

The Aon Investment Update as at 31 July 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 July 2016

Market Summary

Equity markets rallied in July following the Brexit-related sell off in June, with global share markets rising by around 4%. Bond yields were little-changed and corporate bonds outperformed government bonds as investors favoured riskier assets. The oil price fell 15% over the month, sending commodity indices lower.

Despite mixed economic data release, US shares finished the month 3.6% higher, with the S&P 500 achieving a new all-time high. The second quarter US GDP numbers which were released were disappointing, and the previous two quarters were revised down. However markets focused on the Federal Reserve and comments from officials suggested that the next interest rate rise is unlikely to happen until next year.

In the UK, shares also rose by 4%, despite evidence that the decision to leave the European Union is starting to have an impact on the economy. The Purchasing Managers Indices (PMI) for both the services and the manufacturing sectors fell to levels not seen since 2009. Sterling weakness is a boost for exporters, but is pushing up import prices.

In the rest of Europe the economic data was better, but the main focus was on the banking sector where profitability is under threat due to record low interest rates and increased regulation. European financials shares have fallen by 15% since the start of the year and two of the larger banks, Deutsche Bank and Credit Suisse have seen their share prices fall by more than 50%.

Bond markets were relatively calm in July with the European Central Bank, the US Federal Reserve, the Bank of England and the Bank of Japan all leaving monetary policy largely unchanged. In Australia the Reserve Bank cut the Official Cash Rate (OCR) by 0.25% as was widely anticipated, and the Reserve Bank of New Zealand followed up with a 0.25% cut in early August. The OCRs in both New Zealand and Australia are now at record lows.

US, UK and European government bond yields were little changed over the month, and the Barclays Global Aggregate Index returned 0.75% in July.

In New Zealand the yield on the 10-year Government bond fell 0.19% and the Government Stock index returned 0.89%. The yield curve in New Zealand is now flat – with 90 day bank bills and 10-year bonds both yielding around 2.2%.

Fund Performance

Balanced funds posted healthy returns in July, with the median fund returning 2.9% over the month. Over the last 12 months returns have ranged from 2.4% for AMP RIL Balanced to 8.9% for the Milford Balanced Fund and the Nikko Balanced Fund.

Domestic equity managers had a strong month with the index rising 6.5% and the median manager matching that return. Over the last 12 months the median domestic equity manager has returned 23.5% - with Milford providing the best performing fund (NZ Equities 28.1%) and the worst performer (Trans Tasman 14.0%). Yield focussed funds have also fared well, with the Salt Dividend Appreciation Fund returning 27.5% over the last 12 months, and the Devon Dividend Yield Fund returning 26.9%.

Global equity funds also had a good month. The median manager returned 3.7% - outperforming the benchmark index. Elevation Capital's Value Fund is the only product in the survey to deliver a positive return over the last 12 months (+1.1%), while the median manager has returned -6.4%. The strength of the New Zealand dollar over this period has had a significant impact on these unhedged returns.

ANZ's International Credit Fund was the best performing global bond fund over the month, posting a return of 1.8%. This is also the best performing fund over the last 12 months, returning just over 10%.

In New Zealand, the Nikko Fixed Interest Fund was the best performer over July, returning 1.2%. Fisher Funds has performed best over 12 months with a return of 7.9%.

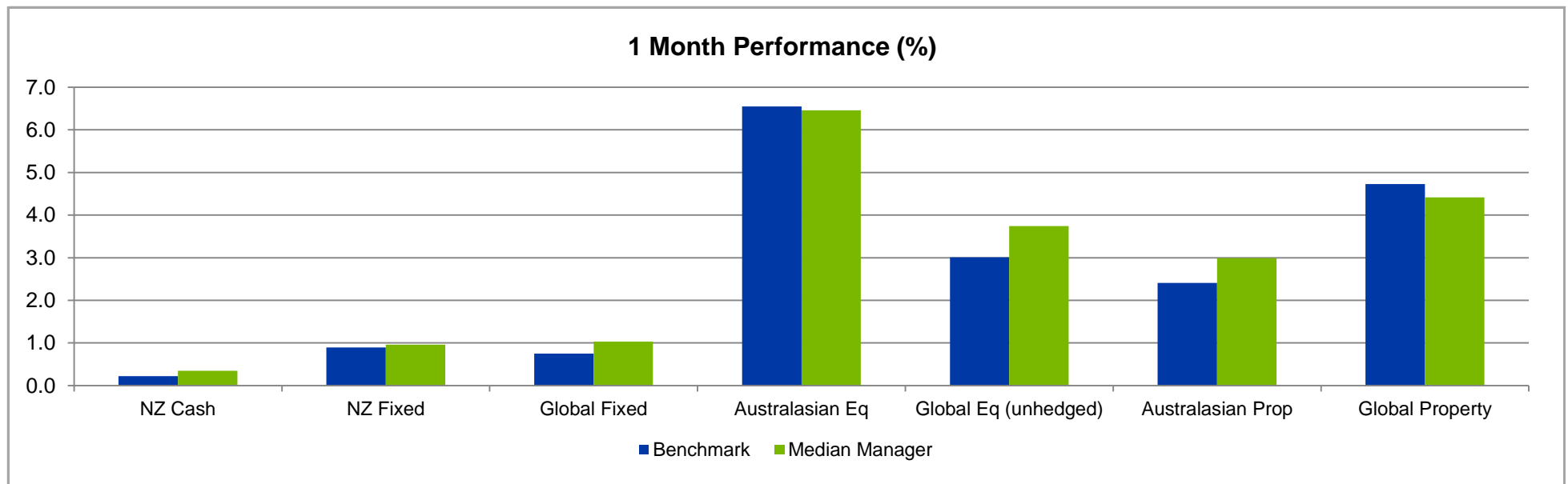
Amongst the Alternatives/Absolute Return funds, the Nikko Option fund continues to be the standout performer, returning 1.9% over the month, and 15.9% over the last 12 months. The other hedge fund products have all struggled to post positive returns.

New Zealand Fund Management Changes

AMP Capital announced that Greg Flemming would be joining the business as Head of Investment Strategy. Greg joins from First NZ Capital where he is currently a research strategist. Previously he spent nine years as a senior analyst for Credit Suisse Private Banking and Wealth Management in Zurich.

Median Manager Performance v Benchmark

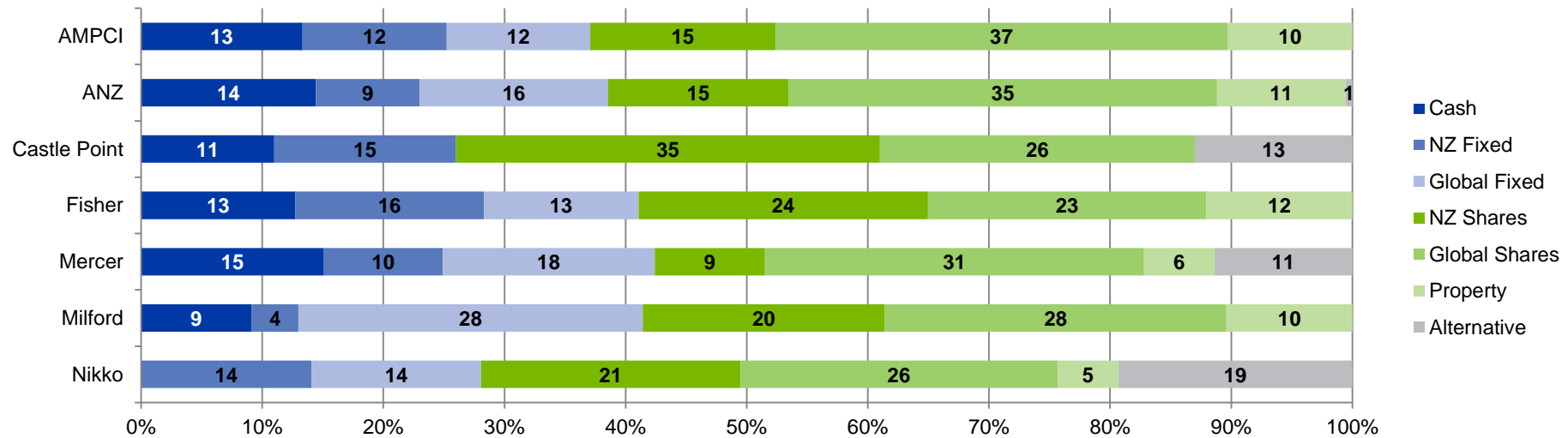
Sector		Returns (%) gross of tax and fees										Volatility 5 Yrs
		For the period to 31 Jul 2016					For the year ended 31 July					
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	
NZ Cash	ANZ 90D Bank Bills	0.2	0.6	2.8	3.1	3.0	2.8	3.7	2.9	2.7	2.8	0.1
	Median Manager	0.3	0.8	3.5	4.0	3.7	3.5	4.5	3.9	4.2	3.5	0.1
NZ Fixed Interest	ANZ NZ Govt Stock	0.9	2.7	7.3	6.6	5.9	7.3	9.4	3.2	-0.3	10.5	3.0
	Median Manager	1.0	2.5	7.0	7.2	6.7	7.0	9.7	4.5	2.7	9.2	2.4
Global Fixed Interest	Barclays Agg	0.8	3.4	9.5	8.4	7.6	9.5	7.7	7.9	3.1	9.8	2.6
	Median Manager	1.0	3.4	8.5	8.3	7.6	8.5	7.4	8.6	3.8	10.9	2.6
Australasian Equities	NZX 50 Gross	6.5	7.9	25.6	18.9	18.3	25.6	16.3	15.3	29.7	5.9	9.2
	Median Manager	6.5	7.5	23.5	20.3	18.4	23.5	17.3	20.3	29.6	5.8	9.4
Global Equities (unhedged)	MSCI ACWI	3.0	0.6	-8.3	9.4	10.8	-8.3	31.4	8.7	22.9	3.7	9.5
	Median Manager	3.7	0.3	-6.4	10.3	11.7	-6.4	35.7	8.0	25.1	3.0	10.4
Australasian Property	NZX Property	2.4	3.5	16.6	15.5	15.0	16.6	21.3	9.0	13.6	14.8	7.4
	Median Manager	3.0	4.7	17.8	17.4	17.5	17.8	21.3	12.2	17.5	17.9	7.1
Global Property	FTSE Property	4.7	11.1	17.9	16.7	15.3	17.9	15.6	16.6	14.2	12.3	13.4
	Median Manager	4.4	8.9	11.6	15.9	13.9	11.6	15.1	19.8	13.7	8.0	15.1



Balanced Funds

Manager	FUM (\$m)	Returns (%) gross of tax and fees													5 Years	
		For the period to 31 Jul 2016									For the year ended 31 July					
		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	40	2.7 (7)	2.8 (7)	2.4 (7)	8.8 (6)	9.8 (6)	2.4	11.7	12.6	16.5	6.5	4.7	1.5 (7)			
ANZ Investments	119	3.0 (3)	3.7 (4)	5.5 (6)	11.5 (3)	12.3 (2)	5.5	16.8	12.5	19.1	8.4	5.4	1.7 (3)			
Castle Point Funds	8	3.6 (1)	3.1 (6)	5.6 (5)	7.3 (7)	7.9 (7)	5.6	9.2	7.0	11.7	6.0	3.3	1.5 (6)			
Fisher Institutional	822	2.8 (5)	3.7 (5)	8.6 (3)	10.8 (5)	10.3 (4)	8.6	12.0	11.7	13.1	6.0	4.3	1.7 (4)			
Mercer	1,188	2.8 (6)	3.7 (3)	6.8 (4)	10.9 (4)	10.2 (5)	6.8	13.1	12.7	14.8	4.1	4.4	1.6 (5)			
Milford Funds	342	3.3 (2)	4.2 (1)	8.9 (1)	12.9 (1)	14.2 (1)	8.9	17.4	12.6	21.3	11.2	4.7	2.4 (1)			
Nikko Asset Management	247	2.9 (4)	4.1 (2)	8.9 (2)	12.6 (2)	11.7 (3)	8.9	17.7	11.3	15.8	5.5	4.5	1.9 (2)			
Minimum		2.7	2.8	2.4	7.3	7.9	2.4	9.2	7.0	11.7	4.1	3.3	1.5			
Median		2.9	3.7	6.8	10.9	10.3	6.8	13.1	12.5	15.8	6.0	4.5	1.7			
Maximum		3.6	4.2	8.9	12.9	14.2	8.9	17.7	12.7	21.3	11.2	5.4	2.4			

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 Jul 2016										For the year ended 31 July					For last 5 years						
					1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR*	Rk		
Core																										
AMPCI	NZ Shares	1	508	0	6.1 (15)	6.6 (14)	24.9 (7)	20.4 (8)	18.4 (8)	24.9	18.1	18.5	26.0	5.8	9.4	0.1	2.7	0.0 (12)								
AMPCI	NZ Shares RIL	1	11	0	5.6 (18)	6.2 (16)	26.1 (4)	20.9 (5)		26.1	17.3	19.5														
ANZ	NZ Equities	1	148	0	6.3 (14)	8.2 (6)	23.5 (10)	19.1 (14)	18.9 (5)	23.5	13.7	20.4	30.9	7.4	9.5	0.6	2.0	0.3 (8)								
ANZ	Australasian Equity	1	840	6	6.3 (12)	8.3 (5)	23.5 (13)	19.4 (13)	18.5 (7)	23.5	13.9	20.9	29.6	5.8	9.5	0.2	2.1	0.1 (11)								
CPFM	Trans Tasman Strategy	1	0	17	8.4 (1)	9.2 (1)	26.8 (2)			26.8	17.7															
Devon	NZ Core	1	239	12	6.6 (10)	7.5 (11)	23.7 (9)	21.7 (1)	19.3 (3)	23.7	18.5	22.9	26.5	6.2	9.4	0.9	3.4	0.3 (9)								
Devon	Trans Tasman	3	81	47	7.4 (2)	7.7 (9)	16.9 (18)	20.5 (7)	18.4 (11)	16.9	17.9	27.0	25.8	5.6	9.2	5.5	4.5	1.2 (3)								
Fisher	Trans Tasman Equities	12	219	29	6.7 (7)	8.5 (4)	23.5 (12)	18.4 (15)	18.0 (12)	23.5	14.6	17.4	29.9	6.2	10.0	1.2	3.3	0.4 (7)								
Harbour	Australasian Equity	5	497	23	7.3 (3)	8.7 (3)	25.0 (6)	19.7 (12)	18.4 (10)	25.0	12.7	21.7	36.5	-0.6	10.3	-1.0	4.4	-0.2 (15)								
Harbour	Australasian Equity Focus	3	60	46	6.8 (5)	6.9 (13)	20.5 (16)			20.5	12.5															
Harbour	Advanced Beta	2	70	0	5.8 (17)	5.8 (17)	22.8 (14)			22.8																
Mercer	Trans Tasman Equity	1	419	17	6.8 (4)	8.0 (7)	24.2 (8)	20.1 (11)	18.7 (6)	24.2	15.6	20.7	31.5	3.4	9.3	0.4	2.1	0.2 (10)								
Milford	NZ Equities	1	274	0	6.7 (8)	8.0 (8)	28.1 (1)	21.0 (3)	21.6 (2)	28.1	15.0	20.3	33.7	12.3	9.3	2.8	3.2	0.9 (4)								
Milford	Trans Tasman	3	254	39	6.8 (6)	6.3 (15)	14.0 (20)	14.8 (17)	17.5 (14)	14.0	12.2	18.2	27.2	16.4	9.2	4.8	2.9	1.7 (1)								
Mint	Trans Tasman Equity	1	124	17	5.3 (19)	7.2 (12)	23.5 (11)	20.9 (4)	21.6 (1)	23.5	18.4	21.0	35.8	10.8	8.4	2.7	4.9	0.6 (5)								
Nikko	Core Domestic Equity	1	255	9	6.6 (9)	8.9 (2)	26.0 (5)	21.0 (2)	19.2 (4)	26.0	20.1	17.1	29.0	5.1	9.4	0.8	2.0	0.4 (6)								
Nikko	Australasian Smallcap	4	5	67	6.3 (13)	3.9 (19)	15.5 (19)	15.1 (16)	13.7 (15)	15.5	19.3	10.8	27.4	-2.1	12.9	9.6	5.9	1.6 (2)								
Russell	NZ Shares	5	147	0	6.4 (11)	7.5 (10)	26.3 (3)	20.3 (10)		26.3	16.0	18.8														
Salt	NZ Plus Share	1	482	2	5.8 (16)	5.7 (18)	22.7 (15)	20.5 (6)	17.9 (13)	22.7	19.3	19.6	26.3	3.0	10.0	-0.3	3.1	-0.1 (14)								
Salt	Javelin	2	80	8	5.3 (20)	3.8 (20)	19.4 (17)	20.3 (9)	18.4 (9)	19.4	19.6	21.9	30.1	2.7	10.3	-0.4	4.7	-0.1 (13)								
	Minimum				5.3	3.8	14.0	14.8	13.7	14.0	12.2	10.8	25.8	-2.1	8.4	-1.0	2.0	-0.2								
	Median				6.5	7.5	23.5	20.3	18.4	23.5	17.3	20.3	29.6	5.8	9.4	0.8	3.2	0.3								
	Maximum				8.4	9.2	28.1	21.7	21.6	28.1	20.1	27.0	36.5	16.4	12.9	9.6	5.9	1.7								
Absolute Return																										
ANZ	Equity Selection	6	27	0	4.7 (3)	7.2 (2)	15.5 (3)	15.4 (4)	15.3 (4)	15.5	9.4	21.5	25.8	5.6	8.6	6.6		1.4 (4)								
CPFM	Ranger	7	12	47	6.9 (1)	6.2 (3)	9.9 (5)			9.9	7.4															
Devon	Alpha	8	104	34	4.0 (5)	4.1 (5)	8.6 (6)	17.6 (2)	17.2 (3)	8.6	17.3	27.6	30.3	4.5	7.7	4.1		1.8 (2)								
Milford	Active Growth	9	738	18	4.6 (4)	5.0 (4)	14.3 (4)	16.3 (3)	19.1 (1)	14.3	16.9	17.6	30.3	17.1	6.1	7.9		2.7 (1)								
Nikko	Concentrated	7	80	26	5.2 (2)	7.8 (1)	20.0 (2)	21.6 (1)	18.5 (2)	20.0	28.6	16.5	28.1	1.6	9.0	6.0		1.7 (3)								
Salt	Long/Short	7	154	66	0.7 (6)	2.4 (6)	21.0 (1)			21.0	17.1															
	Minimum				4.0	4.1	8.6	15.4	15.3	8.6	7.4	16.5	25.8	1.6	6.1	4.1		1.4								
	Median				4.7	6.2	14.3	16.9	17.9	14.3	16.9	19.6	29.2	5.0	8.1	6.3		1.8								
	Maximum				6.9	7.8	20.0	21.6	19.1	20.0	28.6	27.6	30.3	17.1	9.0	7.9		2.7								

*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 Jul 2016								For the year ended 31 July					For last 5 years								
					1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk		
Equity Income																										
Devon	Dividend Yield	3	67	42	7.9	(1)	7.5	(1)	26.9	(2)	22.4	(2)	26.9	18.6	21.8	22.3										
Harbour	Australasian Eq Income	n/a	95	33	3.9	(3)	5.7	(3)	13.9	(3)	17.5	(3)	13.9	19.0	19.7	25.6										
Salt	Dividend Appreciation	1	90	0	5.7	(2)	5.8	(2)	27.5	(1)	23.4	(1)	27.5	22.0	20.8	27.5	5.0	9.4	1.7	3.2	0.5	(1)				
	Minimum				3.9		5.7		13.9		17.5		13.9	18.6	19.7	22.3	5.0	9.4	1.7	3.2	0.5					
	Median				5.7		5.8		26.9		22.4		26.9	19.0	20.8	25.6	5.0	9.4	1.7	3.2	0.5					
	Maximum				7.9		7.5		27.5		23.4		27.5	22.0	21.8	27.5	5.0	9.4	1.7	3.2	0.5					
Australian Only																										
AMPCI	Australian Share	10	177	100	6.6	(3)	3.5	(3)	-5.2	(4)	5.7	(2)	-5.2	10.1	13.1	9.7	5.0	12.7	0.4	2.3	0.2	(3)				
ANZ	Australian Share	10	653	100	6.2	(4)	2.3	(4)	-2.6	(3)	5.1	(3)	-2.6	5.8	12.7	19.5	0.6	12.7	0.9	3.8	0.2	(2)				
Devon	Australian	10	29	100	7.5	(2)	4.3	(2)	5.9	(2)	14.0	(1)	5.9	15.9	20.7	14.1	5.6	12.1	5.9	3.3	1.8	(1)				
Milford	Dynamic	11	162	100	7.7	(1)	7.1	(1)	13.7	(1)			13.7	18.1												
	Minimum				6.2		2.3		-5.2		5.1		-5.2	5.8	12.7	9.7	0.6	12.1	0.4	2.3	0.2					
	Median				7.0		3.9		1.6		5.7		1.6	13.0	13.1	14.1	5.0	12.7	0.9	3.3	0.2					
	Maximum				7.7		7.1		13.7		14.0		13.7	18.1	20.7	19.5	5.6	12.7	5.9	3.8	1.8					
Benchmarks																										
	S&P/NZX 50 Gross incl I/C	1			6.5		7.9		25.6		18.9		25.6	16.3	15.3	29.7	5.9	9.2								
	S&P/NZX 50 Portfolio incl I/C	2			6.0		7.0		24.3		19.2		24.3	18.7	14.8	33.1	5.2	8.8								
	NZX50/ASX200 (50/50)	3			6.8		5.5		10.9		12.3		10.9	11.6	14.4	18.3	5.5	9.8								
	NZX/ASX Small Cap	4			7.7		5.9		17.8		8.4		17.8	1.6	6.3	-1.5	-4.2	12.7								
	Russell NZ Tradeable Gross	5			6.5		8.1		27.4		21.1		27.4	18.7	17.3	29.0	6.9	9.4								
	90 Day BB Index + 5%	6			0.6		1.9		8.1		8.4		8.1	9.0	8.2	7.9	8.0	0.1								
	OCR + 5%	7			0.6		1.8		7.5		7.9		7.5	8.5	7.7	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	n/a								
	10% p.a.	9			0.8		2.5		10.0		10.0		10.0	10.0	10.0	10.0	10.0	n/a								
	ASX 200	10			7.1		3.2		-2.4		5.6		-2.4	6.6	13.2	7.7	4.5	13.3								
	ASX SmallCap Industrials	11			8.3		9.5		17.8		11.6		17.8	6.7	10.6	22.1	0.7	13.6								
	ASX 200 (in A\$)				6.6		7.1		2.6		8.1		2.6	5.7	16.5	23.8	1.3	12.8								
	70% NZX50 / 30% ASX200	12			6.6		7.3		17.9		16.3		17.9	15.8	15.2	29.7	5.9	9.2								

Global Bonds

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2016										For the year ended 31 July					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk
Global Aggregate:																							
AMPCI	Global FI AIFQ	1	113	0.9	(6)	2.5	(7)	7.2	(8)	7.5	(6)	6.6	(6)	7.2	7.4	7.9	3.8	6.7	2.6	-0.9	1.6	-0.6	(6)
AMPCI	Global FI AIFHQ	3	413	0.3	(8)	2.1	(8)	8.1	(7)	7.0	(7)	6.3	(7)	8.1	7.1	5.9	2.1	8.6	2.5				
ANZ	International Aggregate	1	755	1.4	(1)	3.7	(2)	9.1	(3)					9.1	8.1								
Fisher	Global Bonds - PIMCO	1	234	1.2	(2)	3.9	(1)	8.4	(6)	9.1	(1)	8.9	(1)	8.4	7.8	11.1	4.0	13.6	3.6	1.3	2.1	0.6	(2)
Fisher	Global Bonds - Wellington	1	177	0.7	(7)	3.5	(4)	9.5	(1)	8.2	(5)	7.5	(5)	9.5	7.5	7.6	2.2	10.9	2.7	-0.1	0.5	-0.1	(5)
Mercer	Global Bonds	1	732	1.0	(5)	3.5	(3)	8.4	(5)	8.5	(3)	8.3	(3)	8.4	7.4	9.7	4.9	11.4	2.6	0.7	1.4	0.5	(3)
Nikko	Global Fixed Interest	1	280	1.2	(3)	3.4	(5)	9.4	(2)	8.3	(4)	7.6	(4)	9.4	6.4	9.2	3.2	9.9	2.4	0.0	0.9	0.0	(4)
Russell	Global Bond	1	1,771	1.0	(4)	3.4	(6)	8.7	(4)	8.5	(2)	8.9	(2)	8.7	8.2	8.6	6.0	13.2	3.0	1.3	1.4	0.9	(1)
	Minimum			0.3		2.1		7.2		7.0		6.3		7.2	6.4	5.9	2.1	6.7	2.4	-0.9	0.5	-0.6	
	Median			1.0		3.4		8.5		8.3		7.6		8.5	7.4	8.6	3.8	10.9	2.6	0.4	1.4	0.3	
	Maximum			1.4		3.9		9.5		9.1		8.9		9.5	8.2	11.1	6.0	13.6	3.6	1.3	2.1	0.9	
Other:																							
LMI	Brandywine*	2	182	0.9	(2)	2.0	(3)	5.7	(3)	9.5	(1)	10.7	(1)	5.7	11.0	11.9	8.9	16.2	5.9	2.6	5.1	0.5	(1)
ANZ	International Sovereign	2	2,594	0.5	(3)	3.6	(2)	9.0	(2)	7.9	(3)	7.2	(2)	9.0	8.0	6.7	2.2	10.1	3.0	-0.6	0.5	-1.2	(2)
ANZ	International Credit	x	1,256	1.8	(1)	4.0	(1)	10.2	(1)	8.3	(2)			10.2	6.0	8.9							
	Barclays Capital Global Agg Index	1		0.8		3.4		9.5		8.4		7.6		9.5	7.7	7.9	3.1	9.8	2.6				
	Citigroup World Govt Bond Index	2		0.5		3.7		10.4		8.8		7.9		10.4	8.2	7.8	3.2	10.0	2.9				
	Barclays Global Treasury GDP Wgtd	3																					

Other Global Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Jul 2016										For the year ended 31 July					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012						
AMPCI	Commodities	217	-4.3	(7)	-0.0	(7)	-2.9	(6)	-8.3	(7)				-2.9	-25.3	6.3	-7.9						Bloomberg Commodity Index
AMPCI	Infrastructure	262	2.3	(3)	7.1	(2)	-0.7	(4)	14.6	(2)				-0.7	13.8	33.4							DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	164	2.1	(4)	7.6	(1)	14.6	(1)						14.6	19.0								FTSE Global Core Infrastructure Net (NZD Hedged)
Magellan	Infrastructure	1,111	1.9	(6)	0.1	(6)	10.5	(2)	15.2	(1)	13.6	(1)		10.5	20.2	15.0	4.6	18.5					S&P Global Infrastructure Index (A\$ Hedged)
Milford	Global	264	2.4	(2)	2.7	(4)	-5.3	(7)	8.1	(5)				-5.3	25.9	6.0							OCR + 5%
PATH	Commodity Plus Fund	67	-5.8	(8)	-4.9	(8)	-2.0	(5)	-1.2	(6)	-3.3	(3)		-2.0	1.7	-3.3	-3.6	-9.2					Bloomberg Commodity Index
PATH	World Equity Fund	31	2.6	(1)	2.9	(3)	-7.2	(8)	11.8	(4)				-7.2	32.5	13.7	16.9						MSCI AC World
PATH	Global Water Fund	9	2.0	(5)	2.5	(5)	4.8	(3)	13.5	(3)	13.1	(2)		4.8	20.1	16.2	26.5	0.2					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 Jul 2016										For the year ended 31 July					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk
AMPCI	NZ Fixed Interest	1	1,821	1.0	(5)	2.7	(4)	7.2	(5)	7.2	(5)	6.8	(3)	7.2	10.0	4.5	1.6	10.8	2.9	0.8	0.5	1.6	(1)
ANZ	NZ Fixed Interest	1	1,750	1.0	(4)	2.8	(1)	7.8	(2)	7.3	(3)	6.7	(4)	7.8	9.9	4.1	0.9	11.3	3.0	0.8	0.5	1.5	(2)
Fisher	NZ Fixed Interest	1	204	1.1	(3)	2.8	(2)	7.9	(1)	7.2	(4)	6.5	(5)	7.9	9.9	4.0	1.6	9.2	2.5	0.5	1.2	0.4	(5)
Harbour	NZ Core Fixed Interest	3	191	0.9	(8)	2.3	(8)	7.4	(4)	6.8	(6)			7.4	8.4	4.7	3.7						
Harbour	NZ Corporate Bond	2	277	0.9	(9)	1.9	(10)	6.0	(10)	6.4	(8)	6.1	(6)	6.0	8.2	5.0	5.2	6.4	1.3	-0.1	0.6	-0.1	(6)
Milford	Trans-Tasman Bond	5	332	1.0	(6)	2.5	(6)	6.2	(9)					6.2	8.6								
Nikko	NZ Corporate Bond	1	301	1.1	(2)	2.4	(7)	7.0	(7)	7.6	(1)	7.5	(1)	7.0	9.9	5.9	5.7	9.1	2.0	1.4	1.8	0.8	(4)
Nikko	NZ Fixed Interest	1	289	1.2	(1)	2.7	(3)	7.4	(3)	7.4	(2)	7.3	(2)	7.4	9.7	5.2	4.0	10.3	2.4	1.3	1.1	1.1	(3)
Russell	NZ Fixed Interest	1	120	0.9	(10)	2.3	(9)	7.0	(6)	6.8	(7)			7.0	9.2	4.2							
Western	NZ Core	4	261	1.0	(6)	2.5	(5)	6.9	(8)					6.9	10.0								
Western	NZ Core Constrained	1	82	0.7	(11)	1.4	(11)	4.8	(11)	5.1	(9)	4.4	(7)	4.8	7.5	3.1	1.7	4.8	1.3	-1.5	1.9	-0.8	(7)
	Minimum			0.7		1.4		4.8		5.1		4.4		4.8	7.5	3.1	0.9	4.8	1.3	-1.5	0.5	-0.8	
	Median			1.0		2.5		7.0		7.2		6.7		7.0	9.7	4.5	2.7	9.2	2.4	0.8	1.1	0.8	
	Maximum			1.2		2.8		7.9		7.6		7.5		7.9	10.0	5.9	5.7	11.3	3.0	1.4	1.9	1.6	
	S&P/NZX NZ Govt Stock Index	1		0.9		2.7		7.3		6.6		5.9		7.3	9.4	3.2	-0.3	10.5	3.0				
	S&P/NZX NZ Corp A Grade Index	2		1.0		2.0		6.0		6.5		6.2		6.0	8.8	4.8	3.8	7.7	1.7				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		0.9		2.4		6.7		6.5		6.1		6.7	9.1	4.0	1.7	9.1	2.3				
	S&P/NZX NZ Comp Inv Grade Index	4		0.9		2.5		7.0						7.0	9.1								
	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 Jul 2016										For the year ended 31 July					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk
AMPCI	NZ Cash	1	4,170	0.2	(7)	0.7	(7)	3.1	(6)	3.6	(6)	3.6	(3)	3.1	4.1	3.5	3.5	3.5	0.1	0.6	0.1	8.2	(1)
AMPCI	NZ Short Duration	2	250	0.6	(1)	1.3	(1)	4.9	(1)	5.5	(1)			4.9	7.0	4.7	4.6						
AMPCI	Global Short Duration	1	183	0.5	(2)	1.1	(2)	4.1	(2)	4.9	(2)			4.1	5.1	5.5	4.8						
ANZ	NZ Cash	1	3,614	0.3	(6)	0.7	(6)	3.1	(7)	3.5	(7)	3.5	(4)	3.1	4.1	3.4	3.5	3.4	0.1	0.5	0.1	6.1	(3)
Fisher	NZ Cash	1	278	0.3	(4)	0.7	(5)	3.2	(5)	3.8	(5)	3.7	(2)	3.2	4.3	3.9	4.6	2.8	0.4	0.7	0.4	2.1	(4)
Harbour	Short Duration	1	47	0.4	(3)	0.8	(3)	3.7	(3)	4.0	(3)			3.7	4.5	3.9	4.2						
Nikko	NZ Cash	1	680	0.3	(5)	0.8	(4)	3.5	(4)	4.0	(4)	4.0	(1)	3.5	4.5	3.9	4.1	4.0	0.1	1.0	0.1	8.1	(2)
	Median			0.3		0.8		3.5		4.0		3.7		3.5	4.5	3.9	4.2	3.5	0.1	0.7	0.1	7.1	
	S&P/NZX 90 Day Bank Bill Index	1		0.2		0.6		2.8		3.1		3.0		2.8	3.7	2.9	2.7	2.8	0.1				
	S&P/NZX Short End Swap Index	2		0.5		1.0		4.3		4.5				4.3	6.1	3.0	2.0		0.8				

NZ Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2016										For the year ended 31 July					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk
Direct:																							
Fisher Trust	Property Fund		382	0.4	(2)	1.2	(2)	12.2	(2)	13.5	(1)	11.4	(1)	12.2	14.8	13.5	12.9	4.0	4.3				
	Property Fund		105	0.5	(1)	4.7	(1)	13.8	(1)	10.5	(2)	9.9	(2)	13.8	7.8	9.9	9.0	9.2	2.2				
Listed:																							
AMPCI	Listed Property	1	22	2.5	(7)	4.1	(7)	16.7	(7)	17.0	(4)	17.5	(4)	16.7	22.5	12.0	17.5	19.0	7.0	2.1	2.1	1.0 (3)	
AMPCI	Property Fund	2	121	3.6	(2)	6.7	(2)	20.6	(1)					20.6									
ANZ	Property Securities	1	171	3.0	(4)	5.1	(3)	17.8	(4)	18.0	(2)	18.3	(2)	17.8	20.9	15.2	19.2	18.5	7.5	2.9	2.8	1.0 (2)	
ANZ	Trans Tasman	2	446	3.7	(1)	7.4	(1)	20.2	(2)	19.7	(1)	19.8	(1)	20.2	21.1	17.8	19.7	20.4	7.9	2.0	3.0	0.7 (6)	
Mint	Real Estate Inv Trust	1	57	3.3	(3)	4.7	(5)	17.5	(5)	16.7	(6)	17.0	(5)	17.5	21.1	11.8	17.5	17.4	6.6	1.7	2.6	0.7 (5)	
Nikko	Property Securities	1	37	2.7	(5)	4.7	(4)	17.5	(6)	16.8	(5)	16.3	(6)	17.5	21.5	11.7	14.2	16.8	7.1	1.1	1.2	0.9 (4)	
Salt	Listed Property	1	353	2.5	(6)	4.4	(6)	18.7	(3)	17.8	(3)	17.5	(3)	18.7	22.4	12.5	16.9	17.3	6.8	2.2	1.6	1.4 (1)	
Minimum				2.5		4.1		16.7		16.7		16.3		16.7	20.9	11.7	14.2	16.8	6.6	1.1	1.2	0.7	
Median				3.0		4.7		17.8		17.4		17.5		17.8	21.3	12.2	17.5	17.9	7.1	2.0	2.3	1.0	
Maximum				3.7		7.4		20.6		19.7		19.8		20.6	22.5	17.8	19.7	20.4	7.9	2.9	3.0	1.4	
S&P/NZX Property Index		1		2.4		3.5		16.6		15.5		15.0		16.6	21.3	9.0	13.6	14.8	7.4				
NZX/ASX Property Index		2		3.7		6.4		19.8		18.2		17.6		19.8	22.8	12.2	15.2	18.1	7.4				

Global Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2016										For the year ended 31 July					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2016	2015	2014	2013	2012	Vol	VA	TE	IR	Rk
AMPCI	Global Property Securities	1	187	3.6	(4)	7.6	(4)	11.0	(3)	15.9	(2)	14.1	(1)	11.0	15.4	21.7	14.4	8.5	16.0	-0.8	5.1	-0.2 (1)	
ANZ	International Property	1	616	4.9	(2)	9.6	(1)	15.2	(1)	15.9	(1)	13.6	(2)	15.2	14.8	17.9	13.0	7.5	14.2	-1.4	2.6	-0.5 (2)	
PATH	Global Property	1	13	3.9	(3)	9.1	(2)	12.1	(2)					12.1									
Russell	Global Listed Real Estate	1	47	5.4	(1)	8.6	(3)	10.8	(4)					10.8									
FTSE EPRA/NAREIT Index*				4.7		11.1		17.9		16.7		15.3		17.9	15.6	16.6	14.2	12.3	13.4				
*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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About Aon Hewitt

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