



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

# Contents

The Quarterly Deep Dive	3
National Capital Takeaway	6
KiwiSaver fund analysis	7
Report Methodology	8
A-Rated High Growth Funds	9
A-Rated Growth Funds	10
A-Rated Balanced Funds	11
A-Rated Conservative Funds	12

Assessment Pillar Insights	13
Performance	14
Fees	16
Ethical Investing	18
Capability & Stability	20
Process & Portfolio	21
Who is National Capital?	22
Our People	23

# 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.



# The Quarterly Deep Dive

---

**1 million KiwiSaver  
Members have bet on ESG  
Funds, with Expected  
Value at Retirement \$244  
Billion.**





Our latest deep dive has revealed that 39% of KiwiSaver members, or approximately 1,099,103 New Zealanders, have invested in ESG funds. The total value of these investments at retirement is projected to be around \$244 billion.\*

Of the 110 KiwiSaver funds analysed, making up approximately 95% of the total value of KiwiSaver, 51 were classified as ESG-focused funds.

## Key findings:

- **Top Performer:** The Booster KiwiSaver Socially Responsible High Growth fund achieved the highest 5-year return among ESG funds at 9.99%.
- **Performance Comparison:** ESG funds have outperformed non-ESG funds for Aggressive and Moderate risk profiles over the past 5 years.
- **Fees:** ESG funds have higher fees compared to non-ESG funds across all risk profiles.

\*Study based on FMA KiwiSaver Annual Report 2023 and Retirement Commission (TAAO) Kiwisaver balances. Salary data is based on information from Stats NZ and MJW'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. The returns are based on our long term capital market expectations ranging from 2.00% for cash to 7.10% for Very Aggressive. 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. Does not include members that are below 18 and above 65.

# What are the top-performing ESG funds?

Based on the historical five year returns until March 2024

HIGH GROWTH		GROWTH		BALANCED		MODERATE		CONSERVATIVE	
Booster Socially Responsible High Growth	9.99%	Simplicity Growth	7.82%	Superlife Ethical	6.26%	BNZ Moderate	3.73%	Fisher Funds Two Cash Enhanced*	2.98%
Fisher Funds Plan Growth	8.12%	Pie Growth	7.66%	Fisher Funds Plan Balanced	6.06%	MAS Moderate	3.65%	BNZ First Home Buyer	2.65%
Booster Shielded Growth	7.70%	Fisher Funds TWO Growth	7.24%	Booster Socially Responsible Balanced	5.79%	Westpac Moderate	3.57%	Westpac Defensive Conservative	2.53%

\*Closed to new investors

## ESG vs non-ESG Funds Comparison

ESG funds have outperformed non-ESG funds for Aggressive and Moderate risk profiles over the past 5 years.

Average Returns	ESG	Non-ESG
Cash	2.47%	2.13%
Conservative	1.90%	2.46%
Moderate	2.71%	2.50%
Balanced	4.36%	4.74%
Growth	5.26%	6.33%
Aggressive	7.43%	6.67%

## ESG vs non-ESG Fees Comparison

Fees Average	ESG	Non-ESG
Cash	0.52%	0.37%
Conservative	0.63%	0.59%
Moderate	0.88%	0.77%
Balanced	0.90%	0.87%
Growth	1.00%	0.95%
Aggressive	1.08%	1.15%

## NATIONAL CAPITAL TAKEAWAY

# **I want to invest my money into an ESG fund, but I don't want to compromise on high returns. What is your advice to me?**

---

Your KiwiSaver investment strategy can be both focused on returns and your personal values. At National Capital we work with you to get a clear picture of your goals - be it after retirement or first-home while asking you questions to determine what you feel comfortable investing in, or not investing in. We then select a KiwiSaver provider and fund type who will best suit your needs to achieve these goals and meet your value criteria.

Fortunately, you don't have to invest with either your head or your heart as many ESG-focused funds consistently provide competitive returns and, in some cases, outperform non-ESG funds.

# KiwiSaver fund analysis

(April to June 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	25 Performance after Fees	15 Fees Alignment	20 Capability	10 Stability	20 Process & Portfolio	10 Ethical Investing	100 Total Score
Booster Socially Responsible High Growth	23.08	15	20	10	20	9.50	<b>97.58</b>
Generate Focused Growth	21.15	15	20	10	20	4.95	<b>91.10</b>
FANZ Lifestages High Growth	19.23	15	20	10	20	6.85	<b>91.08</b>

## 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 9.99% per annum over the previous five years.
- ▶ Generate KiwiSaver Focused Growth achieved the highest 1-year return, delivering a 17.57% return to the year ended June 2024.
- ▶ The gap between the best and worst performing funds\*, based on 5-year performance, increased slightly to 4.92% p.a. as of this quarter.
- ▶ As of June 2024, the average one-year return of all High-Growth funds\* was 13.28%.

\*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	23.00	15	20	10	20	7.73	<b>95.73</b>
QuayStreet Growth Fund	23.00	15	20	10	20	4.83	<b>92.83</b>
Milford Active Growth	22.00	15	20	10	20	4.58	<b>91.58</b>
Generate Growth Fund	21.00	15	20	10	20	4.45	<b>90.45</b>
Pie Growth	17.00	15	20	10	20	7.73	<b>89.73</b>
Fisher TWO Growth	20.00	15	20	7.50	20	7.23	<b>89.73</b>

## Insights

- ▶ Simplicity's Growth Fund remains the only passive manager to rank among the A-rated Growth funds.
- ▶ Milford Active Growth remains the top-performing fund\* for the 5-year period with an annualised return of 9.28% p.a.
- ▶ The performance gap over a 5-year period between the best and worst performing funds\* slightly declined to 5.64% p.a. in the current quarter from 6.08% 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 <sup>25</sup>	Fees Alignment <sup>15</sup>	Capability <sup>20</sup>	Stability <sup>10</sup>	Process & Portfolio <sup>20</sup>	Ethical Investing <sup>10</sup>	Total Score <sup>100</sup>
Simplicity Balanced	21.88	15	20	10	20	7.92	<b>94.80</b>
Booster Socially Responsible Balanced	19.79	15	20	10	20	9.18	<b>93.97</b>
Milford Balanced Fund	22.92	15	20	10	20	4.47	<b>92.39</b>
ASB Balanced	16.67	15	20	10	20	8.00	<b>89.67</b>
BNZ Balanced fund	17.71	15	20	10	20	6.42	<b>89.13</b>
Booster Balanced	15.63	15	20	10	20	5.70	<b>86.33</b>

## Insights

- ▶ Booster KiwiSaver maintained a spot for both of its Balanced funds on the A-rated list of funds.
- ▶ Fisher Funds KiwiSaver Plan Balanced and Fisher Funds Two Balanced lost their position from the A-rated funds. This was attributed to factors such as below average returns, ESG scores and changes in leadership. They were replaced by ASB balanced and BNZ balanced fund.
- ▶ The performance gap over a 5-year period between the best and worst performing funds\* was 3.87% p.a. in the current quarter.
- ▶ None of the new added A-Rated funds 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 <sup>25</sup>	Fees Alignment <sup>15</sup>	Capability <sup>20</sup>	Stability <sup>10</sup>	Process & Portfolio <sup>20</sup>	Ethical Investing <sup>10</sup>	Total Score <sup>100</sup>
BNZ KiwiSaver First Home Buyer Fund	20.00	15	20	10	20	8.00	<b>93.00</b>
Milford Conservative	21.67	15	20	10	20	4.58	<b>91.24</b>
Fisher TWO Cash Enhanced*	18.33	15	20	7.50	20	7.10	<b>87.93</b>

\*This fund is no longer open to new investors.

## Insights

- ▶ QuayStreet Conservative was the top-performing fund\* for the 5-year period with an annualised return of 3.51% p.a.
- ▶ The average 1-year return for A-rated Conservative funds was 6.72% as of this quarter compared to 7.21% as in the previous quarter.
- ▶ The gap between the best and worst performing funds\*, based on 5-year performance, increased to 1.62% p.a. as of this quarter.

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



# Assessment pillar insights

(April to June 2024)

---

# Performance

## National Capital Insights

- ▶ Average 1-year returns to the June 2024 quarter ranged from 6.72% p.a for Conservative funds to 13.28% p.a for High Growth funds.
- ▶ All funds yielded positive 1-year returns to the June 2024 quarter.
- ▶ The highest 1-year performance up to June 2024 was that of Generate KiwiSaver's Focused Growth Fund at 17.57% p.a.
- ▶ The lowest one-year performance up to June 2024 was that of OneAnswer KiwiSaver's Conservative Fund, which returned 5.44% p.a.

# 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	9.99%	Milford Active Growth	9.28%	QuayStreet Balanced	7.41%	QuayStreet Conservative	3.51%
Generate Focused Growth Fund	8.49%	QuayStreet Growth	9.05%	Milford Balanced	7.12%	Milford Conservative	3.25%
Booster KiwiSaver High Growth	8.46%	Simplicity Growth	7.82%	SuperLife KiwiSaver Ethica	6.26%	Fisher TWO Cash Enhanced	2.98%

\*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 Fund 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	0.25%	Simplicity Balanced	0.25%	Simplicity Conservative	0.25%
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 external providers, 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 the High Growth.
- ▶ Pathfinder Growth and ASB Positive Impact rose to highest score for Growth and Balanced which was previously held by Booster.
- ▶ MAS Conservative Fund scored the highest for Ethical Investing in the Conservative category at 8.23/10.
- ▶ Overall, the managers improved their ethical investment practices, with an average score of 6.67 compared to a score of 6.11 from the last quarter. A score of 6.67 indicates having 'some exclusions', so overall, managers seem to be paying attention to Ethical Investing.
- ▶ Amongst the NZ owned funds 27% were A rated in their Ethical scored, 15% were B-Rated, 26% were rated C and 32% were rated D for their Ethical scores

# Ethical Investing

HIGH GROWTH Ethical Investing Score		GROWTH Ethical Investing Score		BALANCED Ethical Investing Score		CONSERVATIVE Ethical Investing Score	
Booster Socially Responsible High Growth	9.50	Pathfinder Growth	9.75	ASB Positive Impact	9.73	MAS Conservative	8.23
Fisher Funds KiwiSaver Plan Growth	8.35	Booster Socially Responsible Growth	8.88	Booster Socially Responsible Balanced	9.59	Pathfinder Conservative	8.13
Nikko AM Growth	8.00	Westpac KiwiSaver Growth	8.48	Pathfinder Balanced	9.18	Westpac Defensive Conservative	8.00



# 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.

- ▶ The **BNZ** KiwiSaver Scheme is transitioning to new ownership under FirstCape, a merger including JBWere New Zealand, Jarden Wealth, and Harbour Asset Management.
- ▶ Pathfinder announced that Paul Brownsey and Kate Brownsey have departed from the firm. Paul was the Chief Investment Officer, while Kate was an ESG Analyst
- ▶ 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

- ▶ None of the strategies had any allocation to territory of Palestine.
- ▶ Most managers maintained their investing style between growth and larger value companies
- ▶ Amongst equity, largest allocation of capital was in Cyclical sectors that are not essential for day to day living such as retail stores, auto industries and lowest allocation to energy sector that are involved in producing and refining oil and gas

\* 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.



**CLIVE FERNANDES** | DIRECTOR / FOUNDER

## Who is National Capital?

---

Specialising in KiwiSaver research & advice, National Capital was founded in 2018 and currently advises on over \$158m 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.



# Our people

Our team comprises of experienced finance professionals with over 300 years of combined experience.

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.



**LISA DUDSON**  
DIRECTOR



**PETER DINE**  
INVESTMENT COMMITTEE



**RAVI CHANDOLA**  
INVESTMENT COMMITTEE

# 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 \$158 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.**

The information provided by National Capital is of a general nature and is not intended to be personalised financial advice. Any opinions, express or implied, are that of National Capital and should not be taken as financial advice. You should not take any information disclosed as an offer, invitation or recommendation to buy or sell any product without first obtaining professional financial advice from a qualified financial adviser regarding its appropriateness to your personal circumstances. While every effort has been made to ensure the information presented is up to date and correct, National Capital make no representations or warranties of any kind about the accuracy, reliability, completeness, or suitability of the products and services described. Any reference to historical information and performance of a product or service may not necessarily be a good guide to future performance. You are solely responsible for any actions you take or do not take by relying on such information. To the full extent legally allowable the directors, contractors, associates and staff of National Capital expressly disclaim all and any liability and responsibility to any person in respect of anything, and of the consequences of anything, done or omitted to be done by any such person in reliance, whether wholly or partially, on the information provided. The disclaimers and limitations of liability do not prejudice your rights under the Consumer Guarantees Act 1993, nor are they intended to exclude liability arising under statute.

## **Important links**

National Capital Methodology

[www.nationalcapital.co.nz](http://www.nationalcapital.co.nz)

KiwiSaver HealthCheck

Index Methodologies

## **Press contact**

Eleisha Balmer

027 690 1222

[eleisha@adhesivepr.nz](mailto:eleisha@adhesivepr.nz)