

KiwiSaver Survey

December Quarter 2015

Volatility continued to be felt in investment markets across asset classes and geographies during the quarter, as economic developments, predominantly in China, continued to worry investors. Nonetheless, positive market returns resulted in strong performance across the KiwiSaver landscape. Growth-orientated funds were the main beneficiaries.

Elliot Smith

| 19-January-16 |

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 31 December 2015.

There were no new KiwiSaver funds added to the database during the quarter. There was a lull in new products brought to the market in 2015 as providers focussed their efforts on the increased regulatory and licensing demands from the FMA. For the most part, providers are through the worst of this and we expect new KiwiSaver offerings to be brought to the market in 2016. For instance, BNZ has recently launched the First Home Buyer Fund, which has a strong capital preservation focus and invests predominantly in cash and bonds. This fund is in the process of being added to the database. The Smartshares KiwiSaver scheme has been largely rolled into the SuperLife KiwiSaver scheme, following the NZX's purchase earlier in the year.

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

Market Commentary

Volatility continued to pulse through markets during the final quarter of 2015. Emerging markets continued to be a source of the market's concern though the continued decline in commodity prices undoubtedly added fuel to the fire. There were some periods in which investors globally seemed to relax about things that roiled them during the third quarter, including apparent economic slowdown in China. Equity markets rebounded meaningfully in October, shaking off third-quarter slides, and the bond market reacted rather modestly to the US Federal Reserve's first post-GFC official rate increase, suggesting investors felt neither fear about the country's economic prospects nor excessive uncertainty about the rate hike's effects. But further devaluations of the Chinese renminbi and falling oil prices triggered another bout of selling that only got worse after the start of the New Year. Fortunately, New Zealand investors ended 2015 in much better shape than the global commentary suggests. Growth asset classes produced double-digit gains over the course of the year while bond markets withstood some competing local and global forces to produce a modest but satisfactory return.

Indeed, the New Zealand equity market fared much better than its global counterparts through the December quarter. The S&P/NZX250 rose 13.1%. The gains were fairly broad-based and while they were strongest early in the quarter, similar to global markets, they remained reasonably buoyant throughout the quarter. It was a fitting end to a great year: the market rose 13.6% over 2015.

The Australian market wasn't nearly as strong over the quarter or the year. In New Zealand dollar terms, the S&P/ASX200 gained 3.1% over the quarter and 4.1% over the year, exhibiting more vulnerability to declining commodity prices and the threat of declining commodity demand from China.

Depreciation of the New Zealand dollar helped unhedged KiwiSaver investors enjoy strong returns from global equities over the year in total but that was not the case in the fourth quarter specifically. In terms of the asset-weighted currencies of the index constituents, the MSCI World index gained 6.2% in the December quarter but in NZD terms, the result was a 1.4% loss. The dollar appreciated against the AUD and USD, among others, over the quarter, particularly in December. (It has depreciated again since the start of 2016.) Over the full year though, global equities gained 13.2% in NZD terms.

Property and infrastructure posted mixed results during the quarter. Local property was very strong, the S&P/NZX Property index gained 9.2% and the AUD-hedged global property index gained some ground. Global infrastructure, however, was weaker. The S&P Global Infrastructure Net Return AUD-hedged index (in NZD terms) fell 4.4% over the quarter and about 4.0% over the year.

The local bond market, as measured by the S&P/NZX Composite Investment Grade index ended the quarter slightly negative despite the RBNZ's easing stance, which included a cut to the official cash rate in December. That was outweighed by rising yields further out in the curve. However, that index gained 5.5% over the year. Global bonds produced a similar result over the quarter and the year. The Barclays Global Aggregate was slightly

positive over the quarter from a NZD-hedged perspective and gained 4.5% over the year.

Quarterly Fund Manager Results

The strong rebound in equity markets from the September quarter meant that KiwiSaver funds with a bias to growth assets outperformed their conservative-minded peers during the December quarter. There was a strong positive correlation between the allocation to growth assets and the performance of the Morningstar categories during the quarter. That being said, average returns were strong across the board, ranging from 0.69% for the conservative category through to 4.40% for the aggressive category. The relatively wide dispersion in the performance of equity markets around the world also led to a dispersion of returns within each category. For instance, funds with greater exposure to NZ stocks benefitted the most, whereas, funds with investment in the UK or emerging markets lagged. The strengthening dollar also played a part – funds with their international exposure fully hedged would have benefitted the most.

There were a variety of top-performing funds during the quarter, although, **BNZ** deserves credit as it was at or near the top of all of its categories. This scheme primarily benefitted from its hedged international equities exposure, which took advantage of the strengthening NZ dollar. Its Australasian equities exposure, which is managed by Harbour Asset Management, also had a strong quarter as many of Harbour's favoured stocks performed well. **Milford** and **Generate** continued to be amongst the top performers within the balanced and moderate categories respectively. Generate's returns primarily benefitted from overweight exposure to the domestic healthcare sector, while Milford's returns were propelled by prudent stock picking on both sides of the Tasman.

Although markets in 2015 were more turbulent than in previous years, every KiwiSaver fund on the Morningstar database posted a positive return. Growth assets continued to be in favour as the aggressive category posted the strongest average return, rising 11.40%, while the conservative category returned 6.07%,

reasonably strong, nonetheless. The strongest multi-sector fund within the survey was **Forsyth Barr KiwiSaver Growth**, which returned 13.04%. **Generate** was the standout provider as its three funds were either at the top or second on the league tables within their respective categories. **AMP** was the noticeable underperformer during the year as its returns were hit particularly hard by its investment in emerging markets equities and commodities.

It is most appropriate to evaluate performance of a KiwiSaver scheme by studying its long-term returns. **Aon Russell** and **ANZ** continue to be at or near the top of most categories and are the most consistent performers across the board. **Kiwi Wealth** continues to be a top performer within the aggressive category, while **Milford** comfortably tops the balanced category.

Market Share

KiwiSaver assets on the Morningstar database grew to NZ\$30.84 billion at 31 December 2015 from NZ\$954.10 million at 30 June 2008. ANZ continues to grow its market share to 25.8%, up from 25.2% a year ago. ASB remains in second but its market share is slowly shrinking. It now sits at 18.5%, having fallen from 20.0% three years ago. AMP remains in third spot ahead of Westpac, while Fisher Funds remained in fifth spot.

The industry continues to get more concentrated, with the six largest KiwiSaver providers accounting for 86.3% of assets on

the Morningstar database. Three years ago, the top six players consumed 78.9% of the market.

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 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: 31 December 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)	1208.7	4.0	5.5	5.0	26.40	0.41	66.6	22.4
ANZ Default Conservative (Default)	914.9	5.2	6.5	6.8	24.00	0.55	43.7	19.3
ASB Conservative (Default)	2900.0	5.4	5.9	5.8	30.00	0.38	56.5	19.5
BNZ Conservative	237.1	4.0	--	--	23.55	0.58	50.8	19.0
Fisher TWO Cash Enhanced (Default)	619.1	4.9	5.9	6.0	28.32	0.56	66.5	19.6
Grosvenor (Default)	14.7	5.2	--	--	*****	0.26 ^	55.9	19.8
Kiwi Wealth Default	49.7	4.5	--	--	***	0.95	49.8	20.0
Mercer Conservative (Default)*	947.8	5.4	7.1	6.6	31.05	0.57	57.4	20.8
Westpac Defensive (Default)	42.9	5.1	--	--	20.25 ^	0.36 ^	64.5	18.4
Peer Group Averages								
Default Options	6892.0	4.8	6.2	6.0	27.22**	0.57	56.48	19.9
Conservative (Including Default Options)	8608.8	4.9	6.5	6.1	29.16**	0.79	48.90	20.4
Moderate	4566.6	5.3	7.1	7.1	28.17**	0.94	41.83	32.4
Balanced	6820.4	6.6	9.6	8.4	28.17**	1.03	32.24	54.0
Growth	6052.9	8.3	11.5	9.6	28.17**	1.14	29.10	72.2
Aggressive	2442.4	7.9	11.9	8.5	36.00**	1.50	21.22	86.8
Quick Stats								
KiwiSaver Total Market Size	\$m	30,841						
Increase in Market Size last 3 months	\$m	1,536						
Largest Providers	\$m	7,946	ANZ/OneAnswer					
	\$m	5,696	ASB					
Number of Providers		16						
Number of Products		123						
Highest 3-month Performance this Quarter	%	12.1 OneAnswer Australasian Share						
Lowest 3-Month Performance this Quarter	%	-1.5 OneAnswer International Share						
Highest 12-Month Performance this Quarter	%	15.9 Smartshares Growth						
Lowest 12-Month Performance this Quarter	%	1.1 NZ Funds Inflation						
						Estimated KiwiSaver Market Asset Allocation %		
						Cash & NZ Bonds		34.5
						International Bonds		19.5
						NZ Unlisted Property		0.7
						NZ Listed Property		2.0
						International Listed Property		2.0
						NZ Shares		7.7
						Australian Shares		5.0
						International Shares		27.2
						Other		1.4
						Proportion in Income Assets:		54.0
						Proportion in Growth Assets:		46.0

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Morningstar KiwiSaver Report: 31 December 2015

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)	1208.7	4.0	(15)	5.5	(12)	5.0	(11)	26.40	0.41	66.6	22.4
ANZ Conservative	499.5	5.1	(8)	6.4	(7)	6.7	(4)	24.00	0.92	44.2	18.8
ANZ Default Conservative (Default)	915.5	5.2	(6)	6.5	(4)	6.8	(2)	24.00	0.55	43.7	19.3
Aon Russell Lifepoints Conservative	75.8	4.8	(12)	7.2	(2)	7.9	(1)	49.80	1.12	16.1	19.9
ASB Conservative (Default)	2900.0	5.4	(5)	5.9	(11)	5.8	(9)	30.00	0.38	56.5	19.5
BNZ Conservative	237.8	4.0	(16)	--	--	--	--	23.55	0.58	50.8	19.0
Fisher Conservative	371.5	5.5	(3)	6.4	(8)	6.5	(6)	36.00	1.00	57.5	21.0
Fisher TWO Cash Enhanced (Default)	618.5	4.9	(11)	5.9	(10)	6.0	(8)	28.32	0.56	66.5	19.6
Grosvenor (Default)	14.7	5.2	(7)	--	--	--	--	****	0.26 ^	55.9	19.8
Kiwi Wealth Conservative	392.8	4.5	(14)	6.2	(9)	6.1	(7)	***	1.13	34.3	15.2
Kiwi Wealth Default	49.7	4.5	(13)	--	--	--	--	***	0.95	49.8	20.0
Mercer Conservative (Default)*	947.8	5.4	(4)	7.1	(3)	6.6	(5)	31.05	0.57	57.4	20.8
Milford Conservative	19.1	6.1	(2)	11.7	(1)	--	--	36.00	1.02	29.4	39.0
OneAnswer Conservative	357.5	5.1	(9)	6.4	(6)	6.7	(3)	24.00	0.92	44.2	18.8
Smartshares Conservative	Und.	6.1	(1)	6.5	(5)	5.8	(10)	****	0.76	Und.	Und.
Staples Rodway Conservative*	23.7	2.9	(17)	3.2	(13)	3.1	(12)	40.81	0.99	45.1	14.9
Westpac Defensive (Default)	42.7	5.1	(10)	--	--	--	--	20.25 ^	0.36 ^	64.5	18.4
Average		4.9		6.5		6.1		29.16**	0.79	48.9	20.4
Morningstar NZ Multi Sector Conservative Index		6.1		6.0		6.0					19.6

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								Expense Ratio %	NZ Domiciled Assets %		
		1-year	3-year	5-Year							
Moderate											
AMP LS Conservative	259.1	2.6	(14)	4.8	(11)	5.2	(11)	26.40	0.89	52.3	29.2
AMP LS Moderate	306.3	2.4	(15)	5.7	(9)	5.7	(10)	26.40	0.97	44.0	44.4
ANZ Conservative Balanced	582.3	6.2	(4)	8.4	(2)	8.1	(3)	24.00	0.92	40.6	32.9
ANZ Default Conservative Balanced	22.2	6.1	(5)	8.2	(4)	7.9	(5)	24.00	0.92	40.3	33.4
Aon Russell Lifepoints 2015	5.1	4.9	(10)	7.8	(6)	8.0	(4)	49.80	1.13	16.1	19.9
Aon Russell Lifepoints Moderate	15.9	6.5	(3)	9.4	(1)	8.8	(1)	49.80	1.18	12.1	39.9
ASB Moderate	952.9	6.7	(2)	7.9	(5)	7.2	(6)	30.00	0.56	45.1	39.1
BNZ Moderate	177.4	4.4	(13)	--	--	--	--	23.55	0.87	26.5	34.9
Fisher TWO Conservative	107.7	5.0	(9)	6.3	(7)	6.4	(8)	28.32	1.00	65.4	27.6
Generate Conservative	23.7	8.2	(1)	--	--	--	--	36.00	1.20	81.9	30.3
Grosvenor AC Conservative	10.2	4.5	(12)	--	--	--	--	27.00 ^	0.81	6.3	29.9
Grosvenor Conservative	109.5	4.6	(11)	5.0	(10)	5.9	(9)	36.99	1.02	52.3	24.4
Mercer Moderate*	31.2	--	--	--	--	--	--	31.05	--	49.1	37.8
OneAnswer Conservative Balanced	125.0	6.1	(6)	8.4	(3)	8.1	(2)	24.00	0.92	40.6	32.9
Westpac Conservative	1773.1	5.0	(8)	6.2	(8)	6.5	(7)	28.02	0.73	52.4	23.9
Westpac Moderate	65.1	5.7	(7)	--	--	--	--	20.25 ^	0.54 ^	44.4	38.1
Average		5.3		7.1		7.1		28.17**	0.94	41.8	32.4
Morningstar NZ Multi Sector Moderate Index		6.9		7.5		6.9					30.8

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Multi Sector Options (continued)

	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	
									%	%	
Balanced											
AMP Fisher TWO Balanced	25.3	6.2	(13)	8.7	(13)	7.4	(13)	26.40	1.22	55.9	53.6
AMP LS Balanced	664.1	2.4	(19)	7.2	(16)	6.6	(15)	26.40	1.02	32.7	65.0
AMP LS Moderate Balanced	437.7	2.6	(18)	6.6	(17)	6.1	(17)	26.40	1.01	38.9	54.1
ANZ Balanced	1221.9	7.1	(7)	10.2	(5)	9.4	(4)	24.00	0.97	33.9	48.3
ANZ Default Balanced	61.3	7.0	(9)	10.0	(9)	9.0	(6)	24.00	0.97	34.3	48.0
Aon ANZ Balanced	23.0	6.2	(12)	9.7	(11)	9.2	(5)	49.80	1.17	22.7	60.1
Aon Russell Lifepoints 2025	14.1	6.6	(11)	10.1	(7)	8.9	(7)	49.80	1.19	12.1	39.9
Aon Russell Lifepoints Balanced	61.6	8.2	(4)	11.7	(2)	9.7	(2)	49.80	1.26	8.0	59.9
ASB Balanced	735.0	7.9	(5)	10.2	(6)	8.5	(10)	30.00	0.60	34.4	58.4
BNZ Balanced	130.1	5.1	(16)	--	--	--	--	23.55	0.97	23.8	50.0
Fisher TWO Balanced	493.0	5.9	(14)	8.7	(12)	7.6	(12)	28.32	1.11	55.9	53.6
Grosvenor Balanced	305.4	5.7	(15)	7.3	(15)	6.5	(16)	36.99	1.14	32.3	53.2
Grosvenor SRI Balanced	17.9	9.1	(3)	--	--	--	--	27.00 ^	0.91 ^	32.9	52.5
Kiwi Wealth Balanced	1048.4	4.6	(17)	11.0	(3)	8.5	(9)	***	1.14	22.8	51.8
Mercer Balanced*	231.5	6.6	(10)	10.0	(8)	8.2	(11)	31.05	0.81	36.8	57.6
Milford Balanced	83.8	10.9	(1)	13.7	(1)	12.2	(1)	36.00	1.40	32.1	59.2
OneAnswer Balanced	376.9	7.2	(6)	10.3	(4)	9.5	(3)	24.00	0.97	33.9	48.3
Smartshares Balanced	Und.	9.8	(2)	7.8	(14)	6.7	(14)	****	0.76	Und.	Und.
Westpac Balanced	889.5	7.1	(8)	9.9	(10)	8.6	(8)	28.02	0.82	37.0	58.4
Average		6.6		9.6		8.4		28.17**	1.03	32.2	54.0
Morningstar NZ Multi Sector Balanced Index		9.0		10.1		8.3					54.2

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Morningstar KiwiSaver Report: 31 December 2015

Multi Sector Options (continued)

	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	
									%	%	
Growth											
AMP ANZ Balanced Plus	163.8	7.5	(16)	11.4	(11)	10.1	(8)	26.40	1.11	29.9	60.4
AMP LS Growth	498.6	2.1	(21)	8.4	(18)	6.9	(17)	26.40	1.01	23.0	85.1
AMP Nikko AM Balanced	25.1	10.4	(5)	11.1	(14)	9.0	(14)	26.40	1.29	41.1	72.6
ANZ Balanced Growth	1012.1	8.0	(13)	12.1	(8)	10.7	(5)	24.00	1.02	28.6	62.7
ANZ Default Balanced Growth	72.0	8.0	(14)	11.8	(10)	10.1	(9)	24.00	1.02	29.0	62.6
ANZ Default Growth	59.1	8.7	(10)	13.6	(3)	11.2	(3)	24.00	1.07	24.0	77.2
ANZ Growth	1687.9	8.8	(9)	13.8	(2)	11.8	(2)	24.00	1.07	23.7	77.5
Aon Russell Lifepoints 2035	12.3	8.2	(12)	12.2	(6)	9.8	(11)	49.80	1.26	8.0	59.9
Aon Russell Lifepoints Growth	24.4	9.2	(6)	13.4	(4)	10.4	(6)	49.80	1.30	5.0	74.9
Aon Nikko AM Balanced	6.0	10.6	(3)	11.0	(15)	8.9	(15)	49.80	1.33	41.1	72.6
ASB Growth	761.2	9.1	(7)	12.3	(5)	9.5	(13)	30.00	0.64	27.6	77.5
BNZ Growth	98.5	5.9	(20)	--	--	--	--	23.55	1.06	26.1	70.1
Fisher TWO Growth	190.2	6.2	(19)	10.7	(16)	8.7	(16)	28.32	1.20	51.2	72.5
Forsyth Barr Balanced	14.5	10.9	(2)	7.9	(19)	6.6	(19)	36.00	1.50	48.3	65.6
Generate Growth	48.7	11.6	(1)	--	--	--	--	36.00	1.65 ^	38.8	76.6
Grosvenor Balanced Growth	154.1	6.6	(18)	8.9	(17)	6.8	(18)	36.99	1.19	29.1	68.4
Mercer Growth*	23.8	--	--	--	--	--	--	31.05	--	26.7	78.5
OneAnswer Balanced Growth	338.9	7.9	(15)	12.2	(7)	10.8	(4)	24.00	1.03	28.6	62.7
OneAnswer Growth	248.5	8.9	(8)	14.0	(1)	11.9	(1)	24.00	1.07	23.7	77.5
Staples Rodway Balanced*	23.6	7.0	(17)	11.1	(13)	10.1	(7)	40.81	1.28	35.6	60.0
Staples Rodway Growth*	11.9	10.6	(4)	11.2	(12)	9.6	(12)	40.81	1.46	18.9	96.2
Westpac Growth	577.9	8.3	(11)	12.0	(9)	10.0	(10)	28.02	0.86	32.0	78.1
Average		8.3		11.5		9.6		28.17**	1.14	29.1	72.2
Morningstar NZ Multi Sector Growth Index		10.2		11.8		9.3					70.9

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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								
Aggressive												
AMP LS Aggressive	217.2	2.2	(10)	9.2	(8)	7.2	(7)	26.40	1.09	18.6	95.2	
Aon Russell Lifepoints 2045	11.5	9.0	(4)	13.9	(2)	10.5	(1)	49.80	1.31	5.0	74.9	
Fisher Growth	1017.7	9.3	(3)	11.8	(4)	8.2	(4)	36.00	1.40	37.1	79.1	
Forsyth Barr Growth	12.9	13.0	(1)	9.7	(7)	7.4	(6)	36.00	1.58	37.0	85.1	
Generate Focused Growth	67.0	11.9	(2)	--	--	--	--	36.00	1.90	22.9	89.7	
Grosvenor AC Growth	27.9	5.3	(8)	--	--	--	--	27.00 ^	0.87 ^	14.3	82.9	
Grosvenor Geared Growth	5.8	8.3	(6)	11.7	(5)	7.7	(5)	36.99	2.85	14.9	97.4	
Grosvenor High Growth	136.6	7.0	(7)	10.6	(6)	7.1	(8)	36.99	1.25	21.5	83.8	
Kiwi Wealth Growth	853.3	4.4	(9)	15.6	(1)	10.3	(2)	***	1.19	13.7	86.3	
Mercer High Growth*	92.5	8.4	(5)	12.9	(3)	9.8	(3)	31.05	0.91	27.2	93.3	
Average		7.9		11.9		8.5		36.00**	1.50	21.2	86.8	
Morningstar NZ Multi Sector Aggressive Index		11.4		13.5		9.6					86.7	

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Morningstar KiwiSaver Report: 31 December 2015

Single Sector Options

	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			%	%	
Cash											
AMP Cash	72.9	3.0	(11)	2.9	(11)	2.9	(10)	26.40	0.73	100.0	0.0
ANZ Cash	247.7	3.3	(4)	3.2	(5)	3.2	(6)	24.00	0.42	100.0	0.0
ANZ Default Cash	3.1	3.2	(8)	3.2	(7)	3.2	(5)	24.00	0.42	100.0	0.0
Aon ANZ Cash	3.5	2.9	(12)	2.7	(12)	2.7	(11)	49.80	0.87	100.0	0.0
Aon Nikko AM Cash	1.5	3.3	(6)	3.2	(6)	3.3	(2)	49.80	0.85	100.0	0.0
ASB NZ Cash	347.2	3.4	(2)	3.3	(4)	3.0	(9)	30.00	0.34	100.0	0.0
BNZ Cash	87.5	2.7	(13)	--	--	--	--	23.55	0.29	100.0	0.0
Fisher TWO Preservation	25.5	3.3	(7)	3.3	(2)	3.2	(4)	28.32	0.66	100.0	0.0
Grosvenor Enhanced Income	18.1	3.1	(10)	3.2	(9)	3.3	(1)	36.99	0.77	100.0	0.0
Kiwi Wealth Cash	76.2	3.6	(1)	3.6	(1)	--	--	***	0.85	100.0	0.0
Mercer Cash*	14.2	3.4	(3)	3.3	(3)	3.3	(3)	31.05	0.38	100.0	0.0
OneAnswer Cash	26.4	3.2	(9)	3.1	(10)	3.1	(7)	24.00	0.56	100.0	0.0
Westpac Cash	262.0	3.3	(5)	3.2	(8)	3.0	(8)	28.02	0.45	100.0	0.0
Fixed Interest											
OneAnswer International Fixed Interest	2.6	3.4		4.5		5.5		24.00	0.84	0.2	0.0
OneAnswer New Zealand Fixed Interest	5.7	5.3		3.5		5.7		24.00	0.72	100.0	0.0
International Share											
Fisher TWO Equity	61.6	5.6	(4)	12.2	(4)	7.7	(4)	28.32	1.28	34.2	92.3
Grosvenor International Share	7.2	7.6	(3)	14.0	(2)	8.4	(2)	36.99	1.34	2.4	97.6
Mercer Shares*	8.9	--	--	--	--	--	--	31.05	--	26.8	100.0
OneAnswer International Share	33.8	14.5	(1)	16.7	(1)	11.8	(1)	24.00	1.08	0.3	99.7
OneAnswer Sustainable Growth	4.3	11.7	(2)	13.6	(3)	8.4	(3)	24.00	1.55	3.3	96.7
Property											
OneAnswer Australasian Property	13.3	14.3		16.2		16.2		24.00	1.07	0.2	99.8
OneAnswer International Property	8.0	6.1		12.9		12.1		24.00	1.09	0.1	99.9

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Morningstar KiwiSaver Report: 31 December 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	105.4	13.3	(3)	15.8	(3)	15.3	(2)	49.80	1.55	68.0	17.0
Grosvenor Socially Responsible	17.0	10.4	(4)	8.6	(5)	6.7	(5)	36.99	1.32	21.6	10.1
Grosvenor Trans-Tasman Share	4.8	8.8	(6)	1.4	(6)	-0.3	(6)	36.99	1.22	51.9	48.1
Milford Active Growth	427.1	14.0	(2)	16.2	(1)	15.5	(1)	36.00	1.49	68.0	17.0
OneAnswer Australasian Share	20.6	9.1	(5)	16.1	(2)	14.7	(3)	24.00	1.06	90.6	9.4
Smartshares Growth	Und.	15.9	(1)	12.9	(4)	9.4	(4)	****	0.79	Und.	Und.
Miscellaneous											
Grosvenor Capital Guaranteed	42.7	2.8	--	--	--	--	--	27.00 ^	0.59 ^		
Grosvenor Options	87.0	15.1	--	--	--	--	--	27.00 ^	0.74 ^		
Kiwi Wealth Cash Plus	43.5	3.4		3.5				***	0.91		
NZ Funds Growth	65.9	7.1		15.3		10.0		36.00	4.41		
NZ Funds Income	13.8	1.4		2.9		4.0		36.00	1.15		
NZ Funds Inflation	46.9	1.1		6.0		5.8		36.00	2.56		
Westpac Capital Protect Plan 1	11.6	9.6		15.0		11.0		28.02	1.58		
Westpac Capital Protect Plan 2	9.8	9.6		15.1		11.0		28.02	1.58		
Westpac Capital Protect Plan 3	15.6	9.6		15.1		11.0		28.02	1.58		
Westpac Capital Protect Plan 4	22.3	9.6		15.0		--		28.02	1.58		
Westpac Capital Protect Plan 5	18.5	9.6		15.0		--		28.02	1.58		

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Market Share Analysis

	AUM, Dec 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	3878.7	12.6	(3)					2861.5	15.2	(3)	▲	1485.5	10.4	(4)
	ANZ/OneAnswer	7946.2	25.8	(1)					4602.7	24.5	(1)		3445.7	24.1	(1)
	Aon	360.0	1.2	(11)				▼	231.4	1.2	(10)	▲	180.5	1.3	(11)
	ASB	5696.3	18.5	(2)					3682.6	19.6	(2)		2859.3	20.0	(2)
	BNZ	731.2	2.4	(9)				▲	184.2	1.0	(12)		--	--	
	Fisher Funds	2885.6	9.4	(5)					1941.3	10.3	(5)	▲	660.0	4.6	(9)
	Forsyth Barr	27.4	0.1	(15)	▲			▼	16.6	0.1	(16)	▲	12.3	0.1	(17)
	Generate	139.4	0.5	(12)	▲			▲	3.3	0.0	(18)		--	--	
	Grosvenor	958.8	3.1	(8)					303.1	1.6	(8)	▲	93.9	0.7	(14)
	Kiwi Wealth	2463.9	8.0	(6)					1240.9	6.6	(6)	▲	849.1	5.9	(7)
	Mercer	1350.0	4.4	(7)					843.8	4.5	(7)	▲	717.2	5.0	(8)
	Milford	530.0	1.7	(10)				▲	222.1	1.2	(11)	▲	99.1	0.7	(13)
	NZ Funds	126.6	0.4	(13)	▼			▲	55.8	0.3	(13)		--	--	
	Smartshares	--	--		▼			▲	29.6	0.2	(15)	▲	26.5	0.2	(16)
	Staples Rodway	59.2	0.2	(14)	▼			▲	43.6	0.2	(14)	▲	35.4	0.2	(15)
	Westpac	3688.0	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)
Total		30,841							18,773				14,313		

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