

KiwiSaver Survey

June Quarter 2015

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Tim Murphy
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| 22-July-15 |

Morningstar's quarterly KiwiSaver Survey is 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 30 June 2015.

Please note that the Mercer Super Trust KiwiSaver scheme was closed during the quarter, the funds have been merged into the equivalent Mercer KiwiSaver scheme. There were no other additions or closures to the survey during the quarter.

We hope you find this KiwiSaver survey helpful and welcome any feedback.

Market Commentary

The depreciating New Zealand dollar was a key driver of performance for New Zealand investors during the quarter. There are a number of reasons for the sudden drop in value. The fall in dairy prices has meant less demand for the kiwi in global currency markets, the RBNZ has retraced its steps and loosened monetary policy amid a deteriorating economic environment, and uncertainty in Greece has meant global investors have sought

comfort in the safety of German and American assets. During the June quarter, the NZD depreciated 8.1%, 12.1% and 13.4% against the US dollar, the Euro and the Pound respectively. After flirting with parity with the Australian dollar, the NZD gave up 9% to finish the quarter at 0.89AUD.

The large movement in the NZ dollar meant that KiwiSaver funds with unhedged exposure to Australian and international equities benefited the most. Although international equity markets were relatively flat in aggregate during the quarter, they rose 10.6% in NZD terms. The Australian S&P/ASX 200 fell 6.6% in AUD terms, but gained 4.3% in NZD. This meant that currency positioning played a crucial role during the quarter and resulted in significant disparity in returns within each category, particularly the growth-focused categories. The local equity market was subdued as it experienced its first negative quarter in three years, the NZX50 returned -1.8%.

In global macroeconomic news, the actions of Janet Yellen and the U.S. Federal Reserve remain closely watched. The market is anticipating the Fed will raise interest rates for the first time in nearly a decade at some point this year, however mixed

economic data and geopolitical uncertainty has made the timing of this shift a hotly-debated topic. Global fixed interest markets were down 1.4% during the quarter, as measured by the Barclays Global Aggregate NZD Hedged index. The 25bps drop in the official cash rate by the RBNZ in June helped the local fixed interest market post a 0.80% return. The market is pricing another two 25bps before year end.

International listed property markets have begun to come off the boil after their stellar performance through 2014. This is likely a result of stretched valuations and the Fed transition into tightening mode. The market index fell about 7% in USD but managed a gain after translating those returns to NZD. Closer to home, the NZX Property Index was relatively flat, nudging 0.2% higher.

Fund Manager Results

Funds with greater exposure to growth assets performed stronger than their more conservative counterparts. Given the emphasis placed on capital preservation within conservative funds, currency exposure is typically fully hedged. This is the main reason why the level of investment in growth assets had a strong correlation with performance during the quarter, even though growth assets didn't necessarily perform that well. The median aggressive and conservative funds returned 2.85% and 0.38% respectively.

Forsyth Barr and **Generate** were top performers amongst their aggressive and growth peers as their unhedged international equities exposure helped separate them from the pack. **Generate** was also the top performer within the moderate category. **Kiwi Wealth** was the top performer within the conservative category, its growth allocation is made up entirely of international equities, with the majority of it unhedged. **Grosvenor KiwiSaver Socially Responsible Investment** and **Aon KiwiSaver Russell** were the top performers within the balanced category.

It is more appropriate to evaluate performance of a KiwiSaver scheme by studying its long-term returns. **Aon KiwiSaver Russell** is the standout and deserves credit: it is at or near the

top of all five multisector categories over five years. **Kiwi Wealth KiwiSaver** continues to be top performer within the aggressive category, while a strong growth bias has led **Milford KiwiSaver** to the top of the balanced category.

Talking Point: Currency Hedging

The sharp, sudden decline of the New Zealand dollar has highlighted what a powerful role currency plays in the investor experience. Currency movements are notoriously difficult to predict, especially over short periods, but fund managers must pay careful attention to it. Foreign currency exposure is an important part of the risk management toolkit and there are potential rewards to be reaped if portfolios are positioned well for major movements.

KiwiSaver managers typically manage currency exposure actively within their international and Australian equities investments. International fixed income and listed property/infrastructure exposures are often fully hedged. Foreign currency hedging is usually achieved through the use of forward contracts, which are customisable but fairly straightforward derivatives to manage.

Each KiwiSaver manager establishes a strategic asset allocation (SAA) that guides portfolio positioning. That SAA includes a stated hedging level for each asset class that includes foreign currency exposure. Any deviations from that hedging level are considered an active decision, which a manager would make in an effort to add value. For instance, ANZ has a benchmark hedge of 65% and 50% for international and Australian equities respectively with a range of 0-100%. If ANZ thinks the Kiwi dollar may fall against major global currencies, it will likely decide to reduce its hedging level for global equities on a tactical basis. Most KiwiSaver providers manage international equities to a 50% benchmark hedge.

Active currency decisions are often used in an effort to manage risk. Unhedged currency exposure can help damp risk at the total portfolio level, in large part because the NZ dollar generally depreciates when there is turmoil in global markets. For example, the NZD fell 25% against the USD in 2008. So,

unhedged international exposure can offset some of the damage when markets are in retreat. In that way, managers can also use their currency views to generate alpha. For example, ANZ aims to add 0.50% p.a. within each relevant asset class.

Each KiwiSaver provider is different in their approach to currency. This may be in terms of the benchmark, flexibility or expectations for value add. We recommend getting an understanding for how your manager is positioned by reading their investment statement and factsheets or accessing the Morningstar research report.

Assets Under Management

KiwiSaver assets on the Morningstar database grew to NZ\$28.50 billion at 30 June 2015 from NZ\$954.10 million at 30 June 2008, which is a phenomenal growth rate. ANZ and ASB remained the dominant players at 30 June 2015, with a steady 43.6% of KiwiSaver assets between them. AMP retained third spot ahead of Westpac, while Fisher Funds remained in fifth spot.

The industry remains highly-concentrated, with the six largest KiwiSaver providers accounting for 85.8% of assets on our database.

About This Survey

This survey groups KiwiSaver options according to their mix of income and growth assets, or “asset allocation”. This is one of the most important decisions to make when saving for retirement. The term “income assets” refers to cash and fixed interest securities that 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 over time have 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 elsewhere. There are several possible reasons for this. First, the returns published here are all after fees but before tax. Second, 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 Report: 30 June 2015

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	31/03/2015 Total		Growth Assets %
		1-year	3-year	5-Year		Expense Ratio %	NZ Domiciled Assets %	
Default Options								
AMP (Default)	1183.8	6.8	6.5	5.6	26.40	0.41	68.6	20.3
ANZ Default Conservative (Default)	889.2	9.0	7.5	7.3	24.00	0.55	39.2	23.7
ASB Conservative (Default)	2664.4	8.0	6.7	6.3	30.00	0.38	57.8	20.0
BNZ Conservative	189.2	7.0	--	--	23.55	0.58	50.3	20.3
Fisher TWO Cash Enhanced (Default)	595.7	6.9	6.6	6.2	28.32	0.56	66.0	21.4
Grosvenor (Default)	9.8	8.4	--	--	*****	0.26 ^	55.1	19.6
Kiwi Wealth Default	28.8	--	--	--	***	0.95	65.2	17.8
Mercer Conservative (Default)*	901.7	8.0	7.9	6.8	31.05	0.57	57.1	20.8
Westpac Defensive (Default)	25.2	7.2	--	--	20.25 ^	0.36 ^	65.1	18.8
Peer Group Averages								
Default Options	6462.6	7.7	7.1	6.4	27.22**	0.57	57.83	20.3
Conservative (Including Default Options)	7962.7	7.9	7.5	6.8	27.36**	0.76	51.60	20.6
Moderate	4104.9	9.3	8.9	7.9	28.32**	0.94	40.39	33.6
Balanced	6027.9	11.8	12.3	9.8	28.02**	1.04	31.19	55.6
Growth	5697.0	14.2	14.5	11.2	28.32**	1.12	27.94	72.3
Aggressive	2274.3	16.2	15.8	10.7	36.00**	1.50	20.30	87.5
Quick Stats								
KiwiSaver Total Market Size	\$m	28,181						
Increase in Market Size last 3 months	\$m	1,448						
Largest Providers	\$m	7,168	ANZ/OneAnswer					
	\$m	5,211	ASB					
Number of Providers		16						
Number of Products		123						
Highest 3-month Performance this Quarter	%	11.5	OneAnswer International Share					
Lowest 3-Month Performance this Quarter	%	-8.1	OneAnswer International Property					
Highest 12-Month Performance this Quarter	%	32.7	OneAnswer International Share					
Lowest 12-Month Performance this Quarter	%	1.5	NZ Funds Income					

Estimated KiwiSaver Market Asset Allocation %	
Cash & NZ Bonds	33.8
International Bonds	18.5
NZ Unlisted Property	0.7
NZ Listed Property	1.9
International Listed Property	2.0
NZ Shares	7.7
Australian Shares	5.1
International Shares	28.8
Other	1.4
Proportion in Income Assets:	52.2
Proportion in Growth Assets:	47.6

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Multi Sector Options

	Assets NZ\$M	Total Returns % p.a						Member Fee \$/year	31/03/2015 Total		Growth Assets %
		1-year		3-year		5-Year			Expense Ratio	NZ Domiciled Assets	
									%	%	
Conservative											
AMP (Default)	1183.8	6.8	(13)	6.5	(11)	5.6	(11)	26.40	0.41	68.6	20.3
ANZ Conservative	437.4	8.7	(4)	7.5	(6)	7.1	(4)	24.00	0.92	42.0	22.8
ANZ Default Conservative (Default)	867.6	9.0	(3)	7.5	(7)	7.3	(2)	24.00	0.55	39.2	23.7
Aon Russell Lifepoints Conservative	77.2	9.4	(2)	9.6	(1)	8.7	(1)	49.80	1.12	15.9	20.1
ASB Conservative (Default)	2683.5	8.0	(7)	6.7	(9)	6.3	(8)	30.00	0.38	57.8	20.0
BNZ Conservative	186.7	7.0	(11)	--	--	--	--	23.55	0.58	50.3	20.3
Fisher Conservative	322.2	7.5	(9)	7.6	(4)	6.8	(7)	36.00	1.00	53.6	22.1
Fisher TWO Cash Enhanced (Default)	579.2	6.9	(12)	6.6	(10)	6.2	(9)	28.32	0.56	66.0	21.4
Grosvenor (Default)	9.8	8.4	(6)	--	--	--	--	*****	0.26 ^	55.1	19.6
Kiwi Wealth Conservative	344.3	9.6	(1)	7.7	(3)	6.9	(5)	***	1.13	44.2	17.5
Kiwi Wealth Default	31.7	--	--	--	--	--	--	***	0.95	65.2	17.8
Mercer Conservative (Default)*	901.7	8.0	(8)	7.9	(2)	6.8	(6)	31.05	0.57	57.1	20.8
OneAnswer Conservative	333.7	8.6	(5)	7.5	(5)	7.2	(3)	24.00	0.92	42.0	22.8
Smartshares Conservative	3.8	5.8	(14)	7.0	(8)	5.8	(10)	****	0.76	Und.	Und.
Westpac Defensive (Default)	24.2	7.2	(10)	--	--	--	--	20.25 ^	0.36 ^	65.1	18.8
Average		7.9		7.5		6.8		27.36**	0.76	51.6	20.6
Morningstar NZ Multi Sector Conservative Index		9.5		6.9		6.5					19.6

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	Assets NZ\$M	Total Returns % p.a.						Member Fee \$/year	31/03/2015 Total		Growth Assets %
		1-year		3-year		5-Year			Expense Ratio	NZ Domiciled Assets	
									%	%	
Moderate											
AMP LS Conservative	238.1	6.2	(16)	6.5	(10)	6.2	(10)	26.40	0.89	54.2	27.2
AMP LS Moderate	280.8	6.9	(15)	8.2	(7)	7.0	(8)	26.40	0.97	45.8	42.0
ANZ Conservative Balanced	507.2	10.5	(4)	10.1	(4)	9.0	(4)	24.00	0.92	35.6	38.0
ANZ Default Conservative Balanced	17.8	10.6	(3)	9.6	(5)	8.7	(5)	24.00	0.92	36.1	37.4
Aon Russell Lifepoints 2015	5.1	9.7	(7)	10.4	(2)	9.1	(2)	49.80	1.13	15.9	22.1
Aon Russell Lifepoints Moderate	14.3	11.8	(2)	12.3	(1)	10.1	(1)	49.80	1.18	11.9	40.1
ASB Moderate	858.6	10.4	(6)	9.2	(6)	8.2	(6)	30.00	0.56	45.8	39.9
BNZ Moderate	144.9	8.8	(10)	--	--	--	--	23.55	0.87	25.9	37.2
Fisher TWO Conservative	99.9	7.0	(14)	7.4	(9)	6.7	(9)	28.32	1.00	65.2	30.2
Generate Conservative	13.4	9.6	(8)	--	--	--	--	36.00	1.20	83.1	28.0
Grosvenor AC Conservative	7.7	8.5	(11)	--	--	--	--	27.00 ^	0.81	6.2	30.0
Grosvenor Conservative	103.9	8.2	(12)	5.8	(11)	6.1	(11)	36.99	1.02	50.2	25.5
Mercer Moderate*	25.9	--	--	--	--	--	--	31.05	--	51.3	36.0
Milford Conservative	15.6	13.2	(1)	--	--	--	--	36.00	1.02	25.2	36.5
OneAnswer Conservative Balanced	114.4	10.5	(5)	10.1	(3)	9.0	(3)	24.00	0.92	35.6	38.0
Westpac Conservative	1624.3	8.0	(13)	7.7	(8)	7.1	(7)	28.02	0.73	53.1	24.2
Westpac Moderate	33.2	9.1	(9)	--	--	--	--	20.25 ^	0.54 ^	45.5	38.7
Average		9.3		8.9		7.9		28.32**	0.94	40.4	33.6
Morningstar NZ Multi Sector Moderate Index		11.6		8.9		7.9					30.7

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Multi Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a					Member Fee \$/year	31/03/2015 Total		Growth Assets %	
								Expense Ratio %	NZ Domiciled Assets %		
		1-year	3-year	5-Year							
Balanced											
AMP Fisher TWO Balanced	23.3	8.5	(15)	11.0	(12)	8.2	(14)	26.40	1.22	54.6	57.1
AMP LS Balanced	626.8	8.0	(17)	10.8	(14)	8.6	(11)	26.40	1.02	34.3	62.5
AMP LS Moderate Balanced	404.7	7.5	(18)	9.6	(15)	7.8	(15)	26.40	1.01	40.0	52.4
ANZ Balanced	1070.8	12.4	(8)	12.7	(7)	10.7	(5)	24.00	0.97	28.8	53.2
ANZ Default Balanced	50.7	12.7	(6)	11.9	(10)	10.2	(8)	24.00	0.97	29.3	52.4
Aon ANZ Balanced	21.4	11.3	(13)	12.8	(5)	10.8	(3)	49.80	1.17	23.2	60.1
Aon Russell Lifepoints 2025	12.8	12.2	(10)	13.4	(4)	10.5	(6)	49.80	1.19	11.9	42.1
Aon Russell Lifepoints Balanced	45.6	14.5	(4)	15.3	(2)	11.5	(2)	49.80	1.26	7.9	60.1
ASB Balanced	664.7	13.5	(5)	12.3	(9)	10.1	(10)	30.00	0.60	34.2	59.7
BNZ Balanced	105.4	9.9	(14)	--	--	--	--	23.55	0.97	23.3	52.4
Fisher TWO Balanced	460.9	8.2	(16)	10.9	(13)	8.5	(12)	28.32	1.11	54.6	57.1
Grosvenor Balanced	289.8	11.7	(12)	9.2	(16)	7.3	(16)	36.99	1.14	29.6	55.7
Grosvenor SRI Balanced	15.9	14.7	(3)	--	--	--	--	27.00 ^	0.91 ^	29.7	56.0
Kiwi Wealth Balanced	986.3	15.0	(2)	14.0	(3)	10.3	(7)	***	1.14	28.9	52.2
Milford Balanced	73.9	15.8	(1)	16.3	(1)	12.7	(1)	36.00	1.40	31.5	59.4
OneAnswer Balanced	347.3	12.6	(7)	12.8	(6)	10.7	(4)	24.00	0.97	28.8	53.2
Smartshares Balanced	8.5	11.9	(11)	11.1	(11)	8.5	(13)	****	0.76	Und.	Und.
Westpac Balanced	819.1	12.4	(9)	12.7	(8)	10.2	(9)	28.02	0.82	39.4	58.6
Average		11.8		12.3		9.8		28.02**	1.04	31.2	55.6
Morningstar NZ Multi Sector Balanced Index		16.5		12.5		9.9					54.9

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									%	%	
Growth											
AMP ANZ Balanced Plus	142.5	13.4	(16)	14.7	(10)	11.5	(12)	26.40	1.11	25.2	64.0
AMP LS Growth	484.3	8.8	(22)	13.0	(15)	9.6	(15)	26.40	1.01	24.8	82.5
AMP Nikko AM Balanced	19.9	14.3	(13)	12.8	(16)	9.5	(18)	26.40	1.29	40.5	72.9
ANZ Balanced Growth	889.8	14.4	(12)	15.2	(8)	12.3	(6)	24.00	1.02	23.8	67.1
ANZ Default Balanced Growth	59.7	14.6	(9)	14.3	(11)	11.7	(11)	24.00	1.02	23.8	67.2
ANZ Default Growth	50.7	16.3	(3)	16.6	(4)	13.2	(3)	24.00	1.07	19.1	81.4
ANZ Growth	1545.9	16.2	(4)	17.7	(2)	13.9	(2)	24.00	1.07	17.9	82.7
Aon Russell Lifepoints 2035	11.0	14.7	(8)	16.1	(5)	11.8	(9)	49.80	1.26	7.9	61.1
Aon Russell Lifepoints Growth	22.6	16.4	(2)	17.7	(3)	12.6	(4)	49.80	1.30	5.0	75.1
Aon Nikko AM Balanced	5.3	14.0	(14)	12.7	(17)	9.5	(17)	49.80	1.33	40.5	72.9
ASB Growth	685.4	16.1	(6)	15.1	(9)	11.8	(10)	30.00	0.64	26.4	79.5
BNZ Growth	78.9	11.1	(20)	--	--	--	--	23.55	1.06	25.4	72.0
Fisher TWO Growth	175.9	9.0	(21)	13.7	(13)	10.2	(14)	28.32	1.20	50.4	78.4
Forsyth Barr Balanced	13.6	15.6	(7)	10.4	(20)	7.3	(20)	36.00	1.50	50.5	61.3
Generate Growth	25.2	19.6	(1)	--	--	--	--	36.00	1.65 ^	38.3	74.4
Grosvenor Balanced Growth	142.0	13.4	(17)	11.6	(19)	8.1	(19)	36.99	1.19	27.1	70.1
Mercer Balanced*	217.5	11.3	(19)	12.3	(18)	9.5	(16)	31.05	0.81	38.2	56.3
Mercer Growth*	20.1	--	--	--	--	--	--	31.05	--	29.4	75.4
OneAnswer Balanced Growth	317.5	14.5	(11)	15.4	(6)	12.5	(5)	24.00	1.03	23.8	67.1
OneAnswer Growth	232.5	16.2	(5)	17.8	(1)	14.0	(1)	24.00	1.07	17.9	82.7
Staples Rodway Balanced*	22.6	13.2	(18)	14.2	(12)	12.0	(7)	40.81	1.28	31.9	63.7
Staples Rodway Growth*	11.3	13.9	(15)	13.5	(14)	10.8	(13)	40.81	1.46	19.6	76.4
Westpac Growth	522.6	14.5	(10)	15.3	(7)	11.9	(8)	28.02	0.86	35.1	78.1
Average		14.2		14.5		11.2		28.32**	1.12	27.9	72.3
Morningstar NZ Multi Sector Growth Index		19.6		15.0		11.3					70.9

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Morningstar KiwiSaver Report: 30 June 2015

Multi Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a						31/03/2015 Total			Growth Assets %
		1-year		3-year		5-Year		Member Fee	Expense Ratio	NZ Domiciled Assets	
								\$/year	%	%	
Aggressive											
AMP LS Aggressive	215.2	9.3	(10)	14.5	(5)	10.3	(5)	26.40	1.09	20.1	92.4
Aon Russell Lifepoints 2045	10.7	16.4	(5)	18.5	(2)	12.9	(2)	49.80	1.31	5.0	76.1
Fisher Growth	941.1	11.7	(9)	14.5	(6)	10.7	(4)	36.00	1.40	32.4	87.5
Forsyth Barr Growth	12.3	18.1	(4)	12.7	(8)	8.3	(8)	36.00	1.58	36.8	82.7
Generate Focused Growth	32.0	23.6	(1)	--	--	--	--	36.00	1.90	19.0	91.6
Grosvenor AC Growth	24.3	12.7	(8)	--	--	--	--	27.00 ^	0.87 ^	14.3	83.2
Grosvenor Geared Growth	5.5	19.7	(3)	15.6	(4)	9.6	(6)	36.99	2.85	14.2	98.1
Grosvenor High Growth	131.8	14.9	(7)	14.1	(7)	8.7	(7)	36.99	1.25	19.9	84.9
Kiwi Wealth Growth	814.7	20.4	(2)	20.3	(1)	13.0	(1)	***	1.19	14.1	86.0
Mercer High Growth*	86.6	15.2	(6)	16.5	(3)	12.1	(3)	31.05	0.91	27.3	92.5
Average		16.2		15.8		10.7		36.00**	1.50	20.3	87.5
Morningstar NZ Multi Sector Aggressive Index		22.6		17.5		12.2					87.7

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Morningstar KiwiSaver Report: 30 June 2015

Single Sector Options

	Assets NZ\$M	Total Returns % p.a						Member Fee \$/year	31/03/2015 Total		Growth Assets %
		1-year		3-year		5-Year			Expense Ratio	NZ Domiciled Assets	
									%	%	
Cash											
AMP Cash	68.0	3.3	(12)	3.0	(11)	3.0	(10)	26.40	0.73	100.0	0.0
ANZ Cash	215.2	3.9	(2)	3.2	(6)	3.2	(6)	24.00	0.42	100.0	0.0
ANZ Default Cash	2.4	3.8	(3)	3.2	(7)	3.2	(5)	24.00	0.42	100.0	0.0
Aon ANZ Cash	3.4	3.2	(14)	2.8	(12)	2.8	(12)	49.80	0.87	100.0	0.0
Aon Nikko AM Cash	1.5	3.6	(8)	3.4	(2)	3.4	(3)	49.80	0.85	100.0	0.0
ASB NZ Cash	318.3	3.7	(5)	3.2	(9)	2.9	(11)	30.00	0.34	100.0	0.0
BNZ Cash	72.9	3.2	(13)	--	--	--	--	23.55	0.29	100.0	0.0
Fisher TWO Preservation	24.0	3.6	(9)	3.4	(1)	3.3	(4)	28.32	0.66	100.0	0.0
Grosvenor Enhanced Income	18.1	3.7	(7)	3.3	(4)	3.4	(1)	36.99	0.77	100.0	0.0
Kiwi Wealth Cash	62.7	3.9	(1)	--	--	--	--	***	0.85	100.0	0.0
Mercer Cash*	12.8	3.7	(4)	3.3	(5)	3.4	(2)	31.05	0.38	100.0	0.0
OneAnswer Cash	23.5	3.7	(6)	3.1	(10)	3.0	(9)	24.00	0.56	100.0	0.0
Staples Rodway Conservative*	22.6	3.4	(11)	3.3	(3)	3.1	(7)	40.81	0.99	100.0	0.0
Westpac Cash	245.1	3.6	(10)	3.2	(8)	3.0	(8)	28.02	0.45	100.0	0.0
Fixed Interest											
OneAnswer International Fixed Interest	2.2	6.3		4.7		5.2		24.00	0.84	0.1	0.0
OneAnswer New Zealand Fixed Interest	5.0	8.3		3.7		5.7		24.00	0.72	100.0	0.0
International Share											
Fisher TWO Equity	56.7	9.6	(4)	15.1	(4)	10.4	(4)	28.32	1.28	32.5	94.5
Grosvenor International Share	7.1	19.4	(3)	17.8	(2)	10.6	(3)	36.99	1.34	2.1	97.9
Mercer Shares*	8.4	--	--	--	--	--	--	31.05	--	26.4	99.6
OneAnswer International Share	34.0	32.7	(1)	21.9	(1)	14.5	(1)	24.00	1.08	0.2	99.8
OneAnswer Sustainable Growth	4.0	29.5	(2)	17.7	(3)	11.0	(2)	24.00	1.55	2.1	97.9
Property											
OneAnswer Australasian Property	11.5	16.8		16.8		16.8		24.00	1.07	0.4	99.6
OneAnswer International Property	7.0	9.6		13.4		14.8		24.00	1.09	0.2	99.8

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Morningstar KiwiSaver Report: 30 June 2015

Single Sector Options (continued)

	Assets NZ\$m	Total Returns % p.a						Member Fee \$/year	31/03/2015 Total		Australian Assets %
									Expense Ratio	NZ Domiciled Assets	
		1-year	3-year	5-Year		%	%				
Australasian Equity											
Aon Milford	98.5	13.2	(4)	18.2	(3)	15.0	(3)	49.80	1.55	62.8	23.5
Grosvenor Socially Responsible	14.9	17.1	(2)	12.8	(5)	8.6	(5)	36.99	1.32	32.6	23.5
Grosvenor Trs-Tasm Sm Coms Shr	4.7	8.9	(6)	6.7	(6)	4.2	(6)	36.99	1.22	29.9	70.1
Milford Active Growth	362.4	13.6	(3)	18.5	(2)	15.1	(2)	36.00	1.49	62.8	23.5
OneAnswer Australasian Share	19.7	9.6	(5)	20.4	(1)	15.2	(1)	24.00	1.06	90.3	9.7
Smartshares Growth	27.0	18.1	(1)	16.7	(4)	12.1	(4)	****	0.79	Und.	Und.
Miscellaneous											
Grosvenor Capital Guaranteed	40.7	3.4	--	--	--	--	--	27.00 ^	0.59 ^		
Grosvenor Options	77.2	6.0	--	--	--	--	--	27.00 ^	0.74 ^		
Kiwi Wealth Cash Plus	29.9	4.3	3.9	--	--	--	***		0.91		
NZ Funds Growth	58.7	16.6	18.7	--	--	--	36.00		4.41		
NZ Funds Income	11.2	1.5	3.5	--	--	--	36.00		1.15		
NZ Funds Inflation	38.2	5.4	9.2	--	--	--	36.00		2.56		
Westpac Capital Protect Plan 1	11.9	18.9	19.5	13.6	--	--	28.02		1.58		
Westpac Capital Protect Plan 2	10.1	18.9	19.5	13.6	--	--	28.02		1.58		
Westpac Capital Protect Plan 3	16.1	18.9	19.5	--	--	--	28.02		1.58		
Westpac Capital Protect Plan 4	23.1	18.9	19.5	--	--	--	28.02		1.58		
Westpac Capital Protect Plan 5	19.2	18.9	--	--	--	--	28.02		1.58		

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Market Share Analysis

	AUM, Jun 2015				AUM, Dec 2014				AUM, Dec 2013				AUM, Dec 2012		
	\$M	%	Rank	Rank Change	\$M	%	Rank	Rank Change	\$M	%	Rank	Rank Change	\$M	%	Rank
By Provider															
AMP	3687.3	13.1	(3)		3440.1	13.7	(3)		2861.5	15.2	(3)	▲	1485.5	10.4	(4)
ANZ/OneAnswer	7167.7	25.4	(1)		6320.8	25.2	(1)		4602.7	24.5	(1)		3445.7	24.1	(1)
Aon	329.5	1.2	(11)		301.5	1.2	(11)	▼	231.4	1.2	(10)	▲	180.5	1.3	(11)
ASB	5210.5	18.5	(2)		4707.8	18.7	(2)		3682.6	19.6	(2)		2859.3	20.0	(2)
BNZ	588.9	2.1	(9)		450.7	1.8	(9)	▲	184.2	1.0	(12)		--	--	
Fisher Funds	2660.0	9.4	(5)		2431.8	9.7	(5)		1941.3	10.3	(5)	▲	660.0	4.6	(9)
Forsyth Barr	25.9	0.1	(16)	▲	22.2	0.1	(17)	▼	16.6	0.1	(16)	▲	12.3	0.1	(17)
Generate	70.6	0.3	(13)	▲	36.1	0.1	(15)	▲	3.3	0.0	(18)		--	--	
Grosvenor	893.3	3.2	(8)		800.7	3.2	(8)		303.1	1.6	(8)	▲	93.9	0.7	(14)
Kiwi Wealth	2269.5	8.1	(6)		1972.4	7.9	(6)		1240.9	6.6	(6)	▲	849.1	5.9	(7)
Mercer	1273.0	4.5	(7)		1024.1	4.1	(7)		843.8	4.5	(7)	▲	717.2	5.0	(8)
Milford	451.9	1.6	(10)		390.9	1.6	(10)	▲	222.1	1.2	(11)	▲	99.1	0.7	(13)
NZ Funds	108.1	0.4	(12)		91.1	0.4	(12)	▲	55.8	0.3	(13)		--	--	
Smartshares	39.3	0.1	(15)	▼	36.5	0.1	(14)	▲	29.6	0.2	(15)	▲	26.5	0.2	(16)
Staples Rodway	56.5	0.2	(14)	▼	51.8	0.2	(13)	▲	43.6	0.2	(14)	▲	35.4	0.2	(15)
Westpac	3348.8	11.9	(4)		3009.5	12.0	(4)		2268.9	12.1	(4)	▼	1713.6	12.0	(3)
Closed/Merged Providers															
AXA to AMP, Early 2013													893.0	6.2	(6)
Tower to Fisher, Mid 2013													894.2	6.2	(5)
Fidelity to Grosvenor, Mid 2013													140.8	1.0	(12)
Brook, Mid 2014									10.2	0.0	(17)		7.1	0.0	(18)
FirstChoice, End 2014					31.6	0.1	(16)		231.7	1.2	(9)		199.4	1.4	(10)
Total	28,181				25,120				18,773				14,313		

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