

KiwiSaver Survey December Quarter 2013

Global markets continued their strong run over the December quarter, translating into strong returns for growth-oriented KiwiSaver schemes. As our analysis shows, investors in conservative options are now lagging those invested in a growth KiwiSaver option, especially in dollar-weighted terms.

Chris Douglas
| 29-January-14 |

Morningstar has released its quarterly KiwiSaver Survey, designed to help New Zealand investors assess the performance and other key characteristics of their KiwiSaver superannuation options. The accompanying tables show KiwiSaver fund returns for the one, three, and five years to 31 December 2013.

This quarter we have added three KiwiSaver funds operated by New Zealand Funds Management to our database. All three are in our Miscellaneous category due to the firms LifeCycle™ approach as well as the leverage that the firm uses in some of its KiwiSaver options. This can have a big impact on performance, and as a result we don't believe it's appropriate to include these in the same category as funds which don't use leverage to seek enhanced returns.

Last quarter, we canvassed reader opinions about moving to an after-tax performance survey. Most people we spoke to pushed to continue with gross of tax performance, so we will continue to do so. We will also continue to produce a separate after-tax performance survey, which will be published in May. We hope you find this performance overview helpful, and as always, welcome any feedback you may have.

Market Overview

The final quarter of 2013 topped off a prosperous year for global equity markets. The quarter began strongly following the 'no-taper' decision from the US Federal Reserve in September. However, the surge was temporarily halted due to concerns over the US budget and the shutdown of the government. The effects of this were relatively insignificant and short-lived.

Markets finished the quarter strongly following Fed Governor Ben Bernanke's December announcement that tapering would begin in January 2014 and continue throughout the year. 2013 ended with a much-improved outlook compared with predictions earlier in the year. Investors also found confidence through the Federal Reserve's commitment to support the economy, as the Fed again reiterated that US cash rates will remain low and stable for an extended period of time. European markets also finished the year strongly and were bolstered by an unexpected rate cut by the European Central Bank in November.

Looking at the December quarterly performance of sharemarkets, many finished the year strongly. Global equities in aggregate

were up a very strong 9.29% in \$NZ terms. Within this, the US market (S&P500) was up 11.84% over the quarter, while the UK market (FTSE) rose 8.77% and the Japanese market (Nikkei) finished up 6.47%.

Looking closer to home, local equity markets cooled off during the final quarter of 2013 after a bumper year. The NZX50 Index was up a meagre 0.01% and the S&P/ASX200 up only 0.14%. For 2013, the NZX50 was up 16.49% and the S&P/ASX200 returned 3.82% in New Zealand dollar terms.

Listed property was also subdued – domestic listed property fell -0.53% for the final quarter, finishing up 3.92% for the year. Global listed property finished the quarter marginally positive at 0.39% and up a respectable 6.42% over the 12 months.

As a result of the improving economic conditions, most major market yield curves steepened as investors started to predict the end point of accommodative monetary policy. The US 10-year Treasury yield rose from 2.6 to 3.0%. Despite the headwind of rising interest rates, the global fixed income index Barclays Aggregate Bond Index increased by a marginal 0.43% over the quarter. New Zealand fixed income struggled over 2013, the composite fixed income index posting a negative 12-month return of -1.16%. New Zealand fixed income returned 0.35% over the quarter.

The strongly-performing Kiwi dollar ate away at market returns from across the Tasman. The \$NZ rose from A\$0.79 to A\$0.92 over 2013, a 15.77% increase, generating a substantial headwind for any investment in Australia.

Fund Manager Results

The December quarter followed the trend set in the September quarter as KiwiSaver schemes with heavy allocations to growth assets easily outperformed those with heavier weightings to cash and fixed interest. This is best illustrated by the performance of the equities-heavy Aggressive and Growth categories, which posted impressive average returns of 5.66% and 4.54%. Average quarterly returns decreased as the weighting shifted away from shares, the Moderate and

Conservative categories producing more modest returns of 2.11 and 1.61% respectively. Strong performance from equity markets abroad meant that international equities was the strongest-performing single-sector category, returning 7.12% over the fourth quarter.

The standout provider for the quarter was Aon KiwiSaver Russell, which comfortably topped the league tables in five of the six multi-sector categories (all except for Cash). A higher allocation to growth assets and a tilt to global over New Zealand fixed interest were the key drivers of these returns. Fisher Funds, Mercer KiwiSaver, and Milford also deserve credit as their funds performed very well in their respective categories.

It's more appropriate to evaluate the performance of a KiwiSaver scheme by observing long-term returns. Looking at performance over three and five years indicates that Aon KiwiSaver Russell and the various ANZ KiwiSaver options (including OnePath and OneAnswer) have been the top-performing fund managers. Fisher Funds, whose Growth Fund has been the top performer in the Aggressive category over five years, is also worthy of note. Milford Balanced has been the top-performing option in the Balanced category since its inception in 2010.

The strongest-performing KiwiSaver scheme in the December quarter was New Zealand Funds KiwiSaver Growth, which returned an impressive 10.80%. The best-performing scheme over the long term continues to be Milford Active Growth KiwiSaver, which has produced an impressive annual return of 13.72% since inception.

Check Your Risk Profile - You Could Be Missing Out

It's been over five years since the Global Financial Crisis and the bottom of the markets, and since this time the average growth-oriented KiwiSaver Scheme has delivered 10.0% per annum. This is the mid-point: some have delivered more, some less. Conservative KiwiSaver funds have lagged this number despite still having produced a respectable 6.2%. So investors in the lower risk profile have lost out – relatively speaking, anyway. This is the cost of not choosing the most appropriate risk profile.

A few percentage points can make a big difference over 20 - 30 years.

Morningstar has completed analysis of the typical New Zealand investor's KiwiSaver experience. We looked at the total savings across a range of risk profiles. We selected the ASB KiwiSaver scheme for our analysis, given that this firm has the largest default fund. The question we asked was: have investors lost out by remaining in a default fund?

As Table 1 below shows, the answer appears to be yes. We took the median New Zealand salary of NZ\$800.00 a week and added the 3% employer and 3% employee contributions. (We are aware that these have changed over the past six years, but for these scenarios, have opted to keep the allocations the same over time.) We have also included the NZ\$1,000.00 government kickstart, and the tax incentives. The starting point was 1 October 2007.

ASB has four multi-sector KiwiSaver options, and as Table 1 shows, after six years and two months, the end dollar value across this group of funds varies widely, and inversely to the different funds' performances. The ASB KiwiSaver Scheme's Growth Fund has generated NZ\$2,681.00 more than the ASB KiwiSaver Scheme's Conservative Fund, despite the Conservative Fund having a higher return of 4.94% per annum compared to the Growth Fund's 3.00% per annum, a difference in their total returns of 1.94% per annum. This is not as surprising as it may appear. In the early years of KiwiSaver it is all about being in a scheme and incrementally building up the nest egg.

There are other factors to consider when it comes to your risk profile – and if you are seeking to use some of the attractive features, such as the first home buyer's withdrawal, then you potentially have a shorter timeframe until you are seeking to get access to your money. However, the majority of KiwiSavers will be investing for the very long term, until age 65.

Table 1: Hypothetical KiwiSaver Experience Across Different Risk Profiles – 1 October 2007 – 31 December 2013

KiwiSaver Scheme	Morningstar Category	Total Return Since 1 October 2007 %pa	Total Return 5 Yrs %pa	Ending Value \$NZ
ASB KiwiSaver Scheme's Conservative (Default)	Multi-Sector - Conservative	4.94	5.67	26,072
ASB KiwiSaver Scheme's Moderate	Multi-Sector - Moderate	4.45	7.39	27,057
ASB KiwiSaver Scheme's Balanced	Multi-Sector - Balanced	3.82	8.94	28,021
ASB KiwiSaver Scheme's Growth	Multi-Sector - Growth	3.00	10.15	28,753

As the value of KiwiSaver grows, however, the risk profile decision will become increasingly important. The effects of negative performance by growth funds during the early KiwiSaver years are offset by the gains experienced in recent times as the size of the nest egg is much greater.

KiwiSaver is still in its early years, and the decision between a conservative and growth fund has only been worth \$2,681 (in this example). In 10 – 20 years' time, however, a similarly-sized loss will have a much greater dollar-based impact on the investor's total savings. So now is a good time to reassess your risk profile. It could make a big difference when you reach retirement age.

Assets Under Management

KiwiSaver assets on the Morningstar database have grown from NZ\$954.10 million at 30 June 2008 to NZ\$17.62 billion at 31 December 2013, a phenomenal growth rate. ASB and OnePath remained the dominant players at 31 December 2013, with a steady 47.0% of KiwiSaver assets between them.

AMP retained third spot, ahead of Westpac, which held on to fourth. Fisher Funds remained in fifth spot, more than double the assets of the next largest KiwiSaver provider.

The industry remains highly-concentrated: the eight largest KiwiSaver providers account for an increased 97.8% of assets on our database.

About This Survey

This survey groups KiwiSaver options according to their mix of income and growth assets, or their 'asset allocation'. This is one of the most important decisions to make when saving for retirement income. The term 'income assets' refers to cash and fixed interest securities which generally produce stable and reliable returns, but offer little opportunity for long-term capital growth. Returns from 'growth assets' such as property and shares will be erratic – as recent market volatility has demonstrated – but have over time shown greater capacity for increasing in value. The mixture of income and growth assets is the major determinant of potential return and volatility.

Investors may notice differences between the returns published in this survey and those they see in other sources. There are several possible reasons for this. Firstly, the returns published here are all after fees, but before tax. Secondly, we take the associated tax credit into consideration when calculating and publishing these returns, while some fund managers base their published performance figures on month-end unit prices only. ■■

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Please note:

- Past performance is not a guide to future performance. This year's best performers can easily be next year's worst.
- Understanding your risk profile, and the mix of growth and income assets is critical.
- Fees are the one constant that will always eat away at your returns. Take a close look at the cost of your KiwiSaver Scheme.

Snapshot

	Assets NZ\$m	Total Returns % p.a.			Member Fee \$/year	31/03/2013 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year	3-year	5-Year				
Default Options								
AMP Default	1174.5	5.8	4.7	5.0	36.00	0.54	67.3	21.7
ASB Scheme's Conservative (Default)	1876.7	4.8	5.4	5.7	30.00	0.38	55.7	20.2
Mercer Conservative (Default)*	757.5	7.4	6.4	7.9	34.20	0.54	57.6	20.4
OnePath Conservative (Default)	714.3	5.0	6.5	6.4	33.00	0.53	41.1	20.5
TOWER Cash Enhanced (Default)	485.7	4.4	5.6	5.9	33.00	0.59	66.8	20.7
Peer Group Averages								
Default Options	5008.8	5.5	5.7	6.2	33.2	0.52	57.64**	20.7
Conservative (Including Default Options)	5969.5	5.8	5.9	6.3	33.6	0.75	57.44**	20.6
Moderate	2623.8	7.3	6.8	7.5	36.0	0.91	39.81**	33.6
Balanced	3254.2	11.3	8.0	8.7	36.0	0.99	38.42**	57.5
Growth	3268.3	14.6	9.0	10.0	36.0	1.10	26.96**	73.7
Aggressive	1109.6	15.9	8.2	10.8	36.0	1.28	24.83**	88.0
Quick Stats								
KiwiSaver Total Market Size	\$m	17,622						
Increase in Market Size last 3 months	\$m	1,131						
Increase in Market Size last 12 months	\$m	3,960						
Largest Providers	\$m	4,647	ANZ/OneAnswer					
	\$m	3,635	ASB					
Largest Product	\$m	1,877	ASB Scheme's Conservative (Default)					
Largest Category	\$m	5,969	Morningstar Conservative					
Number of Providers		14						
Number of Products		123						
Highest 3-month Performance this Quarter	%	10.8	NZ Funds Growth					
Lowest 3-Month Performance this Quarter	%	-5.3	Grosvenor Trs-Tasm Sm Coms Shr					
Highest 12-Month Performance this Quarter	%	27.9	NZ Funds Growth					
Lowest 12-Month Performance this Quarter	%	-5.3	Grosvenor Trs-Tasm Sm Coms Shr					

Estimated KiwiSaver Market Asset Allocation %

Cash & NZ Bonds	35.2
International Bonds	19.5
NZ Unlisted Property	0.8
NZ Listed Property	2.3
International Listed Property	1.7
NZ Shares	9.2
Australian Shares	5.8
International Shares	24.2
Other	1.4

Proportion in Income Assets:	54.7
Proportion in Growth Assets:	45.3

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Multi Sector Options

	Assets NZ\$M	Total Returns % p.a.						Member Fee \$/year	31/03/2013 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year		3-year		5-Year					
Conservative											
AMP Default	1174.5	5.8	(6)	4.7	(11)	5.0	(9)	36.00	0.54	67.3	21.7
ANZ Conservative	306.7	5.2	(8)	6.4	(5)	6.3	(5)	24.00	1.03	40.4	21.9
Aon Russell Lifepoints Conservative	56.1	6.4	(5)	8.1	(1)	10.3	(1)	50.00	1.12	16.0	20.3
ASB Scheme's Conservative (Default)	1876.7	4.8	(10)	5.4	(8)	5.7	(7)	30.00	0.38	55.7	20.2
Brook Conservative	0.4	8.3	(1)	--	--	--	--	30.00	0.61	65.3	23.4
FC Scheme's Conservative	85.0	4.8	(11)	5.4	(9)	5.7	(8)	36.00	0.39	55.7	20.2
Fidelity Capital Guarant Kiwi	37.1	3.8	(13)	4.4	(12)	4.5	(11)	36.00	0.92	85.6	10.2
Fisher Funds Conservative	212.4	7.2	(3)	6.8	(2)	--	--	36.00	1.08	54.8	21.8
Mercer Conservative (Default)*	757.5	7.4	(2)	6.4	(6)	7.9	(2)	34.20	0.54	57.6	20.4
OnePath Conservative (Default)	714.3	5.0	(9)	6.5	(3)	6.4	(4)	33.00	0.53	41.1	20.5
OneAnswer Conservative	260.0	5.3	(7)	6.4	(4)	6.4	(3)	24.00	1.18	40.4	21.9
Smartshares Conservative	3.0	6.7	(4)	5.3	(10)	5.0	(10)	40/0.85%	0.79	100.0	24.9
TOWER Cash Enhanced (Default)	485.7	4.4	(12)	5.6	(7)	5.9	(6)	33.00	0.59	66.8	20.7
Average		5.8		5.9		6.3		33.60**	0.75	57.4	20.6
Morningstar NZ Multi Sector Conservative Index		4.3		5.4		5.5					19.2
Moderate											
AMP LS Conservative	160.8	4.7	(14)	5.5	(15)	5.5	(15)	36.00	0.84	52.8	28.6
AMP LS Moderate	168.6	7.0	(11)	6.0	(11)	6.3	(12)	36.00	0.92	44.3	43.5
ANZ Conservative Balanced	314.2	8.7	(4)	8.1	(4)	8.0	(4)	24.00	1.04	34.0	37.3
Aon Russell Lifepoints 2015	4.2	7.9	(6)	8.2	(2)	10.9	(2)	50.00	1.13	15.0	24.3
Aon Russell Lifepoints Moderate	9.7	10.9	(2)	8.9	(1)	11.6	(1)	50.00	1.19	11.9	40.4
ASB Scheme's Moderate	520.5	7.7	(8)	6.7	(6)	7.4	(7)	30.00	0.57	44.0	40.2
FC Scheme's Active Conservative	6.8	7.9	(7)	6.4	(8)	7.1	(10)	36.00	0.78	Und.	Und.
FC Scheme's Moderate	20.2	7.7	(9)	6.7	(7)	7.4	(8)	36.00	0.58	43.9	40.2
Fidelity Conservative Kiwi	45.6	4.7	(15)	5.9	(12)	6.2	(13)	36.00	1.01	50.3	24.8
Fidelity Asset Class Conservative	1.9	--	--	--	--	--	--	36.00	1.01	10.4	30.2
Grosvenor Conservative	37.4	2.4	(16)	5.6	(14)	5.8	(14)	39.96	1.07	49.9	25.0
Mercer Super Trust Conserv*	2.3	7.3	(10)	5.8	(13)	7.7	(5)	34.20	0.97	60.6	29.6
Milford Conservative	3.5	12.8	(1)	--	--	--	--	36.00	1.05	37.1	43.8
OnePath Conservative Balanced	6.4	8.0	(5)	7.7	(5)	7.4	(6)	33.00	0.58	33.2	36.0
OneAnswer Conservative Balanced	87.2	8.8	(3)	8.1	(3)	8.1	(3)	24.00	1.02	34.0	37.3
TOWER Conservative	77.5	5.4	(12)	6.1	(10)	7.2	(9)	33.00	1.00	62.1	30.1
Westpac Conservative	1157.1	5.1	(13)	6.3	(9)	6.4	(11)	31.08	0.78	53.6	26.0
Average		7.3		6.8		7.5		36.00**	0.91	39.8	33.6
Morningstar NZ Multi Sector Moderate Index		6.4		6.2		6.6					39.6

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Multi Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a						Member Fee \$/year	31/03/2013 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year	3-year	5-Year							
Balanced											
AMP LS Balanced	419.8	10.4	(15)	7.2	(14)	7.8	(15)	36.00	0.96	33.2	63.9
AMP LS Moderate Balanced	250.7	8.7	(19)	6.4	(18)	7.0	(16)	36.00	0.96	38.9	53.2
AMP TOWER Balanced	16.2	9.3	(17)	6.7	(17)	8.2	(14)	36.00	0.99	53.4	55.5
ANZ Balanced	612.3	12.3	(10)	9.6	(4)	9.5	(5)	24.00	1.09	27.4	52.6
Aon OnePath Balanced	13.7	11.8	(11)	9.5	(5)	11.9	(3)	50.00	1.21	32.9	60.4
Aon Russell Lifepoints 2025	8.7	12.8	(6)	9.0	(6)	12.1	(2)	50.00	1.21	10.9	44.4
Aon Russell Lifepoints Balanced	35.5	15.6	(2)	9.6	(2)	12.7	(1)	50.00	1.25	7.9	60.4
ASB Scheme's Balanced	383.3	12.4	(7)	8.1	(10)	8.9	(7)	30.00	0.62	32.4	60.4
Brook Balanced	2.0	13.2	(4)	6.7	(16)	6.4	(20)	30.00	1.29	40.7	57.1
FC Scheme's Active Balanced	26.2	13.1	(5)	7.6	(12)	8.5	(11)	36.00	0.82	Und.	Und.
FC Scheme's Balanced	25.7	12.4	(8)	8.1	(11)	8.9	(8)	36.00	0.62	32.4	60.4
Fidelity Balanced Kiwi	107.1	8.8	(18)	6.4	(19)	6.7	(17)	36.00	1.05	32.8	58.9
Fidelity Ethical Kiwi	11.2	14.6	(3)	8.8	(8)	8.6	(9)	36.00	1.29	60.4	59.0
Grosvenor Balanced	109.9	7.0	(20)	5.8	(20)	6.4	(19)	39.96	1.17	33.6	58.4
Mercer Super Trust Moderate*	36.5	11.4	(12)	7.5	(13)	9.2	(6)	34.20	0.80	46.5	51.8
Milford Balanced	29.5	16.3	(1)	12.0	(1)	--		36.00	1.05	34.7	69.5
OnePath Balanced	18.2	11.2	(14)	8.8	(7)	8.5	(12)	33.00	0.63	28.7	49.8
OneAnswer Balanced	250.4	12.4	(9)	9.6	(3)	9.6	(4)	24.00	1.08	27.4	52.6
Smartshares Balanced	6.9	2.9	(21)	4.3	(21)	6.4	(18)	40/0.85%	0.74	100.0	65.0
TOWER Balanced	344.4	9.8	(16)	7.1	(15)	8.2	(13)	33.00	1.04	53.4	55.5
Westpac Balanced	546.0	11.4	(13)	8.2	(9)	8.6	(10)	31.08	0.87	40.7	60.8
Average		11.3		8.0		8.7		36.00**	0.99	38.4	57.5
Morningstar NZ Multi Sector Balanced Index		11.5		7.6		7.5					58.1

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Multi Sector Options (continued)

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		1-year	3-year	5-Year							
Growth											
AMP LS Growth	331.7	13.6	(16)	7.6	(21)	8.6	(21)	36.00	1.00	23.7	83.3
AMP OnePath Balanced Plus	82.2	14.6	(14)	10.3	(8)	10.9	(7)	36.00	0.87	28.9	68.5
AMP Tyndall Balanced	12.4	12.2	(19)	7.9	(19)	8.8	(20)	36.00	0.94	38.5	72.0
ANZ Balanced Growth	492.4	16.1	(10)	11.0	(5)	11.0	(6)	24.00	1.14	21.5	67.7
ANZ Growth	903.4	19.8	(2)	12.4	(2)	12.4	(4)	24.00	1.19	16.9	82.5
Aon Russell Lifepoints 2035	7.7	17.1	(6)	9.8	(10)	13.0	(2)	50.00	1.26	7.4	63.4
Aon Russell Lifepoints Growth	13.8	19.4	(3)	10.4	(7)	13.5	(1)	50.00	1.30	4.9	75.3
Aon Tyndall Balanced	3.6	11.9	(21)	7.9	(20)	8.9	(19)	50.00	1.47	38.5	72.0
ASB Scheme's Growth	368.6	17.0	(7)	9.2	(12)	10.2	(12)	30.00	0.66	24.9	80.4
FC Scheme's Active Growth	26.6	18.1	(5)	8.6	(15)	9.5	(17)	36.00	0.86	Und.	Und.
FC Scheme's Growth	21.7	17.0	(8)	9.2	(13)	10.1	(13)	36.00	0.67	24.9	80.4
Fidelity Growth Kiwi	47.5	12.2	(20)	6.9	(22)	7.3	(22)	36.00	1.12	23.8	76.9
Forsyth Barr Balanced	8.8	5.2	(25)	4.9	(25)	5.3	(24)	36.00	1.89	38.4	74.3
Forsyth Barr Growth	7.8	7.3	(24)	5.2	(24)	5.8	(23)	36.00	2.08	32.2	87.2
Grosvenor Balanced Growth	43.8	10.2	(23)	5.9	(23)	--		39.96	1.22	25.3	75.3
Mercer Balanced*	49.7	13.3	(18)	8.1	(17)	10.3	(10)	34.20	0.79	41.0	61.3
Mercer Super Trust Active Bal*	53.9	13.4	(17)	8.1	(16)	10.1	(14)	34.20	1.01	40.0	63.5
Mercer Super Trust Growth*	5.1	15.5	(11)	8.7	(14)	10.6	(9)	34.20	1.08	35.3	73.3
OnePath Balanced Growth	21.1	14.9	(13)	10.0	(9)	9.6	(16)	33.00	0.68	22.5	64.8
OnePath Growth	18.7	18.6	(4)	11.2	(3)	10.6	(8)	33.00	0.73	18.8	79.4
OneAnswer Balanced Growth	231.2	16.3	(9)	11.1	(4)	11.1	(5)	24.00	1.13	21.5	67.7
OneAnswer Growth	165.5	19.9	(1)	12.5	(1)	12.5	(3)	24.00	0.94	16.9	82.5
Staples Rodway Balanced*	16.9	13.9	(15)	10.4	(6)	10.3	(11)	40.00	1.21	33.0	63.0
Staples Rodway Growth*	9.0	11.9	(22)	8.1	(18)	9.2	(18)	40.00	1.40	32.9	70.1
Westpac Growth	325.0	14.9	(12)	9.6	(11)	9.8	(15)	31.08	0.93	35.1	82.9
Average		14.6		9.0		10.0		36.00**	1.10	27.0	73.7
Morningstar NZ Multi Sector Growth Index		14.7		8.6		8.5					70.5

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Multi Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a						Member Fee \$/year	31/03/2013 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year	3-year	5-Year							
Aggressive											
AMP LS Aggressive	154.8	15.5	(6)	8.0	(7)	9.2	(7)	36.00	1.06	18.4	93.2
Aon Russell Lifepoints 2045	7.2	21.1	(1)	10.5	(1)	13.9	(2)	50.00	1.34	4.4	78.3
Brook Growth	7.8	18.4	(5)	8.8	(4)	8.7	(8)	30.00	1.29	33.8	88.3
Fidelity Aggressive Kiwi	17.4	14.6	(9)	7.1	(8)	9.9	(6)	36.00	1.19	16.1	91.2
Fidelity Asset Class Growth	8.7	4.6	(11)	--	--	--	--	36.00	1.12	18.4	86.0
Fisher Funds Growth	667.3	19.8	(2)	8.3	(6)	15.7	(1)	36.00	2.24	36.8	88.6
Grosvenor Geared Growth	3.3	14.6	(8)	6.0	(10)	--	--	39.96	1.27	15.9	97.8
Grosvenor High Growth	76.1	14.8	(7)	6.1	(9)	6.9	(9)	39.96	1.27	21.5	88.8
Mercer High Growth*	41.7	18.6	(4)	9.5	(3)	11.6	(3)	34.20	0.90	28.5	87.7
Mercer Super Trust High Growth*	8.9	18.8	(3)	9.6	(2)	11.4	(4)	34.20	1.13	27.1	90.6
TOWER Growth	116.3	14.0	(10)	8.4	(5)	10.1	(5)	33.00	1.28	52.3	77.7
Average		15.9		8.2		10.8		36.00**	1.28	24.8	88.0
Morningstar NZ Multi Sector Aggressive Index		18.7		8.6		8.2					91.3

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Single Sector Options

	Assets NZ\$M	Total Returns % p.a						Member Fee \$/year	31/03/2013 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year	3-year	5-Year							
Cash											
AMP Cash	60.8	2.7	(12)	2.8	(10)	3.1	(6)	36.00	0.67	100.0	0.0
ANZ Cash	161.3	2.8	(11)	3.0	(7)	2.8	(10)	24.00	0.51	100.0	0.0
Aon OnePath Cash	3.2	2.4	(14)	2.6	(14)	2.8	(11)	50.00	0.91	100.0	0.0
Aon Tyndall Cash	1.3	3.0	(4)	3.3	(2)	3.4	(3)	50.00	0.91	100.0	0.0
ASB Scheme's NZ Cash	256.1	2.9	(6)	2.6	(12)	2.7	(12)	30.00	0.34	100.0	0.0
FC Scheme's NZ Cash	8.7	2.9	(8)	2.6	(13)	2.7	(13)	36.00	0.34	100.0	0.0
Grosvenor Enhanced Income	15.9	3.0	(5)	3.3	(1)	3.4	(4)	39.96	0.82	100.0	0.0
Mercer Cash*	9.5	3.1	(2)	3.2	(3)	3.6	(1)	34.20	0.36	100.0	0.0
Mercer Super Trust Cash*	2.1	3.0	(3)	3.1	(6)	3.5	(2)	34.20	0.59	100.0	0.0
OnePath Cash	1.6	2.9	(10)	3.1	(5)	3.0	(7)	33.00	0.45	100.0	0.0
OneAnswer Cash	19.2	2.7	(13)	2.9	(9)	2.6	(14)	24.00	1.02	100.0	0.0
Staples Rodway Conservative*	17.7	2.9	(9)	3.0	(8)	2.8	(9)	40.00	1.20	100.0	0.0
TOWER Preservation	22.3	3.2	(1)	3.1	(4)	3.2	(5)	33.00	0.59	100.0	0.0
Westpac Cash	202.9	2.9	(7)	2.8	(11)	2.9	(8)	31.08	0.56	100.0	0.0
Fixed Income											
Mercer Super Trust Fixed Intr*	1.2	2.2	(1)	5.1	(1)	7.8	(1)	34.20	0.91	43.6	0.0
OneAnswer International Fixed Interest	2.2	0.1	(2)	4.7	(3)	4.4	(3)	24.00	1.21	0.4	0.0
OneAnswer New Zealand Fixed Interest	5.7	-2.3	(3)	5.1	(2)	5.3	(2)	24.00	0.65	100.0	0.0
International Equity											
FC Scheme's Active High Growth	3.0	27.9	(1)	9.3	(4)	9.2	(5)	36.00	0.94	Und.	Und.
FC Scheme's Global Sustainability	5.9	27.3	(2)	10.1	(3)	11.3	(2)	36.00	1.42	4.7	95.3
Grosvenor International Share	4.0	25.5	(5)	8.3	(5)	--		39.96	1.32	1.4	98.6
Mercer Super Trust Global*	1.7	25.6	(4)	10.3	(2)	11.9	(1)	34.20	1.13	3.2	96.8
OneAnswer International Share	23.0	26.4	(3)	11.5	(1)	10.0	(3)	24.00	0.91	0.3	99.7
OneAnswer Sustainable Growth	1.9	21.0	(6)	7.3	(6)	6.3	(6)	24.00	1.65	4.5	95.5
TOWER Equity	36.0	17.2	(7)	6.5	(7)	9.5	(4)	33.00	1.33	47.3	94.5
Property											
Mercer Super Trust Real Assets*	0.9	14.0	(1)	8.9	(3)	12.1	(3)	34.20	1.32	27.8	98.7
OneAnswer Australasian Property	8.6	11.1	(2)	14.6	(1)	12.3	(2)	24.00	1.16	0.4	99.6
OneAnswer International Property	5.1	5.7	(3)	9.2	(2)	15.0	(1)	24.00	1.19	0.3	99.7

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Single Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a					Member Fee \$/year	31/03/2013 Total Expense Ratio %	New Zealand Domiciled Assets %	Australian Assets %
		1-year	3-year	5-Year						
Australasian Equity										
Aon Milford	66.7	19.7	(4)	16.1	(2)	--	50.00	3.59	66.8	24.8
Grosvenor Socially Responsible	8.9	5.9	(7)	4.6	(7)	--	39.96	1.17	40.9	29.4
Grosvenor Trs-Tasm Sm Coms Shr	3.7	-5.3	(8)	-3.7	(8)	--	39.96	1.17	32.2	67.8
Mercer Super Trust Shares*	1.6	24.7	(1)	11.7	(5)	12.7 (4)	34.20	1.11	23.5	7.0
Mercer Super Trust TransTasman*	1.7	22.3	(2)	14.6	(3)	13.8 (2)	34.20	1.10	75.7	24.3
Milford Active Growth	200.0	20.0	(3)	16.3	(1)	15.3 (1)	36.00	3.32	66.8	24.8
OneAnswer Australasian Share	15.9	18.1	(5)	14.5	(4)	12.9 (3)	24.00	1.16	91.4	8.6
Smartshares Growth	19.7	7.2	(6)	5.4	(6)	8.5 (5)	40/0.85%	0.75	100.0	0
Miscellaneous										
Fidelity Options Kiwi	69.1	9.2		6.9		13.1	36.00	1.14		
NZ Funds Growth	27.4	27.9		10.3		--	NULL	2.06		
NZ Funds Income	6.4	2.7		4.7		--	NULL	1.06		
NZ Funds Inflation	19.8	5.7		5.5		--	NULL	1.37		
Westpac Capital Protect Plan 1	10.7	20.7		10.2		10.5	31.08	1.66		
Westpac Capital Protect Plan 2	9.1	20.7		10.1		--	31.08	1.66		
Westpac Capital Protect Plan 3	14.8	20.7		10.1		--	31.08	1.66		
Westpac Capital Protect Plan 4	21.1	20.7		--		--	31.08	1.66		
Westpac Capital Protect Plan 5	17.7	20.7		--		--	31.08	1.66		

Market Share Analysis

	AUM, Dec 2013				AUM, Dec 2012				AUM, Dec 2011				AUM, Dec 2010		
	\$M	%	Rank	Rank Change	\$M	%	Rank	Rank Change	\$M	%	Rank	Rank Change	\$M	%	Rank
By Provider															
AMP	2832.5	16.1	(3)	▲	1485.5	10.9	(4)	▼	1178.1	11.5	(3)		897.2	12.2	(3)
ANZ/OneAnswer	4646.6	26.4	(1)		3445.7	25.3	(1)		2513.7	24.5	(1)		1771.9	24.0	(1)
Aon	231.4	1.3	(9)		180.5	1.3	(9)		135.8	1.3	(9)	▲	104.9	1.4	(10)
ASB	3635.1	20.6	(2)		2859.3	21.0	(2)		2188.0	21.3	(2)		1527.4	20.7	(2)
Brook	10.2	0.1	(14)		7.1	0.1	(14)		5.9	0.1	(14)	▲	4.6	0.1	(15)
Fisher Funds	1962.0	11.1	(5)	▲	660.0	4.8	(7)		476.7	4.6	(7)	▲	203.0	2.8	(8)
Forsyth Barr	16.6	0.1	(13)		12.3	0.1	(13)		8.3	0.1	(13)	▲	5.5	0.1	(14)
Grosvenor	648.8	3.7	(7)	▲	380.3	2.8	(8)		291.8	2.8	(8)	▼	213.9	2.9	(7)
Mercer	974.5	5.5	(6)		806.6	5.9	(6)		661.8	6.4	(6)		486.3	6.6	(6)
Milford	233.0	1.3	(8)	▲	99.1	0.7	(10)		38.9	0.4	(10)	▲	18.1	0.2	(13)
NZ Funds	53.6	0.3	(10)		--	--			--	--			--	--	
Smartshares	29.6	0.2	(12)		26.5	0.2	(12)		21.7	0.2	(12)		18.3	0.2	(12)
Staples Rodway	43.6	0.2	(11)		35.4	0.3	(11)		28.0	0.3	(11)		20.9	0.3	(11)
Westpac	2304.4	13.1	(4)	▼	1713.6	12.6	(3)	▲	1176.6	11.5	(4)		753.1	10.2	(4)
Closed/Merged Providers															
Huljich to Fisher, Mid 2011					--	--			--	--			181.8	2.5	(9)
AXA to AMP, Early 2013					893.0	6.5	(5)		721.2	7.0	(5)		540.2	7.3	(5)
Tower to Fisher, Mid 2013					894.2	6.6	(5)		717.9	7.0	(6)		541.1	7.3	(5)
Fidelity to Grosvenor, Mid 2013					140.8	1.0	(11)		111.5	0.8	(11)		87.5	1.2	(12)
Total	17621.7				13640.0				10276.0				7375.6		

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