

KiwiSaver Performance Survey September Quarter 2012

Despite reaching its five-year fund performance anniversary, the KiwiSaver scheme is still in its infancy. So while this is an important milestone, performance judgements should be considered in this light.

Chris Douglas
| 11-October-12 |

Morningstar has released its quarterly KiwiSaver Performance Survey, designed to help New Zealand investors assess the performance of their KiwiSaver superannuation options. The accompanying tables show KiwiSaver fund returns for the one, three, and five years to 30 September 2012. There were no fund additions this quarter.

This quarter marks the five-year anniversary since KiwiSaver providers began investing. Some quick statistics show that the scheme has been a success in terms of membership. Over two million people have signed up since 2007, and with total assets on the Morningstar database of over NZ\$12.0 billion with KiwiSaver providers, New Zealanders have made a good start to their retirement savings journey. But it's still very early days.

For us, the true measure of success has been the level of discussion and debate about investing in the media, the funds management industry, and from the regulator. But it's also been pleasing to note the competition among scheme providers to deliver the best total KiwiSaver experience. We have witnessed fund managers seeking to engage their investors, substantial

improvements in transparency, and a range of options for most investor types. We expect all this to continue.

Last month we also published a supplementary Morningstar After-Tax Performance Survey. You can find this and other articles at www.morningstar.co.nz.

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

Market Overview

Global markets posted very strong results over the past three months, as each quarter seems to move from one extreme to another. After poor economic data in the second quarter, the European Central Bank calmed investors' fears, President Mario Draghi stating that the Bank would do whatever it takes to save the euro. Later in the quarter, the US Federal Reserve launched another round of quantitative easing ('QE3'), and extended a plan to keep short-term interest rates at record lows – close to zero – until mid-2015.

The principal world sharemarkets rose in the mid- to high single digits during the third quarter of 2012. The US sharemarket continued its strong run, and while posting only a 2.90 percent return for the quarter, was up almost 20.0 percent over the last 12 months. Europe and the emerging markets generated strong results, while Japan was the only major sharemarket to produce a negative return. New Zealand shares were the place to be in the third quarter: our NZX50 Index jumped 12.80 percent over three months. New Zealand and global listed property continued their strong performance. The New Zealand and international fixed interest markets posted respectable low single-digit results for the three months to 30 September 2012.

When looking out over five years, it comes as no surprise that cash and fixed interest have been the better-performing asset classes. Sharemarkets have produced small negative returns, while fixed interest has generated high single-digit numbers. However, as the last 12 months have shown, shares continue to have the potential to produce very strong results. Investors with long-term horizons may find it remiss to allocate mostly to cash and fixed interest, especially on the back of past performance. With cash rates globally at historic lows, cash and fixed interest investments are likely to struggle to match their strong recent performances over the next five years.

Fund Manager Results

The strong returns from sharemarkets resulted in KiwiSaver options with higher exposures to growth assets (shares and property) outperforming those with more invested in income assets (cash and fixed interest) over the September 2012 quarter. Multi-Sector Growth and Aggressive options were generally the best performers over the three months to 30 September 2012, and KiwiSaver options with greater investments in New Zealand shares were among the best performers.

Over the quarter, Aon KiwiSaver Russell was the standout performer across the multi-sector categories. AMP KiwiSaver was the other provider deserving mention for consistently strong showings across the various risk profiles.

Looking out over longer periods is of course a better indicator of a fund manager's performance track record. The best-performing KiwiSaver options over the past five years have been **SIL KiwiSaver** (as well as **National Bank** and **ANZ KiwiSaver**) in the Conservative, Balanced, and Growth Multi-Sector categories. **Fidelity KiwiSaver** has also performed strongly across a range of risk profiles, including the Moderate, Balanced, and Aggressive Multi-Sector categories. Others deserving mention include **Aon KiwiSaver Russell** in the Conservative and Moderate Multi-Sector categories, **Brook KiwiSaver** across Balanced and Growth, and **Fisher Funds KiwiSaver Growth**.

Among the single-sector options, the best performer over the five years to 30 September 2012 was **Milford Active Growth KiwiSaver**, which posted a very healthy 12.01 percent per annum. It was easily the top performing overall KiwiSaver fund over five years.

Be Wary of Performance-Chasing

Every performance survey starts with the premise that past performance is no indicator of future performance. And this is very much the case here. The reality is that only a very select few fund managers have shown the ability to outperform their peers and an index consistently. It's an incredibly difficult thing to achieve, and one of the reasons why investors like Warren Buffett are so revered.

Choosing a KiwiSaver provider on the back of its five-year performance number alone is therefore likely to be a poor decision. We know that fund manager results swing around, and while a lot has happened over the past five years, this is still a comparatively short timeframe. Additionally, every one of the top eight KiwiSaver providers that we undertake analyst research on has had a significant change to the people in charge of the investment decisions and also in many cases the investment processes since 2007. This means that the five-year performance number is not necessarily representative of the skill and ability of the people currently managing the money.

Further, just because conservative funds with high allocations to cash and fixed interest have performed well over the past five

years does not mean that they will post equally strong results in the future. High single-digit returns from fixed interest in the future are unlikely, given that interest rates are so low. For those who have a long time to retirement (at least 10 years or more), a more balanced approach with a tilt towards growth assets is likely to be the more appropriate option.

We believe that it's important for investors to first make sure that they are in the most appropriate risk profile (from Conservative to Aggressive). This decision is going to be the key determinant of future performance. While growth assets (shares and listed property) have posted more volatile returns, it is here that investors should benefit from stronger longer-term results, especially given the historically low interest rates from cash and fixed income. Fixed income investments in particular will suffer as and when interest rates start to go back up. And while this doesn't look to be any time soon, it will happen eventually.

Assets Under Management

KiwiSaver assets on the Morningstar database have grown from NZ\$954.10 million at 30 June 2008 to NZ\$12.91 billion at 30 September 2012, a phenomenal growth rate. ASB and OnePath remained the dominant players at 30 September 2012, with 46.0 percent of KiwiSaver assets between them. The industry remains highly-concentrated: the eight largest KiwiSaver

providers account for 93.60 percent of assets on our database. This is a slight drop on previous quarters, though, showing some of the smaller players are making some minor head-way.

About This Survey

This survey groups KiwiSaver options according to their mix of income and growth assets, or their 'asset allocation'. This is one of the most important decisions to make when saving for retirement income. The term 'income assets' refers to cash and fixed interest securities which generally produce stable and reliable returns, but offer little opportunity for long-term capital growth. Returns from 'growth assets' such as property and shares will be erratic – as recent market volatility has demonstrated – but have over time shown greater capacity for increasing in value. The mixture of income and growth assets is the major determinant of potential return and volatility.

Investors may notice differences between the returns published in this survey and those they see in other sources. There are several possible reasons for this. Firstly, the returns published here are all after fees, but before tax. Secondly, we take the associated tax credit into consideration when calculating and publishing these returns, while some fund managers base their published performance figures on month-end unit prices only. ■■

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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.			Estimated Fund Flow 1-Year (\$M)	31/03/2012 Total	Member Fee \$/year	Growth Assets %
		1-year	3-year	5-Year		Expense Ratio %		
Default Options								
AMP Default Fund	473.5	6.2	4.4	3.8	60.1	0.54	36.00	22.1
ASB Scheme's Cnsv (Default)	1440.1	7.0	5.6	4.9	296.0	0.40	30.00	20.2
AXA Income Plus (Default)	625.0	7.9	5.8	4.5	85.7	0.60	36.72	23.6
Mercer Conservative (Default)*	626.7	7.3	6.1	5.3	103.3	0.59	34.20	19.9
OnePath Conservative (Default)	596.5	8.4	6.7	5.6	85.9	0.56	33.00	20.1
TOWER Cash Enhanced (Default)	449.7	8.0	5.8	5.1	65.7	0.57	33.00	20.2
Peer Group Averages								
Default Options	4211.6	7.5	5.7	4.9	116.1	0.54	33.60**	21.0
Conservative (Including Default Options)	4975.9	7.8	5.8	5.0	60.9	0.79	33.00**	19.9
Moderate	1830.0	9.6	6.7	4.4	26.9	0.93	36.00**	33.3
Balanced	2223.8	11.6	6.2	2.6	19.5	1.02	36.00**	55.7
Growth	2028.5	13.1	6.4	1.2	14.9	1.10	34.20**	73.1
Aggressive	851.9	12.6	4.7	0.0	12.6	1.17	36.00**	86.9
Quick Stats								
KiwiSaver Total Market Size	\$m	12,912						
Increase in Market Size last 3 months	\$m	1,269						
Increase in Market Size last 12 months	\$m	3,349						
Largest Providers	\$m	3,230	OnePath					
	\$m	2,715	ASB					
Largest Product	\$m	1,440	ASB KiwiSaver Scheme's Cnsv (Default)					
Largest Category	\$m	4,976	Morningstar Conservative					
Number of Providers		16						
Number of Products		134						
Highest 3-month Performance this Quarter	%	12.3	SIL KiwiSaver-Australasian Share					
Lowest 3-Month Performance this Quarter	%	0.5	ASB KiwiSaver Scheme's NZ Cash					
Highest 12-Month Performance this Quarter	%	28.5	SIL KiwiSaver-International Property					
Lowest 12-Month Performance this Quarter	%	2.3	ASB KiwiSaver Scheme's NZ Cash					

Estimated KiwiSaver Market Asset Allocation %	
Cash & NZ Bonds	39.7
International Bonds	17.5
NZ Unlisted Property	1.3
NZ Listed Property:	1.7
International Listed Property	2.0
NZ Shares	9.6
Australian Shares	4.8
International Shares	22.1
Other	1.5
Proportion in Income Assets:	57.2
Proportion in Growth Assets:	42.8

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Multi Sector Options

	Assets NZ\$M	Total Returns % p.a						Estimated Fund Flow 1-Year (\$M)	31/03/2012 Total	Member Fee \$/year	Growth Assets %
		1-year	3-year	5-Year	Expense Ratio %						
Conservative											
AMP Default Fund	473.5	6.2	(12)	4.4	(13)	3.8	(11)	60.1	0.54	36.00	22.1
ANZ Conservative	92.5	8.5	(4)	6.5	(5)	5.3	(5)	22.2	1.11	24.00	21.3
Aon Russell Lifepoints Cnsv	43.4	12.0	(1)	9.2	(1)	6.7	(1)	7.8	1.07	50.00	20.0
ASB Scheme's Cnsv (Default)	1440.1	7.0	(10)	5.6	(9)	4.9	(8)	296.0	0.40	30.00	20.2
AXA Income Plus (Default)	625.0	7.9	(8)	5.8	(7)	4.5	(10)	85.7	0.60	36.72	23.6
FirstChoice Scheme's Conserv	73.7	7.0	(11)	5.5	(10)	4.8	(9)	12.3	0.37	36.00	20.2
Fidelity Capital Guarant Kiwi	31.6	5.9	(14)	4.5	(12)	--	--	5.1	0.95	36.00	11.0
Fisher Funds Conservative Fund	167.8	8.1	(6)	4.6	(11)	--	--	42.5	1.13	24.00	15.2
Mercer Conservative (Default)*	626.7	7.3	(9)	6.1	(6)	5.3	(6)	103.3	0.59	34.20	19.9
National Bank Conservative	133.9	8.5	(3)	6.5	(4)	5.4	(4)	31.7	1.11	24.00	21.3
OnePath Conservative (Default)	596.5	8.4	(5)	6.7	(2)	5.6	(2)	85.9	0.56	33.00	20.1
SIL Conservative	218.5	8.5	(2)	6.6	(3)	5.5	(3)	33.6	1.07	24.00	21.3
Smartshares Conservative	2.9	6.1	(13)	3.8	(14)	2.6	(12)	0.5	0.93	--	21.6
TOWER Cash Enhanced (Default)	449.7	8.0	(7)	5.8	(8)	5.1	(7)	65.7	0.57	33.00	20.2
Average		7.8		5.8		5.0		60.9	0.79	33.00**	19.9
Morningstar Multi-Sector Conservative Index		7.5		5.7		5.2					19.2
Moderate											
AMP LS Conservative Fund	79.8	7.8	(16)	5.9	(14)	5.1	(4)	24.5	0.84	36.00	28.9
AMP LS Moderate Fund	127.5	9.3	(11)	5.8	(15)	3.4	(16)	23.7	0.93	36.00	41.7
ANZ Conservative Balanced	91.1	10.8	(5)	7.2	(5)	4.5	(9)	23.0	1.10	24.00	36.6
Aon Russell Lifepoints 2015	3.4	12.6	(2)	9.0	(1)	5.3	(2)	0.5	1.05	50.00	28.0
Aon Russell Lifepoints Mod	7.4	12.8	(1)	8.8	(2)	4.7	(5)	1.1	1.11	50.00	40.0
ASB Scheme's Moderate	358.7	9.7	(8)	6.3	(10)	3.6	(14)	83.5	0.60	30.00	40.1
AXA Conservative	32.4	8.0	(15)	6.1	(13)	--	--	10.8	1.11	36.72	29.9
FC Scheme's Active Cnsv	6.2	8.3	(13)	5.3	(17)	3.8	(13)	1.0	0.83	36.00	28.8
FirstChoice Scheme's Moderate	16.7	9.7	(7)	6.3	(11)	3.4	(15)	2.4	0.52	36.00	40.1
Fidelity Conservative Kiwi Fd	38.9	9.4	(10)	6.3	(9)	5.2	(3)	5.0	1.08	36.00	33.0
Grosvenor Conservative Fund	29.1	8.9	(12)	6.4	(8)	5.4	(1)	6.9	1.07	39.96	20.8
Mercer Super Trust Conserv*	2.1	6.6	(17)	5.5	(16)	3.9	(12)	0.4	1.06	34.20	30.7
National Bank Conservative Bal	118.7	10.8	(4)	7.2	(4)	4.5	(8)	30.4	1.10	24.00	36.6
OnePath Conservative Balanced	3.5	10.0	(6)	6.9	(6)	4.4	(11)	0.8	0.60	33.00	35.1
SIL Conservative Balanced	71.1	10.8	(3)	7.3	(3)	4.7	(6)	9.8	1.07	24.00	36.6
TOWER Conservative	51.1	9.6	(9)	6.8	(7)	4.6	(7)	9.4	0.96	33.00	30.1
Westpac Conservative Fund	792.4	8.3	(14)	6.3	(12)	4.5	(10)	225.0	0.83	31.08	29.5
Average		9.6		6.7		4.4		26.9	0.93	36.00**	33.3
Morningstar Multi-Sector Moderate Index		9.5		6.1		4.3					39.6

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Multi Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a					Estimated Fund Flow 1-Year (\$M)	31/03/2012 Total	Member Fee \$/year	Growth Assets %	
		1-year	3-year	5-Year	Expense Ratio %						
Balanced											
AMP LS Balanced Fund	189.8	12.2	(10)	6.1	(13)	1.8	(17)	31.9	0.96	36.00	65.1
AMP LS Moderate Balanced Fund	181.8	10.8	(18)	5.8	(14)	2.2	(14)	32.9	0.97	36.00	54.6
AMP TOWER Balanced Fund	11.4	12.3	(9)	6.5	(10)	2.8	(10)	2.0	0.98	36.00	54.6
ANZ Balanced	150.2	12.9	(6)	7.5	(6)	3.6	(6)	42.4	1.15	24.00	52.4
Aon OnePath Balanced	9.0	13.7	(3)	8.4	(2)	4.6	(1)	1.3	1.20	50.00	61.2
Aon Russell Lifepoints 2025	6.0	13.3	(4)	8.5	(1)	3.1	(7)	1.2	1.14	50.00	48.0
Aon Russell Lifepoints Bal	31.9	13.7	(2)	8.2	(3)	2.2	(15)	0.7	1.17	50.00	60.0
ASB Scheme's Balanced	261.6	11.8	(11)	6.4	(11)	1.8	(16)	52.1	0.65	30.00	60.0
AXA Balanced	116.9	11.0	(16)	5.7	(16)	1.4	(19)	18.4	1.17	36.72	65.0
Brook Professional Balanced Fd	1.5	5.7	(23)	2.6	(22)	3.6	(4)	0.3	1.30	30.00	54.0
FC Scheme's Active Balanced	22.3	11.1	(14)	4.8	(19)	1.2	(20)	3.1	0.90	36.00	56.8
FirstChoice Scheme's Balanced	20.2	11.8	(12)	6.3	(12)	1.7	(18)	3.0	0.56	36.00	60.0
Fidelity Balanced Kiwi Fund	86.0	11.1	(15)	5.0	(18)	4.0	(2)	11.7	1.19	36.00	57.4
Fidelity Ethical Kiwi	8.2	10.0	(20)	5.2	(17)	--	--	1.4	1.23	36.00	59.0
Grosvenor Balanced Fund	80.4	9.7	(21)	4.7	(20)	3.0	(9)	16.0	1.17	39.96	42.1
Mercer Super Trust Moderate*	22.3	8.7	(22)	5.8	(15)	2.4	(13)	5.4	0.87	34.20	52.2
Milford Balanced	7.3	16.3	(1)	--	--	--	--	4.1	1.06	36.00	43.0
National Bank Balanced	220.4	12.9	(7)	7.5	(5)	3.6	(5)	58.8	1.15	24.00	52.4
OnePath Balanced	8.7	11.4	(13)	6.9	(7)	3.1	(8)	2.2	0.65	33.00	49.8
SIL Balanced	184.9	12.9	(5)	7.6	(4)	3.8	(3)	26.3	1.11	24.00	52.4
Smartshares Balanced	6.4	10.7	(19)	3.9	(21)	-0.7	(21)	0.8	0.83	--	60.3
TOWER Balanced	247.2	12.5	(8)	6.6	(9)	2.8	(12)	38.2	1.09	33.00	54.6
Westpac Balanced Fund	349.6	10.9	(17)	6.7	(8)	2.8	(11)	95.7	0.91	31.08	66.9
Average		11.6		6.2		2.6		19.5	1.02	36.00**	55.7
Morningstar Multi-Sector Balanced Index		11.0		5.6		1.9		--			58.1

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Multi Sector Options (continued)

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									Expense Ratio		
		1-year	3-year	5-Year	%						
Growth											
AMP LS Growth Fund	154.3	13.8	(12)	5.8	(20)	-0.5	(20)	22.7	1.00	36.00	80.2
AMP OnePath Balanced Plus Fund	39.1	14.1	(9)	8.5	(1)	3.8	(1)	7.1	0.86	36.00	66.9
AMP Tyndall Balanced Fund	8.5	12.0	(18)	6.0	(16)	1.3	(12)	1.4	0.93	36.00	71.0
ANZ Balanced Growth	105.9	14.8	(7)	7.8	(10)	2.4	(4)	30.4	1.20	24.00	68.6
ANZ Growth	213.0	16.9	(2)	8.0	(4)	1.2	(13)	49.2	1.24	24.00	84.1
Aon Russell Lifepoints 2035	5.2	14.1	(10)	8.1	(3)	1.3	(11)	0.8	1.22	50.00	66.0
Aon Russell Lifepoints Growth	9.9	14.4	(8)	7.9	(6)	0.8	(15)	1.3	1.28	50.00	74.0
Aon Tyndall Balanced	2.6	11.9	(19)	6.2	(14)	--	--	0.5	1.27	50.00	71.0
ASB Scheme's Growth	239.6	13.6	(13)	6.0	(15)	-0.1	(18)	43.4	0.70	30.00	79.8
FC Scheme's Active Growth	21.0	12.6	(16)	4.0	(24)	-0.6	(21)	2.8	0.97	36.00	76.5
FirstChoice Scheme's Growth	16.4	13.6	(14)	6.0	(17)	-0.2	(19)	2.3	0.59	36.00	79.8
Fidelity Growth Kiwi Fund	37.8	11.7	(20)	4.1	(23)	2.1	(5)	4.5	1.23	36.00	74.7
Forsyth Barr Balanced Port	6.2	9.1	(27)	3.1	(25)	--	--	1.7	1.38	30.00	61.3
Forsyth Barr Growth Portfolio	5.3	9.7	(24)	2.1	(26)	--	--	1.4	1.50	30.00	77.9
Grosvenor Balanced Growth	25.4	11.0	(22)	--	--	--	--	8.8	1.22	39.96	62.7
Mercer Balanced*	34.2	9.6	(25)	5.9	(18)	1.5	(8)	7.3	0.86	34.20	62.8
Mercer Super Trust Active Bal*	44.0	9.5	(26)	5.8	(19)	1.4	(9)	7.1	1.10	34.20	63.3
Mercer Super Trust Growth*	3.6	10.4	(23)	5.6	(21)	0.2	(17)	0.6	1.18	34.20	74.7
National Bank Balanced Growth	181.9	14.9	(6)	7.9	(9)	2.4	(3)	47.7	1.19	24.00	68.6
National Bank Growth	337.9	16.8	(3)	8.0	(5)	1.1	(14)	71.8	1.24	24.00	84.1
OnePath Balanced Growth	10.6	12.7	(15)	6.9	(11)	1.7	(7)	2.7	0.70	33.00	64.9
OnePath Growth	10.1	14.0	(11)	6.8	(13)	0.4	(16)	2.4	0.74	33.00	79.2
SIL Balanced Growth	169.1	15.0	(5)	7.9	(7)	2.7	(2)	21.6	1.16	24.00	68.6
SIL Growth Fund	118.3	17.0	(1)	8.1	(2)	1.4	(10)	12.9	1.21	24.00	84.1
Staples Rodway Balanced*	12.2	15.2	(4)	7.9	(8)	--	--	2.2	1.23	39.96	70.6
Staples Rodway Growth*	7.0	11.7	(21)	5.3	(22)	--	--	0.9	1.46	39.96	69.0
Westpac Growth Fund	209.3	12.1	(17)	6.9	(12)	1.9	(6)	49.3	0.96	31.08	88.2
Average		13.1		6.4		1.2		14.9	1.10	34.20**	73.1
Morningstar Multi-Sector Growth Index		12.1		5.4		0.8		--			70.5

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Multi Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a.					Estimated Fund Flow 1-Year (\$M)	31/03/2012 Total	Member Fee \$/year	Growth Assets %	
		1-year	3-year	5-Year	Expense Ratio %						
Aggressive											
AMP LS Aggressive Fund	120.6	15.3	(1)	5.7	(3)	-1.8	(9)	10.4	1.07	36.00	93.1
Aon Russell Lifepoints 2045	5.0	14.8	(4)	7.7	(1)	-0.5	(5)	0.8	1.29	50.00	80.0
AXA Growth	88.9	12.5	(5)	4.9	(7)	-1.1	(6)	14.5	1.14	36.72	89.2
Brook Professional Growth Fund	5.2	8.5	(11)	3.0	(9)	3.6	(1)	0.7	1.29	30.00	80.8
Fidelity Aggressive Kiwi Fund	13.9	15.1	(3)	4.0	(8)	1.3	(3)	1.9	1.19	36.00	99.7
Fisher Funds Growth Fund	454.4	9.8	(10)	5.3	(6)	3.0	(2)	83.3	0.95	24.00	88.4
Grosvenor Geared Growth Fund	2.2	11.7	(8)	2.0	(10)	--		0.4	1.27	39.96	81.7
Grosvenor High Growth Fund	56.6	11.6	(9)	1.8	(11)	-2.1	(10)	8.2	1.27	39.96	82.3
Mercer High Growth*	25.1	11.7	(7)	5.6	(4)	-1.3	(7)	5.3	0.98	34.20	90.5
Mercer Super Trust High Growth*	6.4	11.7	(6)	5.4	(5)	-1.4	(8)	1.1	1.24	34.20	91.0
TOWER Growth	73.5	15.2	(2)	6.8	(2)	0.4	(4)	11.7	1.22	33.00	79.2
Average		12.6		4.7		0.0		12.6	1.17	36.00**	86.9
Morningstar Multi-Sector Aggressive Index		12.1		4.1		-1.4		--			91.3

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Single Sector Options

	Assets NZ\$M	Total Returns % p.a						Estimated Fund Flow 1-Year (\$M)	31/03/2012 Total	Member Fee \$/year	Growth Assets %
		1-year		3-year		5-Year			Expense Ratio %		
Cash											
AMP Cash Fund	39.5	2.7	(11)	3.1	(6)	4.4	(5)	7.0	0.67	36.00	0.0
ANZ Cash	48.7	3.0	(6)	2.8	(13)	--	--	16.2	0.56	24.00	0.0
Aon OnePath Cash	3.0	2.6	(13)	2.8	(9)	4.3	(6)	0.5	0.88	50.00	0.0
Aon Tyndall Cash	1.2	3.4	(1)	3.4	(4)	--	--	0.1	0.88	50.00	0.0
ASB Scheme's NZ Cash	222.6	2.3	(16)	2.5	(15)	4.1	(8)	41.0	0.35	30.00	0.0
AXA Cash	20.8	2.5	(14)	2.8	(12)	3.9	(11)	2.6	0.86	36.72	0.0
FC Scheme's NZ Cash	9.9	2.3	(15)	2.5	(16)	4.0	(9)	1.4	0.32	36.00	0.0
Grosvenor Enhanced Income Fund	14.8	3.3	(2)	3.7	(1)	5.0	(1)	2.1	0.82	39.96	0.0
Mercer Cash*	11.4	2.9	(9)	3.7	(2)	4.9	(2)	1.9	0.60	34.20	0.0
Mercer Super Trust Cash*	2.0	2.9	(8)	3.6	(3)	4.8	(3)	0.3	0.65	34.20	0.0
National Bank Cash	75.6	3.0	(4)	2.8	(11)	--	--	22.3	0.56	24.00	0.0
OnePath Cash Fund	1.3	3.1	(3)	2.9	(8)	4.3	(7)	0.2	0.45	33.00	0.0
SIL Cash Fund	19.7	2.8	(10)	2.6	(14)	4.0	(10)	4.8	0.67	24.00	0.0
Staples Rodway Conservative*	15.4	3.0	(5)	3.1	(5)	--	--	3.3	1.08	39.96	0.0
TOWER Preservation	18.3	3.0	(7)	3.1	(7)	4.4	(4)	2.1	0.52	33.00	0.0
Westpac Cash Fund	169.0	2.7	(12)	2.8	(10)	--	--	38.4	0.54	31.08	0.0
Miscellaneous											
Fidelity Options Kiwi Fund	58.0	22.7		6.8		8.9		9.7	1.13	36.00	Und.
Westpac Capital Protect Plan 1	9.4	13.1		5.5		--	-	0.6	1.69	31.08	98.9
Westpac Capital Protect Plan 2	8.1	13.1		--		--	-	0.6	1.69	31.08	98.9
Westpac Capital Protect Plan 3	12.9	13.1		--		--	-	--	1.69	31.08	98.9
Westpac Capital Protect Plan 4	18.6	--		--		--	-	--	N.Ap	31.08	98.9
											(%)
Fixed Income											
Mercer Super Trust Fixed Intr*	1.3	5.7	(3)	6.9	(2)	7.8	(2)	0.3	0.96	34.20	0.0
SIL International Fixed Int	2.0	6.7	(2)	6.3	(3)	7.9	(1)	0.5	1.03	24.00	0.0
SIL New Zealand Fixed Interest	5.8	8.3	(1)	9.1	(1)	7.0	(3)	1.4	0.93	24.00	0.0
Property											
Mercer Super Trust Real Assets*	0.7	9.9	(3)	7.3	(3)	-2.4	(3)	0.1	1.52	34.20	98.8
SIL Australasian Property	6.9	20.7	(2)	11.3	(2)	1.2	(1)	0.6	1.18	24.00	96.1
SIL International Property	4.3	28.5	(1)	15.5	(1)	-2.3	(2)	0.2	1.23	24.00	99.8

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Single Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a					Estimated Fund Flow 1-Year (\$M)	31/03/2012 Total	Member Fee \$/year	Australian Assets %
		1-year	3-year	5-Year	Expense Ratio %					
Australasian Equity										
Aon Milford	42.7	22.9	(1)	11.2	(1)	--	7.7	1.33	50.00	23.0
Grosvenor Socially Responsible	6.7	11.9	(6)	--	--	--	1.2	1.17	39.96	24.3
Grosvenor Trs-Tasm Sm Coms Shr	3.2	10.4	(8)	--	--	--	0.2	1.17	39.96	66.5
Mercer Super Trust Shares*	1.0	14.2	(3)	5.3	(5)	-2.9 (4)	0.2	1.21	34.20	7.6
Mercer Super Trust TransTasman*	1.0	12.7	(5)	5.7	(4)	-1.1 (3)	0.2	1.20	34.20	24.7
Milford Active Growth	68.7	22.9	(2)	11.2	(2)	12.0 (1)	28.6	1.85	36.00	23.0
SIL Australasian Share	11.5	13.9	(4)	7.6	(3)	-0.4 (2)	1.2	1.19	24.00	12.2
Smartshares Growth	15.6	11.7	(7)	2.7	(6)	-5.0 (5)	1.8	0.79	--	0
International Equity										
FC Scheme's Active High Growth	2.2	13.5	(5)	2.2	(5)	--	0.3	1.13	36.00	93.8
FC Scheme's Global Sustain	3.8	13.6	(4)	4.1	(4)	--	0.7	1.66	36.00	99.5
Grosvenor International Share	2.8	10.4	(7)	--	--	--	0.1	1.32	39.96	99.0
Mercer Super Trust Global*	1.3	14.4	(3)	4.8	(2)	-4.0 (3)	0.3	1.20	34.20	98.8
SIL International Share	16.2	16.6	(1)	4.6	(3)	-1.9 (1)	2.1	1.21	24.00	97.1
SIL Sustainable Growth Fund	1.3	11.7	(6)	1.6	(6)	--	0.3	1.67	24.00	95.1
TOWER Equity	23.0	16.2	(2)	4.9	(1)	-3.5 (2)	3.6	1.16	33.00	98.3

Market Share Analysis

	AUM, Sept 2012				AUM, Dec 2011				AUM, Dec 2010				AUM, Dec 2008		
	\$M	%	Rank	Rank Change	\$M	%	Rank	Rank Change	\$M	%	Rank	Rank Change	\$M	%	Rank
By Provider															
AMP	1425.8	11.0	(4)	▼	1178.1	11.4	(3)		897.2	12.1	(3)		595.6	13.0	(3)
Aon	170.6	1.3	(11)		135.8	1.3	(11)		104.9	1.4	(11)	▼	70.1	1.5	(10)
ASB	2715.0	21.0	(2)		2188.0	21.2	(2)		1527.4	20.6	(2)		932.7	20.4	(2)
AXA	883.9	6.8	(5)		744.4	7.2	(5)		560.4	7.6	(5)		372.4	8.1	(5)
Brook	6.7	0.1	(16)		5.9	0.1	(16)		4.6	0.1	(16)	▼	3.4	0.1	(14)
Fidelity	274.3	2.1	(9)		226.1	2.2	(9)		174.3	2.4	(9)		85.3	1.9	(9)
Fisher	622.3	4.8	(8)		476.7	4.6	(8)		203.0	2.7	(8)		116.6	2.5	(8)
Forsyth Barr	11.5	0.1	(15)		8.3	0.1	(15)		5.5	0.1	(15)		2.1	0.0	(15)
Grosvenor	221.2	1.7	(10)		177.2	1.7	(10)		127.1	1.7	(10)	▲	58.9	1.3	(11)
Mercer	783.0	6.1	(7)		661.8	6.4	(7)		486.3	6.6	(7)		332.9	7.3	(7)
Milford	76.0	0.6	(12)		38.9	0.4	(12)	▲	18.1	0.2	(14)		--	--	
OnePath	3230.2	25.0	(1)		2513.7	24.4	(1)		1771.9	23.9	(1)		1045.9	22.9	(1)
Smartshares	25.0	0.2	(14)		21.7	0.2	(14)	▼	18.3	0.2	(13)		12.7	0.3	(13)
Staples Rodway	34.6	0.3	(13)		28.0	0.3	(13)	▼	20.9	0.3	(12)		13.6	0.3	(12)
Tower	862.8	6.7	(6)		717.9	7.0	(6)		541.1	7.3	(6)		358.8	7.8	(6)
Westpac	1569.3	12.2	(3)	▲	1176.6	11.4	(4)		753.1	10.2	(4)		406.1	8.9	(4)
Closed Schemes					0.0	0.0			184.6	2.5			166.1	3.6	
Total	12912.3				10299.2				7398.6				4573.2		