



Take control of your financial future with our independent KiwiSaver report.

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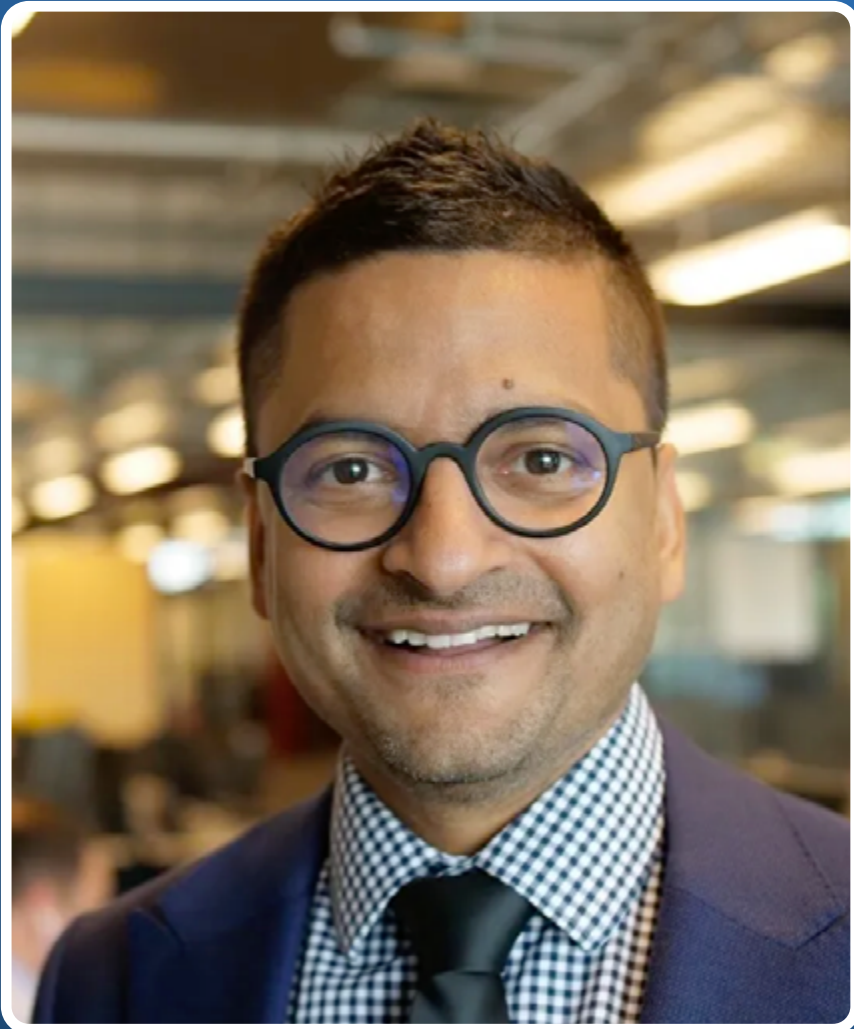
About this report

KiwiSaver, established in 2007, has been instrumental in assisting New Zealanders with future financial planning and savings, whether it's securing a comfortable retirement, purchasing a home or coping with unexpected difficulties.

The scheme's popularity was undeniable, with 25% of New Zealanders signed up in the first six years of its operation. And with that popularity came more providers, more options, and more flexibility for customers to choose from.

While this growth was great, we noticed that no one was holding the individual providers to account.

We've appointed ourselves as an industry watchdog. We want to provide transparency (one of our core values) to New Zealanders planning for their futures.



CLIVE FERNANDES | DIRECTOR / FOUNDER

Who is National Capital?

Specialising in KiwiSaver research & advice, National Capital was founded in 2018 and currently advises on over \$130m of KiwiSaver investments.

Utilising a robust and well-defined KiwiSaver Investment Selection Process, we score KiwiSaver funds across criteria that are vital in helping Kiwis select the right fund for them.

National Capital was founded by Clive Fernandes. Clive is a financial adviser with over 20 years of experience running successful businesses and a self-confessed KiwiSaver nerd. We are now part of the Saturn group, which has been helping Kiwis since 1988.



LISA DUDSON
DIRECTOR



CRAIG STOBO
CHAIR



PETER DINE
INVESTMENT COMMITTEE



RAVI CHANDOLA
INVESTMENT COMMITTEE

Our people

Our team comprises of experienced finance professionals with over 300 years of combined experience. Our Chairperson, Craig Stobo chaired the Government's Review of the Taxation of Investment Income in 2004 which lead to the PIE tax regime which underpins the KiwiSaver scheme.

Built on principles designed to empower New Zealanders to become financially secure, the Saturn/National Capital team has diverse backgrounds in the finance industry, allowing us to advise New Zealanders on various facets of their financial lives.



The Quarterly Deep Dive



Women can bridge the \$61 billion KiwiSaver retirement gap through smarter investing

National Capital has analysed data* that showcases the huge discrepancies between women's and men's KiwiSaver funds and what this could look like at retirement age 65.

Women, on average, earn 25% less salary than men. This, combined with a less growth-oriented investment strategy favoured by women, means that the gap at retirement between men and women could reach a significant \$61 billion.

*Study based on FMA KiwiSaver Annual Report 2023 and Retirement Commission (TAAO) Kiwisaver balances. Salary data is based on information from Stats NZ and MJV's demographic study with a salary growth of 2%, inflation of 2% and KiwiSaver contribution of 3%. The investment strategy does not change. Returns are after tax and fees.

How the gender gap affects different age groups

We considered the average female New Zealander within the cohort aged 41-45, with an average 30% salary gap. This translates to a comparative advantage of approximately \$50,000 in KiwiSaver funds for men within the same age bracket at age 65.

Below is a breakdown of expected retirement funds for males and females aged 18-65 and their differences at retirement.

Amount projected at retirement (aged 65) for each age group and gender

Age Group	Salary Gap	Male: Total expected balance at retirement	Female: Total expected balance at retirement	Difference in monetary value at retirement
18-24 years old	19%	\$90.82 Billion	\$75.18 Billion	\$15.63 Billion
25-30 years old	17%	\$64.95 Billion	\$53.96 Billion	\$10.98 Billion
31-35 years old	27%	\$61.44 Billion	\$51.08 Billion	\$10.36 Billion
36-40 years old	22%	\$46.62 Billion	\$39.01 Billion	\$7.60 Billion
41-45 years old	30%	\$31.70 Billion	\$25.82 Billion	\$5.87 Billion
46-50 years old	33%	\$25.90 Billion	\$21.27 Billion	\$4.63 Billion
51-55 years old	30%	\$17.86 Billion	\$15.08 Billion	\$2.78 Billion
56-60 years old	45%	\$12.72 Billion	\$10.26 Billion	\$2.46 Billion
61-65 years old	6%	\$6.47 Billion	\$5.55 Billion	\$917 Million

NATIONAL CAPITAL TAKEAWAY

How women can use their strengths to bridge the KiwiSaver gap

The gender pay gap isn't disappearing quickly, so while work is being done on bigger, systemic changes, women should also consider what they can do right now.

Research* shows that women are often better investors than men. Women should take advantage of this strength. By focusing on investments that aim for higher growth, women can compensate for earning less money. Women tend to handle ups and downs in the market well, which helps them make better investment decisions and get better results.

However, while aiming for higher growth, seeking financial advice is crucial to ensure that investments align with personal volatility capacity and tolerance levels.

National Capital offers personalised advice and support with our free National Capital KiwiSaver Health Check.

*<https://www.fidelity.ca/en/insights/articles/women-better-investors/>

Overall analysis

(January to March 2024)

Report Methodology

National Capital's proprietary Investment Selection Process is based on six pillars that intend to help New Zealanders build trust and confidence in their investments. Each pillar is scored individually and the combined rating of the six pillars gives a fund a score **out of 100**.

1

PERFORMANCE AFTER FEES

Quality and consistency of returns.

25
POINTS

2

FEES ALIGNMENT

Assessment of value provided for fees charged.

15
POINTS

3

ORGANISATIONAL CAPABILITY

The capability of the organisation to manage your money.

20
POINTS

4

ORGANISATIONAL STABILITY

Overall stability within a provider's organisation.

10
POINTS

5

PROCESSES & PORTFOLIO COMPOSITION

Asset allocation, investing process and style consistency.

20
POINTS

6

ETHICAL INVESTING CONSIDERATIONS

Deep dive into the ethical investing claims of providers.

10
POINTS

A-rated High Growth funds

KiwiSaver Fund	Performance after Fees ²⁵	Fees Alignment ¹⁵	Capability ²⁰	Stability ¹⁰	Process & Portfolio ²⁰	Ethical Investing ¹⁰	Total Score ¹⁰⁰
Booster Socially Responsible High Growth	23.08	15	20	10	20	9.75	97.83
Generate Focused Growth	21.15	15	20	10	20	4.45	90.60
FANZ Lifestages High Growth	19.23	15	20	10	20	5.45	89.68

Insights

- ▶ All A-rated funds remain NZ-owned.
- ▶ Booster's Socially Responsible High Growth Fund maintained its leading Value for Money rating from the last quarter, achieving a 5-year annualised return of 10.87% per annum over the previous five years.
- ▶ Generate KiwiSaver Focused Growth achieved the highest one-year return, delivering a 25.44% return to the year ended March 2024.
- ▶ The gap between the best and worst performing funds*, based on 5-year performance, decreased slightly to 4.65% p.a. as of this quarter.
- ▶ As of March 2024, the average one-year return of all High-Growth funds* was 18.87%.

*Based on the sample group of funds that have passed our preliminary filtering process.

A-rated Growth funds

KiwiSaver Fund	25 Performance after Fees	15 Fees Alignment	20 Capability	10 Stability	20 Process & Portfolio	10 Ethical Investing	100 Total Score
Simplicity Growth Fund	21.00	15	20	10	20	7.56	93.56
Fisher TWO Growth	20.00	15	20	10	20	7.03	92.03
QuayStreet Growth Fund	22.00	15	20	10	20	4.85	91.85
Milford Active Growth	22.00	15	20	10	20	4.59	91.59
Generate Growth Fund	22.00	15	20	10	20	4.46	91.46
Pie Growth	17.00	15	20	10	20	8.34	90.34

Insights

- ▶ Simplicity's Growth Fund remains the only passive manager to rank among the A-rated Growth funds.
- ▶ QuayStreet KiwiSaver Scheme's Growth Fund and Generate KiwiSaver Scheme's Growth Fund were added to the A-rated fund list, while Booster KiwiSaver's Scheme Growth Fund lost its place.
- ▶ Milford Active Growth remains the top-performing fund* for the 5-year period with an annualised return of 10.65% p.a.
- ▶ The performance gap over a 5-year period between the best and worst performing funds* rose to 6.08% p.a. in the current quarter from 5.83% p.a. in the previous quarter.

*Based on the sample group of funds that have passed our preliminary filtering process.

A-rated **Balanced** funds

KiwiSaver Fund	Performance after Fees	Fees Alignment	Capability	Stability	Process & Portfolio	Ethical Investing	Total Score
Booster Socially Responsible Balanced	19.79	15	20	10	20	9.14	93.93
Simplicity Balanced	17.71	15	20	10	20	7.60	90.31
Milford Balanced Fund	19.79	15	20	10	20	4.49	89.28
Fisher Funds TWO Balanced	18.75	15	20	7.5	20	6.46	87.71
Booster Balanced	15.63	15	20	10	20	5.63	86.25
Fisher Funds KiwiSaver Plan Balanced	22.92	15	10	7.5	20	8.17	83.59

Insights

- ▶ Booster KiwiSaver maintained a spot for both of its Balanced funds on the A-rated list of funds.
- ▶ Fisher Funds KiwiSaver Plan (prev KiwiWealth KiwiSaver) Balanced was the only A-rated fund that did not receive a perfect score for the Capability pillar. This is due to high manager turnover within the last 2 years.
- ▶ The performance gap over a 5-year period between the best and worst performing funds* was 4.10% p.a. in the current quarter.
- ▶ All A-rated funds in the Balanced category are NZ-owned.

*Based on the sample group of funds that have passed our preliminary filtering process.

A-rated Conservative funds

KiwiSaver Fund	Performance after Fees ²⁵	Fees Alignment ¹⁵	Capability ²⁰	Stability ¹⁰	Process & Portfolio ²⁰	Ethical Investing ¹⁰	Total Score ¹⁰⁰
Milford Conservative	21.67	15	20	10	20	4.58	91.24
Fisher TWO Cash Enhanced*	20.00	15	20	7.50	20	7.48	89.98
BNZ KiwiSaver First Home Buyer Fund	18.33	15	20	10	20	6.00	89.33

*This fund is no longer open to new investors.

Insights

- ▶ BNZ KiwiSaver's First Home Buyer Fund was added to the list, while Westpac's Defensive Conservative Fund lost its place.
- ▶ Milford Conservative was the highest-scoring A-rated Conservative fund, with the best performance after fees.
- ▶ The average 1-year return for A-rated Conservative funds was 7.21% as of this quarter compared to 8.32% as of the previous quarter.
- ▶ The gap between the best and worst performing funds*, based on 5-year performance, increased to 1.56% p.a. as of this quarter.

*Based on the sample group of funds that have passed our preliminary filtering process.

Assessment pillar insights

(January to March 2024)

Performance

National Capital Insights

- ▶ Average 1-year returns to the March 2024 quarter ranged from 7.21% for Conservative funds to 18.87% for High Growth funds.
- ▶ All funds yielded positive 1-year returns to the March 2024 quarter.
- ▶ The highest 1-year performance up to March 2024 was that of Generate KiwiSaver's Focused Growth Fund at 25.44%.
- ▶ The lowest 1-year performance up to March 2024 was that of OneAnswer KiwiSaver's Conservative Fund, returning 5.88%.

Performance

HIGH GROWTH Top 5-year Returns*		GROWTH Top 5-year Returns*		BALANCED Top 5-year Returns*		CONSERVATIVE Top 5-year Returns*	
Booster Socially Responsible High Growth	10.87%	Milford Active Growth	10.65%	Milford Balanced	8.07%	QuayStreet Conservative	3.80%
Generate Focused Growth Fund	9.46%	QuayStreet Growth	9.66%	QuayStreet Balanced	7.88%	Milford Conservative	3.69%
Fisher Funds Plan Growth	9.13%	Pie Growth	8.84%	SuperLife KiwiSaver Ethica	7.12%	Fisher TWO Cash Enhanced	3.32%

*All returns are per annum, net of fees but before tax.



Fees

National Capital Insights

- ▶ Simplicity maintained its position as the provider with the lowest fees among the Growth, Balanced, and Conservative categories.*
- ▶ The average fees varied greatly across different categories. High Growth had the highest average fees at 1.12%, while Conservative had the lowest at 0.61%.**
- ▶ The Milford Cash Fund had fees of 0.20%, making it the lowest fee KiwiSaver fund if we include the Cash category.
- ▶ While a growing number of providers have been phasing out fixed monthly membership fees, 12 of the 24 KiwiSaver providers we researched still mentioned charging membership fees*** in their Product Disclosure Statements.

* In this quarter's analysis, we did not consider Simplicity KiwiSaver Schemes' recently launched High Growth fund.

** We did not include Cash or Single-Sector funds in our analysis.

*** Fisher Funds KiwiSaver Plan had a minimum \$40 fee, which effectively is a membership fee for those with low balances.

Fees

HIGH GROWTH Lowest Fees*		GROWTH Lowest Fees*		BALANCED Lowest Fees*		CONSERVATIVE Lowest Fees*	
SuperLife High Growth	0.63%	Simplicity Growth	0.31%	Simplicity Balanced	0.31%	Simplicity Conservative	0.31%
Mercer Sustainable Plus High Growth	0.92%	BNZ Growth	0.51%	BNZ Balanced	0.51%	Booster Conservative	0.38%
AMP LS Aggressive	0.96%	SuperLife Growth	0.61%	Westpac Balanced	0.59%	Westpac Defensive Conservative	0.39%

*The Fees displayed in the table above are sourced from the Disclose Register, reflecting the period for which the returns are listed. Current fees for certain funds might differ. For example, Simplicity has lowered its fees for all KiwiSaver funds to 0.25% from 1 February 2024, while AMP LS Aggressive fund fees are estimated to be 0.79% going forward. Fees listed are percentage-based management fees. Funds may have fixed member fees or individual action fees and management fees.



Ethical Investing

National Capital Insights

- ▶ Booster Kiwisaver's Socially Responsible funds scored the highest for Ethical Investing across High Growth, Growth and Balanced funds.
- ▶ Simplicity's Conservative Fund scored the highest for Ethical Investing in the Conservative category, a rating of 8.23/10.
- ▶ Overall, the managers maintained how they invest ethically with an unchanged average score of 6.11 from last quarter. A score of 6.11 indicates having 'some exclusions', so overall, managers seem to be paying attention to Ethical Investing.
- ▶ Besides funds from Booster, other providers with multiple funds that scored highly include Fisher Funds TWO, Fisher Funds KiwiSaver Plan, Nikko AM, Pathfinder, MAS and Simplicity.
- ▶ Superlife's passive funds varied widely in our ethical ratings, with the Ethica fund securing the second rank in the Balanced category with a rating of 8.71/10. In contrast, their High Growth, Growth, and Balanced funds received low ratings of 2.15, 2.44, and 1.97, respectively.

Ethical Investing

HIGH GROWTH Ethical Investing Score		GROWTH Ethical Investing Score		BALANCED Ethical Investing Score		CONSERVATIVE Ethical Investing Score	
Booster Socially Responsible High Growth	9.75	Booster Socially Responsible Growth	9.09	Booster Socially Responsible Balanced	9.14	Simplicity Conservative	8.23
Fisher Funds KiwiSaver Plan Growth	8.10	Pathfinder Growth	8.47	SuperLife KiwiSaver Ethica	8.71	Fisher TWO Cash Enhanced	7.48
Nikko AM Growth	8.00	Pie Growth	8.34	Pathfinder Balanced	8.31	MAS Conservative	7.10



Capability & Stability

National Capital Insights

The KiwiSaver industry is undergoing significant changes in the area of investment professionals. These changes have important implications for the investment process and organisational culture. We will remain alert on the following critical watchpoints from the previous few quarters.

- ▶ **ANZ** announced that Craig Tyson, head of Australasian listed property, and Maaïke van Tol, head of asset allocation, would be exiting over the next few months.
- ▶ The **BNZ** KiwiSaver Scheme is transitioning to new ownership under FirstCape, a merger including JBWere New Zealand, Jarden Wealth, and Harbour Asset Management.
- ▶ Simon Power has been appointed as the CEO of **Fisher Funds**, succeeding Bruce McLachlan following McLachlan's retirement announcement after seven years in the role.
- ▶ Dan Mead has transitioned from **AMP** NZ to the Medical Assurance Society (**MAS**) as the new investment manager, stepping into the role previously held by Colin Thomson, who has moved to a specialist advisory position within the company.

Process & Portfolio

National Capital Insights

- ▶ The average net cash holdings in KiwiSaver Growth funds fell from 7.70% to 7.57%, indicating managers found some opportunities to deploy cash. The cash holdings showed considerable variation, ranging from 18.14% to less than 1%.
- ▶ Compared to other fund types, Balanced and Aggressive funds have seen an increase in their cash allocations.
- ▶ Majority of the KiwiSaver funds have slightly increased their bond investments in this quarter.
- ▶ Increase in bonds continue to be funded by a reduced equity allocation.
- ▶ Most managers maintained their investing style between growth and larger value companies.

* Note: Above insights based on all funds in our sample except cash funds

Disclaimer on Insights

For ease of readability, we have referred to various funds as 'XX's YY fund' rather than 'XX KiwiSaver Schemes' YY Fund. It is important to note that all mentions of the 'XX YY fund' refer to the fund in the provider's KiwiSaver scheme. It is possible that KiwiSaver scheme providers may also have non-KiwiSaver funds with similar names.

Our analysis and figures are based on the sample group of funds that have passed our preliminary filtering process. This excludes lifecycle and single-sector funds. Our sample comprises approximately 90% of the total FUM in KiwiSaver. Please contact us for additional information or a comprehensive list of funds in our sample.

Our rating system is based on quartiles. Therefore, a fund that does not have an A rating does not necessarily indicate that it is a "poor" fund. It simply means that it is ranked lower than other funds on a comparative basis. All performance figures noted are net of fees but before tax.

National Capital's quarterly KiwiSaver Value for Money report.

National Capital provides free digital financial advisory services to everyday New Zealanders. Specialising in KiwiSaver & Investment research that explores the value of KiwiSaver funds, National Capital has advised New Zealanders on over \$130 million of KiwiSaver investments since being founded in 2018. Its goal is to help clients select an appropriate KiwiSaver provider and fund that suits their goals, requirements and financial situation and continue to evaluate what is most suitable for their needs.

Disclaimer.

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Important links

[National Capital Methodology](#)

www.nationalcapital.co.nz

[KiwiSaver HealthCheck](#)

[Index Methodologies](#)

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