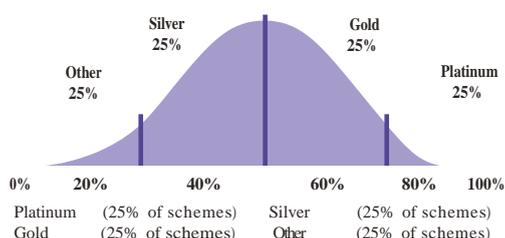


KiwiSaver Ratings Methodology

Ratings Structure

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 Structure

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 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 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

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	100.0

SuperRatings Pty Ltd ABN: 95 100 192 283 AFSL 311800 (SuperRatings) is a 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, a privately owned and independent entity with a multi-brand strategy of providing leading financial services research and investment execution. 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 Investment Statement for each financial product before making any decision about whether to acquire a financial product. SuperRatings’ research process relies upon the participation of the KiwiSaver Scheme or product issuer(s). Should the KiwiSaver Scheme 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 Scheme financial product(s).