

The Aon Investment Update as at 31 March 2018

Aon Investment Consulting

This survey is produced by Aon New Zealand

Other investment consulting services include:

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

Our Global Reach

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

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

Investment Commentary March 2018

Market Summary

The quarter ended on a negative note with most share markets falling in March and all of the major markets posting negative returns over the first quarter of 2018. US 10 year Treasury yields started the year at 2.40%, rose to close to 3% in mid-February before falling back to 2.74% at the end of March.

After the increased volatility we saw in February, March started on a calmer note as inflation fears eased somewhat and investors responded to positive company earnings announcements. The Fed did raise interest rates by 0.25% in March, but continued to forecast only three hikes for 2018. However, volatility returned after the US administration announced a range of new tariffs, initially on steel and aluminium imports, leading to fears of a global trade war.

In Europe economic growth appears to be slowing slightly but monetary policy remains accommodative. The ECB will remove Quantitative Easing by the end of the year, but interest rate hikes still look a long way off. In the UK, Brexit negotiations are progressing better than many expected.

The MSCI All Country World index returned -2.2% (fully hedged) in March taking the Q1 performance to -1.6%. Most of the share indices in developed markets fell by around 3% over the month, but overall returns were helped by some outperformance from emerging market shares.

The S&P/NZX 50 Index fared better than most, returning -0.3% for the month and -0.6% for the quarter. The Australian market was impacted by the Banking Royal Commission which commenced during the month. Share prices of the big four Australian banks fell by between 5.3% and 7.5%.

With bond yields falling globally, the Barclays Global Aggregate Bond index (NZ\$ hedged) returned 0.9% in March, with government bonds outperforming corporates. The index has returned 3.2% over the last year and 3.8% p.a. over the last 3 years.

In New Zealand the S&P/NZX NZ Government Stock Index returned 0.9% over the month. The NZ 10-year government bond yield fell to a level below that of US 10-year Treasuries for the first time since 1994. New Zealand bonds have outperformed global bonds over the last three years, with the S&P/NZX NZ Government Stock Index returning 4.0% p.a. and the S&P/NZX A Grade Corporate Bond Index returning 4.7% p.a.

Fund Performance

Balanced funds delivered negative returns again in March with returns ranging from -0.9% (ANZ Investments) to -0.1% (Nikko). The median return for the quarter was -0.2%, though Castle Point and Nikko both managed to post positive returns (0.5%).

The median domestic share fund returned -0.6% over the month, slightly behind the index return of -0.3%. Harbour's Advanced Beta Fund was one of the best performers (0.6%), while their Australasian Equity Focus Fund was the worst performer in the category, returning -2.4%. Returns over the quarter ranged from -4.8% (Devon Trans Tasman) to 3.3% (Milford NZ Equities), while the index return was -0.6%.

The median return among the global share funds over the month was -2.0% with all funds except Nikko's Wholesale Global Shares Fund posting negative returns. Quarterly returns were also mostly negative, ranging from -7.4% (Elevation Capital Value Fund) to 2.7% (Nikko Wholesale Global Shares Fund).

Domestic bond funds had a better month posting a median return of 0.7%. Returns for the first three months of 2018 ranged from 0.5% (AMP Capital) to 1.0% (Milford Trans Tasman Bond Fund).

Returns from the global bond funds were all positive in March, with the exception of the Milford Global Bond Fund which returned -0.1%. That fund was also the worst performer over Q1, but remains the best performing global bond fund over 12 months (5.8%).

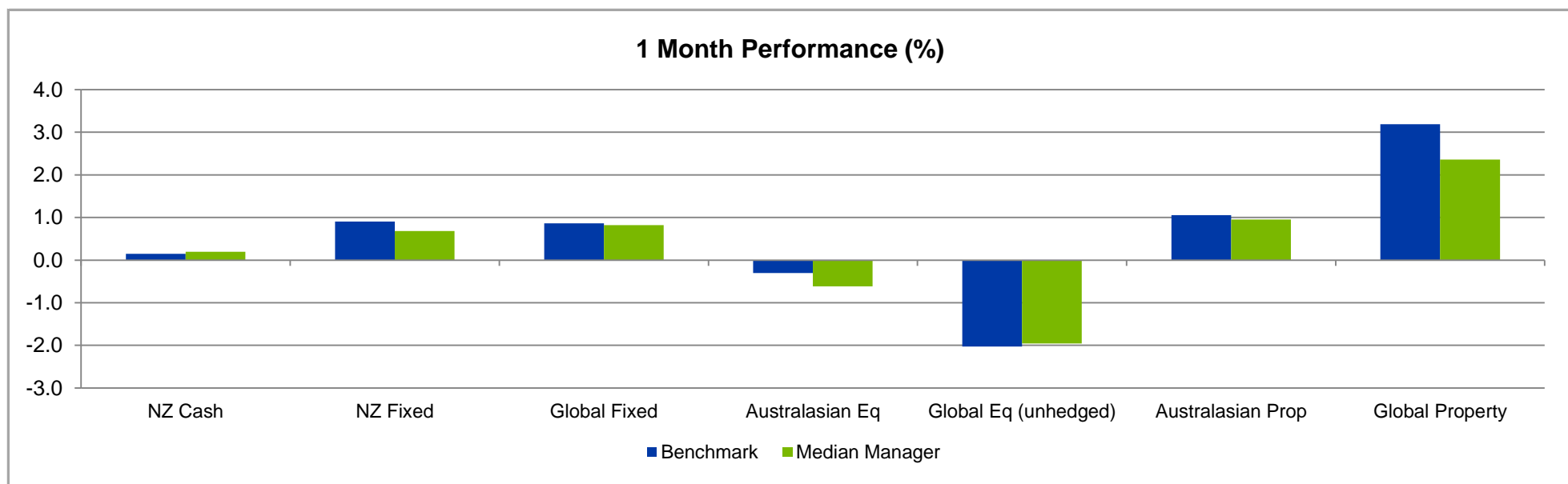
New Zealand Fund Manager News

The run of departures from ANZ Investments has continued with the announcement that Graeme Ansell was to leave the business. Graeme has been with ANZ for more than 20 years and has been Chief Investment Officer for the last 5 years. Graeme has been replaced by Paul Huxford, who has been appointed as Acting Chief Investment Officer.

Fisher Funds announced that it has appointed Robbie Urquhart as senior portfolio manager, Australian equities. Urquhart joins from Trafalgar Copley, a long/short Australasian focused hedge fund.

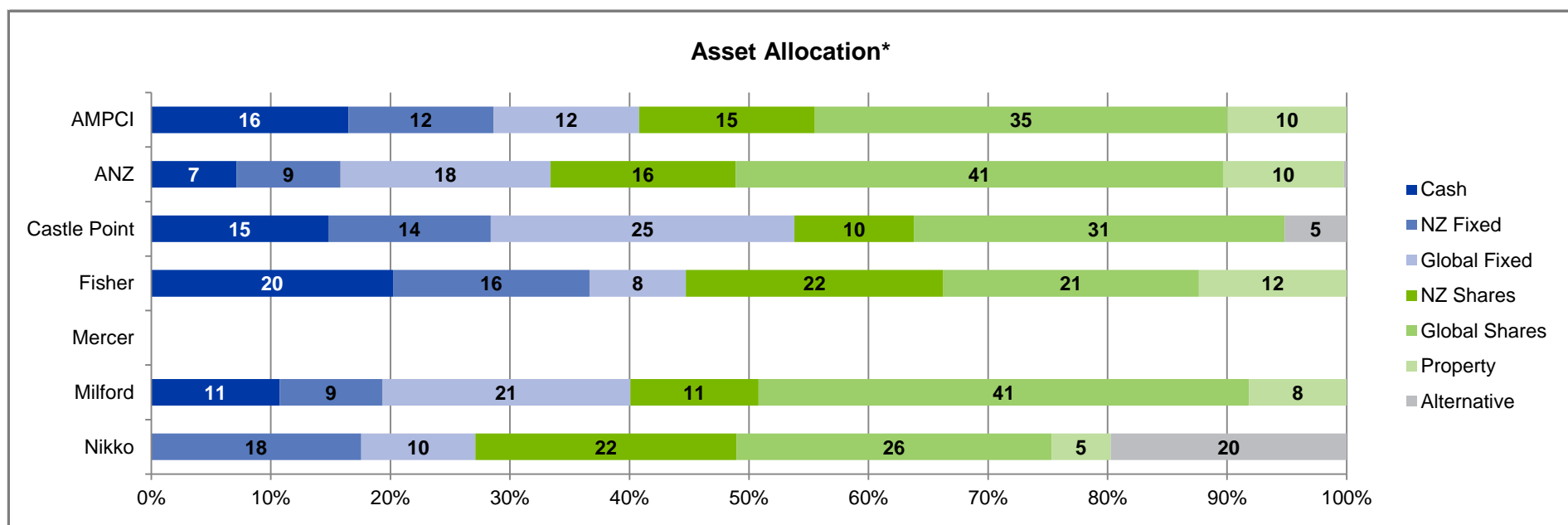
Median Manager Performance v Benchmark

Sector		Returns (%) gross of tax and fees										Volatility 5 Yrs
		For the period to 31 Mar 2018					For the year ended 31 March					
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2018	2017	2016	2015	2014	
NZ Cash	ANZ 90D Bank Bills	0.1	0.5	2.0	2.5	2.8	2.0	2.3	3.2	3.6	2.7	0.2
	Median Manager	0.2	0.6	2.9	3.3	3.6	2.9	2.8	3.9	4.3	3.7	0.2
NZ Fixed Interest	ANZ NZ Govt Stock	0.9	0.5	4.6	4.0	3.9	4.6	1.0	6.6	9.4	-1.7	2.8
	Median Manager	0.7	0.8	5.2	4.8	4.8	5.2	2.5	7.0	9.7	0.7	2.4
International Fixed Interest	Barclays Agg	0.9	0.0	3.2	3.8	5.2	3.2	2.6	5.4	11.4	3.7	2.8
	Median Manager	0.8	0.2	3.7	4.2	5.4	3.7	3.8	4.5	11.7	3.5	2.7
Australasian Shares	NZX 50 Gross	-0.3	-0.6	16.9	14.0	14.9	16.9	7.9	17.3	15.2	17.5	8.7
	Median Manager	-0.6	-1.0	15.2	13.4	15.1	15.2	8.9	17.1	15.7	20.5	9.0
International Shares (unhdgd)	MSCI ACWI	-2.0	-2.4	11.3	9.5	12.5	11.3	14.3	3.3	22.0	12.6	10.2
	Median Manager	-2.0	-2.1	13.5	11.3	14.1	13.5	14.9	5.9	22.8	14.2	10.6
Australasian Property	NZX Property	1.1	-3.7	7.9	7.7	9.8	7.9	0.1	15.7	28.6	-0.7	7.9
	Median Manager	1.0	-3.7	7.8	8.3	11.3	7.8	2.6	16.1	28.1	3.6	7.7
International Property	FTSE Property	3.2	-5.4	0.1	2.3	8.1	0.1	2.4	4.6	30.2	5.7	12.3
	Median Manager	2.4	-4.8	3.6	2.7	8.5	3.6	1.8	3.0	28.8	8.9	12.2



Balanced Funds

		Returns (%) gross of tax and fees														
Manager	FUM (\$m)	For the period to 31 Mar 2018								For the year ended 31 March					5 Years	
		1 M Rk	1 Qtr Rk	1 Yr Rk	3 Yrs Rk	5 Yrs Rk	2018	2017	2016	2015	2014	Vol	SR Rk			
AMP Capital Investors RIL	51	-0.6 (6)	-1.4 (7)	7.9 (7)	5.8 (7)	8.3 (7)	7.9	8.2	1.6	13.3	10.9	4.4	1.3 (7)			
ANZ Investments	99	-0.9 (7)	-1.3 (6)	8.8 (4)	7.8 (5)	10.3 (3)	8.8	9.0	5.5	17.2	11.3	5.0	1.5 (5)			
Castle Point Funds	21	-0.3 (4)	0.5 (1)	9.4 (3)	8.9 (3)	8.3 (6)	9.4	11.8	5.4	6.5	8.7	3.7	1.5 (6)			
Fisher Institutional	698	-0.2 (2)	-0.2 (4)	8.1 (6)	7.9 (4)	9.1 (5)	8.1	8.8	6.7	12.2	9.5	3.8	1.7 (4)			
Mercer	1,353	-0.3 (3)	-0.2 (5)	8.4 (5)	7.6 (6)	9.9 (4)	8.4	9.3	5.1	14.3	12.6	3.9	1.8 (3)			
Milford Funds	507	-0.4 (5)	0.0 (3)	10.2 (2)	9.4 (2)	11.7 (1)	10.2	11.4	6.6	17.9	12.8	4.6	2.0 (2)			
Nikko Asset Management	268	-0.1 (1)	0.5 (2)	12.7 (1)	10.1 (1)	11.3 (2)	12.7	7.6	10.0	15.6	10.7	4.2	2.0 (1)			
Minimum		-0.9	-1.4	7.9	5.8	8.3	7.9	7.6	1.6	6.5	8.7	3.7	1.3			
Median		-0.3	-0.2	8.8	7.9	9.9	8.8	9.0	5.5	14.3	10.9	4.2	1.7			
Maximum		-0.1	0.5	12.7	10.1	11.7	12.7	11.8	10.0	17.9	12.8	5.0	2.0			



*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 Mar 2018										For the year ended 31 March					For last 5 years				
					1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR*	Rk
Core																								
AMPCI	NZ Shares	1	482	0	0.0	(6)	-0.1	(9)	15.5	(9)	13.4	(10)	14.9	(9)	15.5	6.7	18.2	19.4	15.0	8.7	-0.0	2.6	-0.0	(12)
AMPCI	NZ Shares RIL	1	13	0	0.2	(4)	-0.1	(8)	15.0	(14)	13.8	(9)	15.6	(6)	15.0	8.4	18.4	19.4	17.0	8.5	0.5	2.6	0.2	(8)
ANZ	NZ Equities	1	171	0	-0.6	(10)	-1.1	(14)	14.9	(15)	12.8	(14)	14.7	(11)	14.9	8.0	15.5	13.3	22.2	9.0	-0.2	2.0	-0.1	(14)
ANZ	Australasian Equity	1	998	8	-0.8	(13)	-1.2	(15)	15.1	(11)	12.5	(15)	14.6	(12)	15.1	7.4	15.1	14.4	21.4	9.2	-0.2	2.1	-0.1	(15)
CPFM	Trans Tasman Strategy	1	0	18	-0.9	(14)	3.2	(2)	29.4	(1)	21.0	(1)			29.4	15.6	18.4	17.0						
Devon	NZ Core	1	234	12	-1.2	(16)	-3.4	(20)	8.1	(18)	8.3	(18)	14.0	(14)	8.1	4.4	12.6	25.5	20.6	9.3	-0.8	3.5	-0.2	(16)
Devon	NZ Only	1	97	0	-0.9	(15)	-2.8	(19)	5.2	(19)					5.2	8.9								
Devon	Trans Tasman	3	141	48	-1.7	(18)	-4.8	(21)	3.7	(20)	7.6	(19)	14.5	(13)	3.7	14.3	5.1	24.5	26.8	8.8	5.8	5.6	1.0	(2)
Fisher	Trans Tasman Equities	7	180	28	-0.7	(12)	-0.2	(10)	13.9	(17)	13.2	(12)	13.7	(16)	13.9	10.5	15.1	14.2	14.8	8.2	0.8	2.5	0.3	(6)
Harbour	Australasian Equity	1	496	23	-1.8	(19)	-1.0	(11)	21.6	(5)	18.4	(4)	17.4	(4)	21.6	12.3	21.7	8.6	23.4	9.8	1.1	4.3	0.2	(7)
Harbour	Australasian Equity Focus	3	91	43	-2.4	(21)	-1.6	(16)	23.3	(4)	20.2	(2)			23.3	13.3	24.2	4.8						
Harbour	Advanced Beta	2	140	0	0.6	(2)	-1.7	(17)	15.3	(10)	13.3	(11)			15.3	8.7	16.1							
Mercer	Trans Tasman Equity	1	441	16	-1.3	(17)	-2.0	(18)	14.1	(16)	13.0	(13)	15.2	(8)	14.1	7.8	17.3	13.9	23.7	9.0	0.3	2.3	0.1	(9)
Milford	NZ Equities	1	339	0	0.6	(3)	3.3	(1)	27.2	(2)	19.8	(3)	19.6	(1)	27.2	11.5	21.2	6.9	32.8	8.9	4.1	3.2	1.3	(1)
Milford	Trans Tasman	3	317	51	-1.8	(20)	-1.0	(12)	16.7	(8)	13.8	(8)	13.8	(15)	16.7	15.5	9.4	11.5	15.9	9.0	5.2	5.1	1.0	(4)
Mint	Trans Tasman Equity	1	159	22	-0.1	(7)	2.1	(3)	19.4	(6)	15.4	(6)	17.8	(3)	19.4	10.0	17.1	18.3	24.8	7.5	2.4	3.0	0.8	(5)
Mint	SRI Fund	1	14	0	-0.4	(8)	0.9	(5)																
Nikko	Core Domestic Equity	1	410	11	-0.4	(9)	1.8	(4)	25.5	(3)	18.3	(5)	17.9	(2)	25.5	9.9	20.1	17.0	17.5	9.2	2.7	2.6	1.0	(3)
Russell	NZ Shares	1	191	0	-0.6	(11)	-1.1	(13)	15.1	(12)	14.9	(7)	15.6	(5)	15.1	8.8	21.1	13.0	20.4	8.8	-0.0	2.2	-0.0	(10)
Salt	NZ Plus Share	1	598	5	0.2	(5)	0.0	(7)	15.0	(13)	12.4	(16)	14.9	(10)	15.0	6.2	16.2	21.5	16.0	9.3	-0.0	3.1	-0.0	(11)
Salt	Focus Fund	2	81	6	0.6	(1)	0.6	(6)	16.8	(7)	12.1	(17)	15.4	(7)	16.8	5.6	14.2	20.8	20.2	9.5	-0.3	4.7	-0.1	(13)
	Minimum						-2.4		-4.8		3.7		13.7		3.7	4.4	5.1	4.8	14.8	7.5	-0.8	2.0	-0.2	
	Median						-0.6		-1.0		15.2		15.1		15.2	8.9	17.1	15.7	20.5	9.0	0.4	2.8	0.2	
	Maximum						0.6		3.3		29.4		19.6		29.4	15.6	24.2	25.5	32.8	9.8	5.8	5.6	1.3	
Absolute Return																								
ANZ	Equity Selection	8	16	0	-0.8	(4)	-3.6	(5)	3.6	(6)	6.5	(5)	10.3	(4)	3.6	7.5	8.5	11.5	21.1	8.7	2.1		0.9	(4)
CPFM	Ranger	8	46	46	-1.3	(6)	4.4	(1)	32.9	(1)	20.0	(1)			32.9	20.9	7.6	6.2						
Devon	Alpha	8	93	55	-1.3	(5)	-4.3	(6)	5.9	(5)	5.3	(6)	13.3	(3)	5.9	5.7	4.3	19.8	33.7	7.6	0.6		1.4	(3)
Milford	Active Growth	8	911	26	0.0	(2)	1.1	(4)	15.6	(3)	11.9	(4)	14.7	(2)	15.6	10.4	9.9	14.3	24.0	5.7	3.9		2.1	(1)
Nikko	Concentrated	8	112	20	-0.4	(3)	3.5	(2)	28.1	(2)	20.0	(2)	19.1	(1)	28.1	10.7	21.9	23.5	12.5	9.4	1.7		1.7	(2)
Salt	Long/Short	8	270	74	2.2	(1)	3.3	(3)	9.4	(4)	13.6	(3)			9.4	10.2	21.6							
	Minimum						-1.3		-4.3		3.6		10.3		3.6	5.7	4.3	6.2	12.5	5.7	0.6		0.9	
	Median						-0.6		2.2		12.5		14.0		12.5	10.3	9.2	14.3	22.5	8.1	1.9		1.6	
	Maximum						2.2		4.4		32.9		19.1		32.9	20.9	21.9	23.5	33.7	9.4	3.9		2.1	

*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 Mar 2018								For the year ended 31 March					For last 5 years						
					1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
Equity Income																								
Devon	Dividend Yield	3	46	37	-0.5	(3)	-6.1	(3)	-0.2	(3)	8.0	(2)	13.4	(2)	-0.2	9.6	15.1	29.6	14.7	8.8	4.7	6.2	0.8	(1)
Harbour	Australasian Eq Income	n/a	68	33	0.0	(2)	-4.7	(2)	3.7	(2)	6.6	(3)	11.7	(3)	3.7	8.7	7.7	27.3	12.7	7.6				
Salt	Dividend Appreciation	1	80	0	0.2	(1)	-0.7	(1)	13.7	(1)	14.1	(1)	16.9	(1)	13.7	9.1	19.8	26.9	15.5	8.7	1.7	3.3	0.5	(2)
	Minimum				-0.5		-6.1		-0.2		6.6		11.7		-0.2	8.7	7.7	26.9	12.7	7.6	1.7	3.3	0.5	
	Median				0.0		-4.7		3.7		8.0		13.4		3.7	9.1	15.1	27.3	14.7	8.7	3.2	4.7	0.6	
	Maximum				0.2		-0.7		13.7		14.1		16.9		13.7	9.6	19.8	29.6	15.5	8.8	4.7	6.2	0.8	
Australian Only																								
AMPCI	Australian Share	5	171	100	-5.2	(4)	-6.9	(2)	0.7	(2)	3.5	(3)	4.2	(2)	0.7	13.3	-2.8	12.7	-1.8	12.4	1.5	4.7	0.3	(2)
ANZ	Australian Share	5	847	100	-4.7	(3)	-7.5	(3)	0.5	(3)	2.8	(4)	4.1	(3)	0.5	9.0	-0.9	7.8	4.5	12.8	1.5	5.4	0.3	(3)
Devon	Australian	5	21	100	-4.6	(2)	-7.8	(4)	-1.6	(4)	7.2	(2)	9.6	(1)	-1.6	18.2	5.8	18.4	8.4	11.9	6.7	5.7	1.2	(1)
Milford	Dynamic	6	202	100	-1.4	(1)	0.2	(1)	21.1	(1)	12.2	(1)			21.1	12.2	3.9	18.4						
	Minimum				-5.2		-7.8		-1.6		2.8		4.1		-1.6	9.0	-2.8	7.8	-1.8	11.9	1.5	4.7	0.3	
	Median				-4.7		-7.2		0.6		5.4		4.2		0.6	12.7	1.5	15.5	4.5	12.4	1.5	5.4	0.3	
	Maximum				-1.4		0.2		21.1		12.2		9.6		21.1	18.2	5.8	18.4	8.4	12.8	6.7	5.7	1.2	
Benchmarks																								
	S&P/NZX 50 Gross incl I/C	1			-0.3		-0.6		16.9		14.0		14.9		16.9	7.9	17.3	15.2	17.5	8.7				
	S&P/NZX 50 Portfolio incl I/C	2			-0.3		-0.6		17.6		14.1		15.7		17.6	8.5	16.5	18.7	17.4	8.4				
	NZX50/ASX200 (50/50)	3			-2.7		-3.8		2.5		7.0		8.0		2.5	11.1	7.5	12.2	7.1	9.5				
	ASX 200	5			-5.2		-7.0		-9.2		2.0		2.4		-9.2	18.7	-1.7	8.9	-2.6	13.6				
	ASX SmallCap Industrials	6			-1.7		-2.1		11.6		9.1		9.1		11.6	9.8	5.8	8.8	9.2	11.9				
	70% NZX50 / 30% ASX200	7			-1.5		-1.8		12.4		10.3		12.7		12.4	9.0	9.6	15.2	17.5	8.6				
	Other (Absolute Return)	8																						
	ASX 200 (in A\$)				-3.8		-3.9		2.5		3.8		7.7		2.5	20.5	-9.6	14.1	13.5	11.3				

International Shares (Unhedged)

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Mar 2018										For the year ended 31 March					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
AMPCI	Global Shares	2	907	-2.2	(11)	-2.1	(8)	11.8	(11)	11.6	(6)	15.2	(2)	11.8	14.8	8.1	23.2	18.4	10.0	2.3	1.8	1.3	(1)
AMPCI	RIL Global Shares	1	59	-2.0	(8)	-2.6	(12)	15.3	(4)	9.4	(11)	13.2	(9)	15.3	12.8	0.7	21.9	16.2	10.6	0.6	1.8	0.3	(8)
ANZ	International Share	1	5,068	-2.4	(13)	-1.8	(7)	13.7	(6)	11.8	(5)	14.9	(3)	13.7	14.5	7.4	24.2	15.4	10.6	2.1	2.3	0.9	(2)
EC	Value Fund	1	29	-2.3	(12)	-7.4	(15)	-2.8	(14)	8.0	(13)	9.8	(12)	-2.8	17.1	10.7	10.0	15.4	9.6	-2.7	6.4	-0.4	(12)
Fisher	Overseas Equities	1	413	-2.0	(9)	-2.6	(13)	11.0	(12)	9.4	(12)	12.0	(10)	11.0	14.4	3.1	19.7	12.5	10.1	-0.5	1.3	-0.4	(11)
FRK	Global Growth	1	n/a	-1.3	(3)	0.9	(3)	21.8	(2)	16.0	(1)	16.6	(1)	21.8	14.9	11.6	22.7	12.3	11.2	3.7	4.4	0.8	(3)
FRK	Global Trust	1	n/a	-2.6	(14)	-3.3	(14)	9.0	(13)	7.1	(14)	11.4	(11)	9.0	15.2	-2.2	12.8	23.5	11.8	-0.9	4.1	-0.2	(10)
Harbour	Global Equity Growth	1	28	-1.8	(5)	1.3	(2)	23.0	(1)	13.9	(2)			23.0	15.5	4.0							
Magellan	Global	2	10,036	-3.0	(15)	-2.3	(11)	12.1	(10)	11.2	(8)	14.4	(5)	12.1	10.3	11.2	25.0	13.8	11.9	1.4	3.9	0.3	(7)
Mercer	Global Equities	2	1,742	-1.9	(7)	-1.6	(6)	13.7	(5)	11.4	(7)	14.8	(4)	13.7	16.4	4.4	26.0	14.6	10.9	1.7	3.5	0.5	(6)
MGH	MGH Investments	1	27	-0.6	(2)	-0.1	(5)	12.7	(9)	13.1	(3)	13.6	(8)	12.7	12.5	14.1	18.7	10.0	10.0	0.8	4.9	0.2	(9)
Nikko	Global Equity	1	539	-2.1	(10)	-2.3	(9)	13.6	(7)	10.9	(10)	13.8	(7)	13.6	11.4	7.9	22.8	13.8	10.3	1.1	2.1	0.6	(5)
Nikko	Wholesale Global Shares	1	16	0.4	(1)	2.7	(1)																
Russell	Emerging Markets	4	1	-1.5	(4)	0.8	(4)	21.3	(3)	12.1	(4)			21.3	21.8	-4.5							
Russell	Global Opportunities	3	186	-1.8	(6)	-2.3	(10)	13.5	(8)	11.1	(9)	14.3	(6)	13.5	16.2	3.9	25.4	13.7	11.2	1.5	1.9	0.8	(4)
	Minimum			-3.0		-7.4		-2.8		7.1		9.8		-2.8	10.3	-4.5	10.0	10.0	9.6	-2.7	1.3	-0.4	
	Median			-2.0		-2.1		13.5		11.3		14.1		13.5	14.9	5.9	22.8	14.2	10.6	1.2	2.9	0.4	
	Maximum			0.4		2.7		23.0		16.0		16.6		23.0	21.8	14.1	26.0	23.5	11.9	3.7	6.4	1.3	
	MSCI All Country World Index	1		-2.0		-2.4		11.3		9.5		12.5		11.3	14.3	3.3	22.0	12.6	10.2				
	MSCI World Index	2		-2.3		-3.1		9.6		9.2		12.9		9.6	14.0	4.3	22.7	15.0	10.5				
	Russell Global Large Cap	3		-1.9		-2.4		11.3		9.6		12.8		11.3	14.3	3.5	22.1	13.4	10.2				
	Russell Emerging Markets Index	4		-1.9		-0.5		19.4		8.7				19.4	17.2	-8.1							
	MSCI ACWI (100% hedged)			-2.2		-1.6		12.3		8.9		12.8		12.3	19.1	-3.6	16.8	21.0	9.5				

Diversified Income

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Mar 2018										For the year ended 31 March					Performance Objective					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014						
AMPCI	Income Generator	140	0.1	(5)	-1.9	(6)	5.3	(4)	6.5	(3)			5.3	7.2	7.1								n/a
Devon	Diversified Income	5	-0.1	(6)	-1.1	(4)	4.7	(5)					4.7	4.2									OCR + 1.5%
Milford	Diversified Income	1,789	0.2	(4)	-0.3	(3)	7.9	(1)	10.3	(1)	12.4	(1)	7.9	12.0	10.9	19.8	11.9						OCR + 2.5%
Mint	Diversified Income	143	0.4	(2)	0.0	(2)	5.5	(3)	5.9	(4)			5.5	4.5	7.8								OCR + 2.5%
Nikko	Income	11	1.4	(1)	0.6	(1)	7.1	(2)	6.8	(2)	6.7	(2)	7.1	3.1	10.4	8.6	4.3						8% p.a.
Harbour	Income	76	0.2	(3)	-1.3	(5)	4.0	(6)	5.2	(5)			4.0	4.6	7.0								OCR + 2.0%

International Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Mar 2018										For the year ended 31 March					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
Global Aggregate:																							
AMPCI	Global FI AIFQ	1	91	0.8	(2)	0.1	(6)	2.9	(8)	3.3	(7)	4.9	(6)	2.9	3.1	3.9	10.7	4.2	2.6	-0.3	1.1	-0.3	(5)
AMPCI	Global FI AIFPQ	3	524	0.8	(3)	0.0	(8)	1.7	(9)	3.1	(8)	4.2	(7)	1.7	0.6	7.1	8.8	2.9	2.7				
ANZ	International Aggregate	1	719	0.8	(5)	0.3	(2)	3.7	(5)	4.5	(1)			3.7	5.3	4.6	12.3						
Fisher	Global Bonds - PIMCO	1	215	0.7	(6)	0.2	(4)	4.2	(4)	4.3	(3)	5.8	(2)	4.2	5.7	3.0	13.5	3.1	3.5	0.6	1.7	0.3	(3)
Fisher	Global Bonds - Wellington	1	147	0.6	(7)	0.1	(7)	3.6	(6)	3.7	(6)	5.1	(5)	3.6	2.4	5.2	11.3	3.0	2.8	-0.2	0.5	-0.4	(6)
Mercer	Global Bonds	1	1,579	0.6	(8)	0.3	(3)	4.5	(3)	4.1	(5)	5.8	(3)	4.5	4.0	3.7	12.0	4.9	2.6	0.7	1.3	0.6	(2)
Milford	Global Bond Fund	1	298	-0.1	(9)	-0.2	(9)	5.8	(1)					5.8									
Nikko	Global Fixed Interest	1	256	0.8	(3)	0.2	(5)	3.2	(7)	4.2	(4)	5.4	(4)	3.2	3.6	5.9	9.4	5.1	2.5	0.2	0.9	0.2	(4)
Russell	Global Bond	1	2,948	1.1	(1)	0.7	(1)	4.6	(2)	4.5	(2)	5.9	(1)	4.6	4.6	4.4	12.5	3.5	3.0	0.6	1.0	0.6	(1)
	Minimum			-0.1		-0.2		1.7		3.1		4.2		1.7	0.6	3.0	8.8	2.9	2.5	-0.3	0.5	-0.4	
	Median			0.8		0.2		3.7		4.2		5.4		3.7	3.8	4.5	11.7	3.5	2.7	0.4	1.0	0.3	
	Maximum			1.1		0.7		5.8		4.5		5.9		5.8	5.7	7.1	13.5	5.1	3.5	0.7	1.7	0.6	
Other:																							
LMI	Brandywine	2	n/a	1.2	(2)	2.4	(1)	6.1	(1)	4.4	(1)	7.2	(1)	6.1	7.4	-0.1	20.8	3.0	5.7	1.8	4.8	0.4	(1)
ANZ	International Sovereign	2	3,409	1.2	(1)	0.2	(2)	2.6	(3)	3.0	(3)	4.5	(2)	2.6	1.4	5.1	11.9	2.0	3.1	-0.8	0.5	-1.7	(2)
ANZ	International Credit	x	1,231	0.2	(3)	-1.4	(3)	3.4	(2)	4.0	(2)			3.4	5.1	3.7	10.9						
	Barclays Capital Global Agg Index	1		0.9		0.0		3.2		3.8		5.2		3.2	2.6	5.4	11.4	3.7	2.8				
	Citigroup World Govt Bond Index	2		1.3		0.7		3.5		3.6		5.3		3.5	1.4	6.0	12.2	3.8	3.1				
	Barclays Global Treasury GDP Wgtd	3																					

Other International Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Mar 2018										For the year ended 31 March					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014						
AMPCI	Commodities	172	-0.4	(6)	0.5	(2)	6.2	(5)	0.4	(8)	-4.4	(7)	6.2	12.5	-15.4	-22.6	1.8						Bloomberg Commodity Index
AMPCI	Infrastructure	298	0.4	(4)	-6.7	(9)	-2.3	(8)	1.6	(7)	9.5	(5)	-2.3	16.5	-8.0	25.4	19.8						DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	200	0.3	(5)	-6.4	(8)	1.1	(7)	7.9	(3)			1.1	16.3	6.8	23.3							FTSE Global Core Infrastructure Net (NZD Hedged)
Magellan	Infrastructure	1,589	0.7	(2)	-5.9	(7)	4.3	(6)	11.2	(1)	10.5	(3)	4.3	7.0	23.0	17.1	2.3						S&P Global Infrastructure Index (A\$ Hedged)
Milford	Global	406	-0.7	(7)	-0.3	(3)	11.9	(2)	7.2	(4)	9.8	(4)	11.9	11.3	-1.0	18.9	9.1						OCR + 5%
PATH	Commodity Plus Fund	7	3.1	(1)	5.5	(1)	13.3	(1)	3.0	(6)	1.8	(6)	13.3	-2.7	-1.0	0.7	-0.8						Bloomberg Commodity Index
PATH	World Equity Fund	30	-2.1	(8)	-1.7	(4)	8.0	(3)	6.5	(5)	11.2	(2)	8.0	13.0	-0.9	26.8	11.0						MSCI AC World
PATH	Global Water Fund	17	0.5	(3)	-4.5	(6)	6.6	(4)	8.7	(2)	11.6	(1)	6.6	11.9	7.7	9.2	23.4						n/a
PATH	Global Responsibility Fund	2	-2.9	(9)	-3.3	(5)																	MSCI AC World

NZ Fixed Interest

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Mar 2018										For the year ended 31 March					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
AMPCI	NZ Fixed Interest	1	1,920	0.8	(2)	0.5	(11)	5.0	(7)	4.6	(9)	4.7	(6)	5.0	2.3	6.5	10.4	-0.2	2.7	0.8	0.4	1.9	(1)
ANZ	NZ Fixed Interest	1	2,153	0.7	(6)	0.7	(9)	4.8	(10)	4.6	(10)	4.5	(8)	4.8	1.9	7.1	9.7	-0.6	2.7	0.6	0.4	1.4	(5)
Fisher	NZ Fixed Interest	1	221	0.9	(1)	0.8	(5)	5.7	(4)	4.8	(6)	4.8	(5)	5.7	1.6	7.3	9.5	0.1	2.6	0.9	0.5	1.8	(2)
Harbour	NZ Core Fixed Interest	3	415	0.7	(5)	0.7	(7)	5.0	(8)	5.1	(3)	5.0	(4)	5.0	2.8	7.4	8.1	1.7	1.9				
Harbour	NZ Corporate Bond	2	331	0.4	(8)	0.8	(4)	4.8	(9)	4.8	(7)	5.1	(3)	4.8	3.3	6.4	7.7	3.3	1.4	0.1	0.3	0.3	(6)
Milford	Trans-Tasman Bond	5	360	0.3	(10)	1.0	(1)	5.7	(2)	5.3	(2)			5.7	5.2	4.9	10.2						
Nikko	NZ Corporate Bond	1	194	0.4	(9)	0.9	(2)	6.3	(1)	5.6	(1)	5.9	(1)	6.3	3.6	7.1	9.8	3.1	1.9	2.0	1.4	1.4	(4)
Nikko	NZ Fixed Interest	1	325	0.6	(7)	0.8	(6)	5.7	(3)	5.0	(4)	5.3	(2)	5.7	2.4	7.0	9.8	1.6	2.4	1.3	0.9	1.5	(3)
Russell	NZ Fixed Interest	1	57	0.8	(3)	0.8	(3)	5.3	(5)	5.0	(5)	4.7	(7)	5.3	2.5	7.2	8.8	-0.1	2.4				
Western	NZ Core	4	n/a	0.7	(4)	0.7	(8)	5.2	(6)	4.7	(8)			5.2	2.5	6.6	9.7						
Western	NZ Core Constrained	1	n/a	0.3	(11)	0.6	(10)	3.3	(11)	3.7	(11)	3.7	(9)	3.3	2.2	5.8	6.7	0.7	1.3	-0.2	1.7	-0.1	(7)
	Minimum			0.3		0.5		3.3		3.7		3.7		3.3	1.6	4.9	6.7	-0.6	1.3	-0.2	0.3	-0.1	
	Median			0.7		0.8		5.2		4.8		4.8		5.2	2.5	7.0	9.7	0.7	2.4	0.8	0.5	1.4	
	Maximum			0.9		1.0		6.3		5.6		5.9		6.3	5.2	7.4	10.4	3.3	2.7	2.0	1.7	1.9	
	S&P/NZX NZ Govt Stock Index	1		0.9		0.5		4.6		4.0		3.9		4.6	1.0	6.6	9.4	-1.7	2.8				
	S&P/NZX NZ Corp A Grade Index	2		0.3		0.7		4.7		4.7		5.0		4.7	3.1	6.4	8.1	2.6	1.6				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		0.6		0.6		4.6		4.4		4.4		4.6	2.0	6.5	8.7	0.5	2.2				
	S&P/NZX NZ Comp Inv Grade Index	4		0.7		0.6		4.7		4.2				4.7	1.5	6.6	8.9						
	S&P/NZX NZ Corp/ASX Corp (50/50)	5		0.4		0.9		4.6						4.6									

NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Mar 2018										For the year ended 31 March					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
AMPCI	NZ Cash	1	3,943	0.2	(3)	0.6	(6)	2.4	(7)	2.9	(7)	3.2	(7)	2.4	2.6	3.6	4.0	3.4	0.2	0.4	0.1	8.5	(2)
AMPCI	NZ Short Duration	2	477	0.2	(1)	0.8	(1)	3.9	(1)	4.4	(1)	4.7	(1)	3.9	3.4	5.9	6.6	3.7	0.8	1.3	0.3	4.3	(4)
AMPCI	Global Short Duration	1	210	0.1	(7)	0.3	(7)	2.7	(5)	3.3	(3)	4.0	(2)	2.7	3.3	3.9	5.9	4.4	1.1	1.2	1.1	1.1	(6)
ANZ	NZ Cash	1	3,877	0.2	(4)	0.6	(5)	2.6	(6)	2.9	(6)	3.2	(6)	2.6	2.7	3.5	4.0	3.3	0.2	0.4	0.1	7.3	(3)
Fisher	NZ Cash	1	555	0.2	(5)	0.7	(3)	3.0	(3)	3.2	(5)	3.5	(5)	3.0	2.8	3.8	4.2	3.7	0.2	0.7	0.2	3.7	(5)
Harbour	Short Duration	1	81	0.2	(6)	0.6	(4)	2.9	(4)	3.3	(4)	3.6	(4)	2.9	2.8	4.2	4.3	3.9	0.3				
Nikko	NZ Cash	1	674	0.2	(2)	0.7	(2)	3.0	(2)	3.3	(2)	3.7	(3)	3.0	3.2	3.9	4.4	3.9	0.2	0.9	0.1	11.1	(1)
	Median			0.2		0.6		2.9		3.3		3.6		2.9	2.8	3.9	4.3	3.7	0.2	0.8	0.1	5.8	
	S&P/NZX 90 Day Bank Bill Index	1		0.1		0.5		2.0		2.5		2.8		2.0	2.3	3.2	3.6	2.7	0.2				
	S&P/NZX Short End Swap Index	2		0.1		0.5		2.4		3.3		3.4		2.4	2.1	5.5	5.2	1.8	0.8				

Australasian Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Mar 2018										For the year ended 31 March					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
Direct:																							
Fisher Trust	Property Fund		413	1.0	(1)	1.8	(1)	6.6	(2)	10.3	(2)	11.7	(1)	6.6	10.2	14.2	12.6	15.3	4.1	1.1	9.6	0.1	###
	Property Fund		150	0.4	(2)	1.2	(2)	8.3	(1)	11.1	(1)	10.0	(2)	8.3	15.0	10.0	7.7	9.3	2.4				
Listed:																							
AMPCI	Listed Property	1	9	0.8	(6)	-4.1	(6)	6.1	(6)	7.6	(6)	10.5	(6)	6.1	0.7	16.6	27.6	3.7	7.7	0.6	1.9	0.3	(5)
AMPCI	Property Fund	2	123	0.7	(7)	-4.7	(8)	4.6	(8)	7.3	(7)			4.6	2.6	15.1							
ANZ	Property Securities	1	161	1.0	(4)	-3.7	(4)	7.6	(5)	8.6	(2)	11.9	(3)	7.6	2.7	15.7	27.0	7.7	8.1	1.9	2.6	0.7	(2)
ANZ	Trans Tasman	2	696	0.6	(8)	-4.6	(7)	5.3	(7)	8.3	(4)	12.4	(1)	5.3	5.2	14.7	28.7	9.5	8.5	1.4	2.8	0.5	(4)
Mint	Real Estate Inv Trust	1	46	0.9	(5)	-3.8	(5)	8.0	(4)	8.1	(5)	10.6	(5)	8.0	0.7	16.1	26.8	3.6	7.3	0.7	2.4	0.3	(6)
Nikko	Property Securities	1	35	1.1	(3)	-2.9	(1)	9.2	(3)	8.4	(3)	10.8	(4)	9.2	0.6	16.1	28.5	1.9	7.7	0.9	1.4	0.6	(3)
Salt	Listed Property	1	281	1.1	(2)	-3.3	(3)	9.4	(2)	9.7	(1)	12.1	(2)	9.4	3.6	16.3	30.2	3.2	7.2	2.1	1.5	1.4	(1)
Salt	Enhanced Property Fund	1	5	1.2	(1)	-3.1	(2)	10.6	(1)					10.6									
Minimum				0.6		-4.7		4.6		7.3		10.5		4.6	0.6	14.7	26.8	1.9	7.2	0.6	1.4	0.3	
Median				1.0		-3.7		7.8		8.3		11.3		7.8	2.6	16.1	28.1	3.6	7.7	1.2	2.1	0.6	
Maximum				1.2		-2.9		10.6		9.7		12.4		10.6	5.2	16.6	30.2	9.5	8.5	2.1	2.8	1.4	
S&P/NZX Property Index		1		1.1		-3.7		7.9		7.7		9.8		7.9	0.1	15.7	28.6	-0.7	7.9				
NZX/ASX Property Index		2		0.8		-4.5		5.5		7.6		10.8		5.5	2.5	15.3	31.9	1.6	8.1				

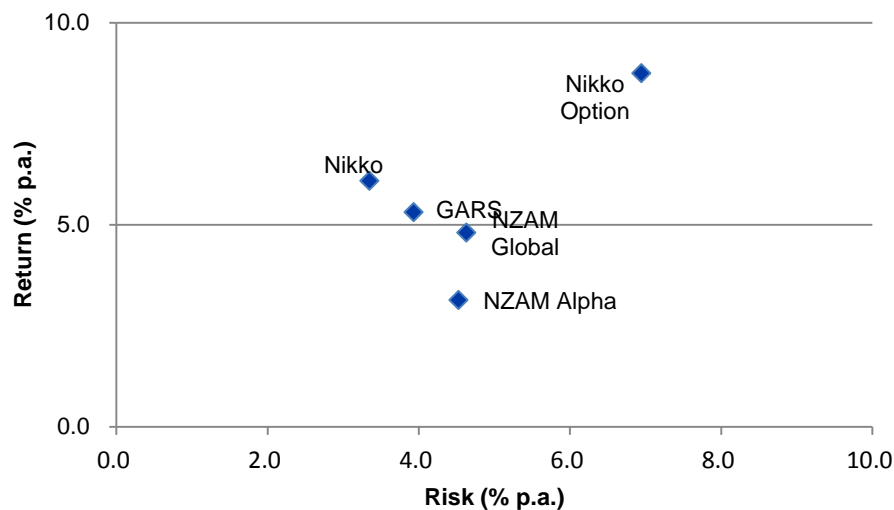
International Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Mar 2018										For the year ended 31 March					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	VA	TE	IR	Rk
AMPCI	Global Property Securities	1	203	2.7	(1)	-4.3	(2)	5.6	(1)	2.7	(2)	9.0	(1)	5.6	-0.6	3.2	27.3	11.5	12.7	0.8	4.8	0.2	(1)
ANZ	International Property	1	876	1.8	(4)	-5.3	(3)	2.7	(3)	2.2	(3)	8.1	(2)	2.7	0.9	3.0	30.3	6.2	11.7	-0.1	2.7	-0.0	(2)
PATH	Global Property	1	14	2.4	(2)	-6.2	(4)	2.2	(4)					2.2	2.8								
Russell	Global Listed Real Estate	1	55	2.3	(3)	-4.1	(1)	4.5	(2)	3.3	(1)			4.5	4.4	1.0							
FTSE EPRA/NAREIT Index*				3.2		-5.4		0.1		2.3		8.1		0.1	2.4	4.6	30.2	5.7	12.3				
*UBS Global RE Index prior to June 2015																							

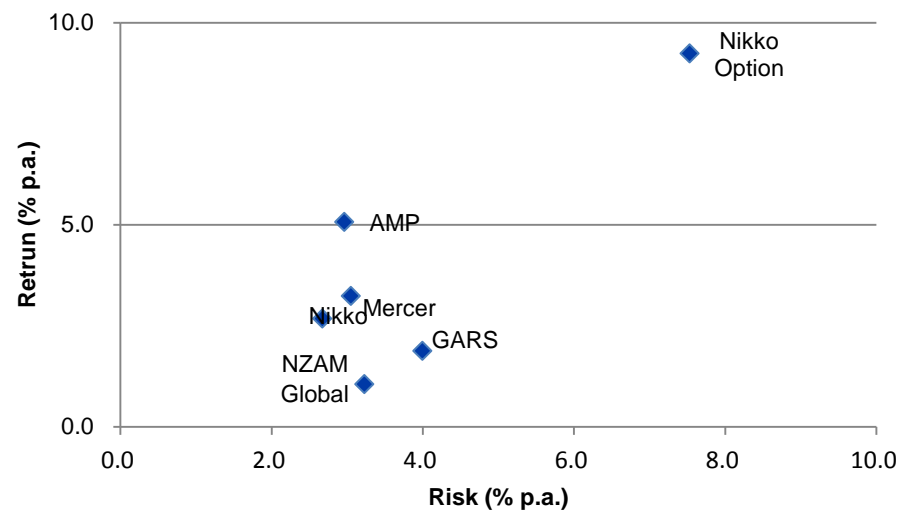
International Alternatives/Absolute Return

		Returns (%) gross of tax and fees																								
Manager	Fund	FUM (\$m)	For the period to 31 Mar 2018										For the year ended 31 March					5 Years			Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2018	2017	2016	2015	2014	Vol	SR	Rk						
AMPCI	Multi-Asset	244	-0.7	(6)	0.3	(4)	5.6	(2)	5.1	(2)						5.6	9.7	0.1	13.6							CPI + 5%
Mercer	Liquid Alternatives	138	-0.6	(5)	0.1	(5)	4.6	(3)	2.7	(4)						4.6	3.9	-0.4	13.0							Cash + 3% to 5%
Nikko	Multi-Strategy	174	0.0	(4)	1.1	(1)	3.5	(4)	3.2	(3)	6.1	(2)				3.5	7.3	-1.0	8.2	12.8	3.3	1.0	(1)	90 Day Bank Bill + 2.5%		
Nikko	Option	151	3.7	(1)	-0.1	(6)	8.5	(1)	9.2	(1)	8.7	(1)				8.5	1.6	18.3	6.4	9.7	6.9	0.9	(2)	90 Day Bank Bill + 4%		
NZAM	Alpha	21	0.3	(3)	0.4	(3)	-0.2	(7)	-1.0	(7)	3.1	(5)				-0.2	-3.2	0.5	14.7	4.8	4.5	0.1	(5)	OCR + 4%		
NZAM	Global	245	0.5	(2)	0.7	(2)	2.5	(6)	1.0	(6)	4.8	(4)				2.5	-0.4	1.1	11.6	9.8	4.6	0.4	(4)	OCR + 4%		
Std Life	GARS*	80	-1.4	(7)	-1.7	(7)	3.0	(5)	1.9	(5)	5.3	(3)				3.0	3.7	-1.0	14.7	6.8	3.9	0.6	(3)	OCR + 5%		
OCR + 5%			0.6		1.6		6.8		7.2		7.5					6.8	7.0	7.9	8.4	7.5	0.2					

5 Year risk/return



3 Year risk/return



*GARS returns use a simulated hedge prior to March 2013

Notes

List of Managers

AMPCI	AMP Capital Investors NZ Limited
ANZ	ANZ Investments
FSI	First State Investments
CPFM	Castle Point Funds Management
Devon	Devon Funds Management
EC	Elevation Capital
Fisher	Fisher Institutional
FRK	Franklin Templeton Investments
Harbour	Harbour Asset Management
LMI	Legg Mason Global Asset Management
Magellan	Magellan Asset Management Limited
Mercer	Mercer Investments
MGH	MGH Investments
Milford	Milford Funds
Mint	Mint Asset Management
Nikko	Nikko Asset Management
NZAM	NZ Assets Management
PATH	Pathfinder Asset Management
Russell	Russell Investment Group
Salt	Salt Funds Management
Std Life	Standard Life Investments
Trust	Trust Investments
Western	Western Asset

Explanatory notes

1. Returns are before management fees and tax. All returns greater than 1 year have been annualised.
2. Overseas Sectors - returns are in NZ\$ and exclude the effects of currency hedging on equities, but include the effects of currency hedging on global property, global bonds and absolute return funds.
3. Property - the returns in this table are influenced by the allocation to direct investment and holdings in listed vehicles. In the case of direct investment, the valuation approach and timing adopted by the manager will influence the returns.
4. Risk Statistics (all are annualised using monthly data):
Vol = Volatility = standard deviation of monthly fund returns
VA = Value Added = Return (fund) minus Return (index)
TE = Tracking Error = standard deviation of monthly Value Added
IR = Information Ratio = Value Added divided by Tracking Error
SR = Sharpe Ratio = [Return (fund) - Risk Free Rate] / Volatility (Fund)
Wherever possible the risk statistics are calculated using each fund's actual benchmark.

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- Remuneration and incentives.
- Total rewards.
- Health and benefits.
- Global benefits.
- Aon KiwiSaver Scheme.
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