

KiwiSaver Performance Survey September Quarter 2013

Many KiwiSaver options benefitted from the New Zealand sharemarket's strong run during the September quarter, as growth assets again largely outshone their income counterparts.

Chris Douglas

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Morningstar has released its quarterly KiwiSaver Performance Survey, designed to help New Zealand investors assess the performance of their KiwiSaver superannuation options. The accompanying tables show KiwiSaver fund returns for the one, three, and five years to 30 September 2013.

There have been no additions to our database over the quarter, however there has been some change. In early July, Grosvenor acquired Fidelity Life's KiwiSaver business. The two schemes continue to be run separately, although it's expected Fidelity's KiwiSaver Scheme will merge with Grosvenor sometime in the future. AMP's merger with AXA was completed over the quarter and all assets have been transferred over to the applicable AMP offer. Finally, SIL KiwiSaver has been renamed OneAnswer. Investors here should note this is a name change only.

We would also like to canvas opinions on after-tax returns and whether we should switch to after-tax performance numbers from 2014 onwards. Returns in our KiwiSaver Performance Survey have always been before tax, but after fees. As outlined previously, we do this for two primary reasons. Firstly, there are numerous tax rates and having a pre-tax number removes any

need to make assumptions. Secondly, other returns like bank term deposits are shown pre-tax, so this allows for consistency in performance comparison. However, Morningstar has been calculating after-tax returns for some time and we can move to an after-tax KiwiSaver Performance Survey, using the top tax rate (28.0% for PIE-funds) for all performance calculations. We will be liaising with key industry participants over the quarter, but please let us know your opinion.

We hope you find this performance overview helpful, and as always, welcome any feedback you may have.

Market Overview

Global markets were whipsawed by the US Federal Reserve's actions over the quarter as Fed Chairman Ben Bernanke, quelled previous talk of 'tapering' the Fed's quantitative easing policy in September. Markets posted strong gains in September, offsetting poor performance in August. The geopolitical concerns in Syria, also temporarily halted the stock-market rally during August. China rebounded strongly in the September quarter off the back of strong economic data, as the Shanghai Composite index rose 9.9%.

Looking closer to home, New Zealand equities again had a strong quarter as the NZX 50 Index finished up 6.67%, whilst across the Tasman, the S&P/ASX All Ordinaries Index posted a return of 9.3%, its best quarter since September 2009. Global equities was also positive, but the strongly-performing Kiwi dollar curtailed the return to a paltry 0.31%.

Listed property and listed infrastructure were two asset classes to struggle during the quarter, off the back of the threat from rising interest rates. Likewise, domestic fixed interest returns were negative, returning -0.83% for the quarter, as the strong domestic economic data put upward pressure on interest rates. However, Global Fixed Interest bounced back late in the quarter to finish 1.41% in positive territory due to Fed's decision to delay tapering.

Fund Manager Results

Over the September quarter, there was a strong correlation between each KiwiSaver schemes weighting to growth assets and their respective returns. Schemes invested heavily in shares performed significantly better in comparison to their conservatively invested counterparts with a bias towards fixed interest. This is best illustrated by the performance of the Multi-sector categories, with the equities biased Multi-sector Aggressive and Growth categories posting impressive average returns of 4.47% and 3.67% respectively. Average quarterly returns decreased as the weighting shifted away from shares, with Moderate and Conservative experiencing more modest returns of 1.74% and 1.65% respectively. All single sector categories experienced positive growth through the quarter; however Australasian Equity was the place to be as it posted an average quarterly return of 7.18%.

Top performers for the quarter came from a range of KiwiSaver providers, but standouts included Brook KiwiSaver and Smartshares Smartkiwi. Both featured in the top quartiles of their respective categories. The Smartshares Smartkiwi scheme had a strong quarter as a result of its large New Zealand equities exposure, and was the top performing option in both the Balanced and Conservative funds. Whilst AMP KiwiSaver,

Mercer KiwiSaver and Tower KiwiSaver were the other providers that experienced healthy gains across the various risk profiles.

The performance of a KiwiSaver Scheme can be more appropriately evaluated when observing the long term returns to investors. Looking out over three and five years indicates that Aon KiwiSaver Russel and the various ANZ KiwiSaver options (including OnePath and OneAnswer) have been the standout performers. Aon KiwiSaver Russel is one of the top long term performers across the six multi-sector categories. Others that deserve recognition include Fisher Funds KiwiSaver as their Growth Fund has easily been the standout performer across the Growth and Aggressive categories over the past five years. While the Fisher Conservative Scheme has also been a top performer in its category over three years. Milford KiwiSaver Balanced is another notable performer, and has been the top performer in the Balanced category over three years.

The strongest performing KiwiSaver Scheme in the September quarter was Grosvenor KiwiSaver Trans-Tasman Small Companies Fund, which produced an impressive return of 11.95%. The best performing KiwiSaver Scheme over the five years continues to be Milford Active Growth KiwiSaver, which has produced an annual return of 14.87%, which sits comfortably above its peers.

Periodic Disclosure

The 30 September 2013 quarter marks the introduction of the KiwiSaver Periodic Reporting. Here KiwiSaver Providers will have to produce quarterly reports (there's a more detailed annual report too) displaying important investment detail, this includes: the key people involved, performance, portfolio information, and fees. These reports are due out on the 15th business day (21st October). This is a great initiative and one we wholeheartedly support, however, don't expect to see changes in our KiwiSaver Performance Survey just yet.

Morningstar has adopted global best practice for all our datapoints that we collect. Our data has always been after fees, and we have been displaying a total cost figure (Total Expense Ratio) since the beginning of 2012. We are also not going to be

adding new providers onto our database at this stage either. A few KiwiSaver Providers continue to decline to participate in our Quarterly Performance Survey. We may look to add these Schemes at a later date from publicly available information, but not until we gain complete comfort in their calculation methodologies, so we can ensure consistency across our database.

Home Country Bias

Last quarter we introduced a new data point: 'New Zealand Domiciled Assets'. We believe it's an interesting datapoint to see which KiwiSaver providers have the most domestic exposure. For the default options alone, you can see quite a divergence in just the six Default options, with a range of 40.9% – 70.7% New Zealand domiciled exposure.

New Zealand barely registers on the global investment market landscape, and our investments markets also aren't as deep or liquid as others. So there are very good reasons to invest outside New Zealand (and for that reason, Australia too). Accessing markets like the US and Europe, gives investors a vast option of companies to invest into. These include the likes of technology giants, Google, Microsoft, and Apple, and global multi-national brands like Nestle and Coca-Cola. Fixed interest markets are also much deeper and offer a wider investment remit.

But investing outside New Zealand has not been quite as fruitful in recent years. The local sharemarket has been on a stellar run during the past three years, almost doubling returns of global markets with the NZX 50 returning 14.22% per annum, versus the MSCI World Index (unhedged) return of 7.28% per annum.

This scenario is reversed when assessing the returns of fixed income over three-years, with global fixed income out-performing local bonds although the difference is a marginal 0.72% per annum.

As a result, KiwiSaver Schemes with a healthy home country bias have easily outpaced those who seek the deeper and more diverse global markets. Smartshares Smartkiwi Balanced Fund

has 65.0% to NZ shares and zero globally, as a result it's been a very strong performer in recent times.

There is little doubt that New Zealand is in a healthy position relative to other global markets. And this has had an impact on our local sharemarkets performance. It's also the reason why our fixed income market has lagged as the prediction of impending rate increases by the Reserve Bank of New Zealand has resulted in poor performance. (Fixed income markets work inversely to equities, when interest rates rise, this is a negative for fixed-income investors.)

There are tax advantages to investing locally and investors don't need to be concerned with the impact of currency. But we are a very small economy, the recent Fonterra botulism scare proving that our economy is very narrow and not as diversified as others. So it pays to be mindful of your KiwiSaver schemes exposure to domestic assets. We will be exploring this more in future commentaries.

Assets Under Management

KiwiSaver assets on the Morningstar database have grown from NZ\$954.10 million at 30 June 2008 to NZ\$ 16.51 billion at 30 September 2013, a phenomenal growth rate. ASB and OnePath remained the dominant players, with a steady 46.8 percent of KiwiSaver assets between them.

AMP retains third spot, ahead of fourth-placed Westpac. Fisher Funds acquisition of TOWER KiwiSaver moved them into fifth spot, more than double the assets of the next largest KiwiSaver Provider. Grosvenor was the biggest mover during the quarter, only up one spot to seventh, but doubling their assets with the acquisition of Fidelity Life's KiwiSaver business.

The industry remains highly-concentrated: the eight largest KiwiSaver providers account for an increased 99.4 percent 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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Morningstar KiwiSaver Survey: 30 September 2013

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	1174.0	5.6	4.7	4.3	36.00	0.54	70.7	21.7
ASB Scheme's Conservative (Default)	1798.9	5.0	5.1	5.5	30.00	0.38	55.3	19.7
Mercer Conservative (Default)*	726.2	6.7	5.8	6.9	34.20	0.54	57.6	20.2
OnePath Conservative (Default)	684.4	5.2	6.1	6.2	33.00	0.53	40.9	20.1
TOWER Cash Enhanced (Default)	469.8	5.0	5.6	5.4	33.00	0.59	66.8	21.4
Peer Group Averages								
Default Options	4853.3	5.5	5.5	5.7	33.2	0.52	57.64**	20.6
Conservative (Including Default Options)	5769.3	6.1	5.7	5.7	33.6	0.75	58.39**	20.9
Moderate	2466.0	7.2	6.5	6.3	36.0	0.91	43.68**	33.9
Balanced	3021.7	11.9	7.9	6.5	36.0	1.00	42.23**	56.8
Growth	2977.3	14.5	8.8	6.7	36.0	1.10	30.20**	73.9
Aggressive	1032.3	17.1	8.2	6.6	36.0	1.30	28.92**	87.1
Quick Stats								
KiwiSaver Total Market Size	\$m	16,541						
Increase in Market Size last 3 months	\$m	1,374						
Increase in Market Size last 12 months	\$m	3,629						
Largest Providers	\$m	4,282	ANZ/OneAnswer					
	\$m	3,460	ASB					
Largest Product	\$m	1,799	ASB Scheme's Conservative (Default)					
Largest Category	\$m	5,769	Morningstar Conservative					
Number of Providers		13						
Number of Products		128						
Highest 3-month Performance this Quarter	%	12.0	Grosvenor Trs-Tasm Sm Coms Shr					
Lowest 3-Month Performance this Quarter	%	-1.0	OneAnswer New Zealand Fixed Interest					
Highest 12-Month Performance this Quarter	%	26.5	Mercer Super Trust TransTasman*					
Lowest 12-Month Performance this Quarter	%	-1.6	OneAnswer New Zealand Fixed Interest					

Estimated KiwiSaver Market Asset Allocation %

Cash & NZ Bonds	36.7
International Bonds	18.3
NZ Unlisted Property	0.8
NZ Listed Property	1.9
International Listed Property	2.1
NZ Shares	10.4
Australian Shares	4.9
International Shares	23.4
Other	1.4

Proportion in Income Assets:	55.1
Proportion in Growth Assets:	44.9

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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	1174.0	5.6	(8)	4.7	(11)	4.3	(11)	36.00	0.54	70.7	21.7
ANZ Conservative	287.1	5.8	(7)	6.1	(5)	6.0	(5)	24.00	1.03	48.9	22.1
Aon Russell Lifepoints Conservative	53.1	6.1	(5)	7.1	(1)	8.1	(1)	50.00	1.12	16.3	20.0
ASB Scheme's Conservative (Default)	1798.9	5.0	(11)	5.1	(9)	5.5	(7)	30.00	0.38	55.3	19.7
Brook Conservative	0.3	8.7	(1)	--	--	--	--	30.00	--	74.9	23.4
FC Scheme's Conservative	83.1	5.0	(12)	5.1	(10)	5.6	(6)	36.00	0.39	55.3	19.7
Fidelity Capital Guarant Kiwi	36.3	4.5	(13)	4.3	(12)	4.4	(9)	36.00	0.92	70.6	14.6
Fisher Funds Conservative	203.0	7.5	(3)	6.2	(2)	--	--	36.00	1.08	52.9	21.4
Mercer Conservative (Default)*	726.2	6.7	(4)	5.8	(6)	6.9	(2)	34.20	0.54	57.6	20.2
OnePath Conservative (Default)	684.4	5.2	(9)	6.1	(4)	6.2	(3)	33.00	0.53	40.9	20.1
OneAnswer Conservative	250.1	5.9	(6)	6.1	(3)	6.1	(4)	24.00	1.18	48.9	22.1
Smartshares Conservative	2.9	8.3	(2)	5.5	(8)	4.4	(10)	40/0.85%	--	100.0	24.9
TOWER Cash Enhanced (Default)	469.8	5.0	(10)	5.6	(7)	5.4	(8)	33.00	0.59	66.8	21.4
Average		6.1		5.7		5.7		33.60**	0.75	58.4	20.9
Morningstar NZ Multi Sector Conservative Index		4.3		5.0		5.3					19.2
Moderate											
AMP LS Conservative	154.9	5.1	(14)	5.4	(14)	5.5	(13)	36.00	0.84	54.1	29.1
AMP LS Moderate	159.4	7.3	(9)	6.1	(9)	5.1	(15)	36.00	0.92	47.6	44.4
ANZ Conservative Balanced	288.5	9.4	(3)	7.8	(3)	6.9	(4)	24.00	1.04	41.4	38.7
Aon Russell Lifepoints 2015	4.1	7.6	(8)	7.6	(4)	7.8	(2)	50.00	1.13	15.3	26.0
Aon Russell Lifepoints Moderate	9.0	10.5	(1)	8.4	(1)	8.0	(1)	50.00	1.19	12.2	40.1
ASB Scheme's Moderate	491.4	8.0	(4)	6.4	(6)	6.0	(9)	30.00	0.57	44.0	39.4
FC Scheme's Active Conservative	6.7	7.9	(6)	5.9	(11)	6.2	(7)	36.00	0.78	Und.	Und.
FC Scheme's Moderate	19.5	8.0	(5)	6.4	(7)	6.0	(10)	36.00	0.58	44.0	39.4
Fidelity Conservative Kiwi	44.2	6.0	(11)	5.7	(12)	5.7	(12)	36.00	1.01	56.0	28.9
Fidelity Asset Class Conservative	1.0	--	--	--	--	--	--	36.00	--	7.1	30.9
Grosvenor Conservative	36.3	2.9	(15)	5.0	(15)	5.5	(14)	39.96	1.07	82.4	21.7
Mercer Super Trust Conserv*	2.3	6.8	(10)	5.5	(13)	6.1	(8)	34.20	0.97	59.6	29.2
Milford Conservative	2.7	--	--	--	--	--	--	36.00	1.05	43.6	45.0
OnePath Conservative Balanced	5.8	7.9	(7)	7.3	(5)	6.6	(5)	33.00	0.58	35.0	34.7
OneAnswer Conservative Balanced	83.2	9.4	(2)	7.8	(2)	7.0	(3)	24.00	1.02	41.4	38.7
TOWER Conservative	74.7	6.0	(12)	6.0	(10)	6.2	(6)	33.00	1.00	61.7	30.5
Westpac Conservative	1082.2	5.8	(13)	6.2	(8)	5.9	(11)	31.08	0.78	53.6	26.0
Average		7.2		6.5		6.3		36.00**	0.91	43.7	33.9
Morningstar NZ Multi Sector Moderate Index		6.5		5.8		5.9					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	397.1	10.8	(14)	7.6	(12)	5.4	(16)	36.00	0.96	39.0	64.6
AMP LS Moderate Balanced	237.7	9.1	(20)	6.8	(17)	4.9	(19)	36.00	0.96	43.3	54.0
AMP TOWER Balanced	15.3	9.2	(19)	6.8	(16)	5.8	(15)	36.00	0.99	53.7	56.6
ANZ Balanced	549.0	12.9	(7)	9.3	(5)	7.5	(5)	24.00	1.09	34.8	54.7
Aon OnePath Balanced	12.4	13.8	(5)	9.6	(2)	8.9	(1)	50.00	1.21	33.1	59.4
Aon Russell Lifepoints 2025	8.0	12.4	(9)	8.9	(6)	7.6	(4)	50.00	1.21	11.2	46.0
Aon Russell Lifepoints Balanced	33.7	15.0	(2)	9.6	(3)	7.7	(2)	50.00	1.25	8.1	60.0
ASB Scheme's Balanced	357.3	12.0	(10)	7.8	(10)	6.3	(11)	30.00	0.62	33.4	59.0
Brook Balanced	2.0	14.2	(4)	6.5	(18)	5.3	(17)	30.00	1.29	54.9	53.5
FC Scheme's Active Balanced	25.2	12.7	(8)	7.0	(15)	6.1	(12)	36.00	0.82	Und.	Und.
FC Scheme's Balanced	24.5	12.0	(11)	7.8	(11)	6.3	(10)	36.00	0.62	33.4	59.0
Fidelity Balanced Kiwi	102.8	9.5	(18)	6.0	(19)	5.8	(14)	36.00	1.05	38.7	55.3
Fidelity Ethical Kiwi	10.7	15.0	(3)	8.1	(9)	6.1	(13)	36.00	1.29	55.3	62.2
Grosvenor Balanced	104.4	7.2	(21)	5.1	(21)	5.2	(18)	39.96	1.17	64.2	43.5
Mercer Super Trust Moderate*	33.3	10.6	(16)	7.1	(14)	7.2	(6)	34.20	0.80	47.1	51.3
Milford Balanced	22.5	16.9	(1)	11.6	(1)	--		36.00	1.05	36.5	70.5
OnePath Balanced	16.3	10.8	(15)	8.5	(7)	7.0	(8)	33.00	0.63	28.7	49.8
OneAnswer Balanced	234.6	13.0	(6)	9.3	(4)	7.7	(3)	24.00	1.08	34.8	54.7
Smartshares Balanced	6.8	11.0	(13)	5.9	(20)	4.6	(20)	40/0.85%	--	100.0	65.0
TOWER Balanced	326.5	10.4	(17)	7.3	(13)	6.6	(9)	33.00	1.04	53.7	56.6
Westpac Balanced	501.7	11.8	(12)	8.4	(8)	7.1	(7)	31.08	0.87	40.7	60.8
Average		11.9		7.9		6.5		36.00**	1.00	42.2	56.8
Morningstar NZ Multi Sector Balanced Index		10.5		6.9		5.7					58.1

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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							
Growth											
AMP LS Growth	313.4	13.7	(16)	8.4	(15)	4.5	(22)	36.00	1.00	31.2	84.3
AMP OnePath Balanced Plus	70.3	15.2	(12)	10.5	(7)	7.7	(6)	36.00	0.87	28.9	68.5
AMP Tyndall Balanced	11.3	11.8	(21)	7.5	(19)	5.6	(20)	36.00	0.94	39.1	73.0
ANZ Balanced Growth	435.5	16.5	(8)	10.7	(5)	8.1	(4)	24.00	1.14	28.9	70.4
ANZ Growth	809.5	20.1	(2)	12.1	(2)	8.6	(2)	24.00	1.19	22.0	85.7
Aon Russell Lifepoints 2035	7.0	16.6	(7)	10.0	(9)	7.3	(10)	50.00	1.26	7.1	64.0
Aon Russell Lifepoints Growth	12.8	18.8	(3)	10.6	(6)	7.5	(8)	50.00	1.30	5.1	75.0
Aon Tyndall Balanced	3.3	11.8	(22)	7.3	(21)	5.7	(19)	50.00	1.47	39.1	73.0
ASB Scheme's Growth	338.3	15.9	(10)	8.9	(12)	6.3	(17)	30.00	0.66	26.6	78.7
FC Scheme's Active Growth	25.3	17.0	(5)	7.9	(16)	6.3	(15)	36.00	0.86	Und.	Und.
FC Scheme's Growth	20.5	15.9	(9)	8.9	(13)	6.3	(16)	36.00	0.67	26.6	78.8
Fidelity Growth Kiwi	45.2	12.9	(17)	6.5	(22)	5.3	(21)	36.00	1.12	33.1	78.2
Forsyth Barr Balanced	8.3	7.1	(25)	5.1	(25)	3.8	(23)	36.00	1.89	37.1	75.2
Forsyth Barr Growth	7.4	10.3	(24)	5.8	(23)	3.4	(24)	36.00	2.08	30.8	88.0
Grosvenor Balanced Growth	39.7	10.5	(23)	5.2	(24)	--		39.96	1.22	49.6	62.3
Mercer Balanced*	45.7	12.3	(20)	7.7	(17)	7.0	(12)	34.20	0.79	41.9	61.1
Mercer Super Trust Active Bal*	51.3	12.4	(19)	7.7	(18)	7.0	(13)	34.20	1.01	40.8	63.2
Mercer Super Trust Growth*	4.7	14.3	(14)	8.4	(14)	6.9	(14)	34.20	1.08	37.4	73.0
OnePath Balanced Growth	18.3	13.9	(15)	9.7	(11)	7.4	(9)	33.00	0.68	23.0	65.0
OnePath Growth	16.4	17.2	(4)	10.9	(3)	7.6	(7)	33.00	0.73	18.9	79.9
OneAnswer Balanced Growth	216.3	16.6	(6)	10.8	(4)	8.3	(3)	24.00	1.13	28.9	70.4
OneAnswer Growth	154.1	20.2	(1)	12.2	(1)	8.8	(1)	24.00	0.94	22.0	85.7
Staples Rodway Balanced*	15.8	14.4	(13)	10.3	(8)	7.1	(11)	40.00	1.21	37.0	65.2
Staples Rodway Growth*	8.6	12.6	(18)	7.4	(20)	5.9	(18)	40.00	1.40	34.5	71.3
Westpac Growth	298.3	15.2	(11)	9.9	(10)	7.7	(5)	31.08	0.93	35.1	82.9
Average		14.5		8.8		6.7		36.00**	1.10	30.2	73.9
Morningstar NZ Multi Sector Growth Index		13.6		7.8		5.9					70.5

Morningstar KiwiSaver Survey: 30 September 2013

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	147.4	15.7	(6)	9.0	(4)	4.2	(8)	36.00	1.06	27.9	93.9
Aon Russell Lifepoints 2045	6.6	20.4	(2)	11.0	(1)	6.9	(3)	50.00	1.34	4.1	79.0
Brook Growth	7.0	19.6	(3)	8.6	(6)	6.9	(4)	30.00	1.29	40.1	88.2
Fidelity Aggressive Kiwi	16.5	14.9	(9)	6.6	(8)	5.9	(7)	36.00	1.19	12.8	99.2
Fidelity Asset Class Growth	3.9	--	--	--	--	--	--	36.00	--	18.0	87.7
Fisher Funds Growth	622.9	20.8	(1)	8.3	(7)	11.2	(1)	36.00	2.24	35.5	87.9
Grosvenor Geared Growth	3.2	15.0	(7)	5.3	(10)	--	--	39.96	1.27	31.5	82.0
Grosvenor High Growth	71.6	15.0	(8)	5.4	(9)	3.9	(9)	39.96	1.27	30.1	83.6
Mercer High Growth*	37.4	17.2	(5)	9.3	(3)	6.9	(5)	34.20	0.90	32.5	88.7
Mercer Super Trust High Growth*	8.3	17.3	(4)	9.3	(2)	6.8	(6)	34.20	1.13	31.7	90.9
TOWER Growth	107.6	14.6	(10)	8.9	(5)	7.1	(2)	33.00	1.28	53.8	77.4
Average		17.1		8.2		6.6		36.00**	1.30	28.9	87.1
Morningstar NZ Multi Sector Aggressive Index		16.7		7.6		5.0					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	2.8	(12)	2.9	(9)	3.4	(6)	36.00	0.67	100.0	0.0
ANZ Cash	153.0	2.9	(11)	3.0	(8)	3.0	(10)	24.00	0.51	100.0	0.0
Aon OnePath Cash	3.0	2.5	(14)	2.7	(12)	3.0	(9)	50.00	0.91	100.0	0.0
Aon Tyndall Cash	1.2	3.2	(2)	3.4	(1)	3.7	(4)	50.00	0.91	100.0	0.0
ASB Scheme's NZ Cash	252.3	3.0	(7)	2.7	(13)	2.9	(12)	30.00	0.34	100.0	0.0
FC Scheme's NZ Cash	8.8	2.9	(8)	2.6	(14)	2.9	(13)	36.00	0.34	100.0	0.0
Grosvenor Enhanced Income	16.0	3.2	(3)	3.3	(2)	3.8	(2)	39.96	0.82	100.0	0.0
Mercer Cash*	10.1	3.0	(4)	3.3	(3)	3.8	(1)	34.20	0.36	100.0	0.0
Mercer Super Trust Cash*	2.1	3.0	(5)	3.2	(5)	3.8	(3)	34.20	0.59	100.0	0.0
OnePath Cash	1.5	2.9	(10)	3.1	(6)	3.2	(7)	33.00	0.45	100.0	0.0
OneAnswer Cash	19.1	2.7	(13)	2.9	(10)	2.8	(14)	24.00	1.02	100.0	0.0
Staples Rodway Conservative*	17.3	3.0	(6)	3.1	(7)	3.0	(11)	40.00	1.20	100.0	0.0
TOWER Preservation	22.3	3.5	(1)	3.2	(4)	3.5	(5)	33.00	0.59	100.0	0.0
Westpac Cash	197.1	2.9	(9)	2.8	(11)	3.1	(8)	31.08	0.56	100.0	0.0
Fixed Income											
Mercer Super Trust Fixed Intr*	1.2	2.4	(1)	4.3	(2)	7.5	(1)	34.20	0.91	40.5	0.0
OneAnswer International Fixed Interest	2.1	1.1	(2)	4.0	(3)	5.9	(2)	24.00	1.21	100.0	0.0
OneAnswer New Zealand Fixed Interest	5.6	-1.6	(3)	4.9	(1)	5.3	(3)	24.00	0.65	100.0	0.0
International Equity											
FC Scheme's Active High Growth	2.8	21.8	(3)	7.7	(5)	3.5	(5)	36.00	0.94	Und.	Und.
FC Scheme's Global Sustainability	5.4	25.5	(1)	9.6	(1)	8.9	(1)	36.00	1.42	4.2	95.8
Grosvenor International Share	3.7	20.0	(5)	5.7	(6)	--		39.96	1.32	3.5	96.5
Mercer Super Trust Global*	1.5	20.7	(4)	9.4	(2)	6.4	(2)	34.20	1.13	3.1	96.9
OneAnswer International Share	21.5	22.6	(2)	9.2	(3)	5.9	(3)	24.00	0.91	1.4	98.6
OneAnswer Sustainable Growth	1.6	16.0	(7)	5.0	(7)	2.4	(6)	24.00	1.65	6.1	93.9
TOWER Equity	32.9	17.8	(6)	8.0	(4)	5.6	(4)	33.00	1.33	48.0	96.6
Property											
Mercer Super Trust Real Assets*	0.9	12.2	(1)	9.2	(3)	4.2	(3)	34.20	1.32	28.6	97.8
OneAnswer Australasian Property	8.3	11.0	(2)	14.4	(1)	8.3	(1)	24.00	1.16	0.1	99.9
OneAnswer International Property	5.0	10.0	(3)	11.4	(2)	4.7	(2)	24.00	1.19	5.8	94.2

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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	62.2	22.2	(5)	15.9	(3)	--	50.00	3.59	63.8	27.3
Grosvenor Socially Responsible	8.7	11.7	(7)	5.4	(7)	--	39.96	1.17	50.5	29.2
Grosvenor Trs-Tasm Sm Coms Shr	3.8	7.0	(8)	-0.4	(8)	--	39.96	1.17	33.9	66.1
Mercer Super Trust Shares*	1.4	22.5	(4)	11.2	(5)	7.7 (4)	34.20	1.11	32.4	0
Mercer Super Trust TransTasman*	1.5	26.5	(1)	15.0	(4)	9.9 (3)	34.20	1.10	100.0	0
Milford Active Growth	169.5	22.6	(3)	16.0	(1)	14.9 (1)	36.00	3.32	63.8	27.3
OneAnswer Australasian Share	15.0	25.6	(2)	16.0	(2)	10.4 (2)	24.00	1.16	87.7	12.3
Smartshares Growth	19.4	21.3	(6)	7.8	(6)	5.1 (5)	40/0.85%	--	100.0	0
Miscellaneous										
Fidelity Options Kiwi	65.3	8.7		6.1		6.2	36.00	1.14	0.7	99.3
Westpac Capital Protect Plan 1	10.3	20.7		10.6		--	31.08	1.66	41.1	99.2
Westpac Capital Protect Plan 2	8.8	20.7		10.6		--	31.08	1.66	41.1	99.2
Westpac Capital Protect Plan 3	14.3	20.7		--		--	31.08	1.66	41.1	99.2
Westpac Capital Protect Plan 4	20.5	20.7		--		--	31.08	1.66	41.1	99.2
Westpac Capital Protect Plan 5	17.1	--		--		--	31.08	--	41.1	99.2

Market Share Analysis

	AUM, Sept 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	2741.7	16.6	(3)	▲	1485.5	10.9	(4)	▼	1178.1	11.5	(3)		897.2	12.2	(3)
ANZ/OneAnswer	4281.6	25.9	(1)		3445.7	25.3	(1)		2513.7	24.5	(1)		1771.9	24.0	(1)
Aon	216.4	1.3	(8)	▲	180.5	1.3	(9)		135.8	1.3	(9)	▲	104.9	1.4	(10)
ASB	3459.9	20.9	(2)		2859.3	21.0	(2)		2188.0	21.3	(2)		1527.4	20.7	(2)
Brook	9.3	0.1	(13)	▲	7.1	0.1	(14)		5.9	0.1	(14)	▲	4.6	0.1	(15)
Fisher Funds	1859.7	11.2	(5)	▲	660.0	4.8	(7)		476.7	4.6	(7)		203.0	2.8	(7)
Forsyth Barr	15.8	0.1	(12)	▲	12.3	0.1	(13)		8.3	0.1	(13)	▲	5.5	0.1	(14)
Grosvenor	613.2	3.7	(7)	▲	234.7	1.7	(8)		177.2	1.7	(8)	▲	127.1	1.7	(9)
Mercer	927.9	5.6	(6)		806.6	5.9	(6)		661.8	6.4	(6)		486.3	6.6	(6)
Milford	194.7	1.2	(9)	▲	99.1	0.7	(10)		38.9	0.4	(10)	▲	18.1	0.2	(13)
Smartshares	29.1	0.2	(11)	▲	26.5	0.2	(12)		21.7	0.2	(12)		18.3	0.2	(12)
Staples Rodway	41.8	0.3	(10)	▲	35.4	0.3	(11)		28.0	0.3	(11)		20.9	0.3	(11)
Westpac	2150.3	13.0	(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	(8)
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					286.5	2.1	(9)		226.1	1.7	(10)		174.3	2.4	(10)
Total	16541.4				13640.0				10276.0				7375.6		

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