

# The Aon Investment Update as at 31 July 2015

## Aon Hewitt Investment Consulting

This survey is produced by Aon Hewitt New Zealand

Other investment consulting services include:

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

### Our Global Reach

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

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

## Investment Commentary July 2015

### Market summary

July was another strong month for investment markets with equities and bonds both providing solid returns. However commodity markets struggled as the oil price fell below \$50 per barrel, the price of gold continued to fall and dairy prices also weakened. The New Zealand dollar was lower against all of the major currencies with the exception of the Australian dollar.

Global shares rose by around 2.5% over the month and are up by more than 12% over the last 12 months. However, while most equity markets finished the month strongly there were a number of conflicting factors driving returns.

European shares were buoyed when the Greek government secured a deal with creditors which extinguished the threat of Greece leaving the Euro – at least for the time being. Elsewhere, share prices in the developed market economies were supported by solid GDP growth numbers out of the UK and the US and improving economic data out of Europe. However emerging market shares, particularly in the Asian region, were dragged lower by the continuing turmoil in China. In one day, towards the end of the month, the Shanghai Composite index fell 8.5% - its largest one-day loss since February 2007. The index lost 14% over the month.

The New Zealand and Australian share markets performed well in July after both falling in June. Low interest rates and a weakening New Zealand dollar are supportive for share prices – especially for exporters, but the local economy is slowing and there is evidence that business confidence is on the wane.

Sovereign bond yields fell over the month, resulting in positive returns from government bonds – particularly within Europe. Solid economic data releases, declining oil prices and weak inflation data are all positive for this sector. The US 10-year Treasury yield fell from 2.35% to 2.18% over the month, while the German 10-year Bund yield fell from 0.76% to 0.64%.

Investment grade corporate bonds also delivered positive returns over July and the Barclays Global Aggregate Bond Index (\$NZ Hedged) returned 1.29% for the month. In New Zealand the Reserve Bank cut the OCR by 0.25% to 3.0% - a move that was widely anticipated. This followed on from a 0.25% cut in June. Domestic bond yields fell and the New Zealand Government Bond index returned 1.6% over the month.

### Fund Performance

All of the balanced funds in our survey posted moderate positive returns for July, with Nikko topping the group at 2.7%. Nikko was also the best performer over the last quarter and 12 months - returning 4.9% and 17.6% respectively - however Milford remains top over 3 years and 5 years.

Property was the best performing asset class in July with the domestic and global property funds rebounding strongly after a disappointing June.

Global Equities were also strong and all of the funds in this sector posted positive returns in July except Russell's Emerging Markets fund, which lost 4.6%. The New Zealand dollar has continued to weaken and this has been an ongoing contributor to the strong performance of unhedged Global Equities.

NZ and Australasian equity funds all posted positive returns over July. The median return was 3.2% and for the quarter it was 3.1%. Fisher Funds Trans-Tasman Equities was the best performer in this class with 4.2% for July. Devon's Trans-Tasman fund was the weakest fund over July, posting 2.2%, but was the strongest fund over 1 year (24.3%) and 3 years (26.0% p.a.).

There were no negative returns for the New Zealand and Global bond funds in the survey over the last month. The median NZ bond fund returned 1.4% and the median global bond fund returned 1.3%, which was in line with the Barclays Global Aggregate Bond index.

### New Zealand Fund Management Changes

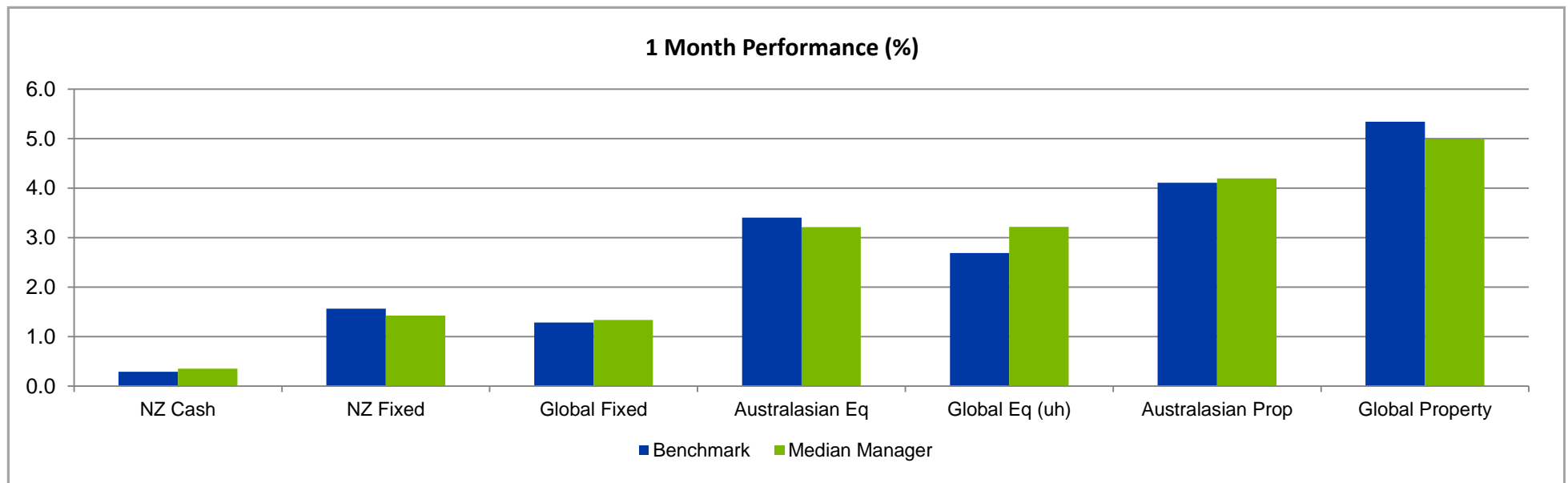
Salt Funds Management has employed Randall Clement as an operations analyst. Clement graduated from the University of Auckland specialising in finance and received the Financial Markets Authority Honours/Masters Prize last year.

Pathfinder has launched a global property fund. The fund will invest directly in around 80 listed companies and property trusts.

NZAM has been granted a Discretionary Investment Management Service (DIMS) licence and a Managed Investment Scheme (MIS) Licence by the FMA.

## Median Manager Performance v Benchmark

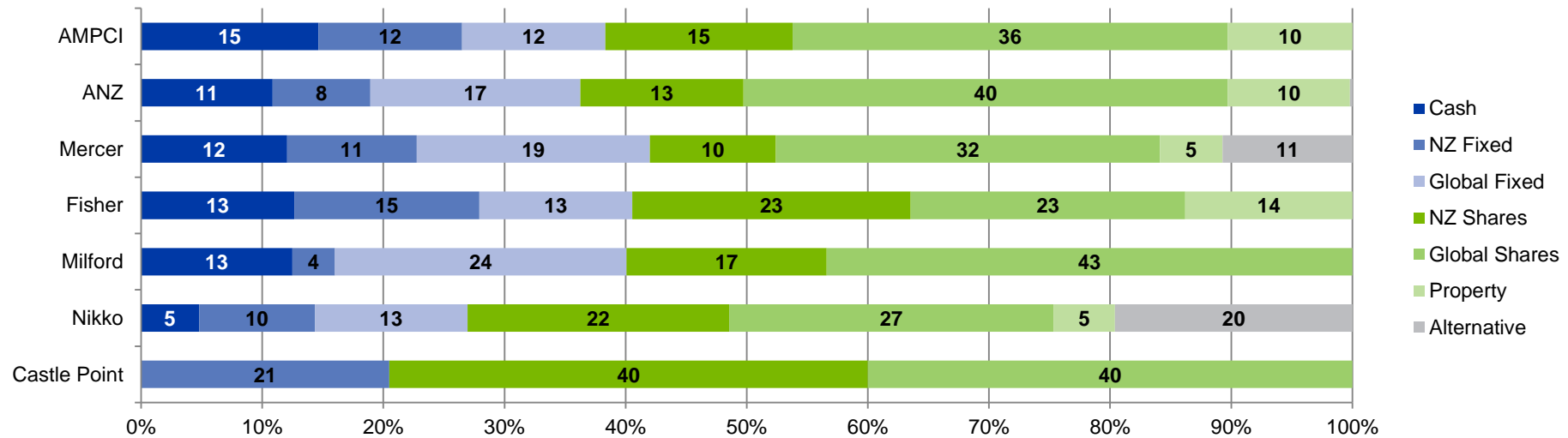
		Returns (%) gross of tax and fees										
Sector		For the period to 31 Jul 2015					For the year ended 31 July					Volatility 5 Yrs
		1 Month	1 Qtr	1 Yr	3 Yrs	5 Yrs	2015	2014	2013	2012	2011	
NZ Cash	ANZ 90D Bank Bills	0.3	0.9	3.7	3.1	3.0	3.7	2.9	2.7	2.8	3.0	0.1
	Median Manager	0.4	1.1	4.5	4.2	3.8	4.5	3.9	4.2	3.5	4.1	0.1
NZ Fixed Interest	ANZ NZ Govt Stock	1.6	2.5	9.4	4.0	5.8	9.4	3.2	-0.3	10.5	6.8	3.1
	Median Manager	1.4	2.6	9.7	5.6	6.8	9.7	4.6	3.7	9.7	7.7	2.5
Global Fixed Interest	Barclays Agg	1.3	0.1	7.7	6.2	6.7	7.7	7.9	3.1	9.8	5.2	2.7
	Median Manager	1.3	0.0	7.6	7.1	8.3	7.6	9.2	3.8	11.4	6.9	2.8
Australasian Equities	NZX 50 Gross	3.4	2.5	16.3	20.2	15.9	16.3	15.3	29.7	5.9	13.3	7.7
	Median Manager	3.2	3.1	18.1	22.0	16.6	18.1	20.0	28.8	5.6	14.1	8.1
Global Equities (unhedged)	MSCI ACWI	2.7	12.7	31.4	20.6	12.3	31.4	8.7	22.9	3.7	-1.9	9.5
	Median Manager	3.2	14.4	35.7	22.9	13.6	35.7	8.0	25.1	3.0	-1.1	10.0
Australasian Property	NZX Property	4.1	4.6	21.3	14.5	15.6	21.3	9.0	13.6	14.8	20.0	7.1
	Median Manager	4.2	4.7	21.3	17.2	17.9	21.3	12.2	17.5	17.9	19.2	6.7
Global Property	UBS Property	5.3	0.4	15.6	15.5	16.1	15.6	16.6	14.2	12.3	21.8	12.8
	Median Manager	5.0	0.2	15.1	16.2	16.6	15.1	19.8	13.7	8.0	27.5	14.8



## Balanced Funds

		Returns (%) gross of tax and fees														
Manager	FUM (\$m)	For the period to 31 Jul 2015					For the year ended 31 July					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	43	1.0 (7)	1.7 (7)	11.7 (6)	13.6 (4)	11.3 (4)	11.7	12.6	16.5	6.5	9.5	4.1	2.0 (5)			
ANZ Investments	537	2.5 (2)	4.2 (3)	16.8 (3)	16.1 (2)	13.4 (2)	16.8	12.5	19.1	8.4	10.8	4.9	2.1 (3)			
Castle Point Funds	8	1.9 (5)	4.5 (2)	9.2 (7)	9.3 (7)	7.9 (7)	9.2	7.0	11.7	6.0	6.0	2.4	2.1 (4)			
Fisher Institutional	833	2.1 (4)	2.5 (5)	12.0 (5)	12.3 (6)	9.8 (6)	12.0	11.7	13.1	6.0	6.5	4.0	1.7 (7)			
Mercer	470	1.5 (6)	2.4 (6)	13.1 (4)	13.5 (5)	10.5 (5)	13.1	12.7	14.8	4.1	8.1	3.9	1.9 (6)			
Milford Funds	298	2.1 (3)	2.8 (4)	17.2 (2)	17.0 (1)	13.8 (1)	17.2	12.6	21.3	11.2	7.4	4.1	2.6 (1)			
Nikko Asset Management	225	2.7 (1)	4.9 (1)	17.6 (1)	14.9 (3)	11.6 (3)	17.6	11.3	15.8	5.5	8.3	4.0	2.1 (2)			
Minimum		1.0	1.7	9.2	9.3	7.9	9.2	7.0	11.7	4.1	6.0	2.4	1.7			
Median		2.1	2.8	13.1	13.6	11.3	13.1	12.5	15.8	6.0	8.1	4.0	2.1			
Maximum		2.7	4.9	17.6	17.0	13.8	17.6	12.7	21.3	11.2	10.8	4.9	2.6			

## 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 Jul 2015								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	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	NZ Shares	1	502	0	3.3	(8)	2.3	(15)	18.1	(11)	20.8	(15)	16.4	(12)	18.1	18.5	26.0	5.8	14.5	8.2	0.5	2.8	0.2	(13)
AMPCI	NZ Shares RIL	1	9	0	3.1	(12)	2.2	(16)	17.3	(13)					17.3	19.5								
AMPCI	Strategic NZ Share	2	165	0	3.3	(8)	2.7	(14)	20.7	(3)	22.2	(8)	16.1	(14)	20.7	17.7	28.5	4.9	10.1	8.2	-0.1	3.4	-0.0	(15)
ANZ	NZ Equities	1	160	0	3.1	(14)	2.8	(12)	13.7	(19)	21.5	(12)	17.4	(5)	13.7	20.4	30.9	7.4	15.7	7.7	1.3	2.0	0.7	(6)
ANZ	Australasian Equity	1	686	10	3.2	(10)	2.7	(13)	13.9	(18)	21.3	(13)	16.9	(7)	13.9	20.9	29.6	5.8	15.7	7.6	0.9	2.1	0.4	(8)
CPFM	Trans Tasman Strategy	1	0	18	3.8	(6)	4.9	(4)	17.7	(12)					17.7									
Devon	NZ Core	1	170	14	3.0	(15)	0.5	(19)	18.5	(9)	22.6	(6)	16.7	(8)	18.5	22.9	26.5	6.2	10.9	8.0	0.7	3.6	0.2	(12)
Devon	Equity Income	3	33	46	3.2	(11)	-0.6	(21)	18.6	(8)	20.9	(14)			18.6	21.8	22.3							
Devon	Trans Tasman	3	117	56	2.2	(21)	5.0	(3)	24.3	(1)	26.0	(1)	17.2	(6)	24.3	28.0	25.8	5.6	4.4	8.5	4.9	4.2	1.2	(3)
Fisher	Trans Tasman Equities	1	543	29	4.2	(1)	3.6	(9)	14.6	(16)	20.4	(16)	15.7	(16)	14.6	17.4	29.9	6.2	11.7	9.1	-0.3	3.5	-0.1	(16)
Harbour	Australasian Equity	5	647	29	4.2	(2)	5.4	(2)	12.7	(20)	23.3	(5)	16.3	(13)	12.7	21.7	36.5	-0.6	14.1	8.4	-1.2	4.3	-0.3	(17)
Mercer	Trans Tasman Equity	1	365	15	3.4	(7)	3.1	(11)	15.3	(15)	22.3	(7)	16.5	(10)	15.3	20.7	31.5	3.4	13.5	7.5	0.5	2.3	0.2	(10)
Milford	NZ Equities	1	244	0	3.1	(13)	3.8	(7)	14.2	(17)	22.1	(9)	18.5	(2)	14.2	19.0	33.8	12.3	14.5	7.7	2.3	3.1	0.7	(5)
Milford	Trans Tasman	3	280	45	2.4	(18)	3.7	(8)	11.8	(21)	18.6	(18)	16.5	(11)	11.8	17.7	26.7	15.6	11.1	8.2	4.3	3.4	1.3	(2)
Mint	Trans Tasman Equity	1	77	15	4.0	(4)	3.6	(10)	18.4	(10)	24.8	(2)	20.4	(1)	18.4	21.0	35.8	10.8	17.6	7.4	3.9	5.0	0.8	(4)
Nikko	Core Domestic Equity	1	254	10	4.1	(3)	4.3	(5)	20.1	(4)	22.0	(10)	16.0	(15)	20.1	17.1	29.0	5.1	10.3	8.0	0.2	2.4	0.1	(14)
Nikko	Australasian Smallcap	4	5	68	2.4	(19)	6.6	(1)	19.3	(7)	19.0	(17)	12.7	(17)	19.3	10.8	27.4	-2.1	10.3	13.1	9.7	6.8	1.4	(1)
Russell	NZ Shares	5	106	0	3.8	(5)	4.2	(6)	16.0	(14)					16.0	18.8								
Salt	Dividend Appreciation	1	79	0	2.3	(20)	1.7	(17)	22.0	(2)	23.4	(4)	17.7	(4)	22.0	20.8	27.5	5.0	14.3	8.0	1.6	2.9	0.5	(7)
Salt	NZ Plus Share	1	417	3	2.8	(16)	1.1	(18)	19.3	(6)	21.7	(11)	16.6	(9)	19.3	19.6	26.3	3.0	16.0	8.3	0.7	2.9	0.2	(11)
Salt	Javelin	2	76	10	2.5	(17)	0.2	(20)	19.6	(5)	23.8	(3)	17.8	(3)	19.6	21.9	30.1	2.7	16.2	9.0	1.4	4.6	0.3	(9)
	Minimum				2.2		-0.6		11.8		18.6		12.7		11.8	10.8	22.3	-2.1	4.4	7.4	-1.2	2.0	-0.3	
	Median				3.2		3.1		18.1		22.0		16.6		18.1	20.0	28.8	5.6	14.1	8.1	1.1	3.4	0.4	
	Maximum				4.2		6.6		24.3		26.0		20.4		24.3	28.0	36.5	15.6	17.6	13.1	9.7	6.8	1.4	
	NZX 50 Gross incl I/C	1			3.4		2.5		16.3		20.2		15.9		16.3	15.3	29.7	5.9	13.3	7.7				
	NZX 50 Portfolio incl I/C	2			3.2		2.5		18.7		22.0		16.2		18.7	14.8	33.1	5.2	10.9	7.5				
	NZX50/ASX200 (50/50)	3			2.5		4.2		11.6		14.8		11.6		11.6	14.4	18.3	5.5	8.5	8.9				
	NZX/ASX Small Cap	4			-0.1		1.8		1.6		2.1		2.5		1.6	6.3	-1.5	-4.2	11.1	13.2				
	Russell NZ Tradeable Gross	5			3.6		2.9		18.7		21.6		17.6		18.7	17.3	29.0	6.9	17.3	7.8				

## Australian Only Equity

		Returns (%) gross of tax and fees																						
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2015										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	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk	
AMPCI	Australian Share	1	34	2.2	(2)	7.0	(2)	10.1	(3)	11.0	(3)	8.0	(3)	10.1	13.1	9.7	5.0	2.6	13.1	0.9	1.9	0.5	(2)	
ANZ	Australian Share	1	530	1.6	(4)	6.4	(3)	5.8	(4)	12.5	(2)	8.4	(2)	5.8	12.7	19.5	0.6	4.3	12.0	1.0	3.9	0.3	(3)	
Devon	Australian	1	44	2.7	(1)	7.7	(1)	15.9	(2)	16.9	(1)	11.3	(1)	15.9	20.7	14.1	5.6	1.2	12.1	3.8	3.1	1.2	(1)	
Milford	Dynamic	2	148	1.8	(3)	-0.6	(4)	18.1	(1)					18.1										
Minimum				1.6		-0.6		5.8		11.0		8.0		5.8	12.7	9.7	0.6	1.2	12.0	0.9	1.9	0.3		
Median				2.0		6.7		13.0		12.5		8.4		10.1	13.1	14.1	5.0	2.6	12.1	1.0	3.1	0.5		
Maximum				2.7		7.7		18.1		16.9		11.3		15.9	20.7	19.5	5.6	4.3	13.1	3.8	3.9	1.2		
ASX 200				1		5.9		6.6		9.2		7.0		6.6	13.2	7.7	4.5	3.3	13.4					
ASX SmallCap Industrials				2		-1.1		6.7		13.0				6.7	10.6	22.1	0.7							
ASX 200 (in A\$)						-0.7		5.7		15.1		9.7		5.7	16.5	23.8	1.3	2.7						

## Income

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Jul 2015										For the year ended 31 July					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	83	2.6	(1)	1.3	(3)	19.0	(1)	21.4	(1)			19.0	19.7	25.6								n/a
Milford	Income	1,130	1.9	(2)	1.7	(2)	14.6	(2)	16.3	(2)	14.9	(1)	14.6	14.6	19.6	15.1	10.6						ANZ 90 Day Bank Bill Index
Nikko	Income	5	1.6	(3)	3.1	(1)	9.4	(3)	7.8	(3)	8.0	(2)	9.4	7.5	6.5	3.6	13.4						10% p.a.
Minimum			1.6		1.3		9.4		7.8		8.0		9.4	7.5	6.5	3.6	10.6						
Median			1.9		1.7		14.6		16.3		11.5		14.6	14.6	19.6	9.4	12.0						
Maximum			2.6		3.1		19.0		21.4		14.9		19.0	19.7	25.6	15.1	13.4						

## Global Equities (Unhedged)

		Returns (%) gross of tax and fees																						
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2015										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	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk	
AMPCI	Global Shares	2	945	3.6	(6)	14.9	(6)	35.7	(7)	24.3	(3)	14.6	(4)	35.7	10.2	28.5	4.2	-1.2	10.0	2.1	1.8	1.2	(2)	
AMPCI	RIL Global Shares	1	50	1.2	(14)	11.9	(12)	30.6	(10)	22.1	(8)	13.0	(9)	30.6	11.5	24.9	3.0	-1.5	9.7	0.7	1.4	0.5	(7)	
ANZ	International Share	1	3,512	3.9	(4)	15.7	(4)	37.7	(5)	24.8	(2)	15.9	(2)	37.7	8.0	30.6	6.6	0.9	10.4	3.3	2.4	1.4	(1)	
Devon	Global Themes	1	28	2.6	(12)	10.2	(14)																	
EC	Value Fund	1	18	1.0	(15)	9.0	(15)	17.8	(13)	17.8	(12)	11.2	(11)	17.8	9.9	26.2	-0.9	5.2	8.0	-1.2	4.9	-0.2	(10)	
Fisher	Overseas Equities	1	760	2.9	(11)	13.0	(10)	30.3	(11)	19.6	(11)	10.8	(12)	30.3	7.1	22.5	0.3	-2.5	9.4	-1.3	1.9	-0.7	(11)	
FRK	Global Growth	1	64	4.3	(2)	15.9	(2)	40.1	(2)	22.9	(7)	14.9	(3)	40.1	7.3	23.4	5.4	2.5	10.5	2.4	4.1	0.6	(5)	
FRK	Global Trust	1	391	2.9	(10)	11.9	(13)	25.5	(12)	24.0	(4)	13.8	(6)	25.5	10.6	37.4	1.8	-1.6	11.1	1.4	4.2	0.3	(8)	
Harbour	Global Equity Growth	1	7	4.3	(3)	15.4	(5)																	
Magellan	Global	1	8,432	5.5	(1)	17.6	(1)	44.4	(1)	25.3	(1)	20.6	(1)	44.4	4.1	30.9	26.8	2.1	10.7	7.3	7.0	1.0	(3)	
Mercer	Global Equities	2	835	2.0	(13)	12.6	(11)	33.1	(8)	21.7	(10)	12.4	(10)	33.1	12.2	20.7	2.7	-3.3	9.0	-0.6	3.7	-1.2	(12)	
MGH	MGH Investments	1	25	3.3	(7)	14.2	(9)	31.7	(9)	17.7	(13)	10.2	(13)	31.7	6.2	16.7	0.5	-1.1	8.5	-2.5	4.5	-3.8	(13)	
Nikko	Global Equity	1	513	3.8	(5)	14.6	(8)	36.7	(6)	21.8	(9)	14.4	(5)	36.7	8.4	21.9	8.3	0.0	8.9	1.8	2.2	0.8	(4)	
Nikko	Global SRI	1	19	3.3	(8)	15.7	(3)	40.0	(3)	23.0	(6)	13.5	(8)	40.0	6.1	25.1	5.4	-3.9	10.8	1.1	4.2	0.3	(9)	
Russell	Emerging Markets	4	0	-4.6	(16)	-1.7	(16)																	
Russell	Global Opportunities	3	285	3.2	(9)	14.8	(7)	38.6	(4)	23.9	(5)	13.6	(7)	38.6	6.3	29.0	-0.8	0.3	10.6	1.1	2.2	0.5	(6)	
<b>Minimum</b>				-4.6		-1.7		17.8		17.7		10.2		17.8	4.1	16.7	-0.9	-3.9	8.0	-2.5	1.4	-3.8		
<b>Median</b>				3.2		14.4		35.7		22.9		13.6		35.7	8.0	25.1	3.0	-1.1	10.0	1.1	3.7	0.5		
<b>Maximum</b>				5.5		17.6		44.4		25.3		20.6		44.4	12.2	37.4	26.8	5.2	11.1	7.3	7.0	1.4		
<b>MSCI All Country World Index</b>				1		2.7		12.7		31.4		20.6		31.4	8.7	22.9	3.7	-1.9	9.5					
<b>MSCI World Index</b>				2		3.6		14.3		34.1		22.4		34.1	8.8	25.7	5.5	-1.7	9.8					
<b>Russell Global Large Cap</b>				3		2.6		12.8		31.7		21.1		31.7	9.0	23.7	3.4	-2.0	9.5					
<b>Russell Emerging Markets Index</b>				4		-5.5		-4.7																
<b>MSCI World Index (100% hedged)</b>						2.8		1.3		15.2		20.3		15.2	18.0	27.9	3.5	14.1	10.8					



## Global Bonds

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2015										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	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
<b>Global Aggregate:</b>																							
AMPCI	Global Fixed Interest	1	141	1.1	(6)	0.2	(2)	7.4	(4)	6.3	(4)	6.5	(5)	7.4	7.9	3.8	6.7	6.9	2.7	-0.2	1.6	-0.1	(5)
ANZ	International Aggregate	1	727	1.6	(1)	-0.1	(5)	8.1	(2)					8.1									
Fisher	Global Fixed Interest	1	974	1.4	(3)	0.1	(3)	7.8	(3)	7.1	(3)	8.8	(1)	7.8	10.0	3.6	14.0	8.7	3.6	1.9	1.7	1.1	(3)
Mercer	Global Bonds	1	664	1.3	(4)	-0.3	(6)	7.4	(5)	7.3	(2)	8.3	(3)	7.4	9.7	4.9	11.4	8.0	2.8	1.4	1.2	1.2	(2)
Nikko	Global Fixed Interest	1	277	1.5	(2)	0.6	(1)	6.4	(6)	6.3	(5)	6.9	(4)	6.4	9.2	3.2	9.9	5.7	2.6	0.1	0.9	0.1	(4)
Russell	Global Bond	1	1,540	1.2	(5)	-0.0	(4)	8.2	(1)	7.6	(1)	8.5	(2)	8.2	8.6	6.0	13.2	6.6	3.2	1.7	1.3	1.2	(1)
<b>Minimum</b>				1.1		-0.3		6.4		6.3		6.5		6.4	7.9	3.2	6.7	5.7	2.6	-0.2	0.9	-0.1	
<b>Median</b>				1.3		0.0		7.6		7.1		8.3		7.6	9.2	3.8	11.4	6.9	2.8	1.4	1.3	1.1	
<b>Maximum</b>				1.6		0.6		8.2		7.6		8.8		8.2	10.0	6.0	14.0	8.7	3.6	1.9	1.7	1.2	
<b>Other:</b>																							
LMI	Brandywine*	2	182	0.5	(3)	-1.9	(3)	11.0	(1)	10.6	(1)	11.0	(1)	11.0	11.9	8.9	16.2	7.5	5.3	4.2	4.4	1.0	(1)
ANZ	International Sovereign	2	2,126	1.5	(1)	0.2	(1)	8.0	(2)	5.6	(2)	6.3	(2)	8.0	6.7	2.2	10.1	4.5	3.0	-0.3	0.6	-0.5	(2)
ANZ	International Credit	x	1,115	1.0	(2)	-0.7	(2)	6.0	(3)					6.0	8.9								
Barclays Capital Global Agg Index				1		1.3		0.1		7.7		6.2		6.7		7.9	3.1	9.8	5.2	2.7			
Citigroup World Govt Bond Index				2		1.6		0.1		8.2		6.4		6.6		7.8	3.2	10.0	3.8	3.0			

## Other Global Funds

		Returns (%) gross of tax and fees																					
Manager	Fund	FUM (\$m)	For the period to 31 Jul 2015										For the year ended 31 July					Benchmark					
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011						
AMPCI	Commodities	440	-10.0	(6)	-10.5	(6)	-25.3	(6)	-9.9	(4)					-25.3	6.3	-7.9						n/a
AMPCI	Infrastructure	192	1.3	(3)	-1.9	(5)	13.8	(4)							13.8	33.4							DJ Brookfield Global Infrastructure Index
FSI	Infrastructure	149	4.2	(1)	-0.6	(3)	19.0	(3)							19.0								Global Core Infrastructure Net (NZD Hedged)
PATH	Commodity Plus Fund	61	-2.3	(5)	-1.2	(4)	1.7	(5)	-1.8	(3)	0.5	(2)			1.7	-3.3	-3.6	-9.2	19.4				Bloomberg Commodity Index
PATH	World Equity Fund	36	2.0	(2)	10.1	(1)	32.5	(1)	20.8	(2)					32.5	13.7	16.9						MSCI AC World
PATH	Global Water Fund	8	-0.3	(4)	4.0	(2)	20.1	(2)	20.8	(1)	11.5	(1)			20.1	16.2	26.5	0.2	-2.7				n/a
<b>Minimum</b>			-10.0		-10.5		-25.3		-9.9		0.5				-25.3	-3.3	-7.9	-9.2	-2.7				
<b>Median</b>			0.5		-0.9		16.4		9.5		6.0				16.4	13.7	6.7	-4.5	8.3				
<b>Maximum</b>			4.2		10.1		32.5		20.8		11.5				32.5	33.4	26.5	0.2	19.4				

\* 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 2015										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	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	NZ Fixed Interest	1	1,806	1.7	(2)	2.4	(6)	10.0	(1)	5.3	(5)	6.8	(3)	10.0	4.5	1.6	10.8	7.6	3.0	1.0	0.5	1.9	(1)
ANZ	NZ Fixed Interest	1	1,401	1.6	(3)	2.6	(4)	9.9	(3)	4.9	(7)	6.8	(4)	9.9	4.1	0.9	11.3	8.2	3.0	0.9	0.7	1.4	(2)
Fisher	NZ Fixed Interest	1	1,097	1.7	(1)	2.6	(3)	9.9	(4)	5.1	(6)	6.4	(5)	9.9	4.0	1.6	9.2	7.7	2.5	0.5	1.2	0.5	(5)
Harbour	NZ Core Fixed Interest	3	123	1.2	(7)	2.4	(7)	8.4	(8)	5.6	(4)			8.4	4.7	3.7							
Harbour	NZ Corporate Bond	2	220	1.1	(8)	2.3	(8)	8.2	(9)	6.1	(3)	6.3	(6)	8.2	5.0	5.2	6.4	6.9	1.3	-0.1	0.8	-0.1	(6)
Milford	Trans-Tasman Bond	4	235	1.0	(9)	1.7	(9)	8.4	(7)					8.4									
Nikko	NZ Corporate Bond	1	109	1.3	(6)	2.7	(1)	9.9	(2)	7.1	(1)	7.7	(1)	9.9	5.9	5.7	9.1	8.0	2.0	1.7	1.9	0.9	(4)
Nikko	NZ Fixed Interest	1	265	1.4	(4)	2.6	(2)	9.7	(5)	6.3	(2)	7.3	(2)	9.7	5.2	4.0	10.3	7.6	2.5	1.4	1.1	1.3	(3)
Russell	NZ Fixed Interest	1	91	1.4	(5)	2.6	(5)	9.2	(6)					9.2	4.2								
Minimum				1.0		1.7		8.2		4.9		6.3		8.2	4.0	0.9	6.4	6.9	1.3	-0.1	0.5	-0.1	
Median				1.4		2.6		9.7		5.6		6.8		9.7	4.6	3.7	9.7	7.7	2.5	0.9	1.0	1.1	
Maximum				1.7		2.7		10.0		7.1		7.7		10.0	5.9	5.7	11.3	8.2	3.0	1.7	1.9	1.9	
	ANZ NZ Govt Stock Index	1		1.6		2.5		9.4		4.0		5.8		9.4	3.2	-0.3	10.5	6.8	3.1				
	ANZ NZ Corp A Grade Index	2		1.1		2.5		8.8		5.8		6.4		8.8	4.8	3.8	7.7	7.1	1.7				
	ANZ NZ Govt/Corp A Index (50/50)	3		1.3		2.5		9.1		4.9		6.1		9.1	4.0	1.7	9.1	7.0	2.3				
	ANZ NZ Corp/ASX Corp Index (50/50)	4																					

## NZ Cash & Short Duration

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2015										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	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	NZ Cash	1	4,109	0.3	(5)	1.0	(5)	4.1	(6)	3.7	(6)	3.8	(3)	4.1	3.5	3.5	3.5	4.2	0.1	0.7	0.1	9.4	(1)
AMPCI	NZ Short Duration	2	198	0.8	(1)	2.1	(1)	7.0	(1)	5.5	(1)			7.0	4.7	4.6							
AMPCI	Global Short Duration	1	181	0.4	(4)	0.9	(7)	5.1	(2)	5.2	(2)			5.1	5.5	4.8							
ANZ	NZ Cash	1	2,112	0.3	(7)	1.0	(6)	4.1	(7)	3.6	(7)	3.7	(4)	4.1	3.4	3.5	3.4	4.0	0.1	0.6	0.1	7.3	(3)
Fisher	NZ Cash	1	865	0.3	(5)	1.1	(4)	4.3	(5)	4.2	(3)	3.9	(2)	4.3	3.9	4.6	2.8	3.8	0.3	0.8	0.4	2.3	(4)
Harbour	Short Duration	1	37	0.4	(2)	1.1	(2)	4.5	(3)	4.2	(4)			4.5	3.9	4.2			0.2				
Nikko	NZ Cash	1	535	0.4	(2)	1.1	(3)	4.5	(4)	4.2	(5)	4.2	(1)	4.5	3.9	4.1	4.0	4.3	0.1	1.1	0.1	8.6	(2)
Median				0.4		1.1		4.5		4.2		3.8		4.5	3.9	4.2	3.5	4.1	0.1	0.8	0.1	7.9	
	ANZ 90 Day Bank Bill Index	1		0.3		0.9		3.7		3.1		3.0		3.7	2.9	2.7	2.8	3.0	0.1				
	ANZ Short End Swap Index	2		0.7		1.9		6.1		3.7				6.1	3.0	2.0			0.9				

## NZ Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2015										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	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
<b>Direct:</b>																							
Fisher Trust	Property Fund		339	1.6	(1)	2.6	(1)	14.8	(1)	13.7	(1)	10.3	(1)	14.8	13.5	12.9	4.0	6.4	3.9				
	Property Fund		96	0.5	(2)	2.4	(2)	7.8	(2)	8.9	(2)	8.4	(2)	7.8	9.9	9.0	9.2	6.3	1.4				
<b>Listed:</b>																							
AMPCI	Listed Property	1	22	4.1	(5)	5.1	(1)	22.5	(1)	17.2	(3)	17.7	(4)	22.5	12.0	17.5	19.0	17.9	6.6	1.7	2.4	0.7 (4)	
AMPCI	Property Fund	2	129	4.7	(1)	4.7	(4)																
ANZ	Property Securities	1	146	4.2	(4)	4.5	(5)	20.9	(6)	18.4	(2)	18.7	(1)	20.9	15.2	19.2	18.5	20.0	7.0	2.7	2.7	1.0 (3)	
ANZ	Trans Tasman	2	367	4.4	(2)	4.1	(7)	21.1	(4)	19.5	(1)	18.1	(3)	21.1	17.8	19.7	20.4	11.7	7.5	1.6	2.9	0.6 (5)	
Mint	Real Estate Inv Trust	1	49	4.0	(6)	5.0	(2)	21.1	(5)	16.7	(5)	17.2	(5)	21.1	11.8	17.5	17.4	18.3	6.1	1.2	2.8	0.4 (6)	
Nikko	Property Securities	1	42	4.2	(3)	5.0	(3)	21.5	(3)	15.7	(6)	17.0	(6)	21.5	11.7	14.2	16.8	20.8	6.8	1.1	1.0	1.1 (2)	
Salt	Listed Property	1	282	3.6	(7)	4.1	(6)	22.4	(2)	17.2	(4)	18.2	(2)	22.4	12.5	16.9	17.3	22.5	6.6	2.2	1.6	1.4 (1)	
<b>Minimum</b>				3.6		4.1		20.9		15.7		17.0		20.9	11.7	14.2	16.8	11.7	6.1	1.1	1.0	0.4	
<b>Median</b>				4.2		4.7		21.3		17.2		17.9		21.3	12.2	17.5	17.9	19.2	6.7	1.7	2.5	0.9	
<b>Maximum</b>				4.7		5.1		22.5		19.5		18.7		22.5	17.8	19.7	20.4	22.5	7.5	2.7	2.9	1.4	
<b>NZX Property Index</b>		1		4.1		4.6		21.3		14.5		15.6		21.3	9.0	13.6	14.8	20.0	7.1				
<b>NZX/ASX Property Index</b>		2		4.6		4.9		22.8		16.7		16.2		22.8	12.2	15.2	18.1	13.0	7.0				

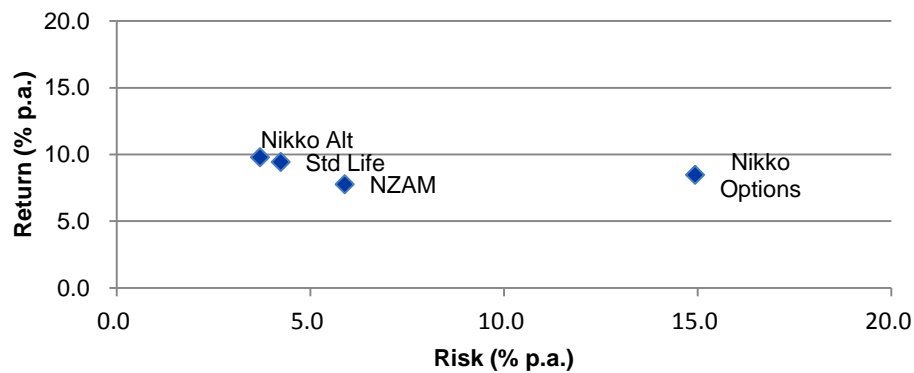
## Global Property

		Returns (%) gross of tax and fees																					
Manager	Fund	Bench mark	FUM (\$m)	For the period to 31 Jul 2015										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	2015	2014	2013	2012	2011	Vol	VA	TE	IR	Rk
AMPCI	Global Property Securities	1	120	5.7	(1)	1.0	(1)	15.4	(1)	17.1	(1)	17.5	(1)	15.4	21.7	14.4	8.5	28.6	15.8	1.6	5.1	0.3 (1)	
ANZ	International Property	1	460	5.0	(2)	0.2	(2)	14.8	(2)	15.2	(2)	15.7	(2)	14.8	17.9	13.0	7.5	26.4	13.7	-0.2	2.6	-0.1 (2)	
Russell	Global Listed Real Estate	1	43	4.7	(3)	0.1	(3)																
<b>FTSE EPRA/NAREIT Index*</b>				5.3		0.4		15.6		15.5		16.1		15.6	16.6	14.2	12.3	21.8	12.8				
<b>*UBS Global RE Index prior to June 2015</b>																							

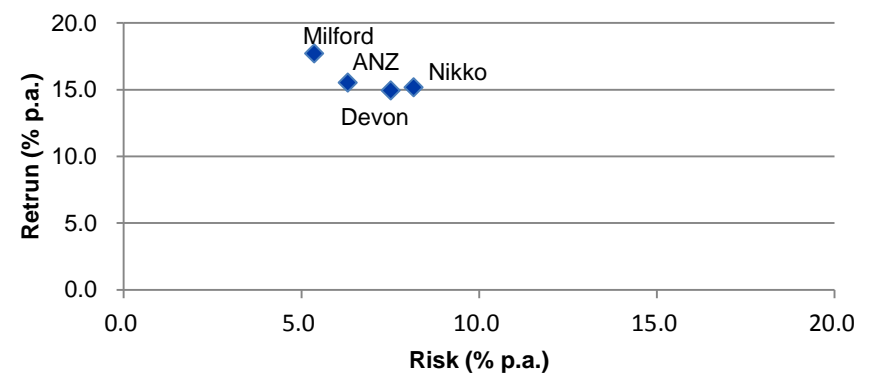
## Alternatives/Absolute Return

			Returns (%) gross of tax and fees																		
Manager	Fund	FUM (\$m)	For the period to 31 Jul 2015										For the year ended 31 July					5 Years			Benchmark
			1 M	Rk	1 Qtr	Rk	1 Yr	Rk	3 Yrs	Rk	5 Yrs	Rk	2015	2014	2013	2012	2011	Vol	SR	Rk	
<b>Global:</b>																					
Mercer	Liquid Alternatives	95	0.6	(6)	0.5	(7)	11.5	(4)											Cash + 3% to 5%		
Milford	Global	267	<b>2.7</b>	<b>(1)</b>	<b>7.4</b>	<b>(1)</b>	<b>25.9</b>	<b>(1)</b>			<b>25.9</b>	5.9							OCR + 5%		
Nikko	Multi-Strategy	152	0.6	(5)	1.1	(6)	7.1	(7)	10.9	(2)	<b>9.8</b>	(1)	7.1	11.9	13.8	3.1	13.3	3.7	<b>1.8</b>	(1)	90 Day Bank Bill + 2.5%
Nikko	Options	154	2.1	(2)	4.0	(3)	8.0	(6)	10.9	(3)	8.5	(3)	8.0	<b>14.3</b>	10.5	<b>-10.4</b>	<b>22.9</b>	14.9	0.4	(4)	90 Day Bank Bill + 4%
NZAM	Alpha	27	1.2	(4)	1.7	(4)	12.7	(3)					12.7	3.3							OCR + 4%
NZAM	Global	580	0.3	(7)	4.1	(2)	14.1	(2)	<b>11.5</b>	(1)	7.7	(4)	14.1	3.4	<b>17.5</b>	2.6	2.1	5.9	0.8	(3)	OCR + 4%
Std Life	GARS*	80	1.4	(3)	1.6	(5)	11.4	(5)	10.0	(4)	9.4	(2)	11.4	9.8	8.7	<b>11.6</b>	5.7	4.2	1.5	(2)	OCR + 5%
<b>Australasian:</b>																					
ANZ	Equity Selection	34	2.7	(3)	1.1	(6)	9.4	(5)	18.7	(4)	15.5	(2)	9.4	21.5	25.8	5.6	<b>16.4</b>	6.3	2.0	(2)	90 Day Bank Bill + 5%
CPFM	Ranger	6	3.6	(2)	6.5	(2)	7.4	(6)					7.4							OCR + 5%	
Devon	Alpha	102	2.6	(4)	2.0	(4)	17.3	(2)	<b>24.9</b>	(1)	14.9	(4)	17.3	<b>27.6</b>	<b>30.3</b>	4.5	<b>-1.6</b>	7.5	1.6	(3)	12% p.a.
Milford	Active Growth	662	2.2	(5)	2.4	(3)	16.6	(4)	20.9	(3)	<b>17.7</b>	(1)	16.6	17.1	29.5	<b>16.2</b>	9.8	5.4	<b>2.7</b>	(1)	10% p.a.
Nikko	Concentrated	64	<b>5.0</b>	<b>(1)</b>	<b>8.7</b>	<b>(1)</b>	<b>28.6</b>	<b>(1)</b>	24.3	(2)	15.2	(3)	<b>28.6</b>	16.5	28.1	1.6	3.8	8.2	1.5	(4)	90 Day Bank Bill + 5%
Salt	Long/Short	19	0.9	(6)	1.5	(5)	17.1	(3)											OCR + 5%		
<b>OCR + 5%</b>			0.6		2.0		8.4		7.9		7.8		8.4	7.7	7.5	7.5	7.8	0.1			

5 Year risk/return - Global Funds



5 Year risk/return - Australasian Funds



\*GARS returns use a simulated hedge prior to March 2013

Notes	Contact information																																												
<p><b>List of Managers</b></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><b>Explanatory notes</b></p> <ol style="list-style-type: none"> <li>Returns are before management fees and tax. All returns greater than 1 year have been annualised.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol>	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  <a href="mailto:guy.fisher@aonhewitt.com">guy.fisher@aonhewitt.com</a></p> <p>Greg Lee  Actuary &amp; Principal  +64 9 362 9825  <a href="mailto:greg.lee@aonhewitt.com">greg.lee@aonhewitt.com</a></p> <p>Charles Macdonald  Consultant  +64 4 819 4050  <a href="mailto:charles.macdonald@aonhewitt.com">charles.macdonald@aonhewitt.com</a></p>
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																																												

## About Aon Hewitt

Part of Aon plc, Aon Hewitt is the global leader in human resource consulting and outsourcing solutions. Our services focus on helping organisations mitigate risk in their workforce and realise the untapped potential of their employees. We also help individuals maximise their wealth to enable people to live the life they want.

In New Zealand, our team of experts partner with your organisation to develop and deliver people strategies that achieve positive business outcomes in the areas of:

- KiwiSaver and superannuation administration.
- Actuarial and Investment consulting.
- Talent, leadership and employee engagement .
- Remuneration and incentives .
- Total rewards .
- Health and benefits.
- Global benefits.
- Aon KiwiSaver Scheme.
- Aon Master Trust.

With more than 30,000 professionals in 90 countries, Aon Hewitt makes the world a better place to work for clients and their employees. Aon Hewitt is the global talent, retirement and health solutions business of Aon plc.

For more information on Aon Hewitt, please visit [aonhewitt.co.nz](http://aonhewitt.co.nz).

Copyright 2015 Aon New Zealand

The information used to compile this survey has been provided by the investment managers or is from publically available sources. The information is provided for general information purposes only. It is given without knowledge of your individual circumstances and should not be used as a substitute for you seeking your own independent professional advice. No liability will be accepted for loss resulting from reliance on information contained in this report which proves to be inaccurate and/or incomplete.