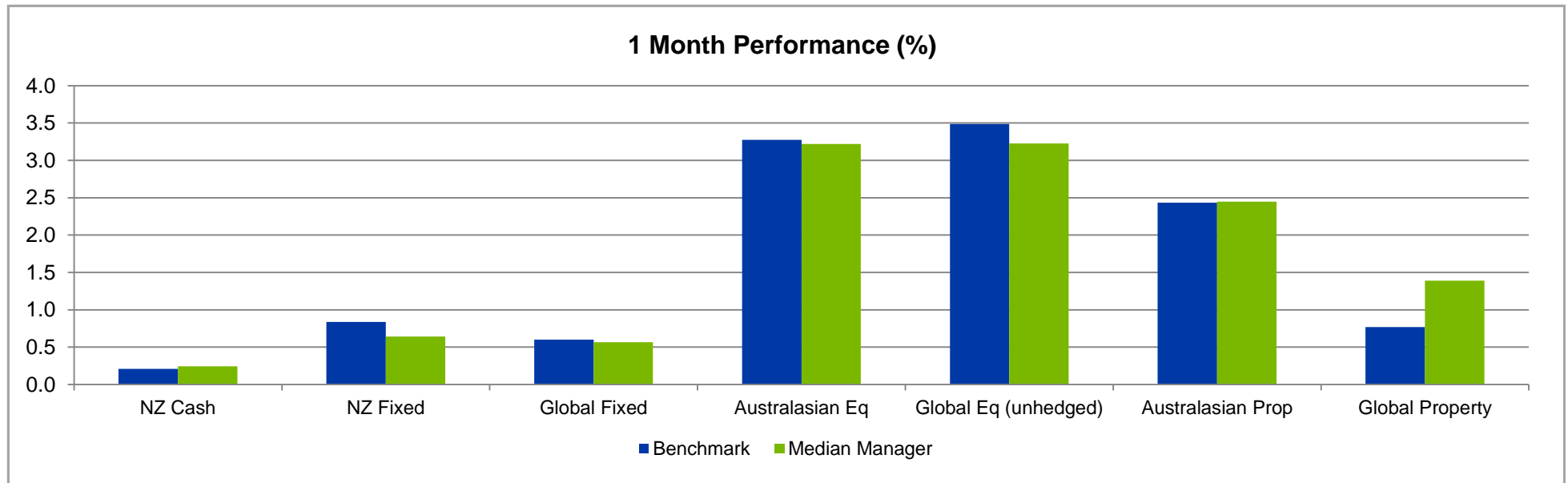
Nikko Asset Management will increase the hedging ratio on their Wholesale Global Equity Hedged Fund from 100% to 139% from 1 July. This change will ensure that investors with a 28% PIR will be fully hedged on an after tax basis. Investors on a PIR less than 28% may be over-hedged - please contact us if you are invested through Nikko and are unsure what action to take.

Implemented Investment Solutions (IIS), provider of the PIE funds for Russell Investments, has appointed Ian Russon as a new board member. Ian is a licensed independent trustee and a member of BNZ's institutional banking division.

Russell Investments have announced that they will change the benchmark on their NZ Shares Fund from the Russell NZ Domestic Index to the S&P/NZX 50 Index.

Median Manager Performance v Benchmark

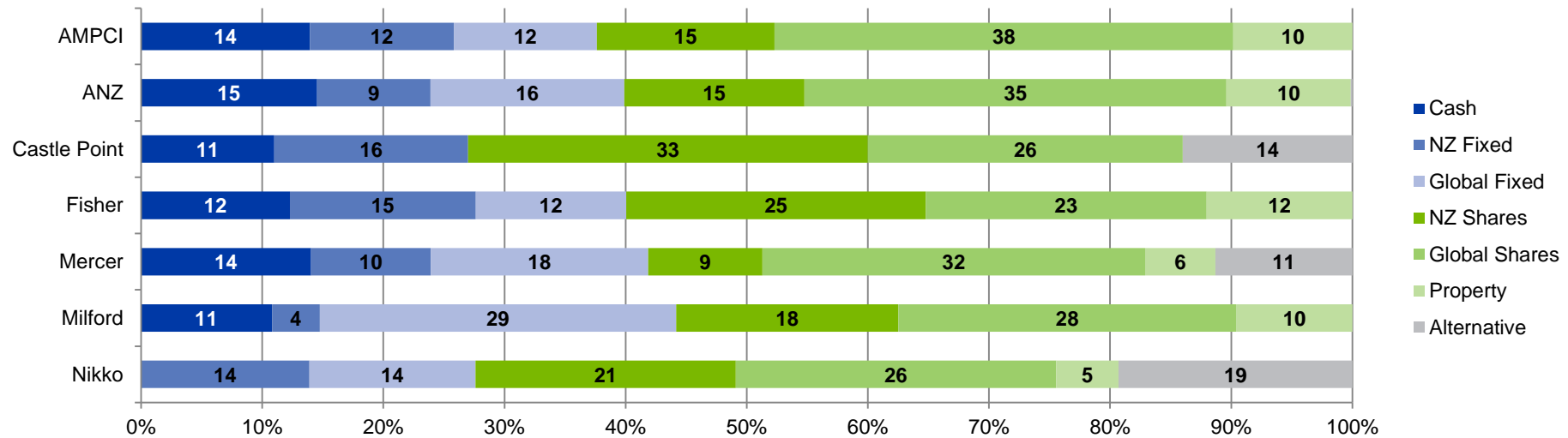
Sector		Returns (%) gross of tax and fees										Volatility 5 Yrs
		For the period to 31 May 2016					For the year ended 31 May					
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	
NZ Cash	ANZ 90D Bank Bills	0.2	0.6	3.0	3.1	3.0	3.0	3.7	2.8	2.7	2.8	0.1
	Median Manager	0.2	0.8	3.7	4.0	3.7	3.7	4.4	3.8	4.3	3.6	0.1
NZ Fixed Interest	ANZ NZ Govt Stock	0.8	2.0	7.9	5.1	5.8	7.9	7.3	0.2	2.0	12.0	3.0
	Median Manager	0.6	2.1	7.7	5.8	6.6	7.7	7.9	1.8	4.7	9.9	2.4
Global Fixed Interest	Barclays Agg	0.6	1.9	6.8	7.2	7.3	6.8	8.6	6.0	5.4	9.5	2.5
	Median Manager	0.6	2.5	6.1	6.9	7.3	6.1	8.6	5.8	7.0	10.5	2.6
Australasian Equities	NZX 50 Gross	3.3	13.5	22.0	17.5	16.2	22.0	14.4	16.2	31.1	-0.2	9.1
	Median Manager	3.2	13.6	21.4	19.6	16.7	21.4	16.3	21.2	30.9	-1.2	9.3
Global Equities (unhedged)	MSCI ACWI	3.5	6.4	-0.5	11.1	9.4	-0.5	25.4	10.0	18.7	-4.0	9.7
	Median Manager	3.2	6.0	2.6	12.5	10.5	2.6	27.9	10.7	21.0	-2.9	10.4
Australasian Property	NZX Property	2.4	9.5	21.0	13.6	14.9	21.0	17.9	2.8	22.8	11.4	7.3
	Median Manager	2.4	9.3	20.7	15.6	17.0	20.7	18.5	6.8	26.1	12.5	7.1
Global Property	UBS Property	0.8	7.7	7.6	12.4	12.5	7.6	17.5	12.4	26.0	0.5	13.3
	Median Manager	1.4	7.7	5.4	12.8	12.0	5.4	17.6	15.4	27.1	-3.2	15.1



Balanced Funds

Manager	FUM (\$m)	Returns (%) gross of tax and fees													5 Years	
		For the period to 31 May 2016									For the year ended 31 May					
		1 M Rk	1 Qtr Rk	1 Yr Rk	3 Yrs Rk	5 Yrs Rk	2016	2015	2014	2013	2012	Vol	SR Rk			
AMP Capital Investors RIL	44	1.5 (5)	5.5 (5)	1.5 (7)	8.3 (6)	9.0 (6)	1.5	12.3	11.6	18.9	1.9	4.7	1.3 (7)			
ANZ Investments	558	1.9 (3)	5.5 (4)	5.6 (5)	11.1 (3)	11.3 (2)	5.6	15.8	12.1	22.0	2.3	5.4	1.5 (3)			
Castle Point Funds	8	1.0 (7)	3.4 (7)	5.9 (4)	6.4 (7)	7.2 (7)	5.9	6.8	6.5	11.6	5.4	2.9	1.4 (6)			
Fisher Institutional	841	1.8 (4)	6.0 (3)	8.3 (2)	10.0 (5)	9.4 (5)	8.3	11.0	10.8	15.8	1.5	4.3	1.5 (4)			
Mercer	1,182	1.4 (6)	4.9 (6)	5.5 (6)	10.2 (4)	9.5 (4)	5.5	13.6	11.8	16.3	1.1	4.4	1.5 (5)			
Milford Funds	338	2.1 (2)	7.0 (1)	6.8 (3)	12.4 (1)	13.3 (1)	6.8	19.0	11.7	23.5	6.5	4.7	2.2 (1)			
Nikko Asset Management	242	2.5 (1)	6.9 (2)	10.5 (1)	12.3 (2)	11.0 (3)	10.5	15.2	11.2	16.6	2.0	4.5	1.8 (2)			
Minimum		1.0	3.4	1.5	6.4	7.2	1.5	6.8	6.5	11.6	1.1	2.9	1.3			
Median		1.8	5.5	5.9	10.2	9.5	5.9	13.6	11.6	16.6	2.0	4.5	1.5			
Maximum		2.5	7.0	10.5	12.4	13.3	10.5	19.0	12.1	23.5	6.5	5.4	2.2			

Asset Allocation



New Zealand and Australian Equities (Page 1 of 2)

					Returns (%) gross of tax and fees																				
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 31 May 2016					For the year ended 31 May					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						
Core																									
AMPCI	NZ Shares	1	513	0	3.0 (12)	13.3 (16)	22.4 (9)	19.8 (7)	16.6 (9)	22.4	16.9	20.3	24.9	0.5	9.3	0.3	2.7	0.1 (12)							
AMPCI	NZ Shares RIL	1	11	0	3.0 (13)	14.1 (8)	23.6 (5)	20.5 (3)		23.6	16.4	21.5													
AMPCI	Strategic NZ Share	2	3	0	1.4 (21)	10.8 (20)	19.8 (15)	19.7 (8)	16.5 (10)	19.8	18.8	20.7	27.7	-1.9	8.8	-0.4	3.2	-0.1 (15)							
ANZ	NZ Equities	1	142	0	4.1 (7)	15.3 (3)	20.5 (13)	18.2 (15)	17.3 (4)	20.5	12.7	21.6	31.6	2.1	9.3	0.9	2.0	0.5 (6)							
ANZ	Australasian Equity	1	820	7	4.5 (3)	15.7 (2)	20.5 (12)	18.4 (13)	16.7 (8)	20.5	13.0	21.7	30.9	-0.1	9.3	0.4	2.1	0.2 (11)							
CPFM	Trans Tasman Strategy	1	0	17	3.2 (11)	13.6 (12)	23.9 (4)			23.9	16.5														
Devon	NZ Core	1	238	13	4.2 (6)	15.8 (1)	18.9 (17)	20.9 (1)	17.3 (3)	18.9	21.1	22.7	27.0	-1.0	9.3	0.9	3.4	0.3 (10)							
Devon	Trans Tasman	3	73	47	2.8 (16)	13.6 (11)	12.9 (20)	19.5 (10)	15.6 (15)	12.9	19.1	26.9	27.8	-5.2	9.1	5.1	4.5	1.1 (3)							
Fisher	Trans Tasman Equities	12	221	31	4.4 (4)	13.8 (10)	21.4 (11)	16.7 (16)	16.3 (12)	21.4	12.8	16.1	30.9	2.2	9.7	1.4	3.4	0.4 (7)							
Harbour	Australasian Equity	5	479	25	4.7 (2)	13.3 (15)	23.6 (6)	18.2 (14)	16.4 (11)	23.6	10.8	20.6	35.5	-4.3	10.0	-1.3	4.4	-0.3 (16)							
Harbour	Australasian Equity Focus	3	58	49	3.9 (8)	10.5 (21)	23.0 (7)			23.0	7.1														
Harbour	Advanced Beta	2	35	0	2.4 (19)	12.5 (18)	19.9 (14)			19.9															
Mercer	Trans Tasman Equity	1	411	19	4.3 (5)	14.3 (6)	21.8 (10)	19.2 (11)	17.0 (7)	21.8	13.7	22.4	30.9	-1.4	9.0	0.6	2.1	0.3 (9)							
Milford	NZ Equities	1	263	0	3.4 (10)	13.5 (13)	26.3 (1)	19.6 (9)	19.8 (2)	26.3	8.9	24.4	36.9	5.4	9.1	3.1	3.2	1.0 (4)							
Milford	Trans Tasman	3	242	40	2.8 (18)	12.4 (19)	11.5 (21)	13.1 (18)	15.8 (14)	11.5	11.4	16.3	34.0	7.7	8.9	5.3	3.1	1.7 (2)							
Mint	Trans Tasman Equity	1	101	18	2.9 (14)	13.4 (14)	22.6 (8)	20.1 (6)	20.2 (1)	22.6	16.2	21.5	37.0	5.6	8.3	3.2	4.9	0.7 (5)							
Nikko	Core Domestic Equity	1	288	7	4.8 (1)	15.3 (4)	24.6 (3)	20.1 (4)	17.2 (5)	24.6	17.1	18.8	29.3	-1.5	9.2	0.8	2.0	0.4 (8)							
Nikko	Australasian Smallcap	4	5	73	2.9 (14)	12.6 (17)	17.0 (19)	14.6 (17)	12.0 (16)	17.0	16.8	10.0	31.9	-11.2	12.8	10.0	5.7	1.7 (1)							
Russell	NZ Shares	5	143	0	3.5 (9)	14.2 (7)	25.4 (2)	19.0 (12)		25.4	13.0	18.9													
Salt	NZ Plus Share	1	469	3	2.8 (17)	15.1 (5)	19.7 (16)	20.1 (5)	16.2 (13)	19.7	19.6	21.0	27.1	-3.9	9.9	-0.0	3.0	-0.0 (14)							
Salt	Javelin	2	79	15	2.3 (20)	14.0 (9)	17.5 (18)	20.8 (2)	17.0 (6)	17.5	19.9	25.2	29.3	-4.0	10.2	0.1	4.6	0.0 (13)							
	Minimum				1.4	10.5	11.5	13.1	12.0	11.5	7.1	10.0	24.9	-11.2	8.3	-1.3	2.0	-0.3							
	Median				3.2	13.6	21.4	19.6	16.7	21.4	16.3	21.2	30.9	-1.2	9.3	0.8	3.2	0.3							
	Maximum				4.8	15.8	26.3	20.9	20.2	26.3	21.1	26.9	37.0	7.7	12.8	10.0	5.7	1.7							
Absolute Return																									
ANZ	Equity Selection	6	27	0	6.0 (1)	15.7 (1)	13.4 (3)	14.9 (4)	14.8 (4)	13.4	10.7	21.0	29.3	1.4	8.2	6.1		1.4 (4)							
CPFM	Ranger	7	12	45	2.0 (6)	6.2 (6)	11.5 (4)			11.5	4.1														
Devon	Alpha	8	98	26	2.5 (4)	9.8 (3)	6.6 (6)	17.6 (2)	15.4 (3)	6.6	18.8	28.3	31.4	-4.1	7.9	2.4		1.6 (2)							
Milford	Active Growth	9	725	21	2.7 (3)	8.0 (5)	11.3 (5)	15.7 (3)	18.2 (1)	11.3	18.2	17.8	34.2	10.8	5.9	7.0		2.6 (1)							
Nikko	Concentrated	6	76	24	5.5 (2)	15.1 (2)	24.4 (1)	21.9 (1)	16.5 (2)	24.4	23.3	18.1	28.1	-7.3	9.1	5.4		1.5 (3)							
Salt	Long/Short	7	102	71	2.1 (5)	8.1 (4)	21.8 (2)			21.8															
	Minimum				2.0	6.2	6.6	14.9	14.8	6.6	4.1	17.8	28.1	-7.3	5.9	2.4		1.4							
	Median				2.7	9.8	11.5	16.6	16.0	11.5	18.2	19.6	30.3	-1.4	8.1	5.7		1.5							
	Maximum				6.0	15.7	24.4	21.9	18.2	24.4	23.3	28.3	34.2	10.8	9.1	7.0		2.6							

*For Absolute Return Funds we show the Sharp Ratio, not Information Ratio

New Zealand and Australian Equities (Page 2 of 2)

					Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 31 May 2016								For the year ended 31 May					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		
Equity Income																										
Devon	Dividend Yield	3	55	40	1.5	(3)	11.7	(2)	18.5	(2)	20.0	(2)	18.5	24.3	17.4	27.0										
Harbour	Australasian Eq Income	n/a	93	35	2.9	(1)	10.2	(3)	10.2	(3)	16.2	(3)	10.2	22.9	15.8	32.2										
Salt	Dividend Appreciation	1	87	0	2.9	(2)	16.2	(1)	24.4	(1)	23.2	(1)	18.3	(1)	24.4	23.1	22.3	26.8	-2.4	9.4	1.8	3.2	0.6	(1)		
Minimum					1.5		10.2		10.2		16.2		18.3		10.2	22.9	15.8	26.8	-2.4	9.4	1.8	3.2	0.6			
Median					2.9		11.7		18.5		20.0		18.3		18.5	23.1	17.4	27.0	-2.4	9.4	1.8	3.2	0.6			
Maximum					2.9		16.2		24.4		23.2		18.3		24.4	24.3	22.3	32.2	-2.4	9.4	1.8	3.2	0.6			
Australian Only																										
AMPCI	Australian Share	10	196	100	2.5	(2)	8.1	(4)	-3.2	(4)	4.1	(3)	4.2	(3)	-3.2	10.0	6.1	20.1	-9.4	12.7	0.6	2.3	0.3	(3)		
ANZ	Australian Share	10	653	100	2.4	(3)	9.6	(2)	-0.0	(3)	4.3	(2)	5.2	(2)	-0.0	4.8	8.3	26.7	-10.3	12.4	1.5	3.8	0.4	(2)		
Devon	Australian	10	31	100	1.2	(4)	11.5	(1)	6.9	(1)	12.5	(1)	9.6	(1)	6.9	14.6	16.3	21.8	-9.0	12.1	5.7	3.3	1.7	(1)		
Milford	Dynamic	11	159	100	2.9	(1)	8.5	(3)	4.0	(2)					4.0	25.9										
Minimum					1.2		8.1		-3.2		4.1		4.2		-3.2	4.8	6.1	20.1	-10.3	12.1	0.6	2.3	0.3			
Median					2.4		9.0		2.0		4.3		5.2		2.0	12.3	8.3	21.8	-9.4	12.4	1.5	3.3	0.4			
Maximum					2.9		11.5		6.9		12.5		9.6		6.9	25.9	16.3	26.7	-9.0	12.7	5.7	3.8	1.7			
Benchmarks																										
S&P/NZX 50 Gross incl I/C		1			3.3		13.5		22.0		17.5		16.2		22.0	14.4	16.2	31.1	-0.2	9.1						
S&P/NZX 50 Portfolio incl I/C		2			3.0		13.2		21.4		18.1		16.9		21.4	16.8	16.1	35.2	-1.8	8.7						
NZX50/ASX200 (50/50)		3			2.2		11.9		9.1		10.5		9.9		9.1	11.3	11.2	24.4	-4.6	9.6						
NZX/ASX Small Cap		4			1.5		12.0		10.2		5.9		1.7		10.2	6.9	0.8	-0.5	-8.1	12.3						
Russell NZ Tradeable Gross		5			3.5		13.8		24.0		19.5		17.9		24.0	16.7	17.8	29.5	3.3	9.2						
90 Day BB Index + 5%		6			0.6		1.9		8.3		8.4		8.2		8.3	9.0	8.0	7.9	8.0	0.1						
OCR + 5%		7			0.6		1.8		7.7		7.9		7.8		7.7	8.5	7.6	7.5	7.5	0.1						
12% p.a.		8			1.0		3.0		12.0		12.0		12.0		12.0	12.0	12.0	12.0	12.0	n/a						
10% p.a.		9			0.8		2.5		10.0		10.0		10.0		10.0	10.0	10.0	10.0	10.0	n/a						
ASX 200		10			1.1		10.3		-2.8		3.6		3.5		-2.8	7.9	6.2	17.8	-9.3	13.2						
ASX SmallCap Industrials		11			4.8		11.7		8.7		10.8		9.6		8.7	13.3	10.5	19.2	-2.6	13.1						
ASX 200 (in A\$)					3.1		11.6		-2.4		7.7		7.5		-2.4	9.9	16.5	26.5	-9.0	12.7						
70% NZX50 / 30% ASX200		12			3.1		12.8		14.4		15.0		14.7		14.4	14.4	16.2	31.1	-0.2	9.1						

Global Bonds

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2016										For the year ended 31 May					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
Global Aggregate:																							
AMPCI	Global FI AIFQ	1	135	0.1	(8)	2.2	(6)	4.8	(8)	6.1	(7)	6.3	(6)	4.8	8.3	5.1	7.0	6.4	2.6	-0.9	1.6	-0.6	(6)
AMPCI	Global FI AIFHQ	3	399	0.4	(6)	0.1	(8)	7.2	(1)	6.3	(6)	6.3	(7)	7.2	6.9	5.0	3.1	9.3	2.5				
ANZ	International Aggregate	1	730	0.6	(3)	2.5	(4)	6.6	(4)					6.6	8.9								
Fisher	Global Bonds - PIMCO	1	234	0.6	(5)	2.8	(2)	5.2	(7)	7.3	(1)	8.6	(1)	5.2	9.4	7.3	9.5	11.8	3.6	1.3	2.1	0.6	(2)
Fisher	Global Bonds - Wellington	1	181	0.6	(2)	1.8	(7)	6.9	(3)	6.8	(5)	7.3	(4)	6.9	8.2	5.1	5.4	10.7	2.6	0.0	0.5	0.0	(4)
Mercer	Global Bonds	1	700	0.6	(4)	3.0	(1)	5.6	(6)	7.1	(3)	8.1	(3)	5.6	8.9	6.9	8.5	10.5	2.6	0.7	1.4	0.5	(3)
Nikko	Global Fixed Interest	1	278	0.7	(1)	2.6	(3)	7.1	(2)	7.1	(2)	7.2	(5)	7.1	7.3	6.9	5.3	9.4	2.4	-0.1	0.9	-0.1	(5)
Russell	Global Bond	1	1,696	0.3	(7)	2.5	(5)	5.6	(5)	6.9	(4)	8.4	(2)	5.6	9.5	5.8	10.4	11.0	3.0	1.1	1.4	0.8	(1)
	Minimum			0.1		0.1		4.8		6.1		6.3		4.8	6.9	5.0	3.1	6.4	2.4	-0.9	0.5	-0.6	
	Median			0.6		2.5		6.1		6.9		7.3		6.1	8.6	5.8	7.0	10.5	2.6	0.4	1.4	0.3	
	Maximum			0.7		3.0		7.2		7.3		8.6		7.2	9.5	7.3	10.4	11.8	3.6	1.3	2.1	0.8	
Other:																							
LMI	Brandywine*	2	182	-1.6	(3)	3.0	(2)	0.1	(3)	6.9	(1)	9.9	(1)	0.1	14.8	6.2	20.0	9.7	5.9	2.3	5.1	0.4	(1)
ANZ	International Sovereign	2	2,480	0.6	(1)	1.0	(3)	6.5	(1)	6.6	(2)	6.8	(2)	6.5	8.8	4.5	4.0	10.3	2.9	-0.6	0.5	-1.2	(2)
ANZ	International Credit	x	1,213	0.2	(2)	4.1	(1)	6.2	(2)	6.5	(3)			6.2	7.2	6.0							
	Barclays Capital Global Agg Index	1		0.6		1.9		6.8		7.2		7.3		6.8	8.6	6.0	5.4	9.5	2.5				
	Citigroup World Govt Bond Index	2		0.8		1.5		7.7		7.6		7.5		7.7	9.2	6.0	4.7	10.0	2.8				
	Barclays Global Treasury GDP Wgtd	3																					

Other Global Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 May 2016										For the year ended 31 May					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012						
AMPCI	Commodities	295	0.3	(6)	12.4	(1)	-10.3	(8)	-9.1	(7)				-10.3	-21.2	6.5	3.9						Bloomberg Commodity Index
AMPCI	Infrastructure	223	0.3	(7)	5.6	(5)	-8.3	(7)	12.4	(3)				-8.3	20.6	28.3							DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	156	1.5	(5)	9.3	(3)	7.4	(2)						7.4	21.1								FTSE Global Core Infrastructure Net (NZD Hedged)
Magellan	Infrastructure	1,068	-1.6	(8)	3.6	(8)	11.6	(1)	12.9	(2)	11.8	(1)		11.6	17.4	9.9	16.4	4.4					S&P Global Infrastructure Index (NZD Hedged)
Milford	Global	272	2.4	(2)	3.9	(7)	-2.8	(5)	8.6	(5)				-2.8	22.1	7.8							OCR + 5%
PATH	Commodity Plus Fund	70	1.9	(4)	4.8	(6)	4.0	(4)	1.5	(6)	-2.8	(3)		4.0	1.8	-1.2	-4.3	-13.3					Bloomberg Commodity Index
PATH	World Equity Fund	34	3.1	(1)	6.0	(4)	-3.9	(6)	12.3	(4)				-3.9	29.5	13.8	18.0						MSCI AC World
PATH	Global Water Fund	9	2.2	(3)	9.5	(2)	4.2	(3)	13.7	(1)	11.1	(2)		4.2	18.7	19.0	26.8	-9.3					n/a

* 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 May 2016										For the year ended 31 May					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 Fixed Interest	1	1,771	0.9	(2)	2.2	(2)	8.0	(3)	5.8	(5)	6.7	(3)	8.0	8.2	1.3	4.2	12.2	2.9	0.9	0.5	1.8	(1)
ANZ	NZ Fixed Interest	1	1,682	0.8	(3)	2.1	(4)	8.2	(2)	5.6	(7)	6.6	(4)	8.2	7.9	1.0	3.7	12.5	3.0	0.7	0.5	1.4	(2)
Fisher	NZ Fixed Interest	1	303	0.8	(4)	2.1	(5)	8.4	(1)	5.8	(4)	6.3	(5)	8.4	7.8	1.4	4.2	9.9	2.5	0.5	1.2	0.4	(5)
Harbour	NZ Core Fixed Interest	3	176	0.6	(8)	2.2	(3)	7.9	(4)	5.8	(3)			7.9	7.1	2.5	5.1						
Harbour	NZ Corporate Bond	2	263	0.4	(10)	1.4	(10)	6.4	(9)	5.7	(6)	6.0	(6)	6.4	7.0	3.6	6.2	6.9	1.4	-0.0	0.6	-0.1	(6)
Milford	Trans-Tasman Bond	5	320	0.9	(1)	2.2	(1)	5.7	(10)					5.7	8.9								
Nikko	NZ Corporate Bond	1	292	0.5	(9)	1.8	(9)	7.2	(8)	6.5	(1)	7.3	(1)	7.2	8.5	3.9	7.5	9.8	2.0	1.4	1.8	0.8	(4)
Nikko	NZ Fixed Interest	1	268	0.8	(5)	2.0	(7)	7.7	(6)	6.1	(2)	7.2	(2)	7.7	8.2	2.7	6.3	11.2	2.4	1.3	1.1	1.1	(3)
Russell	NZ Fixed Interest	1	112	0.6	(7)	2.1	(6)	7.8	(5)	5.4	(8)			7.8	7.5	1.2							
Western	NZ Core	4	261	0.6	(6)	1.9	(8)	7.2	(7)					7.2	8.2								
Western	NZ Core Constrained	1	82	0.2	(11)	1.1	(11)	5.5	(11)	4.4	(9)	4.2	(7)	5.5	5.9	1.8	2.6	5.4	1.3	-1.5	1.9	-0.8	(7)
	Minimum			0.2		1.1		5.5		4.4		4.2		5.5	5.9	1.0	2.6	5.4	1.3	-1.5	0.5	-0.8	
	Median			0.6		2.1		7.7		5.8		6.6		7.7	7.9	1.8	4.7	9.9	2.4	0.7	1.1	0.8	
	Maximum			0.9		2.2		8.4		6.5		7.3		8.4	8.9	3.9	7.5	12.5	3.0	1.4	1.9	1.8	
	S&P/NZX NZ Govt Stock Index	1		0.8		2.0		7.9		5.1		5.8		7.9	7.3	0.2	2.0	12.0	3.0				
	S&P/NZX NZ Corp A Grade Index	2		0.4		1.5		6.3		5.6		6.0		6.3	7.3	3.2	5.0	8.3	1.7				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		0.6		1.8		7.1		5.4		5.9		7.1	7.3	1.7	3.5	10.1	2.3				
	S&P/NZX NZ Comp Inv Grade Index	4		0.7		1.9		7.5						7.5	7.3								
	S&P/NZX NZ Corp/ASX Corp (50/50)	5																					

NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2016										For the year ended 31 May					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	4,164	0.2	(5)	0.7	(6)	3.3	(6)	3.6	(6)	3.6	(3)	3.3	4.1	3.5	3.5	3.6	0.1	0.6	0.1	8.1	(2)
AMPCI	NZ Short Duration	2	244	0.2	(4)	1.2	(2)	5.3	(1)	5.2	(1)			5.3	6.3	4.0	5.0						
AMPCI	Global Short Duration	1	182	0.3	(1)	1.6	(1)	3.9	(2)	4.6	(2)			3.9	5.5	4.5	6.0						
ANZ	NZ Cash	1	3,185	0.2	(6)	0.7	(5)	3.2	(7)	3.5	(7)	3.5	(4)	3.2	4.1	3.3	3.5	3.5	0.1	0.5	0.1	6.1	(3)
Fisher	NZ Cash	1	450	0.2	(7)	0.7	(7)	3.4	(5)	3.8	(5)	3.8	(2)	3.4	4.2	3.6	4.5	3.0	0.4	0.8	0.4	2.1	(4)
Harbour	Short Duration	1	43	0.3	(3)	0.8	(3)	3.9	(3)	4.0	(3)			3.9	4.4	3.8							
Nikko	NZ Cash	1	696	0.3	(2)	0.8	(4)	3.7	(4)	4.0	(4)	4.0	(1)	3.7	4.4	3.8	4.0	4.1	0.1	1.0	0.1	8.2	(1)
	Median			0.2		0.8		3.7		4.0		3.7		3.7	4.4	3.8	4.3	3.6	0.1	0.7	0.1	7.1	
	S&P/NZX 90 Day Bank Bill Index	1		0.2		0.6		3.0		3.1		3.0		3.0	3.7	2.8	2.7	2.8	0.1				
	S&P/NZX Short End Swap Index	2		0.1		0.8		4.8		4.1				4.8	5.1	2.5	2.0		0.9				

NZ Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2016										For the year ended 31 May					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
Direct:																							
Fisher Trust	Property Fund		385	0.3	(2)	3.6	(1)	13.6	(1)	13.6	(1)	11.5	(1)	13.6	12.4	15.0	12.9	4.0	4.3				
	Property Fund		105	0.5	(1)	2.5	(2)	10.9	(2)	9.4	(2)	9.4	(2)	10.9	7.7	9.6	9.6	9.0	1.7				
Listed:																							
AMPCI	Listed Property	1	21	2.3	(5)	9.3	(4)	20.7	(4)	15.3	(4)	16.9	(4)	20.7	18.6	7.0	25.9	13.0	7.0	1.7	2.2	0.8	(3)
AMPCI	Property Fund	2	122	2.4	(4)	8.8	(7)	20.0	(6)					20.0									
ANZ	Property Securities	1	170	3.3	(2)	10.4	(1)	21.1	(2)	16.3	(2)	17.8	(2)	21.1	18.3	9.9	28.4	12.3	7.5	2.5	2.8	0.9	(2)
ANZ	Trans Tasman	2	429	3.4	(1)	10.0	(3)	19.5	(7)	17.3	(1)	18.1	(1)	19.5	21.7	11.1	30.4	9.2	8.1	1.6	3.0	0.5	(5)
Mint	Real Estate Inv Trust	1	57	2.1	(6)	9.0	(6)	21.0	(3)	15.0	(5)	16.4	(5)	21.0	18.0	6.5	26.1	11.6	6.6	1.2	2.6	0.5	(6)
Nikko	Property Securities	1	51	2.1	(7)	9.3	(5)	20.5	(5)	14.5	(6)	15.8	(6)	20.5	18.4	5.2	23.4	12.6	7.1	0.8	1.1	0.7	(4)
Salt	Listed Property	1	356	2.5	(3)	10.1	(2)	22.2	(1)	15.8	(3)	17.2	(3)	22.2	19.9	6.1	26.0	12.8	6.8	1.9	1.6	1.2	(1)
Minimum				2.1		8.8		19.5		14.5		15.8		19.5	18.0	5.2	23.4	9.2	6.6	0.8	1.1	0.5	
Median				2.4		9.3		20.7		15.6		17.0		20.7	18.5	6.8	26.1	12.5	7.1	1.6	2.4	0.7	
Maximum				3.4		10.4		22.2		17.3		18.1		22.2	21.7	11.1	30.4	13.0	8.1	2.5	3.0	1.2	
S&P/NZX Property Index		1		2.4		9.5		21.0		13.6		14.9		21.0	17.9	2.8	22.8	11.4	7.3				
NZX/ASX Property Index		2		2.5		9.1		20.1		15.5		16.3		20.1	22.8	4.5	25.7	9.8	7.5				

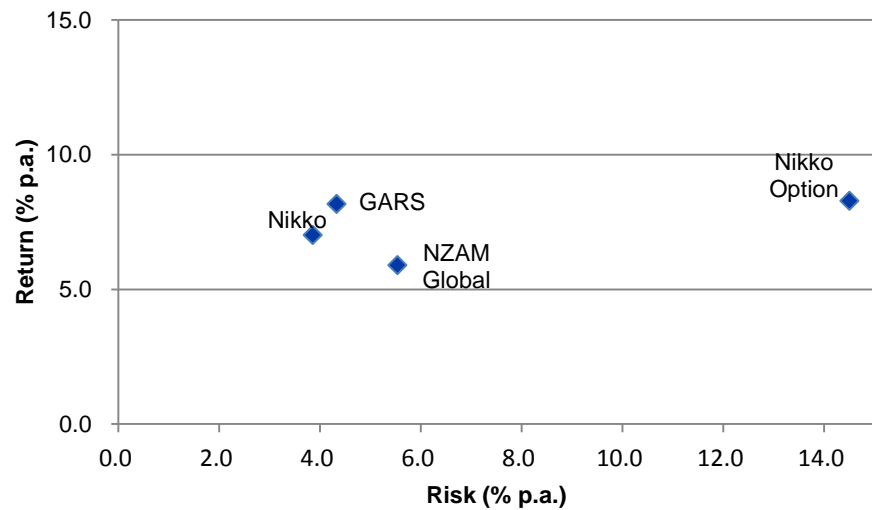
Global Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 May 2016										For the year ended 31 May					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	159	1.8	(1)	7.7	(2)	5.4	(2)	13.3	(1)	12.6	(1)	5.4	17.6	17.3	29.5	-4.1	16.1	0.3	5.1	0.1	(1)
ANZ	International Property	1	568	0.8	(4)	7.6	(4)	5.9	(1)	12.2	(2)	11.5	(2)	5.9	17.5	13.5	24.7	-2.3	14.1	-0.8	2.6	-0.3	(2)
PATH	Global Property	1	11	1.8	(2)	7.6	(3)																
Russell	Global Listed Real Estate	1	44	1.0	(3)	8.5	(1)	3.1	(3)					3.1									
FTSE EPRA/NAREIT Index*				0.8		7.7		7.6		12.4		12.5		7.6	17.5	12.4	26.0	0.5	13.3				
*UBS Global RE Index prior to June 2015																							

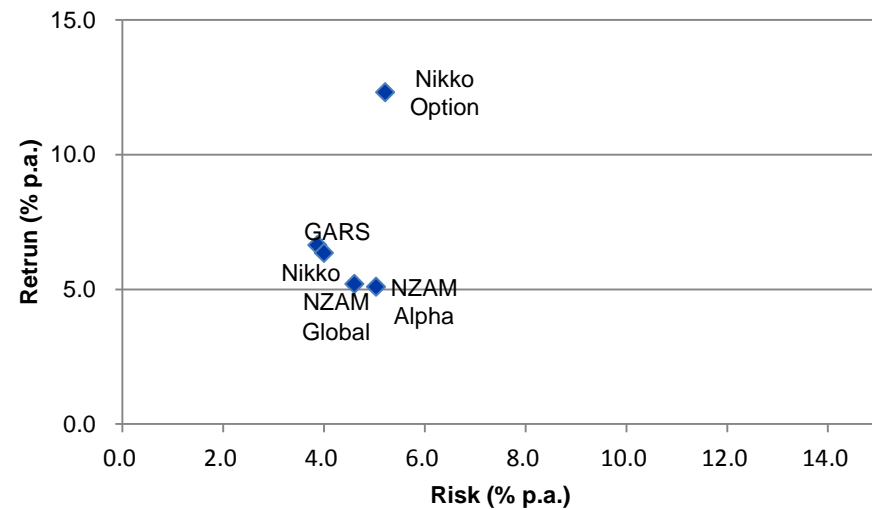
Global Alternatives/Absolute Return

		Returns (%) gross of tax and fees																							
Manager	Fund	FUM (\$m)	For the period to 31 May 2016										For the year ended 31 May				5 Years			Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	SR		Rk				
Mercer	Liquid Alternatives	103	0.3	(3)	-1.0	(5)	-1.0	(5)																	Cash + 3% to 5%
Nikko	Multi-Strategy	176	0.3	(4)	1.5	(3)	-0.1	(4)	6.3	(3)	7.0	(3)	-0.1	8.6	10.8	14.1	2.2	3.9	1.0	(2)					90 Day Bank Bill + 2.5%
Nikko	Options	184	1.2	(2)	5.2	(1)	18.9	(1)	12.3	(1)	8.3	(1)	18.9	6.3	12.1	15.5	-9.0	14.5	0.4	(4)					90 Day Bank Bill + 4%
NZAM	Alpha	55	-1.0	(6)	-2.7	(6)	0.3	(3)	5.1	(5)			0.3	13.1	2.3										OCR + 4%
NZAM	Global	530	-0.4	(5)	-0.6	(4)	-1.6	(6)	5.2	(4)	5.9	(4)	-1.6	13.1	4.6	11.8	2.3	5.5	0.5	(3)					OCR + 4%
Std Life	GARS*	96	1.7	(1)	1.9	(2)	0.5	(2)	6.6	(2)	8.2	(2)	0.5	13.8	6.0	12.7	8.3	4.3	1.2	(1)					OCR + 5%
OCR + 5%			0.6		1.8		7.7		7.9		7.8		7.7	8.5	7.6	7.5	7.5	0.1							

5 Year risk/return



3 Year risk/return



*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> <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>Charles Macdonald Consultant +64 4 819 4050 charles.macdonald@aonhewitt.com</p>
AMPCI	AMP Capital Investors NZ Limited																																														
ANZ	ANZ Investments																																														
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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.

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