

KiwiSaver Survey March Quarter 2014

Volatility returned to global equity markets in the first quarter of 2014 as global equity markets paused after a very strong 2013. But the local market continues to deliver, with the NZX posting a very strong three-month result, allowing the KiwiSaver providers with large domestic equity exposure to outperform the pack.

Chris Douglas
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Morningstar has released its quarterly KiwiSaver Survey, 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 2014.

This quarter we have added five KiwiSaver funds operated by BNZ KiwiSaver to our database. They are among the four new default providers announced by Commerce Minister Craig Foss in late March, bringing the total number of default providers to nine. The new term will start on 1 July 2014.

But as one arrives, it looks like another is about to depart. On 3 April, Brook Asset Management advised that the firm was taking steps to wind up the business. As a result, no new applications were being accepted into the Brook Professional KiwiSaver Scheme. Investors in the scheme will be notified of their options, which will include being transferred to another scheme. Please visit the Brook website if you have any questions.

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

Market Overview

The relatively smooth ride experienced by global equity markets in 2013 was quickly forgotten during the first three months of 2014. Global equity markets were knocked about by the actions of market leaders and the potential consequences of an armed conflict in Ukraine. Concerns over the recovery in the US and the stability of the Chinese economy were also elevated after the release of poor economic data.

Markets began the year poorly as investor confidence was affected by the release of soft payroll data from the US and disappointing manufacturing data from China raised concerns of slowing growth. Investors were further unnerved by the escalating conflict between Russia and the West in Ukraine and its potential repercussions. New US Federal Reserve Chairman Janet Yellen took over in March, which initially disrupted markets as she warned of imminent rate increases following the wind down of quantitative easing. However, these fears were quelled

as Yellen then reasserted that an accommodative stance would be maintained for an extended period.

Looking at the March quarterly performance of share markets, many began the year poorly. Global markets in aggregate were down 3.95% in \$NZ terms. Within this, the US market (S&P 500) declined 3.44% over the quarter, the UK market (FTSE) gave up 5.73% and the Japanese market (Nikkei) lost 11.89%.

The story closer to home was much more positive for equities.

The NZX 50 gained an impressive 8.51%, while across the Tasman the S&P/ASX 200 was up 0.32% in \$NZ terms.

Global listed property was one of the standout sectors, posting a 7.50% return for the quarter. Domestic listed property was more subdued but still increased 1.28%.

Predicting the schedule of interest rate rises in developed economies is giving investors headaches. Nevertheless, both local and global fixed income markets posted solid low single-digit results during the quarter. The global Barclays Aggregate Bond index rose 2.74%, while the local composite fixed income index posted a 1.31% return.

The kiwi dollar traded relatively flat over the quarter against the Australian dollar, rising 1.0% to A94¢ from A93¢. Market returns from the US were greatly reduced (if left unhedged), as the \$NZ rose 5.37% to US87¢ from US82¢.

Fund Manager Results

Compared with the previous corresponding quarter, the March 2014 quarter was more subdued for KiwiSaver investors.

However, most KiwiSaver funds did experience growth, albeit on a small scale. The investment decision to split assets between growth and income carried little weighting during the quarter.

This is best represented by the average returns for the five categories ranging from 1.12% to 1.54%, with the balanced category returning the strongest average return for the period.

There was also a spread of top-performers across the categories as one provider did not stand out across the range of investment options. Smartshares produced impressive returns in the

conservative and balanced categories due to its hefty New Zealand bias, while the Fisher TWO scheme was the top performer in the aggressive category. Consistent performers Mercer and Milford topped the league tables in the growth and moderate categories respectively.

It is more appropriate to evaluate the performance of a KiwiSaver scheme by studying its long-term returns. The story here is very similar from previous quarters. Looking at performance over three and five years indicates that Aon KiwiSaver Russell and Mercer KiwiSaver have been the top-performing fund managers across the board. The boutique providers also continue to shine. Fisher Fund's Growth Fund has been the top performer in the aggressive category over five years and Milford has been comfortably the top performer in the balanced category since inception in 2010.

The strongest-performing KiwiSaver scheme in the January quarter was OneAnswer KiwiSaver Australasian Share, which returned an impressive 9.81%. The best-performing scheme since inception has been Milford Active Growth KiwiSaver, which has returned 14.35% to investors annually since 1 October 2007.

Diversification Truly is a Free Lunch

Performance over the past 12 months has shown clearly why diversification is important and why investors should be careful about having all their eggs in one basket. Global equities was the best performing asset class in 2013, returning 26.98%, streets ahead of other areas, including New Zealand equities which posted returns in the mid-teens. But global equities suffered during the first three months of 2014, declining by 3.95% while New Zealand equities have come to the fore, posting an 8.51% return.

It was the same in fixed interest markets, with the New Zealand performance tussling with global fixed interest. Sometimes the local market excels, such as in 2008 and 2011, but other times the global fixed interest market comes out on top, such as in 2012-13.

We see this time and again – asset class returns don't move in harmony and will ebb and flow in reaction to short-term factors. But over the long-term, there are similar return expectations. So having a range of drivers in your KiwiSaver portfolio can help you achieve strong performance but with lower volatility. That's the free lunch.

Assets Under Management

KiwiSaver assets on the Morningstar database grew to NZ\$18.75 billion at 31 March 2014 from NZ\$954.10 million at 30 June 2008, which is a phenomenal growth rate. ASB and OnePath remained the dominant players at 31 December 2013, with a steady 46.6% 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 BNZ comes in at 10th based on its assets.

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. ■■

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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	31/03/2013 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year	3-year	5-Year				
Default Options								
AMP Default	1203.0	4.9	4.7	5.2	36.00	0.54	67.2	21.9
ASB Scheme's Conservative (Default)	1978.5	4.1	5.2	6.2	30.00	0.38	55.6	19.9
Mercer Conservative (Default)*	774.7	7.4	6.8	8.4	34.20	0.54	55.8	20.5
OnePath Conservative (Default)	736.9	4.3	6.4	7.0	33.00	0.53	41.0	19.9
Fisher TWO Cash Enhanced (Default)	493.8	4.3	5.8	6.5	33.00	0.59	67.2	20.6
Peer Group Averages								
Default Options	5186.9	5.0	5.8	6.7	33.2	0.52	55.82**	20.6
Conservative (Including Default Options)	6264.7	4.9	5.9	6.7	33.0	0.73	57.51**	21.4
Moderate	2833.0	5.4	6.5	8.3	36.0	0.91	39.81**	33.2
Balanced	3486.9	8.3	7.6	9.7	36.0	1.01	38.79**	56.9
Growth	3490.9	10.0	8.2	11.2	36.0	1.11	26.22**	73.6
Aggressive	1161.6	11.4	7.4	12.0	36.0	1.28	25.19**	87.5
Quick Stats								
KiwiSaver Total Market Size	\$m	18,746						
Increase in Market Size last 3 months	\$m	1,124						
Increase in Market Size last 12 months	\$m	4,259						
Largest Providers	\$m	4,898	ANZ/OneAnswer					
	\$m	3,841	ASB					
Largest Product	\$m	1,979	ASB Scheme's Conservative (Default)					
Largest Category	\$m	6,265	Morningstar Conservative					
Number of Providers		15						
Number of Products		136						
Highest 3-month Performance this Quarter	%	9.8	OneAnswer Australasian Share					
Lowest 3-Month Performance this Quarter	%	-4.5	OneAnswer International Share					
Highest 12-Month Performance this Quarter	%	22.4	Mercer Super Trust TransTasman*					
Lowest 12-Month Performance this Quarter	%	-9.2	Grosvenor Trs-Tasm Sm Coms Shr					

Estimated KiwiSaver Market Asset Allocation %

Cash & NZ Bonds	35.4
International Bonds	20.2
NZ Unlisted Property	1.1
NZ Listed Property	1.6
International Listed Property	1.8
NZ Shares	8.9
Australian Shares	5.6
International Shares	23.6
Other	1.3

Proportion in Income Assets:	55.6
Proportion in Growth Assets:	43.9

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Multi Sector Options

	Assets NZ\$M	Total Returns % p.a.						Member Fee \$/year	31/03/2013 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year		3-year		5-Year					
Conservative											
AMP Default	1203.0	4.9	(5)	4.7	(11)	5.2	(10)	36.00	0.54	67.2	21.9
ANZ Conservative	323.2	4.2	(9)	6.3	(6)	7.0	(5)	24.00	1.03	39.5	22.8
Aon Russell Lifepoints Conservative	58.5	3.8	(13)	7.7	(1)	10.3	(1)	50.00	1.12	16.1	20.3
ASB Scheme's Conservative (Default)	1978.5	4.1	(10)	5.2	(10)	6.2	(7)	30.00	0.38	55.6	19.9
BNZ Conservative	71.9	3.9	(12)	--	--	--	--	24.00	--	Und.	Und.
Brook Conservative	0.3	6.8	(3)	--	--	--	--	30.00	0.61	66.8	23.7
FC Scheme's Conservative	88.0	4.1	(11)	5.2	(9)	6.2	(8)	36.00	0.39	55.6	19.9
Fidelity Capital Guarant Kiwi	38.0	2.7	(14)	4.1	(12)	4.6	(11)	36.00	0.92	85.6	10.2
Fisher Funds Conservative	221.4	6.3	(4)	6.3	(5)	--	--	36.00	1.08	57.7	22.8
Mercer Conservative (Default)*	774.7	7.4	(2)	6.8	(2)	8.4	(2)	34.20	0.54	55.8	20.5
OnePath Conservative (Default)	736.9	4.3	(8)	6.4	(3)	7.0	(4)	33.00	0.53	41.0	19.9
OneAnswer Conservative	273.4	4.3	(7)	6.4	(4)	7.1	(3)	24.00	1.02	39.5	22.8
Smartshares Conservative	3.1	7.6	(1)	5.8	(7)	5.5	(9)	NULL	0.79	100.0	32.8
Fisher TWO Cash Enhanced (Default)	493.8	4.3	(6)	5.8	(8)	6.5	(6)	33.00	0.59	67.2	20.6
Average		4.9		5.9		6.7		33.00**	0.73	57.5	21.4
Morningstar NZ Multi Sector Conservative Index		3.6		5.1		5.8					19.2
Moderate											
AMP LS Conservative	169.1	3.9	(15)	5.5	(14)	5.8	(15)	36.00	0.84	54.0	27.3
AMP LS Moderate	181.0	5.4	(11)	6.0	(9)	6.7	(13)	36.00	0.92	45.3	42.4
ANZ Conservative Balanced	335.2	6.5	(4)	7.7	(4)	8.9	(4)	24.00	1.04	31.8	38.8
Aon Russell Lifepoints 2015	4.2	4.8	(13)	7.8	(3)	11.1	(2)	50.00	1.13	15.1	24.4
Aon Russell Lifepoints Moderate	10.0	7.1	(2)	8.5	(1)	11.9	(1)	50.00	1.19	12.0	40.5
ASB Scheme's Moderate	557.0	5.7	(8)	6.2	(8)	8.6	(5)	30.00	0.57	44.4	39.6
BNZ Moderate	58.7	5.5	(10)	--	--	--	--	24.00	--	Und.	Und.
FC Scheme's Active Conservative	7.0	6.2	(6)	6.0	(11)	7.7	(10)	36.00	0.78	Und.	Und.
FC Scheme's Moderate	20.9	5.7	(9)	6.2	(7)	8.6	(6)	36.00	0.58	44.4	39.6
Fidelity Conservative Kiwi	46.2	3.3	(16)	5.5	(13)	7.0	(11)	36.00	1.01	50.3	24.8
Fidelity Asset Class Conservative	2.2	2.5	(17)	--	--	--	--	36.00	1.01	10.4	30.2
Grosvenor Conservative	39.0	1.9	(18)	5.0	(15)	6.6	(14)	39.96	1.07	49.9	25.0
Mercer Super Trust Conserv*	2.4	6.7	(3)	6.0	(12)	8.3	(8)	34.20	0.97	59.6	29.3
Milford Conservative	4.1	10.8	(1)	--	--	--	--	36.00	1.06	38.1	40.3
OnePath Conservative Balanced	7.1	6.2	(7)	7.3	(5)	8.4	(7)	33.00	0.58	34.2	35.4
OneAnswer Conservative Balanced	89.1	6.4	(5)	7.8	(2)	9.1	(3)	24.00	1.02	31.8	38.8
Fisher TWO Conservative	81.4	5.0	(12)	6.3	(6)	8.1	(9)	33.00	1.00	63.0	29.7
Westpac Conservative	1218.4	4.3	(14)	6.0	(10)	7.0	(12)	31.08	0.78	52.9	25.5
Average		5.4		6.5		8.3		36.00**	0.91	39.8	33.2
Morningstar NZ Multi Sector Moderate Index		4.8		5.5		7.4					39.6

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Multi Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a						Member Fee \$/year	31/03/2013 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year	3-year	5-Year							
Balanced											
AMP LS Balanced	443.1	7.4	(18)	7.3	(12)	8.4	(16)	36.00	0.96	34.2	62.6
AMP LS Moderate Balanced	266.1	6.2	(20)	6.5	(17)	7.6	(18)	36.00	0.96	39.8	52.4
AMP TOWER Balanced	17.4	8.5	(9)	7.1	(15)	8.9	(14)	36.00	0.99	53.7	56.0
ANZ Balanced	662.8	8.6	(8)	9.0	(5)	10.7	(5)	24.00	1.09	26.9	53.4
Aon OnePath Balanced	14.8	8.5	(11)	9.4	(2)	12.6	(2)	50.00	1.21	32.9	59.5
Aon Russell Lifepoints 2025	9.1	8.1	(16)	8.7	(6)	12.6	(3)	50.00	1.21	11.0	44.5
Aon Russell Lifepoints Balanced	35.5	10.2	(2)	9.3	(3)	13.3	(1)	50.00	1.25	8.0	60.4
ASB Scheme's Balanced	407.8	8.4	(14)	7.1	(14)	10.5	(6)	30.00	0.62	33.7	59.1
BNZ Balanced	41.8	7.9	(17)	--	--	--	--	24.00	--	Und.	Und.
Brook Balanced	2.1	8.5	(10)	5.9	(18)	6.3	(20)	30.00	1.29	44.0	55.8
FC Scheme's Active Balanced	27.5	9.4	(4)	6.8	(16)	9.7	(12)	36.00	0.82	Und.	Und.
FC Scheme's Balanced	26.8	8.4	(13)	7.1	(13)	10.5	(7)	36.00	0.62	33.7	59.1
Fidelity Balanced Kiwi	109.5	5.4	(21)	5.5	(20)	7.9	(17)	36.00	1.05	32.8	58.9
Fidelity Ethical Kiwi	11.7	8.9	(5)	7.5	(9)	9.0	(13)	36.00	1.29	60.4	59.0
Grosvenor Balanced	115.3	4.7	(22)	4.8	(21)	7.6	(19)	39.96	1.17	33.6	58.4
Mercer Super Trust Moderate*	39.1	10.1	(3)	7.5	(10)	10.2	(8)	34.20	0.80	46.2	50.7
Milford Balanced	34.9	12.0	(1)	12.1	(1)	--	--	36.00	1.54	36.8	65.8
OnePath Balanced	20.5	8.2	(15)	8.2	(7)	9.7	(11)	33.00	0.63	28.5	49.4
OneAnswer Balanced	256.1	8.7	(6)	9.0	(4)	10.7	(4)	24.00	1.08	26.9	53.4
Smartshares Balanced	7.0	6.6	(19)	5.7	(19)	8.5	(15)	NULL	0.74	100.0	62.5
Fisher TWO Balanced	362.8	8.4	(12)	7.4	(11)	10.0	(9)	33.00	1.04	53.7	56.0
Westpac Balanced	575.3	8.6	(7)	7.6	(8)	9.8	(10)	31.08	0.87	39.1	60.4
Average		8.3		7.6		9.7		36.00**	1.01	38.8	56.9
Morningstar NZ Multi Sector Balanced Index		7.6		6.4		8.4					58.1

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Multi Sector Options (continued)

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		1-year	3-year	5-Year							
Growth											
AMP LS Growth	351.4	9.3	(18)	7.7	(17)	9.5	(19)	36.00	1.00	24.4	82.4
AMP OnePath Balanced Plus	92.2	10.2	(17)	9.7	(7)	11.8	(11)	36.00	0.87	22.9	65.5
AMP Tyndall Balanced	14.0	9.0	(20)	7.1	(20)	9.4	(21)	36.00	0.94	38.8	71.0
ANZ Balanced Growth	529.6	10.8	(14)	10.2	(4)	12.4	(6)	24.00	1.14	20.7	68.2
ANZ Growth	961.7	12.9	(3)	11.3	(2)	14.0	(3)	24.00	1.19	16.2	83.0
Aon Russell Lifepoints 2035	8.0	11.0	(11)	9.5	(8)	13.8	(4)	50.00	1.26	7.5	63.4
Aon Russell Lifepoints Growth	14.6	12.7	(5)	10.0	(5)	14.3	(1)	50.00	1.30	5.0	75.3
Aon Tyndall Balanced	3.9	8.7	(22)	7.1	(21)	9.5	(18)	50.00	1.47	38.8	71.0
ASB Scheme's Growth	394.7	11.1	(9)	7.8	(16)	12.0	(9)	30.00	0.66	26.9	78.7
BNZ Growth	27.6	10.7	(15)	--	--	--	--	24.00	--	Und.	Und.
FC Scheme's Active Growth	28.0	12.3	(6)	7.5	(18)	10.8	(17)	36.00	0.86	Und.	Und.
FC Scheme's Growth	22.5	11.0	(10)	7.8	(15)	12.0	(10)	36.00	0.67	26.9	78.7
Fidelity Growth Kiwi	48.4	7.4	(23)	5.7	(22)	9.0	(22)	36.00	1.12	23.8	76.9
Forsyth Barr Balanced	9.3	1.7	(26)	4.3	(25)	5.6	(24)	36.00	1.89	39.1	74.6
Forsyth Barr Growth	8.2	2.5	(25)	4.6	(23)	6.2	(23)	36.00	2.08	28.1	92.3
Grosvenor Balanced Growth	48.5	6.6	(24)	4.6	(24)	--	--	39.96	1.22	25.3	75.3
Mercer Balanced*	53.2	11.4	(8)	8.0	(14)	11.6	(13)	34.20	0.79	39.7	62.1
Mercer Super Trust Active Bal*	54.4	11.5	(7)	8.0	(13)	11.5	(14)	34.20	1.01	40.4	62.8
Mercer Super Trust Growth*	5.5	13.0	(2)	8.5	(12)	12.1	(8)	34.20	1.08	34.7	73.6
OnePath Balanced Growth	23.8	10.4	(16)	9.1	(10)	11.0	(16)	33.00	0.68	23.0	64.3
OnePath Growth	21.4	12.8	(4)	10.0	(6)	12.3	(7)	33.00	0.73	19.5	78.8
OneAnswer Balanced Growth	235.3	11.0	(12)	10.3	(3)	12.5	(5)	24.00	1.13	20.7	68.2
OneAnswer Growth	167.7	13.1	(1)	11.4	(1)	14.1	(2)	24.00	1.18	16.2	83.0
Staples Rodway Balanced*	17.5	9.1	(19)	9.4	(9)	11.7	(12)	40.00	1.21	31.9	64.4
Staples Rodway Growth*	9.3	8.7	(21)	7.1	(19)	9.4	(20)	40.00	1.40	25.0	71.3
Westpac Growth	340.5	10.8	(13)	8.9	(11)	11.2	(15)	31.08	0.93	33.8	81.7
Average		10.0		8.2		11.2		36.00**	1.11	26.2	73.6
Morningstar NZ Multi Sector Growth Index		9.3		6.9		9.7					70.5

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Multi Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a.						Member Fee \$/year	31/03/2013 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year	3-year	5-Year							
Aggressive											
AMP LS Aggressive	162.7	10.3	(7)	8.1	(5)	10.2	(7)	36.00	1.06	18.9	92.4
Aon Russell Lifepoints 2045	7.6	13.7	(4)	10.2	(1)	14.9	(2)	50.00	1.34	4.5	78.3
Brook Growth	8.1	12.1	(5)	7.7	(6)	8.9	(8)	30.00	1.29	36.2	86.7
Fidelity Aggressive Kiwi	17.5	8.6	(10)	5.1	(8)	10.4	(6)	36.00	1.19	16.1	91.2
Fidelity Asset Class Growth	10.3	5.2	(11)	--	--	--	--	36.00	1.12	18.4	86.0
Fisher Funds Growth	691.1	14.9	(3)	7.3	(7)	15.3	(1)	36.00	2.24	38.0	84.9
Grosvenor Geared Growth	3.5	8.7	(9)	4.2	(10)	--	--	39.96	1.27	15.9	97.8
Grosvenor High Growth	79.7	9.3	(8)	4.3	(9)	8.8	(9)	39.96	1.27	21.5	88.8
Mercer High Growth*	45.7	15.4	(2)	9.1	(3)	13.7	(3)	34.20	0.90	27.0	89.7
Mercer Super Trust High Growth*	9.5	15.5	(1)	9.1	(2)	13.6	(4)	34.20	1.13	28.3	89.8
Fisher TWO Growth	126.0	11.6	(6)	8.8	(4)	12.5	(5)	33.00	1.28	52.4	76.8
Average		11.4		7.4		12.0		36.00**	1.28	25.2	87.5
Morningstar NZ Multi Sector Aggressive Index		11.5		6.4		9.5					91.3

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Single Sector Options

	Assets NZ\$M	Total Returns % p.a						Member Fee \$/year	31/03/2013 Total Expense Ratio %	New Zealand Domiciled Assets %	Growth Assets %
		1-year	3-year	5-Year							
Cash											
AMP Cash	61.6	2.7	(14)	2.8	(11)	3.0	(6)	36.00	0.67	100.0	0.0
ANZ Cash	169.1	2.9	(11)	2.9	(7)	2.8	(10)	24.00	0.51	100.0	0.0
Aon OnePath Cash	3.1	2.4	(15)	2.5	(14)	2.7	(11)	50.00	0.91	100.0	0.0
Aon Tyndall Cash	1.3	2.9	(6)	3.2	(2)	3.3	(4)	50.00	0.91	100.0	0.0
ASB Scheme's NZ Cash	263.6	2.9	(9)	2.6	(13)	2.6	(12)	30.00	0.34	100.0	0.0
BNZ Cash	37.0	3.3	(1)	--	--	--	--	24.00	--	Und.	Und.
FC Scheme's NZ Cash	8.8	2.9	(8)	2.6	(12)	2.6	(13)	36.00	0.34	100.0	0.0
Grosvenor Enhanced Income	17.8	2.9	(7)	3.2	(1)	3.6	(1)	39.96	0.82	100.0	0.0
Mercer Cash*	9.4	3.0	(3)	3.1	(4)	3.5	(2)	34.20	0.36	100.0	0.0
Mercer Super Trust Cash*	2.1	3.0	(4)	3.0	(5)	3.4	(3)	34.20	0.59	100.0	0.0
OnePath Cash	1.8	2.9	(10)	3.0	(6)	2.9	(9)	33.00	0.45	100.0	0.0
OneAnswer Cash	19.5	2.8	(13)	2.8	(9)	2.6	(14)	24.00	1.02	100.0	0.0
Staples Rodway Conservative*	18.4	2.8	(12)	2.9	(8)	2.9	(7)	40.00	1.20	100.0	0.0
Fisher TWO Preservation	22.5	3.1	(2)	3.1	(3)	3.1	(5)	33.00	0.59	100.0	0.0
Westpac Cash	209.5	2.9	(5)	2.8	(10)	2.9	(8)	31.08	0.56	100.0	0.0
Fixed Income											
Mercer Super Trust Fixed Intr*	1.1	3.2	(1)	5.8	(1)	8.0	(1)	34.20	0.91	42.2	0.0
OneAnswer International Fixed Interest	2.3	1.4	(2)	5.4	(2)	4.9	(3)	24.00	1.21	1.5	0.0
OneAnswer New Zealand Fixed Interest	5.6	-1.4	(3)	4.8	(3)	6.0	(2)	24.00	0.65	100.0	0.0
International Equity											
FC Scheme's Active High Growth	3.3	17.0	(2)	7.2	(4)	11.1	(4)	36.00	0.94	Und.	Und.
FC Scheme's Global Sustainability	6.3	18.8	(1)	9.3	(1)	12.6	(2)	36.00	1.42	5.6	94.4
Grosvenor International Share	4.7	16.5	(4)	5.7	(6)	--	--	39.96	1.32	1.4	98.6
Mercer Super Trust Global*	1.8	17.0	(3)	8.0	(2)	13.6	(1)	34.20	1.13	2.5	97.5
OneAnswer International Share	22.6	13.9	(6)	7.3	(3)	10.7	(5)	24.00	0.91	0.3	99.7
OneAnswer Sustainable Growth	2.0	11.5	(7)	3.4	(7)	6.9	(6)	24.00	1.65	5.6	94.4
Fisher TWO Equity	39.6	14.0	(5)	7.0	(5)	12.4	(3)	33.00	1.33	47.2	94.8
Property											
Mercer Super Trust Real Assets*	1.0	16.0	(1)	9.9	(3)	18.3	(2)	34.20	1.32	26.8	98.6
OneAnswer Australasian Property	8.7	6.5	(2)	14.7	(1)	14.6	(3)	24.00	1.16	0.5	99.5
OneAnswer International Property	5.5	5.2	(3)	9.9	(2)	23.8	(1)	24.00	1.19	0.5	99.5

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Single Sector Options (continued)

	Assets NZ\$M	Total Returns % p.a					Member Fee \$/year	31/03/2013 Total Expense Ratio %	New Zealand Domiciled Assets %	Australian Assets %
		1-year	3-year	5-Year						
Australasian Equity										
Aon Milford	75.1	20.3	(3)	17.9	(2)	--	50.00	3.59	72.9	16.0
Grosvenor Socially Responsible	9.4	2.2	(7)	3.7	(7)	--	39.96	1.17	40.9	29.4
Grosvenor Trs-Tasm Sm Coms Shr	3.8	-9.2	(8)	-4.4	(8)	--	39.96	1.17	32.2	67.8
Mercer Super Trust Shares*	1.8	18.9	(5)	10.5	(5)	14.5 (4)	34.20	1.11	25.2	7.6
Mercer Super Trust TransTasman*	1.9	22.4	(1)	15.9	(3)	15.9 (2)	34.20	1.10	75.8	24.2
Milford Active Growth	225.4	20.4	(2)	18.0	(1)	16.4 (1)	36.00	3.32	72.9	16.0
OneAnswer Australasian Share	17.1	20.1	(4)	15.7	(4)	15.8 (3)	24.00	1.16	90.5	9.5
Smartshares Growth	20.7	8.7	(6)	7.5	(6)	11.7 (5)	NULL	0.75	100.0	0
Miscellaneous										
Fidelity Options Kiwi	71.7	8.4		4.9		11.0	36.00	1.14		
NZ Funds Growth	30.9	15.9		9.1		--	NULL	2.06		
NZ Funds Income	7.1	2.4		4.4		--	NULL	1.06		
NZ Funds Inflation	22.5	4.0		5.6		--	NULL	1.37		
Westpac Capital Protect Plan 1	10.5	14.9		9.2		12.4	31.08	1.66		
Westpac Capital Protect Plan 2	8.9	14.9		9.2		--	31.08	1.66		
Westpac Capital Protect Plan 3	14.5	14.9		9.2		--	31.08	1.66		
Westpac Capital Protect Plan 4	20.7	14.9		--		--	31.08	1.66		
Westpac Capital Protect Plan 5	17.3	14.8		--		--	31.08	1.66		

Market Share Analysis

	AUM, March 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	2961.6	15.8	(3)		2861.5	16.1	(3)	▲	1485.5	10.9	(4)	▼	1178.1	11.5	(3)
ANZ/OneAnswer	4897.7	26.1	(1)		4602.7	25.9	(1)		3445.7	25.3	(1)		2513.7	24.5	(1)
Aon	245.6	1.3	(9)	▼	231.4	1.3	(8)	▲	180.5	1.3	(9)		135.8	1.3	(9)
ASB	3840.5	20.5	(2)		3682.6	20.7	(2)		2859.3	21.0	(2)		2188.0	21.3	(2)
BNZ	237.0	1.3	(10)		184.2	1.0	(10)		--	--			--	--	
Brook	10.5	0.1	(15)		10.2	0.1	(15)	▼	7.1	0.1	(14)		5.9	0.1	(14)
Fisher Funds	2038.6	10.9	(5)		1941.3	10.9	(5)	▲	660.0	4.8	(7)		476.7	4.6	(7)
Forsyth Barr	17.5	0.1	(14)		16.6	0.1	(14)	▼	12.3	0.1	(13)		8.3	0.1	(13)
Grosvenor	677.1	3.6	(7)		648.8	3.7	(7)	▲	380.3	2.8	(8)		291.8	2.8	(8)
Mercer	1003.6	5.4	(6)		958.2	5.4	(6)		806.6	5.9	(6)		661.8	6.4	(6)
Milford	264.3	1.4	(8)	▲	222.1	1.3	(9)	▲	99.1	0.7	(10)		38.9	0.4	(10)
NZ Funds	60.4	0.3	(11)		55.8	0.3	(11)		--	--			--	--	
Smartshares	30.8	0.2	(13)		29.6	0.2	(13)	▼	26.5	0.2	(12)		21.7	0.2	(12)
Staples Rodway	45.2	0.2	(12)		43.6	0.2	(12)	▼	35.4	0.3	(11)		28.0	0.3	(11)
Westpac	2415.6	12.9	(4)		2268.9	12.8	(4)	▼	1713.6	12.6	(3)	▲	1176.6	11.5	(4)

Closed/Merged Providers

Huljich to Fisher, Mid 2011									--	--			--	--	
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)

Total															
	18746.0				17757.5				13640.0				10276.0		

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