



Portfolio Returns vs Benchmarks

Model Portfolio and Index Portfolio returns to 31 December 2017

Asset Allocation Strategy	Weightings		Returns								Long Term Expected Returns
	Growth %	Income %	1 Year		3 Years		5 Years		10 Years		
			Model	Index	Model	Index	Model	Index	Model	Index	
Defensive	20	80	7.2%	6.5%	6.4%	5.7%	6.4%	6.0%	6.8%	6.4%	6.1%
↑ ↓	30	70	8.9%	8.4%	7.3%	6.6%	7.3%	7.0%	7.0%	6.5%	6.5%
	40	60	10.6%	10.3%	8.2%	7.6%	8.2%	8.0%	7.2%	6.7%	6.8%
	50	50	12.3%	12.2%	9.1%	8.5%	9.1%	9.0%	7.4%	6.9%	7.2%
	60	40	14.0%	14.1%	10.1%	9.5%	10.0%	10.0%	7.5%	7.1%	7.5%
	70	30	15.7%	16.0%	10.9%	10.4%	10.9%	11.0%	7.7%	7.3%	7.8%
	80	20	17.4%	17.9%	11.9%	11.4%	11.8%	12.0%	7.8%	7.4%	8.2%
Aggressive	90	10	19.1%	19.9%	12.8%	12.3%	12.7%	13.0%	7.9%	7.5%	8.5%
Aggressive	98	2	20.4%	21.5%	13.5%	13.1%	13.5%	13.8%	8.0%	7.6%	8.8%

Index Portfolio returns to 31 December 2017

The indices used to calculate the index portfolio returns are as follows:

Asset Class	Index	Index Returns p.a.			
		1 Year	3 Years	5 Years	10 Years
New Zealand Equity	S&P/NZX 50 Index Gross with Imputation	23.6%	16.1%	17.1%	9.1%
Australian Equity	S&P/ASX 200 Index (Total Return)	18.5%	10.5%	7.4%	3.8%
Int'l Equity (Developed Mkts)	MSCI World ex Australia Index (net div.)*	20.3%	12.3%	15.9%	9.6%
Int'l Equity (Emerging Mkts)	MSCI Emerging Markets Index (gross div.)	35.0%	13.1%	8.0%	2.9%
New Zealand Property	S&P/NZX All Real Estate Gross with Imputation	13.9%	11.0%	12.4%	8.5%
International Property	S&P Developed REIT Gross Index (TR)	6.2%	8.9%	11.7%	6.3%
New Zealand Fixed Interest	S&P/NZX A-Grade Corporate Bond Index	5.8%	5.2%	5.0%	7.0%
International Fixed Interest	Citi World Government Bond Index 1-5 Years (hedged to NZD)	2.0%	3.2%	3.6%	4.9%
New Zealand Cash	30 Day Bank Bills	1.9%	2.5%	2.7%	3.3%

* to reflect model portfolio strategy, this index is unhedged until April 2009, 82.3% hedged to NZD between May 2009 and March 2013, 59.5% hedged to NZD between April 2013 and March 2016 and 60.7% hedged to NZD from April 2016.

Notes:

- Model portfolios are designed and supplied by the Consilium Investment Committee (CIC)
- Growth assets refer to investments in shares and property
- Income assets refer to investments in cash and fixed interest
- Model portfolio returns are net of underlying management fees, but gross of custodial and adviser monitoring fees
- Long term expected returns are based on the CIC's 2015/16 SAA review. These expected returns are net of underlying manager fees, but gross of custodial and adviser monitoring fees
- Individual portfolios that deviate from the Model portfolios will experience different returns
- Past returns are no guarantee of future returns