

KiwiSaver Survey

June Quarter 2014

Global markets bounced back in the second quarter of 2014, with the best performing sectors coming from outside New Zealand. This again illustrates that importance of a well-diversified portfolio as those with a domestically-focused KiwiSaver Scheme will have lagged.

Chris Douglas
|30-June-14|

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 2014.

This quarter we have added three KiwiSaver funds operated by Generate KiwiSaver to our database. The Brook Professional KiwiSaver has been wound down and has been removed.

The number of default providers will grow to nine from five in the September quarter. From 1 July 2014, BNZ, Kiwi Wealth, Grosvenor and Westpac will join the five existing default providers.

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

Market Overview

After some initial instability in 2014, global equity markets

recovered in the June quarter. The release of positive economic data helped support the US Federal Reserve's decision to reduce bond purchases. However, the Fed reiterated its dovish stance as support for accommodative monetary policy helped propel stock markets forward. The European Central Bank also cut rates in early June and introduced negative interest rates on deposits at commercial banks to help the recovery.

The quarter wasn't without its disruptions as speculative growth companies experienced market corrections. Politics continues to provide some uncertainty as the potential effects of the conflict in Ukraine and the actions of ISIS in Iraq linger in investors' minds. Uncertainties regarding the health of the Chinese economy are also echoing across the world.

Interest rates in New Zealand rose twice in the quarter and are now the highest in the developed world at 3.25%. More rate rises are expected in the next quarter. Strong growth stocks from 2013 experienced substantial corrections as a busy

IPO schedule has provided a surplus of speculative options. The recent drop in commodity prices has yet to produce measurable effects in the economy or on the strength of the New Zealand dollar.

All major stock markets produced positive returns for the June quarter. Global markets in aggregate were up 4.12% in NZ\$ terms. Within this, the US market (S&P 500) rose 4.30%, the UK market (FTSE) gained 4.90% and the Japan market (Nikkei) increased 3.02%. The story closer to home was much more subdued after a strong start to the year. The NZX 50 edged up 0.03%, while across the Tasman the S&P/ASX 200 returned 1.03% in NZ\$ terms.

Listed property was again the standout sector as investors search for income yield because government and corporate bonds offer very little. Global listed property increased 7.36%, while domestic listed property returned 8.23%.

The actions of the major central banks helped bond markets produce solid, low single-digit returns during the quarter. The availability of cheap credit has tightened credit spreads, resulting in a reduction in yields (and hence an increase in price). The global Barclays Aggregate Bond index rose 2.81% and the local composite fixed income index posted a 1.53% return.

The kiwi dollar rose against the US\$ and hence is a headwind for market returns if left unhedged. The NZ\$ rose 1.14% to US88¢ from US87¢. Market returns from across the Tasman were enhanced as the NZ\$ fell 0.91% to A93¢ from A94¢.

Fund Manager Results

The June quarter was rewarding for investors as all the asset classes experienced growth. KiwiSaver schemes with international exposure benefited the most as international markets outperformed their local counterparts. The active decision to allocate more capital to growth assets also proved beneficial to investors as equity and listed property markets rallied. This is best represented by the correlation between the

average returns for the five categories and their respective weighting to growth assets. The aggressive category performed the strongest, returning 3.06% while the conservative category was the weakest, returning 1.78%. Property was the strongest performing asset class both locally and abroad, while Australasian equities were the weakest.

The **AMP KiwiSaver Lifesteps** and **Aon KiwiSaver Russell Schemes** were the top-performers in the quarter. Aon KiwiSaver Russell performed strongly in the balanced and conservative categories, while AMP KiwiSaver Lifesteps was the top performer in the growth-orientated categories; aggressive and growth. Milford topped the league table in the moderate category.

It is more appropriate to evaluate the performance of a KiwiSaver scheme by studying its long-term returns. **Aon KiwiSaver Russell** is the most notable performer as it is at or near the top across all five categories. Mercer and ANZ have the healthiest returns across the board out of the default providers. **Milford Balanced** is still the strongest performing fund in its respective category.

The strongest-performing fund in the June quarter was **OneAnswer KiwiSaver International Property**, which returned an impressive 8.05%. This strategy has also been the best performer over the long term as it has returned 20.11% annually to investors over the past five years.

Consideration Must Be Given to Fees

We pay a great deal of attention to fees at Morningstar, for a very simple reason: they are the one constant in future performance results that fund managers can control. Higher fees erode performance outcomes, which is why we spend considerable time and effort attempting to understand fee structures and judging whether they are appropriate.

The introduction of disclosure requirements for KiwiSaver providers has meant greater transparency and consistency of fee

reporting. Ultimately for investors it means they can see how much the providers charge (TER) to look after their retirement savings. The below table provides an insight into the range of fees charged in each category. It should be noted that these returns are after fees have been paid to the provider and the annual member fee does not form part of the TER value.

Category	Max TER (%)	Min TER (%)	Average TER (%)	Median TER (%)	Average 5-year Return (%p.a)
Aggressive	1.89	0.93	1.30	1.27	10.66
Growth	1.99	0.66	1.12	1.07	10.30
Balanced	1.29	0.61	0.97	1.03	9.21
Moderate	1.17	0.56	0.89	0.94	7.89
Conservative	1.05	0.38	0.72	0.69	6.45

As can be seen, there is huge variance in what providers charge and is not necessarily indicative of the returns they produce.

Given the amount of information available to investors, it is in investors' best interests to investigate how much of their return is being taken by their providers. The breakdown of the TER also provides an insight into how the fee is being charged.

Assets Under Management

KiwiSaver assets on the Morningstar database grew to NZ\$19.94 billion at 30 June 2014 from NZ\$954.10 million at 30 June 2008, which is a phenomenal growth rate. ASB and ANZ remained the dominant players at 30 June 2014, with a steady 46.9% of KiwiSaver assets between them.

AMP retained third spot ahead of Westpac, while Fisher Funds remained in fifth spot, more than double the assets of the next

largest KiwiSaver provider. New entrant Generate KiwiSaver is the smallest provider on our database.

The industry remains highly concentrated: the eight largest KiwiSaver providers account for an increased 96.5% 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. 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 in other sources. 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. ■■■

Chris Douglas is Co-Head of Fund Research with Morningstar Australasia.

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Please note:

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

Snapshot

	Assets NZ\$m	Total Returns % p.a.			Member Fee \$/year	31/03/2014 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year	3-year	5-Year				
Default Options								
AMP Default	1219.8	6.6	5.2	5.2	36.00	0.58	67.4	20.7
ASB Scheme's Conservative (Default)	2078.3	6.2	5.6	6.1	30.00	0.38	56.0	19.7
Mercer Conservative (Default)*	799.1	8.7	6.9	7.6	34.20	0.57	56.7	20.6
ANZ Default Conservative (Default)	776.2	7.0	6.7	7.1	24.00	0.51	39.9	20.2
Fisher TWO Cash Enhanced (Default)	519.1	7.2	6.1	6.2	33.00	0.57	66.4	21.3
Peer Group Averages								
Default Options	5392.4	7.1	6.1	6.4	31.4	0.52	56.74**	20.5
Conservative (Including Default Options)	6490.3	6.9	6.2	6.5	33.6	0.71	56.06**	19.2
Moderate	3042.8	8.0	7.1	7.9	36.0	0.93	41.80**	32.5
Balanced	3765.0	10.5	8.7	9.2	36.0	0.99	38.23**	56.0
Growth	3818.4	11.9	9.6	10.3	36.0	1.13	27.82**	72.7
Aggressive	1238.2	12.7	9.4	10.7	36.0	1.40	26.60**	87.3
Quick Stats								
KiwiSaver Total Market Size	\$m	19,938						
Increase in Market Size last 3 months	\$m	1,119						
Increase in Market Size last 12 months	\$m	4,771						
Largest Providers	\$m	5,262	ANZ/OneAnswer					
	\$m	4,079	ASB					
Largest Product	\$m	2,078	ASB Scheme's Conservative (Default)					
Largest Category	\$m	6,490	Morningstar Conservative					
Number of Providers		15						
Number of Products		136						
Highest 3-month Performance this Quarter	%	8.0	OneAnswer International Property					
Lowest 3-Month Performance this Quarter	%	-1.3	Aon Milford					
Highest 12-Month Performance this Quarter	%	21.7	OneAnswer Australasian Share					
Lowest 12-Month Performance this Quarter	%	2.1	OneAnswer New Zealand Fixed Interest					

Estimated KiwiSaver Market Asset Allocation %

Cash & NZ Bonds	35.0
International Bonds	20.1
NZ Unlisted Property	0.8
NZ Listed Property	2.2
International Listed Property	2.0
NZ Shares	9.1
Australian Shares	5.3
International Shares	24.2
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	31/03/2014 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year		3-year		5-Year					
Conservative											
AMP Default	1219.8	6.6	(10)	5.2	(11)	5.2	(11)	36.00	0.58	67.4	20.7
ANZ Conservative	338.6	6.9	(9)	6.6	(6)	7.0	(5)	24.00	0.95	40.5	21.6
ANZ Default Conservative (Default)	753.0	7.0	(7)	6.7	(3)	7.1	(4)	24.00	0.51	39.9	20.2
Aon Russell Lifepoints Conservative	62.6	7.8	(2)	8.6	(1)	9.9	(1)	50.00	1.05	15.7	20.1
ASB Scheme's Conservative (Default)	2078.3	6.2	(12)	5.6	(9)	6.1	(7)	30.00	0.38	56.0	19.7
BNZ Conservative	87.4	7.8	(3)	--	--	--	--	24.00	0.65	36.4	21.0
FC Scheme's Conservative	90.4	6.2	(11)	5.6	(10)	6.1	(8)	36.00	0.39	56.0	19.7
Fidelity Capital Guarant Kiwi	38.6	3.3	(13)	4.1	(12)	4.5	(12)	36.36	0.83	93.8	0.0
Fisher Conservative	235.0	7.5	(4)	6.6	(5)	5.3	(10)	36.00	1.03	59.4	23.0
Fisher TWO Cash Enhanced (Default)	502.9	7.2	(6)	6.1	(7)	6.2	(6)	33.00	0.57	66.4	21.3
Mercer Conservative (Default)*	799.1	8.7	(1)	6.9	(2)	7.6	(2)	34.20	0.57	56.7	20.6
OneAnswer Conservative	281.2	6.9	(8)	6.6	(4)	7.1	(3)	24.00	0.94	40.5	21.6
Smartshares Conservative	3.3	7.3	(5)	5.8	(8)	5.4	(9)	NULL	0.80	100.0	20.0
Average		6.9		6.2		6.5		33.60**	0.71	56.1	19.2
Morningstar NZ Multi Sector Conservative Index		5.3		5.5		5.8					19.2
Moderate											
AMP LS Conservative	178.0	6.7	(15)	5.8	(14)	6.2	(15)	36.00	0.90	54.6	25.8
AMP LS Moderate	194.7	8.6	(7)	6.8	(9)	6.9	(12)	36.00	0.98	46.2	40.4
ANZ Conservative Balanced	362.0	9.1	(5)	8.3	(4)	8.7	(4)	24.00	0.94	34.4	36.6
ANZ Default Conservative Balanced	9.2	8.8	(6)	8.0	(5)	8.2	(5)	24.00	0.56	36.0	33.5
Aon Russell Lifepoints 2015	4.4	8.3	(8)	8.8	(2)	10.4	(2)	50.00	1.07	14.7	24.2
Aon Russell Lifepoints Moderate	10.7	9.5	(3)	9.5	(1)	11.0	(1)	50.00	1.13	11.8	40.2
ASB Scheme's Moderate	607.3	7.7	(12)	7.0	(6)	8.0	(7)	30.00	0.57	44.4	39.5
BNZ Moderate	73.1	9.8	(2)	--	--	--	--	24.00	0.83	26.1	36.3
FC Scheme's Active Conservative	7.1	8.0	(11)	6.6	(10)	7.1	(10)	36.00	0.78	Und.	Und.
FC Scheme's Moderate	21.9	7.6	(13)	7.0	(7)	8.0	(6)	36.00	0.58	44.4	39.5
Fidelity Asset Class Conservative	3.2	6.1	(17)	--	--	--	--	36.36	1.26	8.8	29.9
Fidelity Conservative Kiwi	47.4	5.7	(18)	6.0	(13)	6.7	(13)	36.36	1.00	51.3	25.4
Fisher TWO Conservative	85.8	8.1	(9)	6.8	(8)	7.6	(8)	33.00	1.04	62.1	30.1
Generate Conservative	2.9	6.2	(16)	--	--	--	--	36.00	1.27	87.9	24.9
Grosvenor Conservative	41.9	4.8	(19)	5.4	(15)	6.2	(14)	36.36	1.17	49.9	25.9
Mercer Super Trust Conserv*	2.5	8.0	(10)	6.2	(12)	7.3	(9)	34.20	0.92	58.3	31.0
Millford Conservative	6.5	12.8	(1)	--	--	--	--	36.00	1.00	34.2	39.5
OneAnswer Conservative Balanced	93.7	9.2	(4)	8.3	(3)	8.9	(3)	24.00	0.94	34.4	36.6
Westpac Conservative	1290.7	7.0	(14)	6.3	(11)	7.0	(11)	27.00	0.72	52.8	25.3
Average		8.0		7.1		7.9		36.00**	0.93	41.8	32.5
Morningstar NZ Multi Sector Moderate Index		6.8		6.6		7.1					39.6

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Multi Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a						Member Fee \$/year	31/03/2014 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year	3-year	5-Year							
Balanced											
AMP Fisher TWO Balanced	18.6	12.6	(1)	8.7	(9)	9.0	(12)	36.00	1.13	53.4	56.9
AMP LS Balanced	474.1	11.2	(9)	8.6	(10)	8.4	(14)	36.00	1.03	34.6	61.2
AMP LS Moderate Balanced	285.6	9.8	(16)	7.6	(17)	7.6	(16)	36.00	1.03	40.6	50.5
ANZ Balanced	726.4	11.2	(8)	9.8	(6)	10.3	(5)	24.00	0.99	27.1	52.3
ANZ Default Balanced	28.6	10.6	(14)	9.2	(7)	9.3	(9)	24.00	0.61	29.6	48.8
Aon ANZ Balanced	16.2	11.8	(5)	10.1	(3)	11.7	(2)	50.00	1.19	32.8	59.8
Aon Russell Lifepoints 2025	10.0	9.9	(15)	9.8	(4)	11.5	(3)	50.00	1.16	10.8	44.2
Aon Russell Lifepoints Balanced	36.8	11.0	(10)	10.4	(2)	12.0	(1)	50.00	1.20	7.8	60.2
ASB Scheme's Balanced	442.7	9.3	(17)	8.4	(12)	9.5	(7)	30.00	0.61	33.4	59.2
BNZ Balanced	52.7	11.9	(4)	--	--	--	--	24.00	0.93	23.5	51.5
FC Scheme's Active Balanced	28.1	11.0	(11)	8.3	(14)	8.8	(13)	36.00	0.83	Und.	Und.
FC Scheme's Balanced	28.0	9.3	(18)	8.4	(13)	9.5	(6)	36.00	0.63	33.4	59.2
Fidelity Balanced Kiwi	112.6	7.8	(19)	7.0	(18)	7.3	(18)	36.36	1.06	35.5	58.1
Fidelity Ethical Kiwi	11.7	7.1	(21)	8.2	(15)	7.9	(15)	36.36	1.24	64.2	55.7
Fisher TWO Balanced	385.7	12.3	(2)	8.7	(8)	9.1	(10)	33.00	1.14	53.4	56.9
Grosvenor Balanced	122.5	7.4	(20)	6.2	(19)	6.8	(19)	36.36	1.29	35.6	57.2
Mercer Super Trust Moderate*	41.7	11.5	(6)	8.1	(16)	9.0	(11)	34.20	0.74	47.1	52.0
Milford Balanced	41.0	12.2	(3)	12.9	(1)	--	--	36.00	1.48	35.9	60.5
OneAnswer Balanced	273.5	11.4	(7)	9.8	(5)	10.4	(4)	24.00	0.99	27.1	52.3
Smartshares Balanced	7.4	10.6	(13)	5.8	(20)	7.4	(17)	NULL	0.78	100.0	63.0
Westpac Balanced	620.9	11.0	(12)	8.4	(11)	9.3	(8)	27.00	0.83	38.9	60.3
Average		10.5		8.7		9.2		36.00**	0.99	38.2	56.0
Morningstar NZ Multi Sector Balanced Index		8.4		8.0		8.1					58.1

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Multi Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a					Member Fee \$/year	31/03/2014 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %	
		1-year	3-year	5-Year							
Growth											
AMP ANZ Balanced Plus	101.6	12.4	(14)	10.9	(7)	11.5	(8)	36.00	1.03	23.2	64.7
AMP LS Growth	377.5	13.9	(6)	9.6	(12)	9.3	(18)	36.00	1.08	24.9	80.9
AMP Tyndall Balanced	14.9	11.2	(19)	8.3	(21)	9.0	(20)	36.00	1.42	38.2	71.6
ANZ Balanced Growth	586.4	13.4	(8)	11.2	(6)	11.8	(6)	24.00	1.04	21.6	67.1
ANZ Default Balanced Growth	33.1	12.6	(13)	10.4	(9)	10.4	(14)	24.00	0.66	24.3	63.5
ANZ Default Growth	27.8	14.6	(3)	11.7	(3)	11.5	(7)	24.00	0.71	19.9	78.6
ANZ Growth	1054.5	15.4	(2)	12.6	(2)	13.2	(2)	24.00	1.09	16.9	82.2
Aon Russell Lifepoints 2035	8.5	11.3	(17)	10.7	(8)	12.3	(4)	50.00	1.21	7.4	63.2
Aon Russell Lifepoints Growth	15.7	12.2	(15)	11.3	(5)	12.7	(3)	50.00	1.25	4.9	75.1
Aon Tyndall Balanced	4.2	10.8	(22)	8.4	(19)	9.1	(19)	50.00	1.27	38.2	71.6
ASB Scheme's Growth	431.7	11.0	(20)	9.5	(14)	10.7	(11)	30.00	0.66	26.3	79.0
BNZ Growth	35.9	14.2	(5)	--	--	--	--	24.00	1.01	25.5	71.2
FC Scheme's Active Growth	28.8	13.4	(9)	9.5	(15)	9.8	(17)	36.00	0.87	Und.	Und.
FC Scheme's Growth	23.3	11.0	(21)	9.5	(16)	10.7	(10)	36.00	0.68	26.3	79.0
Fidelity Growth Kiwi	50.2	9.8	(23)	7.8	(22)	7.9	(22)	36.36	1.26	26.0	75.7
Forsyth Barr Balanced	10.1	4.6	(27)	5.2	(25)	5.3	(24)	36.00	1.53	39.8	73.0
Forsyth Barr Growth	8.9	5.8	(26)	5.8	(24)	5.6	(23)	36.00	1.60	26.8	91.1
Generate Growth	4.0	8.7	(25)	--	--	--	--	36.00	1.41	52.2	63.9
Grosvenor Balanced Growth	53.7	9.1	(24)	6.8	(23)	--	--	36.36	1.34	27.6	73.6
Mercer Balanced*	58.7	12.9	(12)	8.8	(18)	10.0	(15)	34.20	0.82	43.5	61.8
Mercer Super Trust Active Bal*	55.8	13.1	(10)	8.9	(17)	10.0	(16)	34.20	0.97	41.8	63.5
Mercer Super Trust Growth*	5.9	14.5	(4)	9.6	(13)	10.5	(13)	34.20	1.05	37.4	74.6
OneAnswer Balanced Growth	251.3	13.6	(7)	11.3	(4)	11.9	(5)	24.00	1.04	21.6	67.1
OneAnswer Growth	179.4	15.6	(1)	12.7	(1)	13.3	(1)	24.00	1.09	16.9	82.2
Staples Rodway Balanced*	18.6	12.0	(16)	10.4	(10)	11.2	(9)	40.00	1.63	33.3	63.0
Staples Rodway Growth*	9.7	11.3	(18)	8.3	(20)	8.8	(21)	40.00	1.99	25.5	70.2
Westpac Growth	368.3	12.9	(11)	9.9	(11)	10.6	(12)	27.00	0.89	33.5	81.4
Average		11.9		9.6		10.3		36.00**	1.13	27.8	72.7
Morningstar NZ Multi Sector Growth Index		9.5		9.1		9.0					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 %	New Zealand Domiciled Assets %	Growth Assets %
		1-year	3-year	5-Year							
Aggressive											
AMP LS Aggressive	174.2	15.3	(4)	10.4	(4)	10.0	(6)	36.00	1.14	20.7	90.6
Aon Russell Lifepoints 2045	7.8	12.6	(5)	11.5	(1)	13.1	(1)	50.00	1.26	4.4	78.1
Fidelity Aggressive Kiwi	18.0	11.9	(6)	7.1	(9)	8.8	(7)	36.36	1.41	23.2	90.3
Fidelity Asset Class Growth	12.3	8.7	(11)	--	--	--	--	36.36	1.38	20.3	83.7
Fisher Growth	733.0	11.6	(7)	9.4	(6)	11.7	(2)	36.00	1.89	41.0	83.0
Fisher TWO Growth	137.2	15.4	(3)	10.4	(5)	11.0	(5)	33.00	1.27	52.8	75.9
Generate Focused Growth	5.4	8.8	(10)	--	--	--	--	36.00	1.63	21.1	94.5
Grosvenor Geared Growth	3.6	10.9	(9)	7.3	(8)	--	--	36.36	2.02	20.0	96.6
Grosvenor High Growth	84.9	10.9	(8)	7.3	(7)	7.5	(8)	36.36	1.41	23.9	89.2
Mercer High Growth*	51.8	16.8	(2)	10.6	(3)	11.7	(3)	34.20	0.93	32.6	88.7
Mercer Super Trust High Growth*	10.0	16.9	(1)	10.7	(2)	11.6	(4)	34.20	1.11	32.6	89.9
Average		12.7		9.4		10.7		36.00**	1.40	26.6	87.3
Morningstar NZ Multi Sector Aggressive Index		10.3		9.3		8.8					91.3

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Single Sector Options

	Assets NZ\$M	Total Returns % p.a						Member Fee \$/year	31/03/2014 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year	3-year	5-Year							
Cash											
AMP Cash	64.3	2.7	(14)	2.8	(11)	3.0	(6)	36.00	0.69	100.0	0.0
ANZ Cash	174.9	3.0	(7)	3.0	(7)	2.8	(10)	24.00	0.44	100.0	0.0
ANZ Default Cash	1.7	3.0	(8)	3.0	(6)	2.9	(8)	24.00	0.44	100.0	0.0
Aon ANZ Cash	3.0	2.4	(15)	2.5	(14)	2.8	(11)	50.00	0.90	100.0	0.0
Aon Tyndall Cash	1.3	2.9	(11)	3.2	(1)	3.3	(4)	50.00	0.88	100.0	0.0
ASB Scheme's NZ Cash	273.0	3.0	(4)	2.7	(12)	2.7	(12)	30.00	0.34	100.0	0.0
BNZ Cash	43.4	3.2	(1)	--	--	--	--	24.00	0.28	100.0	0.0
FC Scheme's NZ Cash	8.7	3.0	(5)	2.7	(13)	2.7	(13)	36.00	0.35	100.0	0.0
Fisher TWO Preservation	22.5	3.1	(2)	3.1	(2)	3.1	(5)	33.00	0.64	100.0	0.0
Grosvenor Enhanced Income	18.0	3.0	(9)	3.1	(3)	3.4	(2)	36.36	0.82	100.0	0.0
Mercer Cash*	9.2	3.1	(3)	3.0	(4)	3.5	(1)	34.20	0.37	100.0	0.0
Mercer Super Trust Cash*	2.0	3.0	(6)	3.0	(5)	3.4	(3)	34.20	0.52	100.0	0.0
OneAnswer Cash	19.8	2.9	(12)	2.8	(9)	2.6	(14)	24.00	0.58	100.0	0.0
Staples Rodway Conservative*	19.1	2.8	(13)	2.9	(8)	3.0	(7)	40.00	1.19	100.0	0.0
Westpac Cash	214.2	3.0	(10)	2.8	(10)	2.9	(9)	27.00	0.47	100.0	0.0
Fixed Income											
Mercer Super Trust Fixed Intr*	1.1	5.7	(1)	5.4	(2)	7.0	(1)	34.20	0.86	42.1	0.0
OneAnswer International Fixed Interest	2.2	5.6	(2)	5.5	(1)	5.5	(3)	24.00	0.85	0.1	0.0
OneAnswer New Zealand Fixed Interest	5.3	2.1	(3)	4.3	(3)	6.0	(2)	24.00	0.84	100.0	0.0
International Equity											
FC Scheme's Active High Growth	3.6	15.9	(3)	10.0	(4)	9.8	(4)	36.00	0.94	Und.	Und.
FC Scheme's Global Sustainability	6.7	14.2	(4)	11.5	(1)	11.0	(2)	36.00	1.41	4.9	95.1
Fisher TWO Equity	43.1	18.7	(1)	9.8	(5)	10.7	(3)	33.00	1.32	47.6	95.8
Grosvenor International Share	5.0	14.0	(5)	9.2	(6)	--	--	36.36	1.48	5.2	94.8
Mercer Super Trust Global*	1.9	18.5	(2)	11.1	(2)	11.5	(1)	34.20	1.12	2.6	97.4
OneAnswer International Share	23.9	9.9	(6)	10.3	(3)	9.8	(5)	24.00	1.09	0.2	99.8
OneAnswer Sustainable Growth	2.2	7.2	(7)	7.0	(7)	6.5	(6)	24.00	1.55	5.2	94.9
Property											
Mercer Super Trust Real Assets*	1.0	17.1	(1)	10.0	(3)	14.5	(3)	34.20	1.36	28.3	98.0
OneAnswer Australasian Property	9.3	14.5	(3)	15.0	(1)	15.7	(2)	24.00	1.09	0.6	99.5
OneAnswer International Property	5.9	16.3	(2)	11.1	(2)	20.1	(1)	24.00	1.12	0.5	99.5

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Single Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a					Member Fee \$/year	31/03/2014 Total Expense Ratio %	New Zealand Domiciled Assets %	Australian Assets %	
		1-year	3-year	5-Year							
Australasian Equity											
Aon Milford	76.3	15.5	(5)	17.3	(2)	14.7	(4)	50.00	2.82	73.9	13.2
Grosvenor Socially Responsible	9.8	4.7	(8)	5.5	(7)	--		36.36	1.26	48.7	23.7
Grosvenor Trs-Tasm Sm Coms Shr	3.9	7.1	(7)	-0.2	(8)	--		36.36	1.43	34.3	65.7
Mercer Super Trust Shares*	1.8	19.5	(3)	12.7	(5)	12.7	(5)	34.20	1.11	31.7	0
Mercer Super Trust TransTasman*	2.1	20.5	(2)	16.0	(4)	14.7	(3)	34.20	1.08	100.0	0
Milford Active Growth	247.5	15.7	(4)	17.5	(1)	14.8	(2)	36.00	2.59	73.9	13.2
OneAnswer Australasian Share	17.6	21.7	(1)	16.4	(3)	15.0	(1)	24.00	1.07	90.2	9.8
Smartshares Growth	22.1	14.8	(6)	7.8	(6)	10.0	(6)	NULL	0.80	100.0	0
Miscellaneous											
Fidelity Options Kiwi	72.4	15.2		4.0		10.1		36.36	1.15		
NZ Funds Growth	36.3	17.8		11.3		--		36.00	1.21		
NZ Funds Income	7.8	4.5		4.6		--		36.00	0.89		
NZ Funds Inflation	26.4	12.7		7.4		--		36.00	1.95		
Westpac Capital Protect Plan 1	10.6	16.4		11.0		11.4		27.00	1.60		
Westpac Capital Protect Plan 2	9.0	16.4		11.0		--		27.00	1.60		
Westpac Capital Protect Plan 3	14.6	16.4		11.0		--		27.00	1.60		
Westpac Capital Protect Plan 4	21.0	16.4		--		--		27.00	1.60		
Westpac Capital Protect Plan 5	17.5	16.4		--		--		27.00	1.60		

Market Share Analysis

	AUM, June 2014				AUM, Dec 2013				AUM, Dec 2012				AUM, Dec 2011			
	\$M	%	Rank	Rank Change	\$M	%	Rank	Rank Change	\$M	%	Rank	Rank Change	\$M	%	Rank	
By Provider	AMP	3103.4	15.6	(3)		2861.5	16.1	(3)	▲	1485.5	10.9	(4)	▼	1178.1	11.5	(3)
	ANZ/OneAnswer	5261.6	26.4	(1)		4602.7	25.9	(1)		3445.7	25.3	(1)		2513.7	24.5	(1)
	Aon	257.4	1.3	(10)	▼	231.4	1.3	(8)	▲	180.5	1.3	(9)		135.8	1.3	(9)
	ASB	4079.5	20.5	(2)		3682.6	20.7	(2)		2859.3	21.0	(2)		2188.0	21.3	(2)
	BNZ	292.6	1.5	(9)	▲	184.2	1.0	(10)		--	--			--	--	
	Fisher Funds	2145.2	10.8	(5)		1941.3	10.9	(5)	▲	660.0	4.8	(7)		476.7	4.6	(7)
	Forsyth Barr	19.0	0.1	(14)		16.6	0.1	(14)	▼	12.3	0.1	(13)		8.3	0.1	(13)
	Generate	12.3	0.1	(15)		3.3	0.0	(15)		--	--			--	--	
	Grosvenor	709.9	3.6	(7)		648.8	3.7	(7)	▲	380.3	2.8	(8)		291.8	2.8	(8)
	Mercer	1044.7	5.2	(6)		958.2	5.4	(6)		806.6	5.9	(6)		661.8	6.4	(6)
	Milford	294.9	1.5	(8)	▲	222.1	1.3	(9)	▲	99.1	0.7	(10)		38.9	0.4	(10)
	NZ Funds	70.4	0.4	(11)		55.8	0.3	(11)		--	--			--	--	
	Smartshares	32.8	0.2	(13)		29.6	0.2	(13)	▼	26.5	0.2	(12)		21.7	0.2	(12)
	Staples Rodway	47.4	0.2	(12)		43.6	0.2	(12)	▼	35.4	0.3	(11)		28.0	0.3	(11)
	Westpac	2566.9	12.9	(4)		2268.9	12.8	(4)	▼	1713.6	12.6	(3)	▲	1176.6	11.5	(4)
Closed/Merged Providers																
	AXA to AMP, Early 2013									893.0	6.5	(5)		721.2	7.0	(5)
	Tower to Fisher, Mid 2013									894.2	6.6	(5)		717.9	7.0	(6)
	Fidelity to Grosvenor, Mid 2013									140.8	0.8	(11)		111.5	1.1	(11)
	Brook, Mid 2014					10.2	0.1	(15)		7.1	0.0	(16)		5.9	0.1	(16)
Total		19938.0				17760.8				13640.0				10276.0		

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