

KiwiSaver Survey

March Quarter 2015

Two familiar themes from 2014 propelled markets forward in the first quarter of 2015; investor search for yield and the divergence of central bank policies around the globe. The strength in markets meant KiwiSaver investors across all providers and risk profiles were rewarded. Capacity constraints are on the horizon for KiwiSaver providers as investment opportunities in the domestic market become limited.

Tim Murphy
| 22-April-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 31 March 2015.

The Mercer KiwiSaver scheme had a reshuffle during the quarter as most of their single-sector funds were terminated and the multi-sector range expanded. Multi-sector options across the risk spectrum are now available to investors. The closure of the FirstChoice KiwiSaver scheme was also completed on 31st December 2014. Investors were given the option to join another scheme or transfer to an ASB option invested in a similar manner.

We hope you find this KiwiSaver survey helpful and, as always, welcome any feedback

Market Commentary

Two familiar themes from 2014 were the key drivers of performance in capital markets during the first quarter of 2015; investor search for yield and the divergence of central bank

policies around the globe. In effect, these themes are intertwined because when central banks hold interest rates at historical lows, investors look for yield outside of the traditional income-producing asset classes such as fixed income and cash.

The prime beneficiary of these circumstances has been listed property and dividend-paying stocks, these instruments can provide investors with the income they require, though with much greater levels of risk. International listed property stocks returned 7.91% during the quarter and 31.14% in the past year. KiwiSaver providers with exposure to this sector, such as **ASB KiwiSaver** and **ANZ KiwiSaver**, have reaped the rewards from this rally. The local listed property index marginally outperformed the NZX 50 following a bumper 2014 when it returned 24.22%.

The makeup of the Australian and New Zealand equity markets are conducive to these market conditions given the yield on offer relative to most other major global equity markets. Coinciding with loosening monetary policy in Australia, the S&P/ASX 200 rallied 10.33% during the quarter. The NZ dollar appreciated to AUD0.98 from AUD0.95 – so unhedged Kiwi investors achieved less from Trans-Tasman exposure. The NZX 50 was more

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subdued, rising 4.77%, as the RBNZ left the cash rate at 3.50%, the highest in the developed world.

International equities were strong overall during the quarter, returning 6.78% in NZD terms. Global central bank policy was a key driver of returns in the asset class during the quarter. The European Central followed in the footsteps of the U.S. Federal Reserve and embarked on a sizable quantitative easing program to combat unemployment and stagnant growth, this led to a rally in European equities, rising 17.51% in aggregate (local currency terms). Similar policy actions were also undertaken in China and Japan, leading to strong equity returns.

Yet the actions of Janet Yellen and the Federal Reserve have been centre-stage. The release of mixed economic data, deflationary risks and a central bank keeping its cards close to its chest has heightened uncertainty about the magnitude and timing of monetary tightening. The S&P 500 finished the quarter relatively flat, though unhedged NZ investors were rewarded as the NZ\$ depreciated to US75¢ from US78¢.

The unique economic conditions have made it interesting, albeit difficult, times for bond managers as they model the shape and movement of yield curves. During the quarter, the US yield curve flattened as longer-dated yields fell as Fed officials indicated lower mid-term interest rate guidance. This resulted in healthy returns as the global Barclays Aggregate Bond index returned 2.98% (hedged to NZ\$). The local central bank has taken a “wait-and-see approach”, indicating that rates could move either way and have provided little forward guidance. The local composite fixed income index produced a return of 2.73%, the yield curve has flattened substantially since the RBNZ tempered its monetary tightening last year.

Fund Manager Results

The strength of asset classes across the risk spectrum during the March quarter resulted in very healthy returns for KiwiSaver investors across all providers and risk profiles. There was a direct correlation between the allocation to growth assets and

performance during the quarter. The average aggressive and conservative funds returned 5.41% and 2.89% respectively.

There was little consistency in the top performers across the categories, however credit to **ASB KiwiSaver** for topping the moderate and growth league tables. ASB benefited from greater allocations to international listed property and Australian equity than peers. **Milford Balanced** continues to top the balanced category due to its significant growth bias. **Fisher Funds Conservative** topped its category as an allocation move from cash to international fixed interest proved fruitful. **Kiwi Wealth KiwiSaver** was the strongest performing aggressive fund due to its 83% allocation to international equities.

It is more appropriate to evaluate the performance of a KiwiSaver scheme by studying its long-term returns. **Aon KiwiSaver Russell** and **ANZ KiwiSaver** continue to be the most notable performers as they are at or near the top across all five categories. Greater international exposure than peers has meant **Kiwi Wealth KiwiSaver** has comfortably been the strongest performer in the aggressive category over the past three years, while a strong growth bias has led **Milford KiwiSaver** to the top of the balanced category. .

Capacity Constraints on The Horizon

The establishment of KiwiSaver in 2007 has provided a consistent source of cash flow for fund managers as balances grow and more young people enter the labour force. The benefits of KiwiSaver are well-recognised and although governing political parties will likely make tweaks to its structure, it's fair to expect this trend to continue. So where will this pool of money be invested?

Fund managers invest KiwiSaver money into a range of different asset classes in order to obtain the desired return and risk characteristics of the fund type. A significant part of this investment is in the equity and debt of local companies, which offer desirable characteristics compared to global markets, including higher income levels. Managers also invest locally to

make the most of their deep understanding of the domestic market and its businesses.

The size of the listed equity market in New Zealand is small on both an absolute and relative basis. This is due, at least in part, to the rural sector being the key driver in the economy, which is not well represented on the NZX. This small size will present a problem for KiwiSaver managers as the pool of assets they have to invest grows to a point that limits their ability to invest successfully in the local market. As fund size grows, it becomes more difficult for managers to manoeuvre their portfolios without impacting the price of relevant stocks. This problem also extends to the fixed income market, especially given the lack of issuance in New Zealand and reliance on Australian banks and the local government funding agency, but the concern is more imminent with regard to domestic equities.

There are several ways that a fund manager can address the capacity issue but we will highlight two. The first is to expand the number of underlying managers filling domestic equities exposure, however this comes with its consequences. The costs can rise with more managers and the opportunity to generate excess returns can be limited. The second solution is to cap the domestic equity allocation and look elsewhere for investment opportunity, whether it be in global equity markets or esoteric asset classes. This route can present both additional opportunities for return and additional sources of risk. We will be keeping a keen eye on fund managers and assessing how they address this issue as KiwiSaver matures and balances grow.

Assets Under Management

KiwiSaver assets on the Morningstar database grew to NZ\$27.12 billion at 31 March 2015 from NZ\$954.10 million at 30

June 2008, which is a phenomenal growth rate. ANZ and ASB remained the dominant players at 31 March 2015, with a steady 44.0% 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 86.9% 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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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	Total Returns % p.a			Member Fee	31/03/2014 Total Expense Ratio	NZ Domiciled Assets	Growth Assets
		NZ\$m	1-year	3-year	5-Year	\$/year	%	%	%
Default Options	AMP (Default)	1240.7	8.2	6.3	5.4	23.40	0.58	68.9	19.9
	ANZ Default Conservative (Default)	865.0	11.1	7.9	7.2	24.00	0.51	41.6	19.8
	ASB Conservative (Default)	2632.3	9.1	6.6	6.0	30.00	0.38	56.3	20.4
	BNZ Conservative	167.7	9.5	--	--	24.00	0.65	49.8	23.1
	Fisher TWO Cash Enhanced (Default)	576.2	8.9	7.0	6.2	33.00	0.55	65.1	21.3
	Grosvenor (Default)	7.1	--	--	--	*****	--	51.1	17.8
	Kiwi Wealth Default	22.8	--	--	--	***	--	65.2	21.6
	Mercer Conservative (Default)*	925.5	9.6	8.0	6.8	30.00	0.57	55.9	21.2
	Westpac Defensive (Default)	18.3	--	--	--	27.00	--	64.4	18.9
Peer Group Averages	Default Options	6437.3	9.4	7.2	6.3	27.34**	0.54	56.35	20.5
	Conservative (Including Default Options)	7924.1	9.7	7.6	6.7	27.00**	0.76	54.57	20.6
	Moderate	3922.2	11.6	8.7	7.5	30.00**	0.93	41.07	32.5
	Balanced	5766.3	13.4	11.4	8.6	30.00**	1.01	36.22	54.7
	Growth	5263.4	15.2	12.9	9.8	30.00**	1.14	27.61	72.2
	Aggressive	2161.4	16.4	13.5	8.8	36.00**	1.41	20.86	88.1
Quick Stats	KiwiSaver Total Market Size	\$m	27,121						
	Increase in Market Size last 3 months	\$m	1,832						
	Largest Providers	\$m	6,888 ANZ/OneAnswer						
		\$m	5,031 ASB						
	Number of Providers		16						
	Number of Products		130						
	Highest 3-month Performance this Quarter	%	9.4 NZ Funds Growth						
	Lowest 3-Month Performance this Quarter	%	0.7 NZ Funds Income						
	Highest 12-Month Performance this Quarter	%	28.9 OneAnswer International Property						
	Lowest 12-Month Performance this Quarter	%	3.1 Aon ANZ Cash						

Estimated KiwiSaver Market Asset Allocation %	
Cash & NZ Bonds	34.2
International Bonds	18.8
NZ Unlisted Property	0.7
NZ Listed Property	1.9
International Listed Property	2.0
NZ Shares	7.7
Australian Shares	5.2
International Shares	28.2
Other	1.4
Proportion in Income Assets:	53.0
Proportion in Growth Assets:	47.0

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Morningstar KiwiSaver Report: 31 March 2015

Multi Sector Options

		Assets	Total Returns % p.a						Member Fee	31/03/2014 Total			
		NZ\$M	1-year	3-year		5-Year			Expense Ratio	NZ Domiciled Assets	Growth Assets		
								\$/year	%	%		%	
Conservative	AMP (Default)	1240.7	8.2	(11)	6.3	(11)	5.4	(10)	23.40	0.58	68.9	19.9	
	ANZ Conservative	427.9	10.9	(3)	7.9	(5)	7.1	(4)	24.00	0.95	43.3	22.3	
	ANZ Default Conservative (Default)	873.6	11.1	(2)	7.9	(6)	7.2	(2)	24.00	0.51	41.6	21.2	
	Aon Russell Lifepoints Conservative	75.9	13.4	(1)	9.5	(1)	9.0	(1)	50.00	1.05	16.2	20.1	
	ASB Conservative (Default)	2632.3	9.1	(8)	6.6	(10)	6.0	(9)	30.00	0.38	56.3	19.8	
	BNZ Conservative	166.3	9.5	(7)	--	--	--	--	24.00	0.65	49.8	20.4	
	Fisher Conservative	309.1	8.9	(9)	8.0	(3)	6.6	(6)	36.00	1.03	53.1	22.7	
	Fisher TWO Cash Enhanced (Default)	581.5	8.9	(10)	7.0	(9)	6.2	(8)	33.00	0.55	65.1	23.1	
	Grosvenor (Default)	7.1	--	--	--	--	--	--	*****	--	51.1	21.3	
	Kiwi Wealth Conservative	325.9	9.7	(5)	7.5	(7)	6.6	(7)	***	1.10	44.2	17.5	
	Kiwi Wealth Default	22.8	--	--	--	--	--	--	***	--	65.2	17.8	
	Mercer Conservative (Default) *	925.5	9.6	(6)	8.0	(2)	6.8	(5)	30.00	0.57	55.9	21.6	
	OneAnswer Conservative	331.7	10.8	(4)	8.0	(4)	7.1	(3)	24.00	0.94	43.3	22.3	
	Smartshares Conservative	3.8	6.1	(12)	7.2	(8)	5.4	(11)	****	0.80	100.0	20.0	
	Westpac Defensive (Default)	17.4	--	--	--	--	--	--	27.00	--	64.4	18.9	
Average			9.7		7.6		6.7		27.00**	0.8	54.6	20.6	
Morningstar NZ Multi Sector Conservative Index			9.8		6.8		6.1					19.2	

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Multi Sector Options

		Assets	Total Returns % p.a						Member Fee	31/03/2014 Total Expense Ratio	NZ Domiciled Assets	Growth Assets
		NZ\$M	1-year		3-year		5-Year		\$/year	%	%	%
Moderate	AMP LS Conservative	226.9	8.3	(15)	6.5	(11)	6.1	(11)	23.40	0.90	54.1	27.3
	AMP LS Moderate	262.6	9.5	(13)	7.8	(7)	6.7	(9)	23.40	0.98	45.7	42.1
	ANZ Conservative Balanced	484.6	12.8	(6)	10.2	(3)	8.5	(4)	24.00	0.94	36.5	37.1
	ANZ Default Conservative Balanced	16.4	12.9	(4)	9.7	(5)	8.3	(5)	24.00	0.56	36.9	36.6
	Aon Russell Lifepoints 2015	5.0	13.5	(3)	10.0	(4)	9.1	(2)	50.00	1.07	16.2	22.1
	Aon Russell Lifepoints Moderate	13.7	14.3	(2)	11.2	(1)	9.7	(1)	50.00	1.13	12.1	40.0
	ASB Moderate	822.3	12.0	(7)	9.0	(6)	7.5	(6)	30.00	0.57	44.8	39.6
	BNZ Moderate	131.4	11.9	(8)	--	--	--	--	24.00	0.83	25.6	37.2
	Fisher TWO Conservative	100.1	9.1	(14)	7.6	(9)	6.7	(8)	33.00	1.00	63.5	31.2
	Generate Conservative	10.4	10.2	(9)	--	--	--	--	36.00	1.27	84.0	26.5
	Grosvenor AC Conservative	6.7	--	--	--	--	--	--	36.36	--	5.7	30.2
	Grosvenor Conservative	102.1	9.7	(11)	6.4	(12)	6.0	(12)	36.00	1.17	50.7	25.0
	Mercer Super Trust Conserv*	0.7	9.5	(12)	7.6	(10)	6.4	(10)	34.20	0.92	56.6	21.5
	Milford Conservative	13.4	17.3	(1)	--	--	--	--	36.00	1.00	32.1	36.3
	OneAnswer Conservative Balanced	112.5	12.9	(5)	10.2	(2)	8.6	(3)	24.00	0.94	36.5	37.1
Westpac Conservative	1591.0	9.8	(10)	7.7	(8)	6.8	(7)	27.00	0.72	52.8	24.3	
Westpac Moderate	22.4	--	--	--	--	--	--	27.00	--	44.5	39.1	
Average			11.6		8.7		7.5	30.00**	0.93	41.07	32.54	
Morningstar NZ Multi Sector Moderate Index			12.2		8.7		7.2				39.6	

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Multi Sector Options (continued)

		Assets	Total Returns % p.a						Member Fee	31/03/2014 Total		
		NZ\$M	1-year		3-year		5-Year		\$/year	Expense Ratio	NZ Domiciled Assets	Growth Assets
										%	%	%
Balanced	AMP Fisher TWO Balanced	22.8	10.8	(16)	10.0	(14)	7.6	(13)	23.40	1.13	52.0	56.6
	AMP LS Balanced	601.8	11.2	(14)	9.9	(15)	7.9	(10)	23.40	1.03	34.7	62.3
	AMP LS Moderate Balanced	383.8	10.5	(18)	8.8	(16)	7.2	(14)	23.40	1.03	40.3	52.0
	ANZ Balanced	1011.8	14.7	(7)	12.2	(6)	9.7	(5)	24.00	0.99	29.8	52.1
	ANZ Default Balanced	45.9	14.9	(4)	11.6	(8)	9.3	(6)	24.00	0.61	29.6	52.3
	Aon ANZ Balanced	20.7	13.8	(9)	12.4	(4)	10.1	(2)	50.00	1.19	33.3	59.6
	Aon Russell Lifepoints 2025	12.4	14.5	(8)	11.7	(7)	9.8	(3)	50.00	1.16	12.1	42.1
	Aon Russell Lifepoints Balanced	42.2	15.5	(3)	12.9	(2)	10.4	(1)	50.00	1.20	8.1	60.1
	ASB Balanced	628.7	14.7	(6)	11.4	(9)	8.7	(9)	30.00	0.61	33.6	59.4
	BNZ Balanced	95.9	13.0	(11)	--	--	--	--	24.00	0.93	23.1	52.4
	Fisher TWO Balanced	455.3	10.7	(17)	10.4	(12)	7.8	(12)	33.00	1.13	52.0	56.6
	Grosvenor Balanced	282.1	12.7	(12)	8.7	(17)	6.3	(16)	36.00	1.29	30.8	53.7
	Grosvenor SRI Balanced	14.8	--	--	--	--	--	--	36.00	--	30.6	54.2
	Kiwi Wealth Balanced	943.1	15.9	(2)	12.8	(3)	9.1	(7)	***	1.11	28.9	52.2
	Mercer Super Trust Moderate*	3.0	12.2	(13)	10.3	(13)	7.9	(11)	34.20	0.74	50.6	37.6
	Milford Balanced	67.8	17.1	(1)	16.3	(1)	--	--	36.00	1.48	30.8	62.3
OneAnswer Balanced	336.3	14.8	(5)	12.4	(5)	9.8	(4)	24.00	0.99	29.8	52.1	
Smartshares Balanced	8.3	11.0	(15)	10.5	(11)	6.7	(15)	****	0.78	100.0	63.0	
Westpac Balanced	789.6	13.7	(10)	11.4	(10)	9.0	(8)	27.00	0.83	38.1	58.8	
Average			13.4		11.4		8.6	30.00**	1.01	36.2	54.7	
Morningstar NZ Multi Sector Balanced Index			14.8		11.1		8.0				58.1	

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Multi Sector Options (continued)

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										%	%	%
Growth	AMP ANZ Balanced Plus	133.7	16.2	(10)	13.5	(8)	10.7	(8)	23.40	1.03	25.5	63.8
	AMP LS Growth	465.4	12.6	(22)	11.4	(17)	8.5	(18)	23.40	1.08	25.1	82.2
	AMP Nikko AM Balanced	18.8	13.8	(18)	11.4	(19)	8.3	(20)	23.40	1.42	38.3	73.3
	ANZ Balanced Growth	833.3	16.5	(8)	14.3	(5)	10.9	(6)	24.00	1.04	24.5	67.3
	ANZ Default Balanced Growth	51.4	16.7	(6)	13.5	(9)	10.2	(10)	24.00	0.66	24.3	66.7
	ANZ Default Growth	44.8	18.4	(1)	15.3	(3)	11.2	(3)	24.00	0.71	18.9	81.7
	ANZ Growth	1455.2	18.2	(3)	16.3	(2)	12.0	(2)	24.00	1.09	18.2	82.8
	Aon Russell Lifepoints 2035	10.4	15.6	(12)	13.3	(12)	10.6	(9)	50.00	1.21	8.1	61.1
	Aon Russell Lifepoints Growth	21.5	16.3	(9)	14.3	(6)	11.0	(5)	50.00	1.25	5.1	75.0
	Aon Nikko AM Balanced	5.0	14.4	(15)	11.6	(16)	8.5	(19)	50.00	1.27	38.3	73.3
	ASB Growth	634.6	16.9	(5)	13.5	(7)	9.6	(12)	30.00	0.66	26.3	79.1
	BNZ Growth	69.3	14.0	(17)	--	--	--	--	24.00	1.01	25.2	72.1
	Fisher TWO Growth	169.8	11.6	(24)	12.7	(14)	8.9	(15)	33.00	1.22	46.2	78.2
	Forsyth Barr Balanced	12.6	12.4	(23)	8.1	(22)	5.3	(21)	36.00	1.53	45.8	66.4
	Generate Growth	18.3	17.8	(4)	--	--	--	--	36.00	1.41	38.2	74.8
	Grosvenor Balanced Growth	134.9	14.0	(16)	10.3	(21)	--	--	36.00	1.34	27.1	70.1
	Mercer Balanced*	0.4	13.0	(21)	11.3	(20)	8.6	(16)	30.00	0.82	36.9	58.2
	Mercer Super Trust Active Bal*	118.7	13.1	(20)	11.4	(18)	8.6	(17)	34.20	0.97	37.7	57.6
	Mercer Super Trust Growth*	9.0	14.7	(14)	12.8	(13)	9.3	(13)	34.20	1.05	26.9	79.0
	OneAnswer Balanced Growth	307.9	16.6	(7)	14.5	(4)	11.0	(4)	24.00	1.04	24.5	67.3
	OneAnswer Growth	224.5	18.2	(2)	16.4	(1)	12.1	(1)	24.00	1.09	18.2	82.8
	Staples Rodway Balanced*	22.0	15.3	(13)	13.4	(10)	10.7	(7)	40.00	1.63	31.4	63.8
Staples Rodway Growth*	11.0	13.8	(19)	12.1	(15)	9.0	(14)	40.00	1.99	19.4	76.4	
Westpac Growth	491.0	15.7	(11)	13.3	(11)	10.2	(11)	27.00	0.89	32.8	78.9	
Average			15.2		12.9		9.8	30.00**	1.14	27.6	72.2	
Morningstar NZ Multi Sector Growth Index			17.1		13.0		8.8				70.5	

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Multi Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a						Member Fee \$/year	31/03/2014 Total Expense Ratio		NZ Domiciled Assets %	Growth Assets %
		1-year		3-year		5-Year			%	%		
Aggressive												
AMP LS Aggressive	209.9	13.5	(9)	12.5	(7)	8.9	(5)	23.40	1.14		20.4	92.2
Aon Russell Lifepoints 2045	10.0	16.2	(4)	14.7	(2)	11.1	(1)	50.00	1.26		5.1	76.1
Fisher Growth	907.5	11.1	(10)	13.0	(6)	8.7	(6)	36.00	1.89		35.0	84.2
Forsyth Barr Growth	11.3	14.4	(8)	9.6	(9)	5.7	(9)	36.00	1.60		34.5	85.6
Generate Focused Growth	21.8	20.0	(2)	--		--		36.00	1.63		17.4	93.3
Grosvenor AC Growth	21.3	--		--		--		36.00	--		14.5	83.9
Grosvenor Geared Growth	4.9	19.6	(3)	13.1	(5)	7.0	(7)	36.00	2.02		13.6	98.4
Grosvenor High Growth	126.4	15.3	(7)	11.9	(8)	6.3	(8)	36.00	1.41		21.8	82.9
Kiwi Wealth Growth	765.5	22.2	(1)	17.8	(1)	10.9	(2)	***	1.14		14.1	86.0
Mercer High Growth*	70.8	15.9	(5)	14.4	(4)	10.2	(3)	30.00	0.93		26.4	93.4
Mercer Super Trust High Growth*	11.8	15.9	(6)	14.5	(3)	10.1	(4)	34.20	1.11		26.6	93.0
Average		16.4		13.5		8.8		36.00**	1.41		20.9	88.1
Morningstar NZ Multi Sector Aggressive Index		18.4		14.1		8.7						91.3

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Morningstar KiwiSaver Report: 31 March 2015

Single Sector Options

		Assets	Total Returns % p.a						Member Fee	31/03/2014 Total	NZ Domiciled Assets	Growth Assets
		NZ\$M	1-year		3-year		5-Year		\$/year	Expense Ratio	%	%
Cash	AMP Cash	67.5	3.2	(14)	2.9	(12)	3.0	(9)	23.40	0.69	100.0	0.0
	ANZ Cash	208.4	3.7	(2)	3.2	(7)	3.1	(8)	24.00	0.44	100.0	0.0
	ANZ Default Cash	2.3	3.7	(5)	3.2	(6)	3.1	(6)	24.00	0.44	100.0	0.0
	Aon ANZ Cash	3.4	3.1	(15)	2.7	(13)	2.7	(13)	50.00	0.90	100.0	0.0
	Aon Nikko AM Cash	1.5	3.6	(9)	3.4	(2)	3.4	(3)	50.00	0.88	100.0	0.0
	ASB NZ Cash	313.3	3.7	(3)	3.1	(10)	2.9	(12)	30.00	0.34	100.0	0.0
	BNZ Cash	66.9	3.2	(13)	--	--	--	--	24.00	0.28	100.0	0.0
	Fisher TWO Preservation	23.9	3.6	(8)	3.4	(1)	3.2	(5)	33.00	0.64	100.0	0.0
	Grosvenor Enhanced Income	18.2	3.7	(4)	3.3	(4)	3.3	(4)	36.00	0.82	100.0	0.0
	Kiwi Wealth Cash	57.3	3.9	(1)	--	--	--	--	***	0.94	100.0	0.0
	Mercer Cash*	9.6	3.6	(6)	3.2	(5)	3.5	(1)	30.00	0.37	100.0	0.0
	Mercer Super Trust Cash*	2.6	3.5	(10)	3.2	(8)	3.4	(2)	34.20	0.52	100.0	0.0
	OneAnswer Cash	23.7	3.6	(7)	3.1	(11)	2.9	(11)	24.00	0.58	100.0	0.0
	Staples Rodway Conservative*	22.0	3.3	(12)	3.3	(3)	3.1	(7)	40.00	1.19	100.0	0.0
	Westpac Cash	240.6	3.5	(11)	3.1	(9)	3.0	(10)	27.00	0.47	100.0	0.0
Fixed Interest	OneAnswer International Fixed Interest	2.3	10.9	(1)	6.2	(1)	6.3	(1)	24.00	0.85	0.1	0.0
	OneAnswer New Zealand Fixed Interest	5.3	8.9	(2)	4.8	(2)	6.2	(2)	24.00	0.84	100.0	0.0
International Share	Fisher TWO Equity	54.2	12.6	(4)	13.3	(3)	8.2	(2)	33.00	1.29	33.2	98.9
	Grosvenor International Share	6.5	17.3	(3)	13.8	(2)	--	--	36.00	1.48	1.6	98.4
	OneAnswer International Share	30.5	22.9	(1)	16.1	(1)	10.1	(1)	24.00	1.09	0.2	99.9
	OneAnswer Sustainable Growth	3.3	20.4	(2)	12.1	(4)	7.1	(3)	24.00	1.55	5.5	94.5
Property	OneAnswer Australasian Property	11.1	25.6	(2)	17.8	(1)	15.5	(2)	24.00	1.09	0.1	100.0
	OneAnswer International Property	7.3	28.9	(1)	17.6	(2)	15.6	(1)	24.00	1.12	0.3	99.7

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Morningstar KiwiSaver Report: 31 March 2015

Single Sector Options (continued)

		Assets	Total Returns % p.a					Member Fee	31/03/2014 Total		NZ Domiciled Assets	Australian Assets	
		NZ\$M	1-year		3-year		5-Year		\$/year	Expense Ratio	%	%	%
Australasian Equity	Aon Milford	97.6	11.9	(6)	19.3	(3)	14.1	(2)	50.00	2.82	63.5	24.9	
	Grosvenor Socially Responsible	13.2	13.1	(4)	10.3	(6)	--		36.00	1.26	34.2	23.1	
	Grosvenor Trs-Tasm Sm Coms Shr	4.6	5.7	(7)	1.7	(7)	--		36.00	1.43	31.5	68.5	
	Mercer Super Trust Shares*	7.3	18.5	(1)	17.4	(4)	11.7	(4)	34.20	1.11	26.9	0	
	Milford Active Growth	354.5	12.2	(5)	19.5	(2)	14.3	(1)	36.00	2.59	63.5	24.9	
	OneAnswer Australasian Share	20.3	13.2	(3)	19.6	(1)	13.4	(3)	24.00	1.07	90.5	9.5	
	Smartshares Growth	26.5	16.5	(2)	15.6	(5)	8.8	(5)	****	0.80	100.0	0	
Miscellaneous	Grosvenor Capital Guaranteed	40.2	--		--		--		36.00	--			
	Grosvenor Options	75.5	--		--		--		36.00	--			
	Kiwi Wealth Cash Plus	26.2	4.5		--		--		***	0.93			
	NZ Funds Growth	57.3	25.1		18.9		--		36.00	1.21			
	NZ Funds Income	10.8	4.4		4.4		--		36.00	0.89			
	NZ Funds Inflation	36.8	13.2		9.6		--		36.00	1.95			
	Westpac Capital Protect Plan 1	11.7	18.7		16.3		10.9		27.00	1.60			
	Westpac Capital Protect Plan 2	9.9	18.7		16.3		10.9		27.00	1.60			
	Westpac Capital Protect Plan 3	16.0	18.7		16.3		--		27.00	1.60			
	Westpac Capital Protect Plan 4	22.8	18.7		16.3		--		27.00	1.60			
	Westpac Capital Protect Plan 5	19.0	18.7		--		--		27.00	1.60			

Market Share Analysis

		AUM, Mar 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	3633.7	13.4	(3)		3440.1	13.6	(3)		2861.5	15.1	(3)	▲	1485.5	10.3	(4)				
	ANZ/OneAnswer	6887.8	25.4	(1)		6334.9	25.1	(1)		4615.9	24.4	(1)		3455.6	24.0	(1)				
	Aon	319.3	1.2	(11)		301.5	1.2	(11)	▼	231.4	1.2	(10)	▲	180.5	1.3	(11)				
	ASB	5031.2	18.6	(2)		4707.8	18.6	(2)		3682.6	19.5	(2)		2859.3	19.8	(2)				
	BNZ	529.8	2.0	(9)		450.7	1.8	(9)	▲	184.2	1.0	(12)		--	--					
	Fisher Funds	2601.5	9.6	(5)		2431.8	9.6	(5)		1941.3	10.3	(5)	▲	660.0	4.6	(9)				
	Forsyth Barr	24.0	0.1	(16)	▲	22.2	0.1	(17)	▼	16.6	0.1	(16)	▲	12.3	0.1	(17)				
	Generate	50.5	0.2	(14)	▲	36.1	0.1	(15)	▲	3.3	0.0	(18)		--	--					
	Grosvenor	858.6	3.2	(8)		800.7	3.2	(8)		303.1	1.6	(8)	▲	93.9	0.7	(14)				
	Kiwi Wealth	2140.9	7.9	(6)		1972.4	7.8	(6)		1240.9	6.6	(6)	▲	849.1	5.9	(7)				
	Mercer	1159.5	4.3	(7)		1161.9	4.6	(7)		954.8	5.0	(7)	▲	804.2	5.6	(8)				
	Milford	435.7	1.6	(10)		390.9	1.5	(10)	▲	222.1	1.2	(11)	▲	99.1	0.7	(13)				
	NZ Funds	104.9	0.4	(12)		91.1	0.4	(12)	▲	55.8	0.3	(13)		--	--					
	Smartshares	38.6	0.1	(15)	▼	36.5	0.1	(14)	▲	29.6	0.2	(15)	▲	26.5	0.2	(16)				
	Staples Rodway	55.0	0.2	(13)		51.8	0.2	(13)	▲	43.6	0.2	(14)	▲	35.4	0.2	(15)				
	Westpac	3249.8	12.0	(4)		3026.9	12.0	(4)		2284.7	12.1	(4)	▼	1713.6	11.9	(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		27,121				25,289				18,913				14,410						