

KiwiSaver Methodology

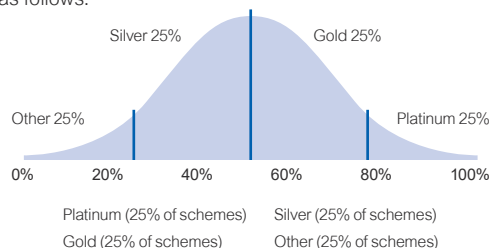
SuperRatings' ratings methodology has been designed to reflect each scheme's "Value for Money". The best "Value for Money" schemes receive our Platinum rating whereas those schemes that offer the lowest value for their members in our assessment receive an Other rating.

In understanding the "Value for Money" proposition we believe that the best value for money schemes offer the greater potential to maximise the retirement savings of its members in a well serviced, secure environment whilst offering suitable, well priced benefits such as member education and quality impartial financial advice.

It is important to identify that a lower rating (such as Silver or Other) does not indicate in any way that a scheme is unsuitable for investment. Rather, these ratings indicate that the same or similar features offered by these schemes may well be available in a more efficient environment.

This year SuperRatings undertook a comprehensive analysis of over 31 KiwiSaver Schemes covering in excess of \$48 billion in savings on behalf of over 2.8 million member accounts.

In order to maintain integrity within the rating process, the range of SuperRatings are determined in accordance with our practice of distributing all results across a pre-determined distribution bell curve, such that only a certain number of Schemes can achieve our top Ratings, as follows:



Ratings Awards



Platinum – The best value for money KiwiSaver schemes. Well balanced across all key assessment criteria – investment returns, investment methodology, fees, administration and advisory services in a robust, secure and proven governance/risk framework. Provides features that should assist most individuals to meet their retirement goals.



Silver – A reasonable value for money scheme performing well in most assessment areas.



Gold – A good value for money KiwiSaver scheme. Strong in nearly all assessment areas.



Other – Other rated schemes frequently have many competitors that offer superior performance and structures in a more efficient environment. Other rated schemes usually fall below average in many of our assessment criteria.

Ratings Methodology – Assessment Criteria

SuperRatings' ratings methodology seeks to cover over 350 individual parts of a KiwiSaver's Scheme's offering. The data assessed covers information both in the public domain as well as aspects which are sourced directly from schemes. Our ratings system covers 6 key assessment components. These are reviewed both quantitatively & qualitatively and are individually weighted. Each rated scheme is provided with regular Request for Information documents from SuperRatings to maintain our data. Where a Scheme does not respond or the data provided cannot be substantiated, then the response used will, where appropriate, be assumed to be at the 75th percentile of our universe. Details of the assessment modules and their weightings are as follows:

Assessment Module	Weighting %
Investment including: methodology, variety of investment options, performance and process	30.0
Fees & Charges including: cost, structure & transparency over various account balances	22.5
Advice including: member education and financial planning capabilities	15.0
Administration including: structure, service standards, on-line capabilities and adviser servicing	12.5
Governance including: service provider oversight, compliance processes & risk management	5.0
Qualitative Overlay including: overall benefits, flexibility & choice, transparency & usability	15.0
Total Assessment	100

About SuperRatings This information sheet is issued by SuperRatings Pty Ltd ABN: 95 100 192 283 AFSL 311880 (SuperRatings). SuperRatings is a fully owned subsidiary of Lonsec Holdings Pty Ltd ABN: 41 151 235 406. SuperRatings believes that professional financial advisers need informed opinions on the best superannuation and pension financial products to provide real value for their clients. To meet this need, SuperRatings has in place an experienced research team, which draws on a robust research process to undertake in-depth assessment of superannuation financial products. No fees are paid by superannuation and pension funds to SuperRatings for reviewing and rating superannuation and pension financial products.

Warnings: Past performance is not a reliable indicator of future performance. Any expressed or implied rating or advice presented in this publication is limited to General Advice and based solely on consideration of the merits of the superannuation financial product(s), without considering any person's particular financial circumstances. The reader should read the Product Disclosure Statement and seek personal advice before making a decision on the financial product. SuperRatings' research process relies upon the participation of the superannuation fund or product issuer(s). Should the superannuation fund or product issuer(s) no longer be an active participant in SuperRatings' research process, SuperRatings reserves the right to withdraw the rating and document at any time and discontinue future coverage of the superannuation and pension financial product(s).

© SuperRatings Pty Ltd. All rights reserved. This report may also contain third party material that is subject to copyright. To the extent that copyright subsists in a third party it remains with the original owner and permission may be required to reuse the material. Any unauthorised reproduction of this information is prohibited.