

KiwiSaver Performance Survey June Quarter 2012

A dip in the performance of growth assets in the June quarter shows market volatility is here to stay. This shouldn't scare off investors with longer-term savings timeframes from seeking out balanced or growth-oriented KiwiSaver options.

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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 four years to 30 June 2012. There were no fund additions this quarter. Although there was much media coverage of the KiwiSaver scheme's fifth birthday on 30 June 2012, fund managers did not start to receive monies from the Inland Revenue Department until early October, so the much-anticipated five-year results will be out next quarter.

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

Market Overview

Global economic and political concerns reasserted themselves strongly in the second quarter of 2012, ensuring that the mid-year point ended fretfully once again. May was particularly troublesome, Greek elections failing to produce a clear outcome. The Spanish banking system deteriorated to the point of needing a bailout, and employment data in the United States pointed to a

slowing recovery. Markets perked up in June thanks to a more conclusive election in Greece and some signs of progress out of the most recent European Summit, but these weren't enough to erase the earlier losses or abate longer-term uncertainties.

The major world sharemarkets fell in mid- to high single digits during the second quarter of 2012. The US sharemarket was the place to be, while Europe and the emerging markets were the worst performers. New Zealand and Australia fell somewhere in between. The S&P500 Index was down a meagre -0.85 percent over the quarter, while the MSCI Europe (ex-UK) Index fell -7.65 percent. The aggregate MSCI World Index notched up an overall loss of -3.21 percent. The New Zealand and Australian sharemarkets were down -3.14 and -3.84 percent respectively, Australian resources stocks hit particularly hard, down almost -15.0 percent.

New Zealand and global listed property were among the best-performing asset classes for the second consecutive quarter, up 2.36 and 3.55 percent respectively. Fixed income again showed its resilience during periods of sharemarket stress. International fixed interest delivered a 2.25 percent return over the three

months to 30 June 2012, while the New Zealand Government Stock Index posted a very strong 4.02 percent.

Fund Manager Results

The mixed returns from sharemarkets resulted in KiwiSaver options with higher exposures to income assets (cash and fixed interest) outperforming those with more invested in growth assets (shares and property) over the June 2012 quarter.

Multi-Sector Conservative and Moderate options were generally the best performers over the three months to 30 June 2012, and KiwiSaver options with hefty sovereign bond and listed property allocations were among the best performers.

OnePath was the standout performer across the multi-sector categories. This fund manager – also responsible for the ANZ, SIL, and The National Bank KiwiSaver schemes – again produced strong results in volatile market conditions. Grosvenor and TOWER were among the other providers deserving mention for strong results across a number of risk profiles.

Looking out over three and four years is of course a better indicator of a fund manager's performance track record.

While we are still three months short of five-year results, the best-performing KiwiSaver options over the past four years have been **Aon KiwiSaver Russell Lifepoints** within the Multi-Sector Conservative and Moderate categories, and **SIL KiwiSaver** and **OnePath KiwiSaver** in the Conservative, Moderate, Balanced, and Growth Multi-Sector categories.

Fisher Funds KiwiSaver Growth was the best-performing option across the combined Multi-Sector Growth and Aggressive categories.

Among the single-sector options, the best performances over the three months to 30 June 2012 came from a diverse range of options covering New Zealand fixed interest, listed property, alternatives, and Australasian equities. The top-performing vehicles for the June quarter were **SIL KiwiSaver - New**

Zealand Fixed Interest, Fidelity KiwiSaver - Options Kiwi, SIL KiwiSaver – Australasian Property, and Milford Active Growth KiwiSaver. The last of these was also the best-performing option over the four-year period, and continues to be the best-performing KiwiSaver fund overall.

Just Being in KiwiSaver Most Important Decision, For Now

Over the past quarter we completed some analysis of the typical New Zealand investor's KiwiSaver experience. We looked at the total savings across a range of risk profiles. We selected the ASB KiwiSaver scheme for our analysis, given that this firm has the largest default fund. The question we asked was, have investors lost out by moving into another risk profile? As Table 1 over shows, the answer appears to be not really. We took the median New Zealand salary of NZ\$800.00 a week and added the two percent employer KiwiSaver contributions and two percent employee contributions. (We are aware that these have changed over the past five years, but for these scenarios, have opted to keep the allocations the same over time.) We have also included the NZ\$1,000.00 government kick-start and the tax incentives. The starting point was 1 October 2007.

ASB has four multi-sector KiwiSaver options, and as Table 1 shows, after four years and nine months, the end dollar value across this group of funds does not vary widely, despite the meaningful differences in the different funds' performances. There is only a difference of NZ\$808.00 between the Conservative and Growth options, despite a difference in their total returns of 5.75 percent per annum. This is not as surprising as it may appear. In the early years of KiwiSaver it is all about being in a scheme and incrementally building up the nest egg. As the value of KiwiSaver grows, however, the risk profile decision will become increasingly important. A 15.0 percent loss in 2008 had virtually no impact on an investor's future KiwiSaver savings, because the investor had only just started accumulating. In 10 – 20 years' time, however, a similarly-sized loss will have a much greater impact on the investor's total savings.

Table 1: Hypothetical KiwiSaver Experience Across Different Risk Profiles – 1 October 2007 – 30 June 2012

KiwiSaver Scheme	Morningstar Category	Total Return %pa	Ending Value \$NZ
ASB KiwiSaver Scheme's Conserv (Default)	Multi-Sector - Conservative	4.64	15,740
ASB KiwiSaver Scheme's Moderate	Multi-Sector - Moderate	3.10	15,701
ASB KiwiSaver Scheme's Balanced	Multi-Sector - Balanced	1.05	15,359
ASB KiwiSaver Scheme's Growth	Multi-Sector - Growth	-1.11	14,932

Source: Morningstar

After-Tax Returns Performance Survey to Come

Morningstar began calculating after-tax returns for the majority of KiwiSaver funds on our database in late 2011, and will be publishing a one-off after-tax returns survey in August. We will continue to produce our quarterly KiwiSaver Survey on a gross of tax, net of fee basis. We occasionally get asked why we continue to do this. There are two main reasons. Firstly, bank term deposits are advertised gross of tax, and we know that New Zealanders keep a very close watch on what they can earn at the bank compared with what their KiwiSaver fund returns. To change to a net of tax return could result in confusion and the appearance that KiwiSaver funds are underperforming cash, when in fact they frequently perform much better.

The other reason for reporting gross of tax performance numbers is because of the differing tax rates for individual investors. It can be problematic and confusing outlining performance across the individual tax rates for investors. (In our after-tax performance survey, we will be calculating returns at the top Portfolio Investment Entity tax rate of 28.0 percent.)

We provided some after-tax performance analysis in our September 2011 KiwiSaver Survey and will continue to do so in an ad hoc fashion going forward. Our clients are also able to assess and compare the after-tax performances of the various options using Morningstar software tools. For this medium, our preference continues to be to measure performance on a gross of tax, net of fee basis.

Assets Under Management

KiwiSaver assets on the Morningstar database have grown from NZ\$954.10 million at 30 June 2008 to NZ\$11.64 billion at 30 June 2012, a phenomenal growth rate. ASB and OnePath remained the dominant players at 30 June 2012 with 46.0 percent of KiwiSaver assets between them, a marginal increase on the previous quarter-end. The industry remains highly-concentrated: the eight largest KiwiSaver providers manage almost 95.0 percent of the assets on the Morningstar 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 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 \$M	Total Returns % p.a.			Estimated Fund Flow 1-Year (\$M)	31/03/2011 Total	Member Fee \$/year	Growth Assets %
		1-year	3-year	4-Year		Expense Ratio %		
Default Options								
AMP Default Fund	440.0	2.7	4.4	3.5	79.4	0.54	36.00	22.1
ASB Scheme's Cnsv (Default)	1309.2	4.8	6.1	5.4	343.0	0.36	30.00	19.9
AXA Income Plus (Default)	576.6	4.3	6.7	5.3	110.6	0.53	36.72	22.2
Mercer Conservative (Default)*	580.4	4.7	7.3	5.7	103.3	0.57	34.20	19.0
OnePath Conservative (Default)	551.7	6.6	7.2	6.1	107.1	0.54	33.00	20.1
TOWER Cash Enhanced (Default)	416.3	5.4	6.0	4.9	77.9	0.58	33.00	19.1
Peer Group Averages								
Default Options	3874.3	4.8	6.3	5.1	136.9	0.52	33.60**	
Conservative (Including Default Options)	4574.4	4.8	6.2	5.3	71.8	0.81	33.00**	
Moderate	1622.5	4.4	7.5	5.1	29.3	0.92	36.00**	
Balanced	1670.1	2.0	7.2	3.5	18.4	1.01	36.00**	
Growth	2084.6	0.7	7.7	2.5	19.0	1.07	34.20**	
Aggressive	767.5	-2.7	6.6	1.1	15.5	1.29	36.00**	

Quick Stats

KiwiSaver Total Market Size	\$m	11,643
Increase in Market Size last 3 months	\$m	386
Increase in Market Size last 12 months	\$m	3,065
Largest Providers	\$m	2,885 OnePath
	\$m	2,469 ASB
	\$m	1,384 Westpac
Largest Product	\$m	1,309 ASB KiwiSaver Scheme's Cnsv (Default)
Largest Category	\$m	4,574 Morningstar Conservative Category
Number of Providers		16
Number of Products		134
Highest 3-month Performance this Quarter	%	4.0 SIL KiwiSaver-New Zealand Fixed Interest
Lowest 3-Month Performance this Quarter	%	-10.4 Grosvenor KiwiSaver Trs-Tasm Sm Coms Shr
Highest 12-Month Performance this Quarter	%	11.4 SIL KiwiSaver-Australasian Property
Lowest 12-Month Performance this Quarter	%	-10.9 Grosvenor KiwiSaver Trs-Tasm Sm Coms Shr

Estimated KiwiSaver Market Asset Allocation %

Cash & NZ Bonds	40.3
International Bonds	17.8
NZ Unlisted Property	1.2
NZ Listed Property:	1.6
International Listed Property	2.0
NZ Shares	9.0
Australian Shares	4.7
International Shares	21.8
Other	1.5

Proportion in Income Assets:	58.2
Proportion in Growth Assets:	41.8

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Multi Sector Options

	Assets \$M	Total Returns % p.a.				Estimated Fund Flow		31/03/2011 Total	Member Fee \$/year	Growth Assets %	
		1-year	3-year	4-Year	1-Year (\$M)	Expense Ratio %					
Conservative											
AMP Default Fund	440.0	2.7	(13)	4.4	(12)	3.5	(12)	79.4	0.54	36.00	22.1
ANZ Conservative	83.0	5.9	(5)	7.1	(6)	5.8	(5)	24.9	1.15	24.00	21.3
Aon Russell Lifepoints Cnsv	39.0	6.6	(2)	10.0	(1)	7.2	(1)	10.8	1.13	50.00	Und.
ASB Scheme's Cnsv (Default)	1309.2	4.8	(7)	6.1	(8)	5.4	(7)	343.0	0.36	30.00	19.9
AXA Income Plus (Default)	576.6	4.3	(11)	6.7	(7)	5.3	(9)	110.6	0.53	36.72	22.2
FC Scheme's Tracker Cnsv	68.2	4.8	(8)	6.1	(9)	5.4	(8)	15.4	0.37	36.00	19.9
Fidelity Capital Guarant Kiwi	29.2	3.3	(12)	4.5	(11)	4.2	(11)	6.5	0.98	36.00	11.0
Fisher Funds Conservative Fund	154.4	4.4	(10)	3.7	(14)	--		46.9	1.50	24.00	13.4
Mercer Conservative (Default)*	580.4	4.7	(9)	7.3	(2)	5.7	(6)	103.3	0.57	34.20	19.0
National Bank Conservative	120.9	5.9	(4)	7.1	(5)	5.9	(4)	37.0	1.15	24.00	21.3
OnePath Conservative (Default)	551.7	6.6	(1)	7.2	(3)	6.1	(2)	107.1	0.54	33.00	20.1
SIL Conservative	202.7	5.9	(3)	7.2	(4)	6.0	(3)	41.2	1.12	24.00	21.3
Smartshares Conservative	2.7	2.2	(14)	4.1	(13)	3.4	(13)	0.6	0.87	--	20.7
TOWER Cash Enhanced (Default)	416.3	5.4	(6)	6.0	(10)	4.9	(10)	77.9	0.58	33.00	19.1
Average		4.8		6.2		5.3		71.8	0.81	33.00**	19.3
Morningstar Multi-Sector Conservative Index		5.3		5.9		5.3					18.3
Moderate											
AMP LS Conservative Fund	70.4	4.1	(8)	5.8	(16)	5.3	(8)	26.7	0.82	36.00	28.9
AMP LS Moderate Fund	114.3	2.8	(17)	5.7	(17)	3.5	(17)	27.0	0.92	36.00	41.7
ANZ Conservative Balanced	79.6	5.0	(7)	8.0	(5)	5.5	(5)	23.9	1.15	24.00	36.6
Aon Russell Lifepoints 2015	3.2	5.1	(5)	10.2	(1)	6.0	(1)	0.6	1.06	50.00	Und.
Aon Russell Lifepoints Mod	6.7	3.7	(12)	9.9	(2)	5.2	(9)	1.5	1.12	50.00	Und.
ASB Scheme's Moderate	321.1	3.9	(11)	7.7	(7)	4.8	(14)	93.9	0.45	30.00	40.1
AXA Conservative	28.0	4.1	(9)	7.0	(12)	5.4	(6)	11.4	1.08	36.72	28.5
FC Scheme's Active Cnsv	5.8	3.2	(16)	6.3	(14)	4.8	(13)	1.3	0.83	36.00	Und.
FC Scheme's Tracker Moderat	15.6	3.9	(10)	7.7	(6)	4.7	(15)	3.3	0.52	36.00	40.1
Fidelity Conservative Kiwi Fd	35.6	3.3	(15)	6.3	(15)	4.9	(12)	6.8	1.11	36.00	33.0
Grosvenor Conservative Fund	25.7	6.8	(1)	7.2	(10)	6.0	(2)	7.4	1.07	39.96	21.0
Mercer Super Trust Conserv*	1.9	3.4	(14)	7.1	(11)	4.6	(16)	0.4	1.03	34.20	29.1
National Bank Conservative Bal	103.5	5.1	(4)	8.0	(4)	5.5	(4)	31.5	1.15	24.00	36.6
OnePath Conservative Balanced	3.0	5.7	(2)	7.6	(8)	5.4	(7)	0.8	0.59	33.00	35.1
SIL Conservative Balanced	66.1	5.1	(6)	8.1	(3)	5.6	(3)	12.2	1.11	24.00	36.6
TOWER Conservative	46.2	5.2	(3)	7.5	(9)	5.1	(11)	12.2	0.92	33.00	28.7
Westpac Conservative Fund	695.7	3.7	(13)	6.6	(13)	5.1	(10)	237.4	0.74	31.08	29.5
Average		4.4		7.5		5.1		29.3	0.92	36.00**	33.3
Morningstar Multi-Sector Moderate Index		4.3		6.7		5.1					34.2

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Multi Sector Options (continued)

	Assets \$M	Total Returns % p.a.				Estimated Fund Flow		31/03/2011 Total	Member Fee \$/year	Growth Assets %	
		1-year	3-year	4-Year	1-Year (\$M)	Expense Ratio %					
Balanced											
AMP LS Balanced Fund	168.5	1.7	(13)	5.9	(16)	2.0	(19)	38.4	0.95	36.00	65.1
AMP LS Moderate Balanced Fund	162.3	1.7	(15)	5.7	(17)	2.2	(18)	39.2	0.95	36.00	54.6
AMP TOWER Balanced Fund	9.9	1.7	(14)	6.9	(13)	2.7	(15)	2.0	0.96	36.00	53.8
ANZ Balanced	128.7	4.0	(4)	8.6	(6)	5.0	(4)	41.9	1.19	24.00	52.4
Aon OnePath Balanced	8.2	3.5	(6)	10.5	(1)	6.1	(1)	1.5	1.20	50.00	Und.
Aon Russell Lifepoints 2025	5.1	2.0	(12)	9.8	(2)	3.7	(9)	1.2	1.15	50.00	Und.
Aon Russell Lifepoints Bal	29.6	0.6	(17)	9.7	(3)	3.0	(14)	0.4	1.16	50.00	Und.
ASB Scheme's Balanced	235.4	2.1	(10)	8.1	(8)	3.5	(10)	59.3	0.44	30.00	60.1
AXA Balanced	104.9	-0.1	(21)	7.1	(11)	3.0	(13)	24.3	1.07	36.72	63.5
Brook Professional Balanced Fd	1.4	0.5	(18)	3.2	(21)	1.9	(20)	0.3	1.26	30.00	59.2
FC Scheme's Active Balanced	20.4	0.2	(20)	6.4	(14)	2.7	(16)	4.1	0.90	36.00	Und.
FC Scheme's Tracker Balanced	18.7	2.1	(9)	8.1	(7)	3.4	(11)	3.9	0.56	36.00	60.1
Fidelity Balanced Kiwi Fund	77.6	0.3	(19)	5.2	(20)	3.9	(8)	15.0	1.20	36.00	57.4
Fidelity Ethical Kiwi	7.2	1.6	(16)	5.5	(18)	2.4	(17)	1.7	1.22	36.00	59.0
Grosvenor Balanced Fund	72.8	2.5	(7)	6.1	(15)	4.0	(7)	19.2	1.17	39.96	42.3
Mercer Super Trust Moderate*	18.9	2.1	(8)	7.5	(10)	4.5	(6)	5.4	0.85	34.20	50.0
Milford Balanced	5.6	6.0	(1)	--	--	--	--	3.5	1.07	36.00	60.5
National Bank Balanced	190.1	4.0	(3)	8.6	(5)	5.0	(3)	60.4	1.20	24.00	52.4
OnePath Balanced	7.8	4.5	(2)	7.9	(9)	4.5	(5)	2.3	0.63	33.00	49.8
SIL Balanced	169.2	3.9	(5)	8.7	(4)	5.1	(2)	32.1	1.16	24.00	52.4
Smartshares Balanced	5.9	-3.2	(22)	5.3	(19)	1.0	(21)	1.1	0.84	--	60.2
TOWER Balanced	221.9	2.1	(11)	7.0	(12)	3.3	(12)	49.6	0.99	33.00	53.8
Average		2.0		7.2		3.5		18.4	1.01	36.00**	55.9
Morningstar Multi-Sector Balanced Index		2.5		6.2		3.1		--			52.9

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Multi Sector Options (continued)

	Assets \$M	Total Returns % p.a.				Estimated Fund Flow		31/03/2011 Total	Member Fee \$/year	Growth Assets %	
		1-year	3-year	4-Year	1-Year (\$M)	Expense Ratio %					
Growth											
AMP LS Growth Fund	136.5	-0.7	(24)	5.6	(24)	-0.6	(26)	28.0	0.99	36.00	80.3
AMP OnePath Balanced Plus Fund	33.8	2.3	(6)	8.9	(10)	3.9	(5)	6.4	1.08	36.00	66.9
AMP Tyndall Balanced Fund	7.6	1.1	(14)	7.0	(21)	2.2	(16)	1.5	0.90	36.00	70.5
ANZ Balanced Growth	89.5	2.7	(5)	9.2	(8)	4.4	(3)	29.1	1.24	24.00	68.6
ANZ Growth	183.2	1.6	(8)	9.7	(2)	3.7	(8)	46.9	1.28	24.00	84.1
Aon Russell LifePoints 2035	4.5	-0.6	(21)	9.4	(5)	1.7	(22)	1.0	1.22	50.00	Und.
Aon Russell LifePoints Growth	8.7	-1.6	(25)	9.1	(9)	1.2	(23)	1.9	1.25	50.00	Und.
Aon Tyndall Balanced	2.4	1.2	(13)	7.1	(19)	2.3	(15)	0.6	1.26	50.00	Und.
ASB Scheme's Growth	214.6	0.0	(20)	8.1	(13)	1.8	(19)	49.4	0.44	30.00	80.1
FC Scheme's Active Growth	19.1	-2.4	(28)	5.9	(23)	1.2	(24)	3.5	0.97	36.00	Und.
FC Scheme's Tracker Growth	15.0	0.0	(19)	8.1	(12)	1.7	(21)	2.7	0.59	36.00	80.1
Fidelity Growth Kiwi Fund	34.3	-1.7	(26)	4.6	(25)	2.0	(17)	5.9	1.27	36.00	74.7
Forsyth Barr Balanced Port	5.3	0.0	(18)	3.6	(26)	0.8	(25)	1.9	1.49	30.00	63.5
Forsyth Barr Growth Portfolio	4.4	-2.4	(27)	2.7	(27)	-1.5	(27)	1.3	1.56	30.00	83.0
Grosvenor Balanced Growth	21.6	-0.7	(23)	--	--	--	--	9.2	1.22	39.96	61.6
Mercer Balanced*	31.3	1.2	(11)	8.1	(14)	3.0	(12)	7.3	0.80	34.20	60.8
Mercer Super Trust Active Bal*	40.7	1.2	(12)	8.0	(16)	3.0	(13)	7.1	1.05	34.20	61.9
Mercer Super Trust Growth*	3.2	0.2	(16)	7.7	(17)	2.0	(18)	0.6	1.14	34.20	72.9
National Bank Balanced Growth	156.0	2.9	(3)	9.3	(7)	4.4	(2)	48.5	1.24	24.00	68.6
National Bank Growth	293.2	1.5	(10)	9.7	(3)	3.6	(9)	75.4	1.28	24.00	84.1
OnePath Balanced Growth	9.4	3.4	(2)	8.1	(15)	3.7	(7)	2.7	0.68	33.00	64.9
OnePath Growth	8.9	2.2	(7)	8.2	(11)	2.7	(14)	2.5	0.73	33.00	79.2
SIL Balanced Growth	154.0	2.8	(4)	9.4	(6)	4.5	(1)	25.4	1.21	24.00	68.6
SIL Growth Fund	107.1	1.6	(9)	9.9	(1)	3.9	(6)	15.1	1.26	24.00	84.1
Staples Rodway Balanced*	11.0	3.6	(1)	9.5	(4)	3.5	(10)	2.4	Und.	39.96	60.2
Staples Rodway Growth*	6.2	0.4	(15)	6.6	(22)	1.8	(20)	0.9	Und.	39.96	69.3
Westpac Balanced Fund	301.4	0.2	(17)	7.1	(20)	4.1	(4)	100.1	0.81	31.08	66.9
Westpac Growth Fund	181.7	-0.6	(22)	7.4	(18)	3.5	(11)	54.9	0.86	31.08	88.2
Average		0.7		7.7		2.5		19.0	1.07	34.20**	72.6
Morningstar Multi-Sector Growth Index		1.3		6.4		2.2		--			66.3

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Multi Sector Options (continued)

	Assets \$M	Total Returns % p.a.					Estimated Fund Flow		31/03/2011 Total	Member Fee \$/year	Growth Assets	
		1-year	3-year	4-Year	1-Year (\$M)	%	%	%				
Aggressive												
AMP LS Aggressive Fund	106.4	-2.0	(5)	5.4	(7)	-2.0	(10)	14.6	1.06	36.00	93.1	
Aon Russell Lifepoints 2045	4.3	-3.0	(7)	9.0	(1)	-0.2	(8)	0.9	1.30	50.00	Und.	
AXA Growth	77.9	-3.8	(8)	6.5	(6)	0.7	(6)	17.2	1.03	36.72	88.5	
Brook Professional Growth Fund	4.9	-0.6	(2)	4.1	(9)	1.8	(3)	0.9	1.28	30.00	89.5	
Fidelity Aggressive Kiwi Fund	12.5	-6.0	(11)	5.3	(8)	2.1	(2)	2.2	1.31	36.00	99.7	
Fisher Funds Growth Fund	415.4	-2.5	(6)	9.0	(2)	5.6	(1)	102.7	2.43	24.00	80.6	
Grosvenor Geared Growth Fund	2.0	-4.2	(9)	--	--	--	--	0.5	1.27	39.96	82.5	
Grosvenor High Growth Fund	51.4	-4.2	(10)	3.5	(10)	-0.6	(9)	10.6	1.27	39.96	81.6	
Mercer High Growth*	22.3	-1.7	(4)	8.0	(3)	0.8	(5)	5.3	0.90	34.20	88.7	
Mercer Super Trust High Growth*	5.8	-1.6	(3)	7.8	(4)	0.6	(7)	1.1	1.19	34.20	90.1	
TOWER Growth	64.7	-0.3	(1)	7.6	(5)	1.8	(4)	14.2	1.14	33.00	77.9	
Average		-2.7		6.6		1.1		15.5	1.29	36.00**	87.2	
Morningstar Multi-Sector Aggressive Index		-1.6		4.8		0.1		--			88.8	

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Single Sector Options

	Assets \$M	Total Returns % p.a.						Estimated Fund Flow 1-Year (\$M)	31/03/2011 Total Expense Ratio %	Member Fee \$/year	Growth Assets %
		1-year	3-year	4-Year							
Cash											
AMP Cash Fund	37.5	2.7	(11)	3.1	(6)	3.9	(5)	9.8	0.66	36.00	0.0
ANZ Cash	43.9	3.1	(6)	2.7	(13)	--		17.9	0.60	24.00	0.0
Aon OnePath Cash	2.9	2.6	(12)	2.9	(10)	3.5	(9)	0.8	0.89	50.00	Und.
Aon Tyndall Cash	1.3	3.1	(2)	3.3	(4)	4.1	(4)	0.3	0.90	50.00	Und.
ASB Scheme's NZ Bank Deposit	211.2	2.4	(14)	2.5	(15)	3.3	(11)	57.7	0.31	30.00	0.0
AXA Cash	20.0	2.4	(16)	2.9	(8)	3.4	(10)	4.3	0.83	36.72	0.0
FC Scheme's NZ Cash	9.8	2.4	(15)	2.5	(16)	3.3	(12)	2.4	0.32	36.00	0.0
Grosvenor Enhanced Income Fund	14.2	3.1	(3)	3.6	(3)	4.3	(3)	3.2	0.82	39.96	0.0
Mercer Cash*	11.3	3.0	(8)	3.7	(1)	4.4	(1)	1.9	0.57	34.20	0.0
Mercer Super Trust Cash*	2.0	3.0	(7)	3.7	(2)	4.3	(2)	0.3	0.63	34.20	0.0
National Bank Cash	68.9	3.1	(5)	2.7	(12)	--		26.3	0.60	24.00	0.0
OnePath Cash Fund	1.3	3.1	(1)	2.9	(9)	3.6	(7)	0.3	0.44	33.00	0.0
SIL Cash Fund	19.6	2.9	(9)	2.5	(14)	3.2	(14)	6.9	0.85	24.00	0.0
Staples Rodway Conservative*	14.1	3.1	(4)	3.2	(5)	3.5	(8)	3.8	Und.	39.96	0.0
TOWER Preservation	18.0	2.8	(10)	3.0	(7)	3.8	(6)	4.4	0.53	33.00	0.0
Westpac Cash Fund	158.1	2.6	(13)	2.8	(11)	3.3	(13)	49.3	0.45	31.08	0.0
Miscellaneous											
Fidelity Options Kiwi Fund	54.0	-9.5		9.1		6.1		10.2	1.12	36.00	Und.
Westpac Capital Protect Plan 1	9.0	-4.9		6.1		--		0.6	1.56	31.08	98.9
Westpac Capital Protect Plan 2	7.7	-4.9		--		--		0.6	1.57	31.08	98.9
Westpac Capital Protect Plan 3	12.4	-4.9		--		--		--	N.Ap	31.08	98.9
Westpac Capital Protect Plan 4	17.7	--		--		--		--	N.Ap	31.08	98.9
											(%)
Fixed Income											
Mercer Super Trust Fixed Intr*	1.1	7.1	(3)	8.8	(2)	8.0	(1)	0.3	0.95	34.20	0.0
SIL International Fixed Int	1.8	8.6	(2)	6.5	(3)	7.7	(2)	0.5	1.06	24.00	0.0
SIL New Zealand Fixed Interest	5.4	10.4	(1)	9.2	(1)	7.3	(3)	1.6	0.98	24.00	0.0
Property											
Mercer Super Trust Real Assets*	0.6	2.2	(3)	14.8	(3)	0.8	(3)	0.1	1.25	34.20	98.8
SIL Australasian Property	6.2	11.4	(1)	15.0	(2)	4.6	(1)	0.7	1.23	24.00	96.1
SIL International Property	4.2	2.9	(2)	23.4	(1)	1.8	(2)	0.4	1.27	24.00	99.8
International Equity											
FC Scheme's Active High Growth	1.8	-6.3	(7)	4.0	(5)	-4.4	(5)	0.3	1.13	36.00	Und.
FC Scheme's Global Sustain	3.5	-2.9	(3)	5.8	(3)	3.0	(1)	0.9	1.66	36.00	99.5
Grosvenor International Share	2.7	-4.9	(6)	--		--		0.3	1.32	39.96	98.7
Mercer Super Trust Global*	1.2	-3.3	(4)	6.7	(1)	-2.9	(4)	0.3	1.20	34.20	98.4
SIL International Share	14.9	-1.7	(1)	5.4	(4)	0.3	(2)	2.4	1.25	24.00	97.1
SIL Sustainable Growth Fund	1.1	-2.8	(2)	2.8	(6)	--		0.3	1.75	24.00	95.1
TOWER Equity	20.7	-4.8	(5)	6.1	(2)	-1.4	(3)	3.9	1.16	33.00	96.4

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Single Sector Options (continued)

	Assets \$M	Total Returns % p.a				Estimated Fund Flow 1-Year (\$M)	31/03/2011 Total Expense Ratio		Member Fee \$/year	Australian Assets	
		1-year	3-year	4-Year	%		%	%			
Australasian Equity											
Aon Milford	36.3	10.7	(1)	10.7	(1)	--	10.1	1.39	50.00	25.2	
Grosvenor Socially Responsible	5.9	-4.3	(6)	--	--	--	1.5	1.17	39.96	24.0	
Grosvenor Trs-Tasm Sm Coms Shr	2.8	-10.9	(8)	--	--	--	0.6	1.17	39.96	67.7	
Mercer Super Trust Shares*	0.9	-3.1	(4)	6.9	(4)	-1.0	(4)	0.2	1.20	34.20	7.2
Mercer Super Trust TransTasman*	0.8	-3.2	(5)	6.7	(5)	2.5	(3)	0.2	1.20	34.20	24.5
Milford Active Growth	52.5	10.7	(1)	10.7	(2)	10.5	(1)	23.4	1.02	36.00	25.2
SIL Australasian Share	9.9	-0.9	(3)	8.1	(3)	3.5	(2)	1.4	1.23	24.00	12.2
Smartshares Growth	14.4	-7.1	(7)	6.1	(6)	-1.2	(5)	2.5	0.85	--	0

Market Share Analysis

By Provider	AUM, June 2012				AUM, Dec 2011				AUM, Dec 2010				AUM, Dec 2008		
	\$M	%	Rank	Rank Change	\$M	%	Rank	Rank Change	\$M	%	Rank	Rank Change	\$M	%	Rank
AMP	1287.3	11.1	(4)	▼	1178.1	11.4	(3)		897.2	12.1	(3)		595.6	13.0	(3)
Aon	152.2	1.3	(11)		135.8	1.3	(11)		104.9	1.4	(11)	▼	70.1	1.5	(10)
ASB	2469.2	21.2	(2)		2188.0	21.2	(2)		1527.4	20.6	(2)		932.7	20.4	(2)
AXA	807.4	6.9	(5)		744.4	7.2	(5)		560.4	7.6	(5)		372.4	8.1	(5)
Brook	6.2	0.1	(16)		5.9	0.1	(16)		4.6	0.1	(16)	▼	3.4	0.1	(14)
Fidelity	250.3	2.2	(9)		226.1	2.2	(9)		174.3	2.4	(9)		85.3	1.9	(9)
Fisher	569.8	4.9	(8)		476.7	4.6	(8)		203.0	2.7	(8)		116.6	2.5	(8)
Forsyth Barr	9.8	0.1	(15)		8.3	0.1	(15)		5.5	0.1	(15)		2.1	0.0	(15)
Grosvenor	199.1	1.7	(10)		177.2	1.7	(10)		127.1	1.7	(10)	▲	58.9	1.3	(11)
Mercer	722.4	6.2	(7)		661.8	6.4	(7)		486.3	6.6	(7)		332.9	7.3	(7)
Milford	58.1	0.5	(12)		38.9	0.4	(12)	▲	18.1	0.2	(14)		--	--	
OnePath	2885.0	24.8	(1)		2513.7	24.4	(1)		1771.9	23.9	(1)		1045.9	22.9	(1)
Smartshares	23.0	0.2	(14)		21.7	0.2	(14)	▼	18.3	0.2	(13)		12.7	0.3	(13)
Staples Rodway	31.3	0.3	(13)		28.0	0.3	(13)	▼	20.9	0.3	(12)		13.6	0.3	(12)
Tower	787.8	6.8	(6)		717.9	7.0	(6)		541.1	7.3	(6)		358.8	7.8	(6)
Westpac	1383.7	11.9	(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	11642.8				10299.2				7398.6				4573.2		