

The Aon Investment Update as at 31 August 2015

Aon Hewitt Investment Consulting

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- 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.
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- 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 August 2015

Market summary

Two key factors drove share markets lower in August – concerns over slowing Chinese growth and worries over the impact of an interest rate hike from the US Federal Reserve which is expected before the end of this year. Global shares fell by close to 7% over the month, while bond yields were broadly flat – though US Treasury yields were sharply lower mid-month.

The Asian markets, specifically China, were at the centre of the market turbulence in August – the MSCI China index fell by more than 11% over the month, while the Asia ex Japan index was down 8.3%. These falls came despite intervention from the Chinese authorities which saw reductions in interest rates and in the reserve ratio requirements, and devaluations of the renminbi over three successive days.

European shares were also sharply lower over the month, particularly those with specific exposure to China. Economic growth in the region remains subdued, with annual GDP growth of 1.2% in the year to June, and inflation remains weak on the back of this low growth, and soft commodity prices. The European Central Bank has recently cut its forecasts for both GDP growth and inflation for the next two years.

Meanwhile the Greek crisis rolls on with Prime Minister Alexis Tsipras resigning and calling a new election for next month. The first tranche of the latest bail-out funds were received in August, allowing Greece to avoid default for now, but we don't appear to be any nearer to finding a long term solution to the Euro crisis. The impact of the huge influx of immigrants from Syria and Iraq on the European economy is another factor adding to uncertainty in the region.

Bonds were also volatile, but a fair amount of bad news was already priced into government bonds and yields finished the month broadly unchanged. US 10-year Treasury yields ended the month at 2.22%, a rise of just 4 basis points.

New Zealand bonds were one of the few asset classes to provide positive returns in August as yields fell. Concerns about Chinese economic growth, and ongoing weakness in soft commodity prices convinced investors that the Reserve Bank would cut the Official Cash Rate at their September meeting – which they did.

The New Zealand dollar fell again in August, ending the month lower against all of the major currencies. The NZD is down by almost 20% against the USD since the start of this year.

Fund Performance

The median balanced fund in the survey returned -1.8% in August with returns ranging from -0.1% (Castle Point) to -3.0% (ANZ Investments). There is a wide dispersion of performance over the last 12 months, with the Nikko Balanced fund returning 13.8% and the AMP Balanced fund returning just 6.5%.

New Zealand bonds were the best performing asset class over the month, with the funds from ANZ investments and Fisher Institutional both providing returns of 0.7% which was marginally ahead of the benchmark. Milford's Trans Tasman Bond Fund (which also holds some Australian bonds), and Russell's NZ Fixed Interest Fund (which is managed by Harbour) were the worst performers in this sector, returning just 0.4%.

Global bond funds delivered negative returns in August - the only exception being Mercer's fund which returned 0.1%. The worst performer was ANZ's International Aggregate fund, which is managed by PIMCO, which returned -0.6%.

Equity fund performance was negative across the board, with returns ranging from -0.6% to -5.4% for global funds and -1.8% to -5.3% for domestic funds. The New Zealand listed property funds also declined over the month.

Absolute Return Funds

The heightened volatility across all asset classes and weakness in equity markets which we saw in August provided a good test for the various 'Absolute Return' funds available to New Zealand investors. Some responded well to the challenge – others less well, though a single month is far too short a timeframe to judge performance.

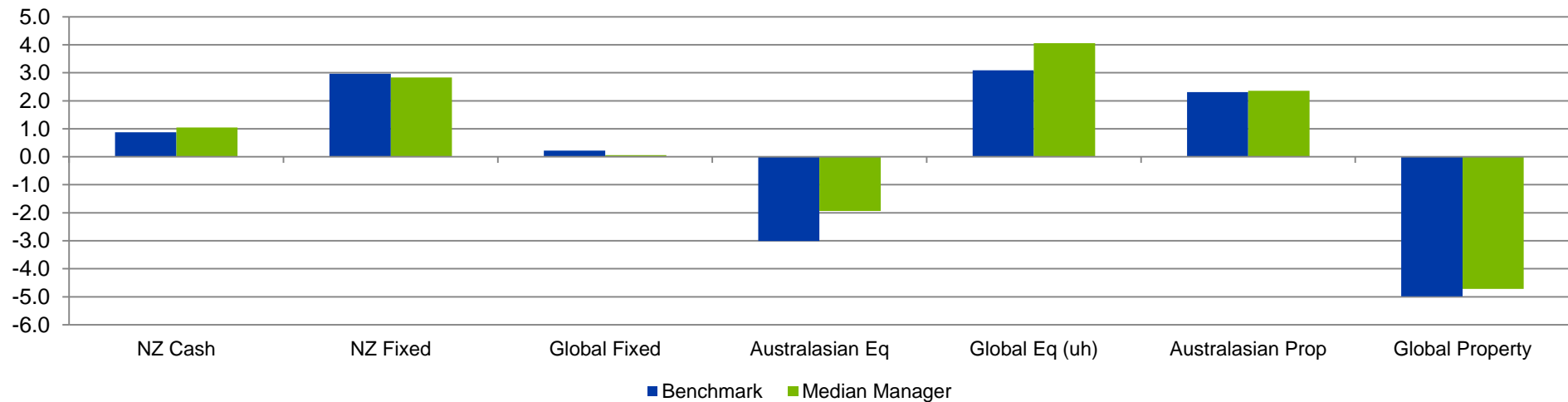
The Standard Life GARS product disappointed, falling by 1.3% in August, and Mercer's Liquid Alternatives fund fell 0.3%, but NZAM's Alpha fund and Nikko's Multi-Strategy fund both provided positive returns. At one stage during the month, the NZAM fund was up over 1.5% versus an equity market decline of around 10%.

Salt's Long Short fund also had a good month, returning 2.8%. In the 14 months since it was launched, the fund has now delivered a cumulative return of 23.6% after all fees and expenses, without any correlation to the underlying ASX and NZX markets.

Median Manager Performance v Benchmark

Sector		Returns (%) gross of tax and fees									Volatility 5 Yrs	
		For the period to 31 Aug 2015					For the year ended 31 August					
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2015	2014	2013	2012		2011
NZ Cash	ANZ 90D Bank Bills	0.3	0.9	3.7	3.1	3.0	3.7	3.0	2.7	2.8	3.0	0.1
	Median Manager	0.3	1.0	4.4	4.2	3.8	4.4	3.9	4.1	3.5	4.0	0.1
NZ Fixed Interest	ANZ NZ Govt Stock	0.6	3.0	9.0	4.0	5.7	9.0	5.2	-1.9	8.9	7.7	3.1
	Median Manager	0.6	2.8	9.4	5.5	6.7	9.4	5.9	2.6	9.2	8.0	2.5
Global Fixed Interest	Barclays Agg	-0.0	0.2	6.0	6.0	6.3	6.0	9.8	2.4	8.7	4.7	2.6
	Median Manager	-0.2	0.1	5.6	6.6	7.7	5.6	11.1	3.1	11.4	5.4	2.7
Australasian Equities	NZX 50 Gross	-4.5	-3.0	9.9	17.1	14.8	9.9	16.4	25.4	11.8	11.0	8.1
	Median Manager	-3.6	-1.9	11.5	19.0	15.9	11.5	21.3	25.2	12.6	11.3	8.3
Global Equities (unhedged)	MSCI ACWI	-2.3	3.1	23.9	18.4	11.8	23.9	11.8	19.9	12.9	-6.7	9.5
	Median Manager	-2.1	4.1	29.3	20.4	13.5	29.3	10.4	22.8	14.0	-4.8	10.1
Australasian Property	NZX Property	-2.5	2.3	15.1	13.2	14.6	15.1	10.9	13.8	15.9	17.4	7.3
	Median Manager	-2.6	2.4	15.0	15.7	16.7	15.0	14.6	16.3	20.5	15.9	6.9
Global Property	UBS Property	-5.5	-5.0	6.2	13.1	14.7	6.2	26.2	8.0	18.7	15.7	13.2
	Median Manager	-4.9	-4.7	7.0	14.1	15.7	7.0	30.3	6.6	16.5	19.6	15.0

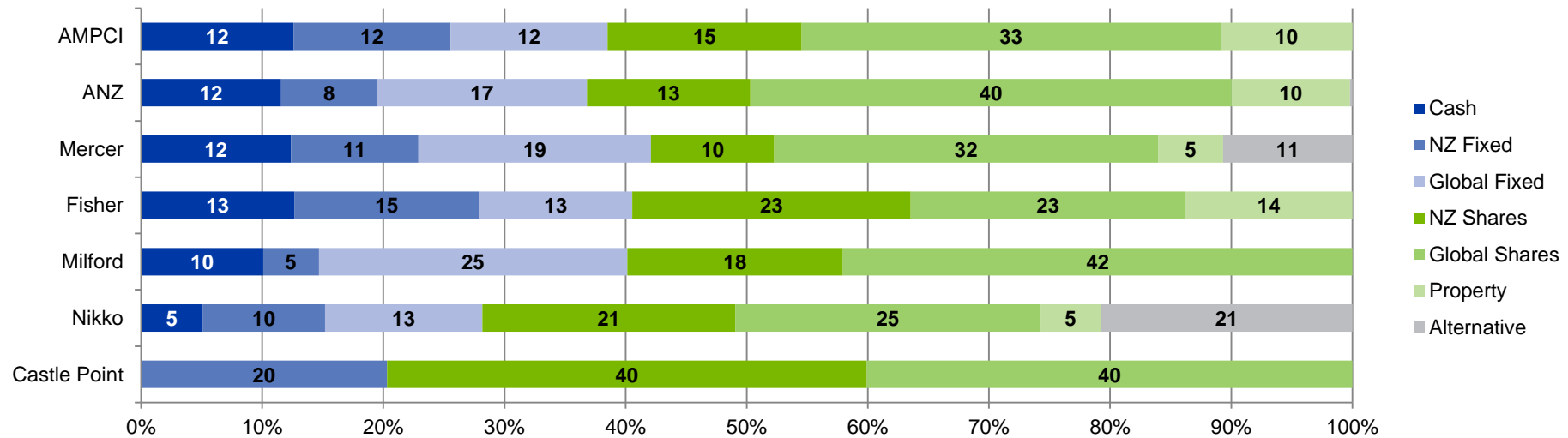
1 Quarter Performance (%)



Balanced Funds

Manager	FUM (\$m)	Returns (%) gross of tax and fees															
		For the period to 31 Aug 2015										For the year ended 31 August				5 Years	
		1 M Rk	1 Qtr Rk	1 Yr Rk	3 Yrs Rk	5 Yrs Rk	2015	2014	2013	2012	2011	Vol	SR Rk				
AMP Capital Investors RIL	42	-2.8 (6)	-2.4 (7)	6.5 (7)	11.8 (5)	10.8 (4)	6.5	15.0	14.0	10.6	7.9	4.4	1.8 (6)				
ANZ Investments	522	-3.0 (7)	-1.2 (5)	11.0 (3)	14.1 (2)	12.8 (2)	11.0	15.3	16.0	13.1	8.7	5.2	1.9 (4)				
Castle Point Funds	8	-0.1 (1)	2.4 (1)	7.4 (6)	8.8 (7)	7.8 (7)	7.4	8.3	10.6	7.6	4.9	2.4	2.0 (3)				
Fisher Institutional	816	-2.0 (5)	-0.5 (3)	8.2 (5)	11.0 (6)	9.3 (6)	8.2	13.6	11.1	9.4	4.3	4.1	1.5 (7)				
Mercer	463	-1.8 (4)	-0.8 (4)	9.9 (4)	12.3 (4)	10.2 (5)	9.9	14.0	13.2	7.7	6.5	4.1	1.8 (5)				
Milford Funds	293	-1.7 (3)	-1.6 (6)	12.9 (2)	15.6 (1)	13.3 (1)	12.9	14.8	19.1	14.8	5.4	4.3	2.4 (1)				
Nikko Asset Management	207	-1.4 (2)	1.6 (2)	13.8 (1)	13.8 (3)	11.3 (3)	13.8	13.3	14.2	12.0	3.6	4.1	2.0 (2)				
Minimum		-3.0	-2.4	6.5	8.8	7.8	6.5	8.3	10.6	7.6	3.6	2.4	1.5				
Median		-1.8	-0.8	9.9	12.3	10.8	9.9	14.0	14.0	10.6	5.4	4.1	1.9				
Maximum		-0.1	2.4	13.8	15.6	13.3	13.8	15.3	19.1	14.8	8.7	5.2	2.4				

Asset Allocation



NZ and Australasian Equities

					Returns (%) gross of tax and fees														
Manager	Fund	Bench mark	FUM (\$m)	% in Aus	For the period to 31 Aug 2015					For the year ended 31 August					For last 5 years				
					1 M Rk	1 Qtr Rk	1 Yr Rk	3 Yrs Rk	5 Yrs Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	NZ Shares	1	485	0	-3.4 (10)	-2.1 (12)	12.6 (8)	17.7 (15)	15.6 (12)	12.6	18.8	22.0	12.1	13.1	8.4	0.7	2.9	0.3 (13)	
AMPCI	NZ Shares RIL	1	9	0	-2.5 (4)	-1.4 (7)	12.9 (7)			12.9	19.5								
AMPCI	Strategic NZ Share	2	153	0	-3.0 (8)	-1.4 (8)	15.7 (2)	18.8 (12)	15.5 (13)	15.7	18.3	22.4	13.4	8.2	8.3	0.4	3.5	0.1 (15)	
ANZ	NZ Equities	1	150	0	-5.3 (21)	-4.0 (20)	6.1 (19)	18.0 (13)	16.3 (6)	6.1	21.4	27.5	13.4	14.2	8.2	1.3	2.0	0.7 (7)	
ANZ	Australasian Equity	1	661	10	-5.0 (20)	-3.9 (19)	6.2 (18)	17.9 (14)	15.9 (9)	6.2	21.7	26.9	11.9	14.1	8.1	1.0	2.1	0.5 (9)	
CPFM	Trans Tasman Strategy	1	0	19	-1.8 (1)	1.4 (1)	12.3 (10)			12.3									
Devon	NZ Core	1	181	18	-3.3 (9)	-4.1 (21)	11.5 (11)	19.4 (8)	16.1 (8)	11.5	25.0	22.0	12.9	10.0	8.3	1.1	3.6	0.3 (12)	
Devon	Equity Income	3	33	45	-2.5 (5)	-3.6 (18)	11.5 (12)	19.8 (5)		11.5	24.0	24.3							
Devon	Trans Tasman	3	114	54	-3.9 (15)	-1.6 (10)	15.3 (3)	22.7 (1)	16.3 (5)	15.3	29.3	23.8	12.8	2.3	8.8	5.4	4.2	1.3 (3)	
Fisher	Trans Tasman Equities	1	526	29	-4.4 (19)	-2.4 (13)	8.4 (17)	16.8 (16)	14.7 (16)	8.4	17.3	25.3	13.9	9.4	9.4	-0.1	3.5	-0.0 (16)	
Harbour	Australasian Equity	5	625	26	-4.2 (18)	-1.6 (9)	5.3 (20)	19.5 (7)	15.2 (15)	5.3	23.3	31.4	8.6	9.2	8.7	-1.2	4.3	-0.3 (17)	
Mercer	Trans Tasman Equity	1	348	15	-3.9 (14)	-2.4 (14)	8.6 (16)	19.0 (10)	15.7 (11)	8.6	22.0	27.1	10.6	11.3	7.8	0.8	2.2	0.3 (11)	
Milford	NZ Equities	1	227	0	-3.6 (11)	-0.7 (4)	9.2 (14)	19.6 (6)	17.8 (2)	9.2	19.0	31.7	18.0	12.4	7.9	2.6	3.1	0.9 (4)	
Milford	Trans Tasman	3	255	45	-3.8 (12)	-2.7 (16)	5.0 (21)	15.7 (18)	15.8 (10)	5.0	17.5	25.4	23.0	9.6	8.4	5.0	3.4	1.5 (1)	
Mint	Trans Tasman Equity	1	75	12	-3.8 (13)	-0.5 (3)	12.5 (9)	21.9 (2)	19.3 (1)	12.5	22.1	31.8	17.8	13.2	7.8	3.8	5.0	0.8 (5)	
Nikko	Core Domestic Equity	1	247	8	-4.0 (16)	-1.3 (6)	13.7 (5)	19.0 (9)	15.3 (14)	13.7	18.4	25.1	10.8	9.0	8.3	0.4	2.4	0.2 (14)	
Nikko	Australasian Smallcap	4	5	66	-2.5 (5)	-0.3 (2)	9.9 (13)	16.6 (17)	11.8 (17)	9.9	12.0	28.8	6.4	3.9	13.2	10.0	6.8	1.5 (2)	
Russell	NZ Shares	5	103	0	-4.0 (17)	-1.0 (5)	9.1 (15)			9.1	20.7								
Salt	Dividend Appreciation	1	77	0	-2.2 (3)	-1.9 (11)	16.7 (1)	20.7 (3)	17.3 (4)	16.7	21.6	24.0	12.6	11.9	8.2	2.1	3.1	0.7 (6)	
Salt	NZ Plus Share	1	410	4	-2.9 (7)	-2.7 (17)	13.0 (6)	18.9 (11)	16.2 (7)	13.0	21.2	22.7	10.2	14.2	8.4	1.2	2.9	0.4 (10)	
Salt	Javelin	2	75	11	-2.2 (2)	-2.4 (15)	13.9 (4)	20.5 (4)	17.6 (3)	13.9	24.6	23.4	12.6	14.1	9.1	2.3	4.6	0.5 (8)	
	Minimum				-5.3	-4.1	5.0	15.7	11.8	5.0	12.0	22.0	6.4	2.3	7.8	-1.2	2.0	-0.3	
	Median				-3.6	-1.9	11.5	19.0	15.9	11.5	21.3	25.2	12.6	11.3	8.3	1.3	3.4	0.5	
	Maximum				-1.8	1.4	16.7	22.7	19.3	16.7	29.3	31.8	23.0	14.2	13.2	10.0	6.8	1.5	
	S&P/NZX 50 Gross incl I/C	1			-4.5	-3.0	9.9	17.1	14.8	9.9	16.4	25.4	11.8	11.0	8.1				
	S&P/NZX 50 Portfolio incl I/C	2			-4.8	-3.5	11.7	18.3	15.0	11.7	16.7	26.9	12.8	8.0	8.0				
	NZX50/ASX200 (50/50)	3			-5.5	-4.1	3.5	11.7	10.2	3.5	13.9	18.3	10.3	5.9	9.4				
	NZX/ASX Small Cap	4			-3.0	-5.3	-4.9	0.3	1.5	-4.9	6.6	-0.6	0.7	6.1	13.2				
	Russell NZ Tradeable Gross	5			-4.1	-2.5	12.6	18.6	16.5	12.6	18.7	24.7	11.7	15.3	8.2				

Australian Only Equity

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2015										For the year ended 31 August					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	Australian Share	1	27	-6.5	(3)	-3.5	(2)	-0.4	(3)	7.8	(3)	6.7	(3)	-0.4	13.1	11.1	9.7	0.7	13.4	1.1	1.8	0.6	(2)
ANZ	Australian Share	1	520	-7.3	(4)	-4.9	(3)	-4.0	(4)	8.8	(2)	6.8	(2)	-4.0	9.6	22.6	5.5	2.1	12.6	1.0	3.9	0.3	(3)
Devon	Australian	1	43	-5.1	(2)	-1.3	(1)	5.8	(2)	14.0	(1)	9.9	(1)	5.8	19.3	17.5	10.8	-2.4	12.4	4.0	3.2	1.2	(1)
Milford	Dynamic	2	144	-1.4	(1)	-6.0	(4)	9.0	(1)					9.0									
Minimum				-7.3		-6.0		-4.0		7.8		6.7		-4.0	9.6	11.1	5.5	-2.4	12.4	1.0	1.8	0.3	
Median				-5.8		-4.2		2.7		8.8		6.8		-0.4	13.1	17.5	9.7	0.7	12.6	1.1	3.2	0.6	
Maximum				-1.4		-1.3		9.0		14.0		9.9		5.8	19.3	22.6	10.8	2.1	13.4	4.0	3.9	1.2	
ASX 200				1		-6.6		-5.1		-3.0		6.2		5.5				0.6	13.8				
ASX SmallCap Industrials				2		-4.3		-7.8		-1.5		10.1											
ASX 200 (in A\$)						-7.8		-8.8		-3.2		11.2		8.2				1.9					

Income

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Aug 2015										For the year ended 31 August				Benchmark						
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012		2011					
Harbour	Australasian Eq Income	82	-2.7	(3)	-3.3	(3)	12.2	(1)	18.6	(1)			12.2	23.1	20.9								n/a
Milford	Income	1,119	-1.0	(2)	-0.5	(2)	11.7	(2)	15.4	(2)	14.4	(1)	11.7	15.9	18.6	16.3	9.8						ANZ 90 Day Bank Bill Index
Nikko	Income	5	0.9	(1)	3.6	(1)	9.4	(3)	7.9	(3)	8.0	(2)	9.4	8.3	6.0	12.9	3.8						10% p.a.
Minimum			-2.7		-3.3		9.4		7.9		8.0		9.4	8.3	6.0	12.9	3.8						
Median			-1.0		-0.5		11.7		15.4		11.2		11.7	15.9	18.6	14.6	6.8						
Maximum			0.9		3.6		12.2		18.6		14.4		12.2	23.1	20.9	16.3	9.8						

Global Equities (Unhedged)

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2015										For the year ended 31 August					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	Global Shares	2	755	-1.6	(7)	4.9	(6)	28.6	(9)	22.1	(3)	14.2	(3)	28.6	12.6	25.6	14.0	-6.2	10.1	2.2	1.8	1.2	(2)
AMPCI	RIL Global Shares	1	50	-2.9	(13)	1.1	(14)	22.0	(11)	19.6	(10)	12.6	(9)	22.0	15.3	21.5	12.5	-6.0	9.8	0.7	1.4	0.5	(6)
ANZ	International Share	1	3,402	-2.1	(9)	5.0	(5)	30.6	(4)	22.1	(2)	15.4	(2)	30.6	11.1	25.5	17.8	-4.6	10.5	3.3	2.4	1.4	(1)
Devon	Global Themes	1	30	-5.4	(16)	-2.3	(15)																
EC	Value Fund	1	18	-1.0	(4)	4.1	(8)	15.1	(13)	16.2	(13)	10.5	(11)	15.1	10.0	24.0	6.1	-1.0	8.0	-1.4	4.8	-0.3	(10)
Fisher	Overseas Equities	1	736	-2.0	(8)	3.5	(11)	23.6	(10)	17.8	(11)	10.5	(12)	23.6	9.9	20.2	9.0	-7.4	9.5	-1.2	1.9	-0.7	(11)
FRK	Global Growth	1	64	-2.3	(10)	4.7	(7)	31.5	(3)	20.4	(7)	14.0	(4)	31.5	10.4	20.0	16.1	-4.7	10.6	2.0	4.0	0.5	(5)
FRK	Global Trust	1	374	-2.8	(11)	2.6	(13)	18.2	(12)	20.7	(6)	13.5	(7)	18.2	11.7	33.3	14.3	-6.3	11.2	1.6	4.2	0.4	(9)
Harbour	Global Equity Growth	1	7	-3.7	(14)	3.2	(12)																
Magellan	Global	1	8,471	-0.6	(1)	7.8	(1)	39.2	(1)	23.6	(1)	20.0	(1)	39.2	7.3	26.4	30.9	0.8	10.7	7.2	7.0	1.0	(3)
Mercer	Global Equities	2	824	-1.1	(5)	4.1	(9)	29.3	(7)	20.3	(8)	12.5	(10)	29.3	11.5	20.7	11.9	-7.4	9.1	0.1	3.7	-1.5	(12)
MGH	MGH Investments	1	25	-0.8	(2)	5.4	(3)	29.4	(6)	16.3	(12)	9.4	(13)	29.4	5.9	14.9	4.4	-4.6	8.5	-1.9	4.6	-5.9	(13)
Nikko	Global Equity	1	513	-1.6	(6)	5.3	(4)	29.0	(8)	20.2	(9)	13.9	(5)	29.0	12.2	20.0	15.1	-4.1	9.0	1.8	2.2	0.8	(4)
Nikko	Global SRI	1	19	-0.9	(3)	5.6	(2)	35.3	(2)	21.2	(4)	13.6	(6)	35.3	7.2	22.8	15.4	-7.8	10.8	1.6	4.2	0.4	(8)
Russell	Emerging Markets	4	0	-4.1	(15)	-8.8	(16)																
Russell	Global Opportunities	3	282	-2.8	(12)	3.9	(10)	29.7	(5)	21.1	(5)	13.1	(8)	29.7	10.1	24.3	9.6	-4.8	10.7	1.0	2.2	0.5	(7)
Minimum				-5.4		-8.8		15.1		16.2		9.4		15.1	5.9	14.9	4.4	-7.8	8.0	-1.9	1.4	-5.9	
Median				-2.1		4.1		29.3		20.4		13.5		29.3	10.4	22.8	14.0	-4.8	10.1	1.6	3.7	0.5	
Maximum				-0.6		7.8		39.2		23.6		20.0		39.2	15.3	33.3	30.9	0.8	11.2	7.2	7.0	1.4	
MSCI All Country World Index				1		-2.3	3.1	23.9		18.4		11.8		23.9	11.8	19.9	12.9	-6.7	9.5				
MSCI World Index				2		-2.0	4.3	26.7		20.1		13.3		26.7	11.9	22.2	14.9	-6.1	9.9				
Russell Global Large Cap				3		-2.2	3.1	24.1		18.9		12.1		24.1	12.2	20.6	12.8	-6.7	9.6				
Russell Emerging Markets Index				4		-4.9	-12.5																
MSCI World Index (100% hedged)						-6.7	-6.9	4.4		16.7		14.6		4.4	23.8	22.9	13.1	9.9	11.2				

Global Bonds

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2015										For the year ended 31 August					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
Global Aggregate:																							
AMPCI	Global Fixed Interest	1	127	-0.2	(3)	-0.0	(5)	5.6	(4)	6.1	(4)	6.0	(5)	5.6	9.8	3.1	7.1	4.5	2.6	-0.3	1.6	-0.2	(5)
ANZ	International Aggregate	1	686	-0.6	(6)	0.1	(3)	5.6	(3)					5.6									
Fisher	Global Fixed Interest	1	926	-0.4	(5)	-0.1	(6)	5.6	(5)	6.6	(3)	7.9	(1)	5.6	12.3	2.3	14.1	5.9	3.4	1.6	1.6	1.0	(3)
Mercer	Global Bonds	1	668	0.1	(1)	0.3	(2)	6.1	(2)	7.0	(2)	7.7	(3)	6.1	11.1	4.0	11.4	6.0	2.7	1.3	1.2	1.1	(2)
Nikko	Global Fixed Interest	1	277	-0.2	(4)	0.4	(1)	5.1	(6)	6.0	(5)	6.3	(4)	5.1	10.6	2.6	9.0	4.5	2.5	0.0	0.9	0.0	(4)
Russell	Global Bond	1	1,548	-0.1	(2)	0.0	(4)	6.2	(1)	7.2	(1)	7.9	(2)	6.2	11.1	4.6	12.6	5.4	3.1	1.5	1.3	1.2	(1)
Minimum				-0.6		-0.1		5.1		6.0		6.0		5.1	9.8	2.3	7.1	4.5	2.5	-0.3	0.9	-0.2	
Median				-0.2		0.1		5.6		6.6		7.7		5.6	11.1	3.1	11.4	5.4	2.7	1.3	1.3	1.0	
Maximum				0.1		0.4		6.2		7.2		7.9		6.2	12.3	4.6	14.1	6.0	3.4	1.6	1.6	1.2	
Other:																							
LMI	Brandywine*	2	182	-2.9	(3)	-4.8	(3)	4.5	(2)	9.5	(1)	9.9	(1)	4.5	17.2	7.2	13.5	7.6	5.5	3.6	4.7	0.8	(1)
ANZ	International Sovereign	2	2,141	0.1	(1)	0.6	(1)	6.4	(1)	5.5	(2)	5.8	(2)	6.4	8.8	1.5	8.3	4.1	2.9	-0.3	0.6	-0.5	(2)
ANZ	International Credit	x	1,125	-0.5	(2)	-0.5	(2)	3.7	(3)					3.7	11.0								
Barclays Capital Global Agg Index				1		-0.0		0.2		6.0		6.0		6.0	9.8	2.4	8.7	4.7	2.6				
Citigroup World Govt Bond Index				2		0.1		0.5		6.6		6.1		6.6	9.6	2.9	8.0	3.7	2.9				

Other Global Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Aug 2015										For the year ended 31 August					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011						
AMPCI	Commodities	427	-1.1	(2)	-9.0	(6)	-25.8	(6)	-10.9	(4)					-25.8	1.9	-6.4						n/a
AMPCI	Infrastructure	184	-4.9	(6)	-6.2	(5)	3.8	(4)						3.8	43.6								DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	143	-4.0	(4)	-4.6	(4)	10.6	(3)						10.6									Global Core Infrastructure Net (NZD Hedged)
PATH	Commodity Plus Fund	61	-0.0	(1)	-0.9	(1)	1.3	(5)	-2.4	(3)	1.3	(2)		1.3	-3.7	-4.7	-3.5	19.2					Bloomberg Commodity Index
PATH	World Equity Fund	36	-4.3	(5)	-1.0	(2)	22.3	(1)	18.5	(2)				22.3	22.1	11.5							MSCI AC World
PATH	Global Water Fund	8	-2.6	(3)	-2.9	(3)	12.7	(2)	19.3	(1)	12.1	(1)		12.7	21.6	23.8	7.3	-2.7					n/a
Minimum			-4.9		-9.0		-25.8		-10.9		1.3			-25.8	-3.7	-6.4	-3.5	-2.7					
Median			-3.3		-3.8		7.2		8.0		6.7			7.2	21.6	3.4	1.9	8.3					
Maximum			-0.0		-0.9		22.3		19.3		12.1			22.3	43.6	23.8	7.3	19.2					

* 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 Aug 2015										For the year ended 31 August					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	NZ Fixed Interest	1	1,817	0.5	(6)	3.0	(3)	9.4	(5)	5.3	(5)	6.7	(3)	9.4	6.5	0.2	9.5	8.2	3.0	0.9	0.5	1.8	(1)
ANZ	NZ Fixed Interest	1	1,403	0.7	(1)	3.1	(2)	9.6	(2)	4.9	(7)	6.7	(4)	9.6	5.8	-0.5	10.1	8.6	2.9	0.9	0.6	1.4	(2)
Fisher	NZ Fixed Interest	1	1,058	0.7	(2)	3.2	(1)	9.7	(1)	5.1	(6)	6.3	(6)	9.7	5.5	0.4	7.5	8.8	2.5	0.6	1.2	0.5	(5)
Harbour	NZ Core Fixed Interest	3	125	0.5	(7)	2.7	(7)	8.1	(7)	5.5	(4)			8.1	5.8	2.6							
Harbour	NZ Corporate Bond	2	227	0.6	(5)	2.4	(8)	8.0	(8)	6.0	(3)	6.4	(5)	8.0	5.6	4.4	6.7	7.1	1.3	0.1	0.8	0.1	(6)
Milford	Trans-Tasman Bond	4	231	0.4	(9)	1.5	(9)	7.9	(9)					7.9									
Nikko	NZ Corporate Bond	1	109	0.6	(4)	2.8	(6)	9.6	(3)	7.0	(1)	7.6	(1)	9.6	6.9	4.6	8.9	7.8	2.0	1.7	1.9	0.9	(4)
Nikko	NZ Fixed Interest	1	265	0.6	(3)	2.8	(5)	9.4	(4)	6.2	(2)	7.1	(2)	9.4	6.6	2.6	9.5	7.8	2.5	1.3	1.1	1.2	(3)
Russell	NZ Fixed Interest	1	93	0.4	(8)	2.9	(4)	8.8	(6)					8.8	5.9								
Minimum				0.4		1.5		7.9		4.9		6.3		7.9	5.5	-0.5	6.7	7.1	1.3	0.1	0.5	0.1	
Median				0.6		2.8		9.4		5.5		6.7		9.4	5.9	2.6	9.2	8.0	2.5	0.9	0.9	1.1	
Maximum				0.7		3.2		9.7		7.0		7.6		9.7	6.9	4.6	10.1	8.8	3.0	1.7	1.9	1.8	
	S&P/NZX NZ Govt Stock Index	1		0.6		3.0		9.0		4.0		5.7		9.0	5.2	-1.9	8.9	7.7	3.1				
	S&P/NZX NZ Corp A Grade Index	2		0.6		2.5		8.5		5.7		6.3		8.5	5.6	3.1	7.3	7.0	1.6				
	S&P/NZX NZ Govt/Corp A Index (50/50)	3		0.6		2.8		8.8		4.9		6.0		8.8	5.4	0.6	8.1	7.4	2.3				
	S&P/NZX NZ Corp/ASX Corp (50/50)	4																					

NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2015										For the year ended 31 August					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	NZ Cash	1	3,916	0.3	(5)	1.0	(5)	4.1	(6)	3.7	(6)	3.8	(3)	4.1	3.6	3.5	3.5	4.1	0.1	0.7	0.1	9.0	(1)
AMPCI	NZ Short Duration	2	206	0.5	(1)	2.0	(1)	7.0	(1)	5.4	(1)			7.0	5.0	4.4							
AMPCI	Global Short Duration	1	181	0.1	(7)	0.6	(7)	4.6	(2)	4.9	(2)			4.6	6.0	4.2							
ANZ	NZ Cash	1	2,123	0.3	(6)	0.9	(6)	4.0	(7)	3.6	(7)	3.7	(4)	4.0	3.5	3.4	3.5	3.9	0.1	0.6	0.1	7.1	(3)
Fisher	NZ Cash	1	793	0.3	(4)	1.0	(4)	4.3	(5)	4.1	(5)	3.9	(2)	4.3	3.9	4.3	3.3	3.6	0.3	0.8	0.4	2.3	(4)
Harbour	Short Duration	1	35	0.4	(2)	1.1	(2)	4.5	(3)	4.2	(3)			4.5	3.9	4.1			0.2				
Nikko	NZ Cash	1	535	0.3	(3)	1.0	(3)	4.4	(4)	4.2	(4)	4.2	(1)	4.4	3.9	4.1	4.0	4.4	0.1	1.1	0.1	8.9	(2)
Median				0.3		1.0		4.4		4.2		3.8		4.4	3.9	4.1	3.5	4.0	0.1	0.8	0.1	8.0	
	S&P/NZX 90 Day Bank Bill Index	1		0.3		0.9		3.7		3.1		3.0		3.7	3.0	2.7	2.8	3.0	0.1				
	S&P/NZX Short End Swap Index	2		0.5		1.8		6.1		3.7				6.1	3.3	1.7			0.9				

NZ Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2015										For the year ended 31 August					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
Direct:																							
Fisher Trust	Property Fund		335	0.8	(1)	3.0	(1)	15.2	(1)	13.8	(1)	10.3	(1)	15.2	13.3	12.9	4.0	6.3	3.9				
	Property Fund		96	0.5	(2)	2.0	(2)	7.5	(2)	9.0	(2)	8.5	(2)	7.5	10.1	9.3	8.4	7.2	1.4				
Listed:																							
AMPCI	Listed Property	1	18	-2.2	(2)	2.9	(1)	16.7	(2)	15.7	(4)	16.6	(4)	16.7	13.8	16.5	21.2	14.9	6.8	1.7	2.4	0.7	(4)
AMPCI	Property Fund	2	125	-2.4	(3)	1.2	(6)																
ANZ	Property Securities	1	142	-2.9	(6)	1.6	(5)	14.2	(5)	16.6	(2)	17.5	(1)	14.2	18.1	17.4	21.2	16.8	7.3	2.5	2.7	0.9	(2)
ANZ	Trans Tasman	2	353	-3.2	(7)	-0.0	(7)	14.2	(6)	17.6	(1)	16.7	(3)	14.2	21.1	17.7	22.4	8.7	7.7	1.5	2.9	0.5	(5)
Mint	Real Estate Inv Trust	1	49	-2.6	(4)	2.9	(2)	14.8	(4)	15.3	(5)	16.0	(5)	14.8	14.9	16.1	19.9	14.5	6.3	1.2	2.8	0.4	(6)
Nikko	Property Securities	1	41	-2.8	(5)	2.4	(4)	15.2	(3)	14.4	(6)	15.7	(6)	15.2	13.2	14.8	17.2	18.3	7.0	1.0	1.0	0.9	(3)
Salt	Listed Property	1	280	-2.1	(1)	2.5	(3)	17.0	(1)	15.8	(3)	17.1	(2)	17.0	14.2	16.0	19.9	18.7	6.7	2.2	1.6	1.4	(1)
	Minimum			-3.2		-0.0		14.2		14.4		15.7		14.2	13.2	14.8	17.2	8.7	6.3	1.0	1.0	0.4	
	Median			-2.6		2.4		15.0		15.7		16.7		15.0	14.6	16.3	20.5	15.9	6.9	1.6	2.5	0.8	
	Maximum			-2.1		2.9		17.0		17.6		17.5		17.0	21.1	17.7	22.4	18.7	7.7	2.5	2.9	1.4	
	S&P/NZX Property Index	1		-2.5		2.3		15.1		13.2		14.6		15.1	10.9	13.8	15.9	17.4	7.3				
	NZX/ASX Property Index	2		-2.9		1.1		16.4		15.3		14.9		16.4	14.3	15.3	17.9	11.0	7.2				

Global Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Aug 2015										For the year ended 31 August					For last 5 years				
				1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	Global Property Securities	1	117	-4.9	(2)	-4.5	(1)	7.6	(1)	15.1	(1)	16.6	(1)	7.6	32.5	7.0	16.7	21.0	16.1	1.9	5.1	0.4	(1)
ANZ	International Property	1	473	-4.7	(1)	-4.7	(2)	6.4	(2)	13.1	(2)	14.8	(2)	6.4	28.0	6.3	16.3	18.3	14.0	0.1	2.6	0.0	(2)
Russell	Global Listed Real Estate	1	40	-6.1	(3)	-6.1	(3)																
	FTSE EPRA/NAREIT Index*	1		-5.5		-5.0		6.2		13.1		14.7		6.2	26.2	8.0	18.7	15.7	13.2				
	*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> </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 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	<p>Guy Fisher Consultant +64 4 819 4054 guy.fisher@aonhewitt.com</p> <p>Greg Lee Actuary & Principal +64 9 362 9825 greg.lee@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

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