

The Aon Investment Update as at 31 October 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 – 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 October 2016

Market Summary

October was a challenging month for investors, with many share markets falling and bond yields rising. Uncertainty around the US presidential election, and a broad increase in inflation expectations, or perhaps more accurately reduced fears around deflation, were the main drivers of poor investment returns.

In the UK and in Europe data releases pointed to an increase in inflation, and in the US, while inflation data remains mixed, expectations increased that the US Federal Reserve would raise interest rates in November. These factors led to a broad sell-off in bonds, with government bond yields sharply higher overall.

The US presidential election dominated the news in October, and while very few people were forecasting a Trump victory, the uncertainty around the result, and the uncertainty around the potential implications of a Trump victory kept investors on edge. The US share market fell 1.8% over the month while global shares fell by around 0.5% on a fully hedged basis. Emerging markets continued to outperform developed markets.

The New Zealand share market is a high yielding market and therefore has benefited in recent years from the global search for yield. Consequently, the rise in global bond yields in October led to a sharp sell-off in New Zealand shares. The S&P/NZX 50 index was one of the worst performers, returning -5.4% over the month, whilst the best performing major share market was Japan which rose more than 5% as the Yen weakened.

Listed property shares, which have also been benefiting from the low interest rate environment, fell sharply in October with the S&P/NZX All Real Estate index returning -4.4% and global listed property indices also falling.

The yield on 10 year New Zealand government bond rose by around 45 basis points over the month to 2.70%, following global bond yields higher. As a result the S&P/NZX NZ Government Stock index returned -1.35% for October and the A Grade Corporate Bond index returned -0.65%.

In the US, 10-year Treasury yields rose from 1.59% to 1.83% and 10-year yields in the UK rose from 0.75% to 1.25%. Global bonds there delivered negative returns to New Zealand investors with the Barclays Global Aggregate index returning -0.86% on a fully hedged basis.

Fund Performance

Balanced fund returns were negative for October, ranging from -0.9% (Mercer) to -2.1% (Nikko). The median return for the last three months was -0.8%.

Returns from the domestic share funds ranged from -2.3% to -6.4% while the index return was -5.4%. Funds with a larger exposure to Australian shares generally fared better over the month as the Australian market outperformed the S&P/NZX 50.

Over the last three months, all of the domestic share funds have delivered negative returns, with the median fund returning -5.0% which is in line with the index.

The domestic listed property sector also continued to struggle in the face of rising global bond yields.

Performance among the global share funds was mixed with returns ranging from -1.9% to +2.3%. Emerging markets continue to outperform developed markets - the Russell Emerging Markets fund is now the best performer in our survey over 1, 3 and 12 months.

With bond yields rising, all of the domestic bond funds delivered negative returns in October - and most have delivered negative returns over the last three months. Milford's Trans Tasman bond fund is the best performer over three months with a return of 0.5%, while Fisher's NZ Bond fund is the worst performer returning -1.2%.

It was a similar picture for the global bond funds where returns ranged from -0.7% to -0.5% over the month. Fisher's PIMCO product was the best performer over three months, returning 0.3%.

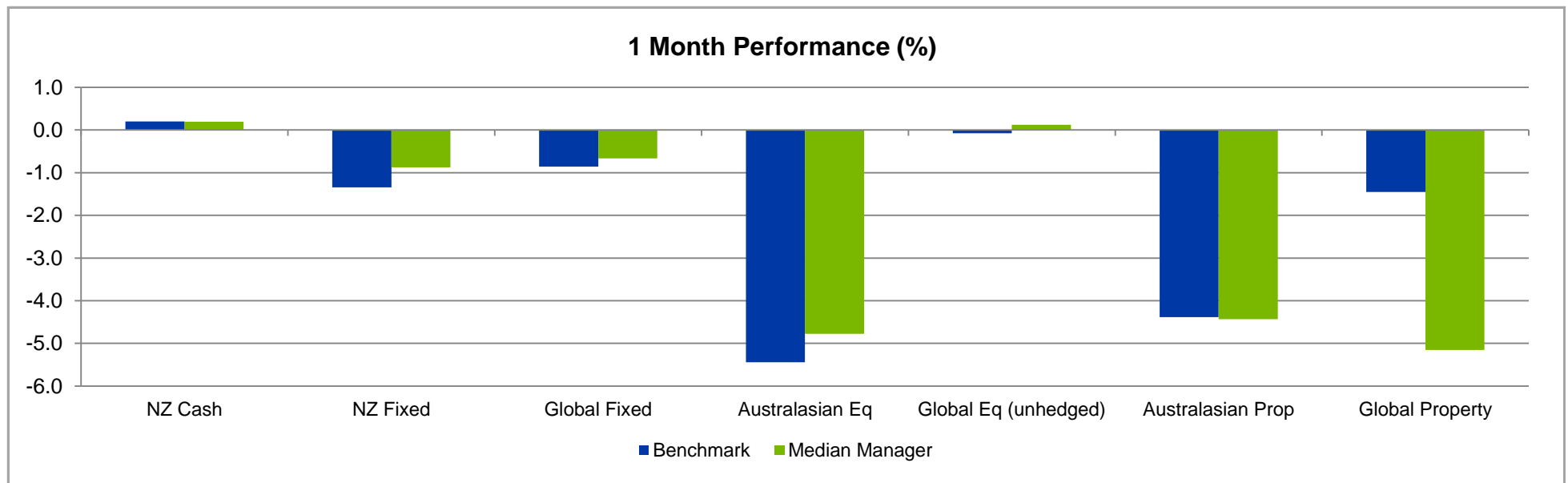
The global absolute return funds continue to struggle, with only the Nikko Options fund and the Standard Life GARS fund providing a positive return over the month.

New Zealand Fund Management Changes

During the month ANZ sold its wealth management business in Singapore, Hong Kong, China, Taiwan and Indonesia and also announced that it was considering a sale of the Australian wealth business. In a statement, ANZ said "The wealth business in New Zealand will be considered separately during 2017".

Median Manager Performance v Benchmark

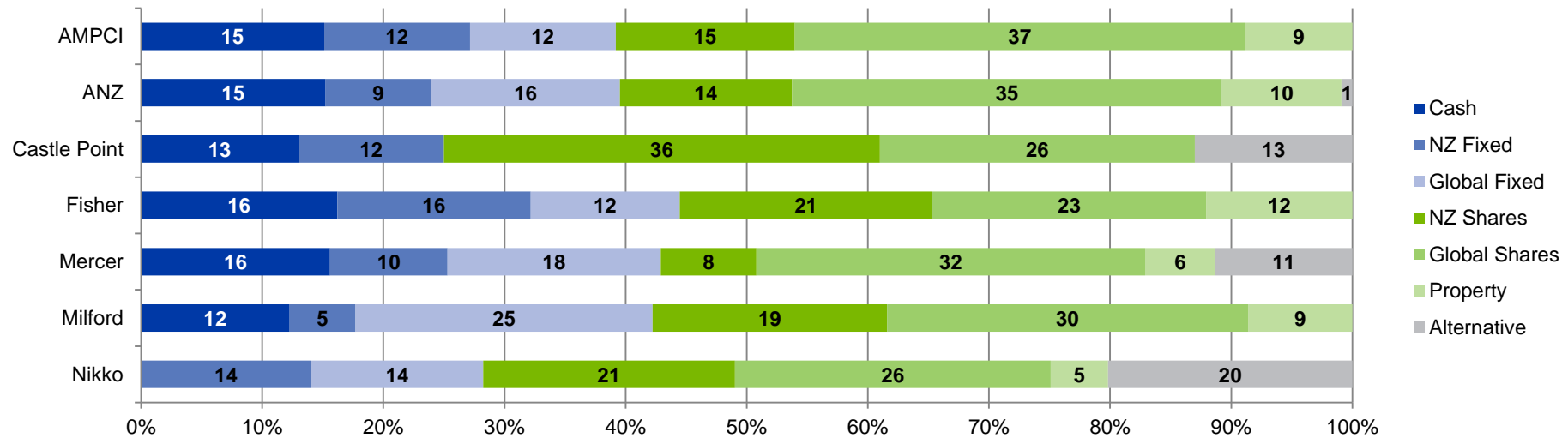
		Returns (%) gross of tax and fees										
Sector		For the period to 31 Oct 2016					For the year ended 31 October					Volatility 5 Yrs
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	
NZ Cash	ANZ 90D Bank Bills	0.2	0.6	2.7	3.1	2.9	2.7	3.5	3.2	2.7	2.7	0.1
	Median Manager	0.2	0.7	3.2	3.9	3.7	3.2	4.2	4.0	4.0	3.7	0.1
NZ Fixed Interest	ANZ NZ Govt Stock	-1.3	-1.4	5.1	6.3	5.0	5.1	7.9	5.8	-1.9	8.5	3.1
	Median Manager	-0.9	-0.4	5.6	6.6	6.0	5.6	8.0	6.3	1.7	8.6	2.3
International Fixed Interest	Barclays Agg	-0.9	-0.7	7.3	7.4	6.9	7.3	6.4	8.6	3.5	8.8	2.7
	Median Manager	-0.7	-0.2	7.4	7.5	7.1	7.4	6.2	8.7	3.9	9.5	2.7
Australasian Shares	NZX 50 Gross	-5.4	-4.8	17.6	13.8	17.4	17.6	12.6	11.2	25.6	20.4	9.6
	Median Manager	-4.8	-5.0	16.0	14.1	17.9	16.0	10.4	15.5	28.6	18.9	9.8
International Shares (unhedged)	MSCI ACWI	-0.1	0.0	-3.5	8.4	10.8	-3.5	14.9	14.7	22.4	7.2	9.0
	Median Manager	0.1	-0.1	-3.0	9.9	11.5	-3.0	17.8	14.3	25.3	7.9	9.6
Australasian Property	NZX Property	-4.4	-4.5	10.2	14.8	13.7	10.2	17.2	17.1	3.5	21.4	7.8
	Median Manager	-4.4	-4.9	10.9	15.7	16.2	10.9	18.4	17.8	8.2	26.5	7.6
International Property	FTSE Property	-1.5	-5.2	9.4	13.6	15.3	9.4	11.5	20.3	15.2	20.4	11.8
	Median Manager	-5.2	-8.4	1.3	11.2	13.6	1.3	12.6	21.6	15.9	18.8	13.0



Balanced Funds

		Returns (%) gross of tax and fees														
Manager	FUM (\$m)	For the period to 31 Oct 2016								For the year ended 31 October					5 Years	
		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	41	-1.0 (2)	-1.0 (5)	3.1 (7)	7.0 (7)	9.8 (6)	3.1	6.0	12.1	15.5	12.7	4.5	1.5 (6)			
ANZ Investments	97	-1.7 (6)	-1.6 (7)	4.6 (6)	9.3 (3)	11.9 (3)	4.6	10.8	12.5	18.9	13.3	5.1	1.8 (4)			
Castle Point Funds	8	-1.6 (5)	2.3 (1)	7.5 (2)	7.2 (6)	8.1 (7)	7.5	6.5	7.5	11.5	7.5	3.6	1.4 (7)			
Fisher Institutional	831	-1.3 (3)	-0.4 (3)	7.8 (1)	9.0 (5)	10.1 (5)	7.8	8.6	10.6	11.8	11.8	4.1	1.8 (3)			
Mercer	1,181	-0.9 (1)	-0.4 (2)	6.3 (5)	9.1 (4)	10.2 (4)	6.3	10.3	10.8	15.4	8.5	4.2	1.7 (5)			
Milford Funds	335	-1.5 (4)	-0.8 (4)	7.1 (3)	10.9 (1)	13.5 (1)	7.1	12.6	13.2	18.7	16.4	4.7	2.3 (1)			
Nikko Asset Management	237	-2.1 (7)	-1.5 (6)	7.0 (4)	10.6 (2)	12.0 (2)	7.0	13.3	11.5	15.9	12.3	4.1	2.2 (2)			
Minimum		-2.1	-1.6	3.1	7.0	8.1	3.1	6.0	7.5	11.5	7.5	3.6	1.4			
Median		-1.5	-0.8	7.0	9.1	10.2	7.0	10.3	11.5	15.5	12.3	4.2	1.8			
Maximum		-0.9	2.3	7.8	10.9	13.5	7.8	13.3	13.2	18.9	16.4	5.1	2.3			

Asset Allocation



Australasian Shares (Page 1 of 2)

					Returns (%) gross of tax and fees																			
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 31 Oct 2016										For the year ended 31 October					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	443	0	-5.1 (14)	-5.4 (16)	15.2 (13)	14.5 (8)	17.4 (10)	15.2	12.7	15.8	20.5	23.2	9.8	0.0	2.7	0.0	(12)					
AMPCI	NZ Shares RIL	1	11	0	-4.2 (5)	-3.9 (6)	17.6 (8)	15.5 (1)		17.6	12.9	16.0												
ANZ	NZ Equities	1	138	0	-4.8 (12)	-4.4 (9)	18.5 (5)	13.7 (11)	18.0 (7)	18.5	7.8	15.1	28.9	20.8	9.8	0.5	2.0	0.3	(8)					
ANZ	Australasian Equity	1	781	6	-5.4 (15)	-5.2 (14)	17.7 (7)	13.4 (12)	17.5 (9)	17.7	7.2	15.6	28.6	19.6	9.8	0.1	2.1	0.1	(11)					
CPFM	Trans Tasman Strategy	1	0	18	-4.8 (10)	-1.1 (1)	22.6 (1)			22.6	8.5													
Devon	NZ Core	1	203	16	-6.4 (20)	-6.2 (20)	14.7 (14)	15.3 (4)	18.1 (6)	14.7	9.1	22.4	25.9	18.9	9.9	0.6	3.4	0.2	(10)					
Devon	Trans Tasman	3	79	51	-3.0 (2)	-1.5 (2)	15.5 (12)	15.5 (2)	18.1 (5)	15.5	12.2	18.8	30.7	14.2	9.2	6.2	4.3	1.4	(3)					
Fisher	Trans Tasman Equities	11	192	31	-4.7 (9)	-4.8 (10)	17.1 (9)	13.2 (15)	17.2 (11)	17.1	9.3	13.2	19.0	28.4	10.2	1.1	3.4	0.3	(7)					
Harbour	Australasian Equity	1	455	26	-4.4 (7)	-4.0 (8)	18.2 (6)	13.2 (14)	18.2 (4)	18.2	9.2	12.6	35.5	17.3	10.4	-0.3	4.1	-0.1	(13)					
Harbour	Australasian Equity Focus	3	57	49	-3.7 (4)	-5.1 (11)	14.6 (15)			14.6	7.7													
Harbour	Advanced Beta	2	80	0	-4.9 (13)	-3.4 (5)	16.0 (11)			16.0														
Mercer	Trans Tasman Equity	1	360	20	-5.5 (18)	-5.2 (12)	16.1 (10)	14.0 (10)	17.9 (8)	16.1	10.4	15.5	30.2	18.3	9.7	0.5	2.2	0.2	(9)					
Milford	NZ Equities	1	276	0	-4.2 (6)	-3.0 (4)	20.0 (2)	15.4 (3)	21.4 (1)	20.0	14.1	12.1	36.8	25.3	9.5	3.4	3.2	1.1	(4)					
Milford	Trans Tasman	3	248	44	-3.5 (3)	-2.9 (3)	12.2 (18)	9.4 (16)	16.2 (14)	12.2	5.5	10.4	29.5	25.3	9.1	4.6	2.8	1.6	(2)					
Mint	Trans Tasman Equity	1	126	14	-4.8 (11)	-5.9 (18)	13.5 (17)	15.2 (5)	20.2 (2)	13.5	15.8	16.5	34.9	21.4	8.4	2.2	4.0	0.6	(5)					
Nikko	Core Domestic Equity	1	246	7	-5.9 (19)	-5.2 (15)	18.8 (4)	15.1 (6)	18.3 (3)	18.8	13.1	13.5	27.9	18.6	9.8	0.8	2.0	0.4	(6)					
Nikko	Australasian Smallcap	4	5	73	-2.3 (1)	-5.2 (13)	10.2 (19)	8.9 (17)	13.8 (15)	10.2	10.5	6.1	26.1	17.2	11.9	9.8	5.9	1.7 (1)						
Russell	NZ Shares	1	148	0	-4.7 (8)	-4.0 (7)	20.0 (3)	14.6 (7)		20.0	10.3	13.6												
Salt	NZ Plus Share	1	449	1	-5.4 (17)	-5.5 (17)	13.5 (16)	14.1 (9)	16.9 (13)	13.5	12.3	16.6	24.8	17.9	10.3	-0.4	3.0	-0.1	(14)					
Salt	Javelin	2	68	11	-5.4 (16)	-6.1 (19)	9.2 (20)	13.3 (13)	17.0 (12)	9.2	13.2	17.7	26.7	18.7	10.5	-0.8	4.6	-0.2	(15)					
	Minimum				-6.4	-6.2	9.2	8.9	13.8	9.2	5.5	6.1	19.0	14.2	8.4	-0.8	2.0	-0.2						
	Median				-4.8	-5.0	16.0	14.1	17.9	16.0	10.4	15.5	28.6	18.9	9.8	0.6	3.2	0.3						
	Maximum				-2.3	-1.1	22.6	15.5	21.4	22.6	15.8	22.4	36.8	28.4	11.9	9.8	5.9	1.7						
Absolute Return																								
ANZ	Equity Selection	5	26	0	-3.9 (4)	-1.6 (3)	17.2 (1)	11.5 (4)	15.0 (4)	17.2	2.2	15.7	25.5	15.6	8.7	6.3		1.4	(4)					
CPFM	Ranger	6	14	43	-2.3 (2)	6.5 (1)	15.6 (2)			15.6	0.7													
Devon	Alpha	7	101	28	-3.2 (3)	-2.3 (4)	7.0 (6)	12.2 (3)	17.6 (2)	7.0	8.5	21.7	32.0	20.4	7.7	4.4		1.9	(2)					
Milford	Active Growth	8	728	20	-2.1 (1)	-0.3 (2)	10.3 (4)	13.2 (2)	18.8 (1)	10.3	15.4	13.8	27.8	27.7	6.1	7.6		2.6 (1)						
Nikko	Concentrated	6	28	29	-4.7 (5)	-7.0 (6)	10.8 (3)	15.7 (1)	17.3 (3)	10.8	24.7	12.2	26.2	13.4	9.4	5.7		1.5	(3)					
Salt	Long/Short	6	177	67	-4.8 (6)	-2.6 (5)	9.3 (5)			9.3	20.3													
	Minimum				-4.7	-7.0	7.0	11.5	15.0	7.0	0.7	12.2	25.5	13.4	6.1	4.4		1.4						
	Median				-3.2	-1.6	10.8	12.7	17.4	10.8	8.5	14.8	27.0	18.0	8.2	6.0		1.7						
	Maximum				-2.1	6.5	17.2	15.7	18.8	17.2	24.7	21.7	32.0	27.7	9.4	7.6		2.6						

*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 Oct 2016										For the year ended 31 October					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	72	44	-3.4	(1)	-1.9	(1)	19.5	(1)	18.3	(1)	19.5	15.1	20.5	23.8										
Harbour	Australasian Eq Income	n/a	94	31	-4.2	(2)	-4.3	(3)	6.0	(3)	13.0	(3)	6.0	14.5	19.0	22.5										
Salt	Dividend Appreciation	1	84	0	-4.9	(3)	-3.9	(2)	19.4	(2)	17.7	(2)	19.6	(1)	19.4	15.7	18.0	25.1	19.8	9.6	1.8	3.2	0.6	(1)		
Minimum					-4.9		-4.3		6.0		13.0		19.6		6.0	14.5	18.0	22.5	19.8	9.6	1.8	3.2	0.6			
Median					-4.2		-3.9		19.4		17.7		19.6		19.4	15.1	19.0	23.8	19.8	9.6	1.8	3.2	0.6			
Maximum					-3.4		-1.9		19.5		18.3		19.6		19.5	15.7	20.5	25.1	19.8	9.6	1.8	3.2	0.6			
Australian Only																										
AMPCI	Australian Share	9	157	100	-1.2	(2)	-3.6	(3)	2.6	(3)	1.5	(3)	5.0	(3)	2.6	-6.2	8.6	12.9	8.2	11.8	0.1	2.3	0.1	(3)		
ANZ	Australian Share	9	622	100	-3.0	(4)	-5.3	(4)	2.2	(4)	-0.3	(4)	5.6	(2)	2.2	-7.1	4.4	24.4	6.5	12.2	0.7	3.8	0.2	(2)		
Devon	Australian	9	30	100	-0.8	(1)	0.2	(2)	14.2	(1)	9.5	(2)	12.0	(1)	14.2	1.9	12.9	23.7	8.2	11.5	6.7	3.1	2.2	(1)		
Milford	Dynamic	10	171	100	-2.4	(3)	0.6	(1)	10.5	(2)	14.3	(1)			10.5	15.9	16.5									
Minimum					-3.0		-5.3		2.2		-0.3		5.0		2.2	-7.1	4.4	12.9	6.5	11.5	0.1	2.3	0.1			
Median					-1.8		-1.7		6.6		5.5		5.6		6.6	-2.1	10.7	23.7	8.2	11.8	0.7	3.1	0.2			
Maximum					-0.8		0.6		14.2		14.3		12.0		14.2	15.9	16.5	24.4	8.2	12.2	6.7	3.8	2.2			
Benchmarks																										
S&P/NZX 50 Gross incl I/C		1			-5.4		-4.8		17.6		13.8		17.4		17.6	12.6	11.2	25.6	20.4	9.6						
S&P/NZX 50 Portfolio incl I/C		2			-5.4		-5.0		16.6		14.5		17.9		16.6	13.6	13.5	25.1	21.3	9.2						
NZX50/ASX200 (50/50)		3			-3.3		-3.5		12.3		7.6		11.1		12.3	2.4	8.3	19.7	13.3	9.7						
NZX/ASX Small Cap		4			-3.4		-2.1		17.0		4.5		3.5		17.0	-0.9	-1.5	-0.1	4.1	11.6						
90 Day BB Index + 5%		5			0.6		1.8		7.9		8.4		8.2		7.9	8.8	8.4	7.9	8.0	0.1						
OCR + 5%		6			0.6		1.7		7.3		7.9		7.7		7.3	8.3	8.0	7.5	7.5	0.1						
12% p.a.		7			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.		8			0.8		2.5		10.0		10.0		10.0		10.0	10.0	10.0	10.0	10.0	n/a						
ASX 200		9			-1.1		-2.3		7.0		1.4		4.8		7.0	-7.4	5.1	13.8	6.5	12.4						
ASX SmallCap Industrials		10			0.0																					
ASX 200 (in A\$)					-2.1		-3.2		6.1		3.9		9.2		6.1	-0.7	6.4	25.5	10.3	12.1						
70% NZX50 / 30% ASX200		11			-4.4		-4.2		14.4		11.5		15.9		14.4	9.0	11.2	25.6	20.4	9.5						

International Shares (Unhedged)

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Oct 2016										For the year ended 31 October					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 Shares	2	771	-0.3	(12)	-0.6	(11)	-0.8	(6)	11.1	(2)	13.8	(3)	-0.8	17.9	17.1	28.6	8.2	9.0	2.7	2.0	1.3	(1)
AMPCI	RIL Global Shares	1	53	0.3	(5)	0.4	(6)	-6.0	(14)	7.5	(12)	10.8	(8)	-6.0	12.8	17.1	25.3	7.6	9.4	0.0	1.4	0.0	(7)
ANZ	International Share	1	3,536	-0.6	(13)	-0.4	(9)	-3.0	(9)	10.5	(4)	13.8	(2)	-3.0	20.9	15.1	28.2	10.3	9.8	2.8	2.4	1.2	(2)
EC	Global Equities	1	80	1.1	(2)	-1.3	(14)	1.1	(4)	8.4	(9)			1.1	13.8	10.9							
EC	Value Fund	1	25	0.1	(8)	-0.8	(12)	2.6	(2)	7.9	(10)	10.2	(10)	2.6	12.5	8.9	27.1	1.7	8.9	-0.7	4.9	-0.1	(10)
Fisher	Overseas Equities	1	422	-0.0	(10)	-0.1	(8)	-4.5	(13)	7.7	(11)	9.3	(12)	-4.5	14.4	14.3	19.2	4.8	8.7	-1.4	1.7	-0.8	(12)
FRK	Global Growth	1	64	-1.9	(14)	-1.6	(15)	-3.0	(8)	10.7	(3)	13.1	(4)	-3.0	22.7	14.0	22.5	11.5	10.5	2.2	4.3	0.5	(5)
FRK	Global Trust	1	374	1.0	(3)	3.0	(2)	-8.3	(15)	3.7	(13)	10.5	(9)	-8.3	11.4	9.0	36.0	8.9	11.3	-0.1	4.5	-0.0	(8)
Harbour	Global Equity Growth	1	12	-0.2	(11)	-0.4	(10)	-0.7	(5)					-0.7									
Magellan	Global	1	8,459	0.3	(6)	0.5	(5)	-4.4	(12)	11.6	(1)	16.3	(1)	-4.4	27.5	13.9	25.7	21.8	11.4	5.1	6.0	0.8	(3)
Mercer	Global Equities	2	1,310	0.2	(7)	0.0	(7)	-1.9	(7)	10.3	(5)	11.3	(7)	-1.9	19.4	14.6	22.5	4.0	9.8	-0.5	4.2	-0.1	(9)
MGH	MGH Investments	1	24	-0.0	(9)	0.7	(3)	1.1	(3)	9.3	(8)	9.5	(11)	1.1	17.8	9.6	17.0	3.1	9.0	-1.3	5.3	-0.3	(11)
Nikko	Global Equity	1	530	-1.9	(14)	-1.0	(13)	-3.5	(10)	10.1	(6)	12.3	(5)	-3.5	20.1	15.2	23.3	8.7	9.1	1.4	2.1	0.6	(4)
Russell	Emerging Markets	4	0	2.3	(1)	5.4	(1)	6.9	(1)					6.9	-0.9								
Russell	Global Opportunities	3	280	0.3	(4)	0.5	(4)	-3.7	(11)	9.9	(7)	11.6	(6)	-3.7	19.6	15.3	25.4	4.1	10.3	0.6	2.3	0.3	(6)
Minimum				-1.9		-1.6		-8.3		3.7		9.3		-8.3	-0.9	8.9	17.0	1.7	8.7	-1.4	1.4	-0.8	
Median				0.1		-0.1		-3.0		9.9		11.5		-3.0	17.8	14.3	25.3	7.9	9.6	0.3	3.3	0.2	
Maximum				2.3		5.4		6.9		11.6		16.3		6.9	27.5	17.1	36.0	21.8	11.4	5.1	6.0	1.3	
MSCI All Country World Index				1		-0.1		0.0		-3.5		8.4		10.8		-3.5	14.9	14.7	22.4	7.2	9.0		
MSCI World Index				2		-0.3		-0.5		-4.3		9.0		11.8		-4.3	17.0	15.6	24.9	8.1	9.3		
Russell Global Large Cap				3		-0.2		-0.1		-3.5		8.5		11.0		-3.5	15.1	15.0	23.2	7.2	9.0		
Russell Emerging Markets Index				4		2.2		5.1		4.0				4.0	-5.5								
MSCI World Index (100% hedged)						-0.5		0.4		3.7		8.9		13.7		3.7	7.9	15.2	30.3	13.2	10.2		

Diversified Income

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Oct 2016										For the year ended 31 October					Performance Objective					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012						
Devon	Diversified Income	6	-1.3	(3)	-0.7	(2)																	OCR + 1.5%
Milford	Diversified Income	1,460	-1.3	(4)	-1.0	(4)	11.6	(1)	13.2	(1)	15.2	(1)	11.6	11.9	16.3	16.6	19.6						OCR + 2.5%
Mint	Diversified Income	132	-1.3	(2)	-0.9	(3)	6.5	(3)					6.5	8.9									OCR + 2.5%
Nikko	Income	11	-0.2	(1)	1.2	(1)	8.3	(2)	8.7	(2)	8.6	(2)	8.3	11.0	6.9	5.5	11.6						10% p.a.
Harbour	Income	76	-1.5	(5)	-1.1	(5)	5.3	(4)					5.3	9.1									OCR + 2.0%

International Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Oct 2016										For the year ended 31 October					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	89	-0.5	(1)	-0.2	(5)	6.3	(7)	6.8	(6)	6.4	(6)	6.3	5.5	8.7	3.9	7.8	2.6	-0.5	1.2	-0.4	(6)
AMPCI	Global FI AIFHQ	3	416	-0.6	(4)	-0.6	(7)	5.2	(8)	6.2	(7)	5.5	(7)	5.2	6.8	6.7	2.8	6.2	2.5				
ANZ	International Aggregate	1	737	-0.7	(6)	0.0	(3)	8.4	(1)					8.4	6.1								
Fisher	Global Bonds - PIMCO	1	237	-0.6	(3)	0.3	(1)	8.4	(2)	8.5	(1)	8.4	(1)	8.4	5.1	12.2	1.9	14.9	3.6	1.4	2.0	0.7	(3)
Fisher	Global Bonds - Wellington	1	184	-0.7	(5)	-0.7	(8)	7.2	(5)	7.4	(5)	6.7	(5)	7.2	6.3	8.6	2.2	9.5	2.7	-0.2	0.5	-0.3	(5)
Mercer	Global Bonds	1	1,381	-0.7	(8)	-0.2	(6)	7.0	(6)	7.8	(3)	7.9	(3)	7.0	6.2	10.2	3.9	12.2	2.7	1.1	1.4	0.8	(2)
Nikko	Global Fixed Interest	1	256	-0.7	(7)	-0.2	(4)	7.6	(4)	7.5	(4)	7.1	(4)	7.6	6.3	8.6	4.0	8.8	2.5	0.1	0.9	0.2	(4)
Russell	Global Bond	1	1,805	-0.5	(2)	0.1	(2)	8.0	(3)	8.0	(2)	8.4	(2)	8.0	5.9	10.1	4.5	13.6	3.0	1.4	1.3	1.1	(1)
	Minimum			-0.7		-0.7		5.2		6.2		5.5		5.2	5.1	6.7	1.9	6.2	2.5	-0.5	0.5	-0.4	
	Median			-0.7		-0.2		7.4		7.5		7.1		7.4	6.2	8.7	3.9	9.5	2.7	0.6	1.2	0.4	
	Maximum			-0.5		0.3		8.4		8.5		8.4		8.4	6.8	12.2	4.5	14.9	3.6	1.4	2.0	1.1	
Other:																							
LMI	Brandywine*	2	n/a	0.6	(1)	1.1	(1)	8.8	(1)	9.6	(1)	9.9	(1)	8.8	2.7	17.7	6.9	13.8	5.8	2.7	5.1	0.5	(1)
ANZ	International Sovereign	2	2,646	-1.2	(3)	-1.2	(3)	6.2	(3)	7.0	(3)	6.3	(2)	6.2	6.6	8.0	2.6	8.1	3.0	-0.6	0.5	-1.2	(2)
ANZ	International Credit	x	1,245	-0.8	(2)	-0.4	(2)	8.7	(2)	7.4	(2)			8.7	4.6	9.1							
	Barclays Capital Global Agg Index	1		-0.9		-0.7		7.3		7.4		6.9		7.3	6.4	8.6	3.5	8.8	2.7				
	Citigroup World Govt Bond Index	2		-1.2		-1.3		7.2		7.6		7.0		7.2	7.1	8.7	4.0	7.9	2.9				
	Barclays Global Treasury GDP Wgtd	3																					

Other International Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Oct 2016										For the year ended 31 October					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012						
AMPCI	Commodities	225	0.0	(1)	1.8	(2)	2.6	(4)	-8.0	(7)				2.6	-22.6	-2.1	-7.6						Bloomberg Commodity Index
AMPCI	Infrastructure	280	-2.9	(8)	-1.3	(6)	2.5	(5)	12.1	(2)				2.5	6.1	29.5	19.5						DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	171	-1.2	(4)	-1.8	(7)	12.8	(1)						12.8	11.8								FTSE Global Core Infrastructure Net (NZD Hedged)
Magellan	Infrastructure	1,186	-1.4	(5)	-2.4	(8)	10.0	(2)	12.2	(1)	12.1	(2)		10.0	10.0	16.6	9.0	15.3					S&P Global Infrastructure Index (A\$ Hedged)
Milford	Global	276	-1.1	(3)	-1.1	(4)	-4.2	(7)	7.0	(5)				-4.2	14.1	12.1							OCR + 5%
PATH	Commodity Plus Fund	71	-2.2	(6)	2.6	(1)	0.4	(6)	0.1	(6)	-1.3	(4)		0.4	0.7	-0.6	-3.0	-3.7					Bloomberg Commodity Index
PATH	World Equity Fund	30	-0.3	(2)	-1.2	(5)	-5.6	(8)	9.6	(4)	11.1	(3)		-5.6	16.8	19.3	18.8	8.2					MSCI AC World
PATH	Global Water Fund	10	-2.3	(7)	-0.7	(3)	4.2	(3)	10.0	(3)	13.6	(1)		4.2	11.0	15.0	32.6	7.4					n/a

* Brandywine returns use a simulated hedge prior to January 2012

NZ Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Oct 2016										For the year ended 31 October					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	1,805	-1.1	(7)	-0.8	(9)	5.6	(5)	6.9	(3)	6.0	(4)	5.6	8.2	6.8	0.0	9.6	3.0	0.9	0.5	2.0	(1)
ANZ	NZ Fixed Interest	1	1,741	-1.2	(9)	-1.0	(10)	5.7	(2)	6.8	(4)	5.9	(5)	5.7	8.4	6.4	-0.7	10.0	3.0	0.8	0.5	1.7	(2)
Fisher	NZ Fixed Interest	1	209	-1.5	(11)	-1.2	(11)	5.6	(7)	6.6	(5)	5.5	(7)	5.6	8.5	5.9	0.6	7.2	2.5	0.5	1.2	0.4	(5)
Harbour	NZ Core Fixed Interest	3	220	-0.7	(4)	-0.3	(5)	6.0	(1)	6.4	(7)	6.1	(3)	6.0	7.4	5.9	2.7	8.5	2.0				
Harbour	NZ Corporate Bond	2	289	-0.5	(3)	0.1	(2)	5.0	(10)	6.0	(8)	5.8	(6)	5.0	7.1	6.0	4.0	7.0	1.4	0.1	0.6	0.2	(6)
Milford	Trans-Tasman Bond	5	343	-0.5	(2)	0.5	(1)	5.7	(3)					5.7	7.2								
Nikko	NZ Corporate Bond	1	333	-0.8	(5)	0.0	(3)	5.6	(4)	7.2	(1)	6.9	(1)	5.6	8.5	7.3	4.3	8.7	2.0	1.8	1.7	1.0	(4)
Nikko	NZ Fixed Interest	1	288	-1.4	(10)	-0.7	(8)	5.5	(8)	7.0	(2)	6.5	(2)	5.5	8.3	7.1	2.3	9.6	2.5	1.4	1.1	1.3	(3)
Russell	NZ Fixed Interest	1	126	-0.9	(6)	-0.4	(6)	5.6	(6)	6.6	(6)			5.6	8.0	6.3							
Western	NZ Core	4	261	-1.1	(8)	-0.6	(7)	5.3	(9)					5.3	8.0								
Western	NZ Core Constrained	1	82	-0.3	(1)	-0.0	(4)	4.0	(11)	5.0	(9)	4.0	(8)	4.0	6.4	4.6	1.0	4.2	1.4	-1.0	1.9	-0.5	(7)
	Minimum			-1.5		-1.2		4.0		5.0		4.0		4.0	6.4	4.6	-0.7	4.2	1.4	-1.0	0.5	-0.5	
	Median			-0.9		-0.4		5.6		6.6		6.0		5.6	8.0	6.3	1.7	8.6	2.3	0.8	1.1	1.0	
	Maximum			-0.3		0.5		6.0		7.2		6.9		6.0	8.5	7.3	4.3	10.0	3.0	1.8	1.9	2.0	
	S&P/NZX NZ Govt Stock Index	1		-1.3		-1.4		5.1		6.3		5.0		5.1	7.9	5.8	-1.9	8.5	3.1				
	S&P/NZX NZ Corp A Grade Index	2		-0.6		-0.0		4.9		6.1		5.7		4.9	7.6	5.9	3.0	7.3	1.7				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		-1.0		-0.7		5.0		6.2		5.4		5.0	7.8	5.9	0.5	7.9	2.3				
	S&P/NZX NZ Comp Inv Grade Index	4		-1.2		-1.0		5.1						5.1	7.7								

NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Oct 2016										For the year ended 31 October					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	4,301	0.2	(3)	0.7	(4)	2.9	(7)	3.5	(6)	3.5	(3)	2.9	3.9	3.7	3.5	3.5	0.1	0.6	0.1	7.7	(2)
AMPCI	NZ Short Duration	2	285	-0.1	(7)	0.6	(7)	4.4	(1)	5.3	(1)			4.4	6.2	5.4	4.2						
AMPCI	Global Short Duration	1	190	0.2	(4)	0.7	(2)	3.2	(4)	4.8	(2)			3.2	5.5	5.6	3.4						
ANZ	NZ Cash	1	4,082	0.2	(2)	0.7	(3)	3.0	(6)	3.5	(7)	3.4	(4)	3.0	3.8	3.6	3.4	3.4	0.1	0.5	0.1	6.0	(3)
Fisher	NZ Cash	1	338	0.1	(5)	0.6	(5)	3.0	(5)	3.6	(5)	3.8	(2)	3.0	4.0	3.8	4.3	3.9	0.3	0.8	0.3	2.7	(4)
Harbour	Short Duration	1	48	0.1	(6)	0.6	(6)	3.4	(2)	3.9	(3)			3.4	4.2	4.1	4.1						
Nikko	NZ Cash	1	707	0.3	(1)	0.8	(1)	3.3	(3)	3.9	(4)	4.0	(1)	3.3	4.3	4.0	4.0	4.1	0.1	1.0	0.1	8.3	(1)
	Median			0.2		0.7		3.2		3.9		3.7		3.2	4.2	4.0	4.0	3.7	0.1	0.7	0.1	6.9	
	S&P/NZX 90 Day Bank Bill Index	1		0.2		0.6		2.7		3.1		2.9		2.7	3.5	3.2	2.7	2.7	0.1				
	S&P/NZX Short End Swap Index	2		-0.1		0.4		3.7		4.3				3.7	5.5	3.7	1.8		0.9				

Australasian Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Oct 2016										For the year ended 31 October					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		429	0.4	(2)	4.9	(1)	11.2	(2)	12.5	(1)	12.2	(1)	11.2	15.4	11.0	17.8	6.0	4.5				
	Property Fund		113	0.4	(1)	1.3	(2)	13.4	(1)	10.2	(2)	9.6	(2)	13.4	7.4	9.8	9.7	7.8	2.2				
Listed:																							
AMPCI	Listed Property	1	21	-4.6	(5)	-4.9	(4)	9.7	(6)	15.3	(4)	16.0	(4)	9.7	19.3	17.0	8.1	26.8	7.5	2.0	2.1	0.9	(3)
AMPCI	Property Fund	2	101	-5.8	(8)	-8.2	(8)	9.0	(7)					9.0									
ANZ	Property Securities	1	164	-4.2	(4)	-4.0	(3)	12.1	(2)	16.1	(2)	17.1	(2)	12.1	18.3	17.9	11.3	26.7	8.0	3.0	2.7	1.1	(2)
ANZ	Trans Tasman	2	419	-5.3	(7)	-6.3	(7)	11.8	(3)	16.0	(3)	18.2	(1)	11.8	18.5	17.9	14.1	29.3	8.5	2.3	2.8	0.8	(4)
Mint	Real Estate Inv Trust	1	53	-3.9	(3)	-4.9	(5)	10.9	(4)	15.0	(6)	15.7	(5)	10.9	16.8	17.6	8.2	25.8	7.1	1.7	2.5	0.7	(6)
Nikko	Property Securities	1	34	-4.7	(6)	-5.0	(6)	10.7	(5)	15.2	(5)	14.8	(6)	10.7	17.3	17.8	5.9	23.0	7.7	0.9	1.2	0.7	(5)
Salt	Listed Property	1	366	-3.5	(2)	-3.6	(2)	13.1	(1)	16.8	(1)	16.5	(3)	13.1	18.5	19.0	6.5	26.3	7.2	2.4	1.6	1.5	(1)
Salt	Enhanced Property Fund	1	4	-3.2	(1)	-3.2	(1)																
Minimum				-5.8		-8.2		9.0		15.0		14.8		9.0	16.8	17.0	5.9	23.0	7.1	0.9	1.2	0.7	
Median				-4.4		-4.9		10.9		15.7		16.2		10.9	18.4	17.8	8.2	26.5	7.6	2.2	2.3	0.9	
Maximum				-3.2		-3.2		13.1		16.8		18.2		13.1	19.3	19.0	14.1	29.3	8.5	3.0	2.8	1.5	
S&P/NZX Property Index				1		-4.4		-4.5		10.2		14.8		13.7		10.2	17.2	17.1	3.5	21.4	7.8		
NZX/ASX Property Index				2		-5.4		-7.4		9.7		15.5		15.5		9.7	18.9	18.1	7.0	24.6	8.1		

International Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Oct 2016										For the year ended 31 October					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	186	-5.0	(2)	-8.3	(2)	-0.7	(4)	10.9	(2)	14.1	(1)	-0.7	13.5	21.1	17.8	20.3	13.7	-0.9	4.9	-0.2	(1)
ANZ	International Property	1	560	-5.8	(4)	-9.4	(4)	1.5	(2)	11.4	(1)	13.1	(2)	1.5	11.6	22.2	14.1	17.3	12.2	-1.9	2.9	-0.6	(2)
PATH	Global Property	1	12	-5.3	(3)	-8.6	(3)	1.0	(3)					1.0									
Russell	Global Listed Real Estate	1	44	-4.2	(1)	-6.9	(1)	2.1	(1)					2.1									
FTSE EPRA/NAREIT Index*				1		-1.5		-5.2		9.4		13.6		15.3		9.4	11.5	20.3	15.2	20.4	11.8		
*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>Charles Macdonald Consultant +64 4 819 4050 charles.macdonald@aonhewitt.com</p>
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