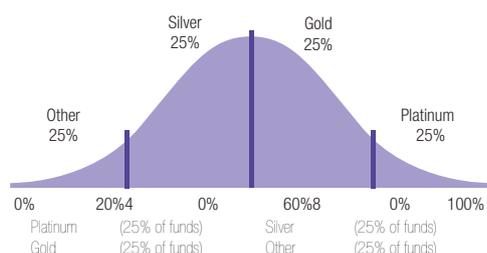


# KiwiSuper Ratings Methodology

## Ratings Structure

This year SuperRatings undertook a comprehensive analysis of over 27 KiwiSaver Schemes covering in excess of \$28 billion in savings on behalf of over 2.4 million member accounts.

To maintain the integrity of the ratings process, SuperRatings utilises a practice of distributing all results across a pre-determined distribution bell curve as follows:



## Ratings 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.

## Ratings Awards



### Platinum

The "best value for money" KiwiSaver scheme that is 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. These schemes provide features that should assist most individuals to meet their retirement goals.



### Silver

A "reasonable value for money" scheme that is performing well in most assessment areas.



### Gold

A "good value for money" KiwiSaver scheme that is strong in nearly all assessment areas.



### Other

An Other rated scheme usually falls below average in many of our assessment areas. These schemes frequently have many competitors that offer superior performance and structures in a more efficient environment.

## Ratings Methodology—Assessment Criteria

SuperRatings ratings methodology seeks to cover over 350 individual parts of a KiwiSaver schemes 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 six key assessment components. These are reviewed both quantitatively and 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

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
<b>Total Assessment</b>	<b>100</b>

**About SuperRatings:** SuperRatings Pty Ltd ABN: 95 100 192 283 AFSL 311800 (SuperRatings) is a superannuation research house with specialist areas of expertise, that was originally established in 2002. From 1 July 2011, SuperRatings became a fully owned subsidiary of the entity currently registered as Lonsec Fiscal Holdings Pty Ltd ABN: 41 151 235 406, a privately owned and independent entity with a multi-brand strategy of providing leading financial services research and investment execution. 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 fee is 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 express or implied rating or advice presented in this document is limited to "General Advice" (as defined in the Corporations Act 2001 (Cth)) and based solely on consideration of the merits of the superannuation financial product(s) alone, without taking into account the objectives, financial situation and particular needs ("financial circumstances") of any particular person. Before making an investment decision based on the rating(s) or advice, the reader must consider whether it is personally appropriate in light of his or her financial circumstances, or should seek independent financial advice on its appropriateness. If SuperRatings' advice relates to the acquisition or possible acquisition of particular financial product(s), the reader should obtain and consider the Product Disclosure Statement for each superannuation financial product before making any decision about whether to acquire a 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).