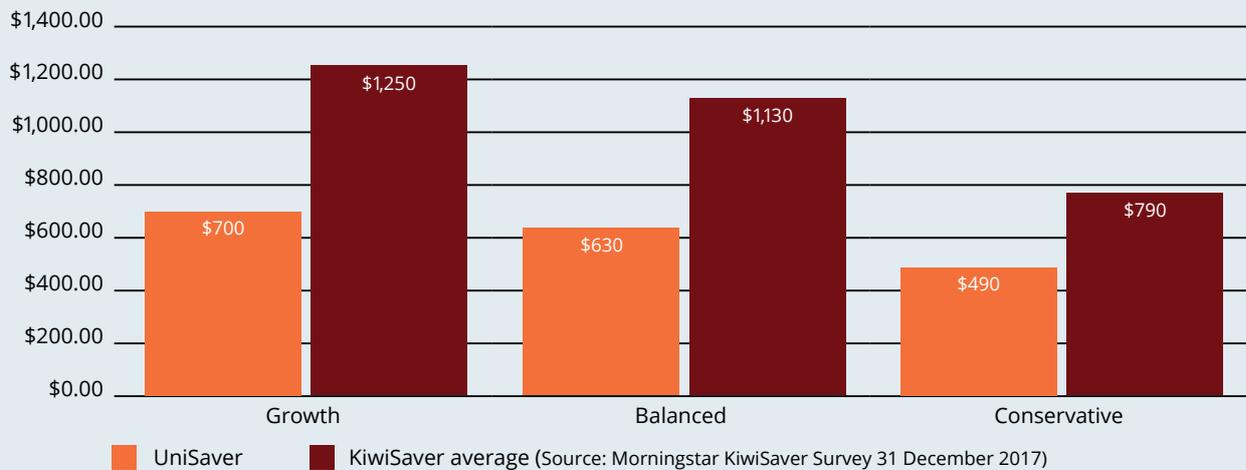


## Survey shows fees advantage to UniSaver

Fees eat away at your investment earnings. That's why UniSaver's relatively low fees are a distinct advantage for members. This graph shows the total fees for \$100,000 invested in UniSaver's three main funds against the average for KiwiSaver schemes with a similar mix of assets in the latest survey by Morningstar – an independent company that monitors fund performance, including fees.

### Total fees charged on \$100,000 invested for one year



This example factors in the average annual fee charged by KiwiSaver providers. UniSaver does not charge a member fee for active members. Annual fund charges are deducted from investment returns, not from your accounts. Here's a detailed fees comparison based on the Morningstar KiwiSaver Report. These numbers are rounded and are estimates before tax.

### UniSaver vs KiwiSaver fees

|   | UniSaver | KiwiSaver (average)* |
|---|----------|----------------------|
| <b>Growth</b>                           |          |                      |
| Member fee <sup>#</sup>                 | \$0      | \$24.00              |
| Annual fund charge (per \$100 invested) | \$0.70   | \$1.22               |
| Growth assets                           | 77.5%    | 74.5%                |
| <b>Balanced</b>                         |          |                      |
| Member fee <sup>#</sup>                 | \$0      | \$25.50              |
| Annual fund charge (per \$100 invested) | \$0.63   | \$1.10               |
| Growth assets                           | 53.0%    | 54.0%                |
| <b>Conservative</b>                     |          |                      |
| Member fee <sup>#</sup>                 | \$0      | \$27.00              |
| Annual fund charge (per \$100 invested) | \$0.49   | \$0.76               |
| Growth assets                           | 19.0%    | 19.0%                |

\* Source: Morningstar KiwiSaver Report 31 December 2017.

<sup>#</sup> UniSaver doesn't charge a member fee for active members. An allowance for administration costs is factored in to the annual fund charge. Deferred members are charged a member fee of \$52.32 per year.

### Why fees are higher for more growth-oriented funds

The more growth assets in which a fund invests, the higher the fees, as more research and management time is involved in selecting and monitoring investments in these types of funds. The average mix of assets in the KiwiSaver schemes surveyed by Morningstar is similar to but not the same as the mix of assets in our investment options. This will also affect the fees charged. For completeness, we've included this information in the table above.

## 2017 returns exceptional

Another very strong year for global sharemarkets is reflected in the returns for the year to 31 December 2017, especially Growth and Balanced, which recorded the highest returns since investment choice was introduced in 2004. We're in the process of finalising our year-end accounts, so the 2017 returns listed here are provisional.

### Year to 31 December (after tax and expenses)

|              | Estimated returns % | Declared returns % |      |       |       |
|--------------|---------------------|--------------------|------|-------|-------|
|              | 2017                | 2016               | 2015 | 2014  | 2013  |
| Growth       | 17.23               | 5.66               | 7.29 | 12.34 | 16.27 |
| Balanced     | 12.98               | 5.27               | 5.83 | 10.24 | 11.41 |
| Conservative | 6.59                | 4.02               | 4.54 | 7.37  | 7.17  |
| Cash         | 1.69                | 1.86               | 2.42 | 2.70  | 2.20  |

The latest returns are published on the website each month (usually about the 20th of the month following). Look for the 'Latest returns' link on the home page.

## Get your account statement online

Make sure you change your communication preference by **Friday 2 March** if you want to switch from getting a paper statement to an online statement. When you sign in to the website, you'll be prompted to update your details. You'll see your current communication preferences listed at the top of the 'Personal details' screen. Your email address is shown on the same screen. Choose the 'Update your current details' link at the bottom of the page to change your preferences. Statements for the year to 31 December 2017 will be sent out at the end of March.

About 70% of members choose to get their statement online.

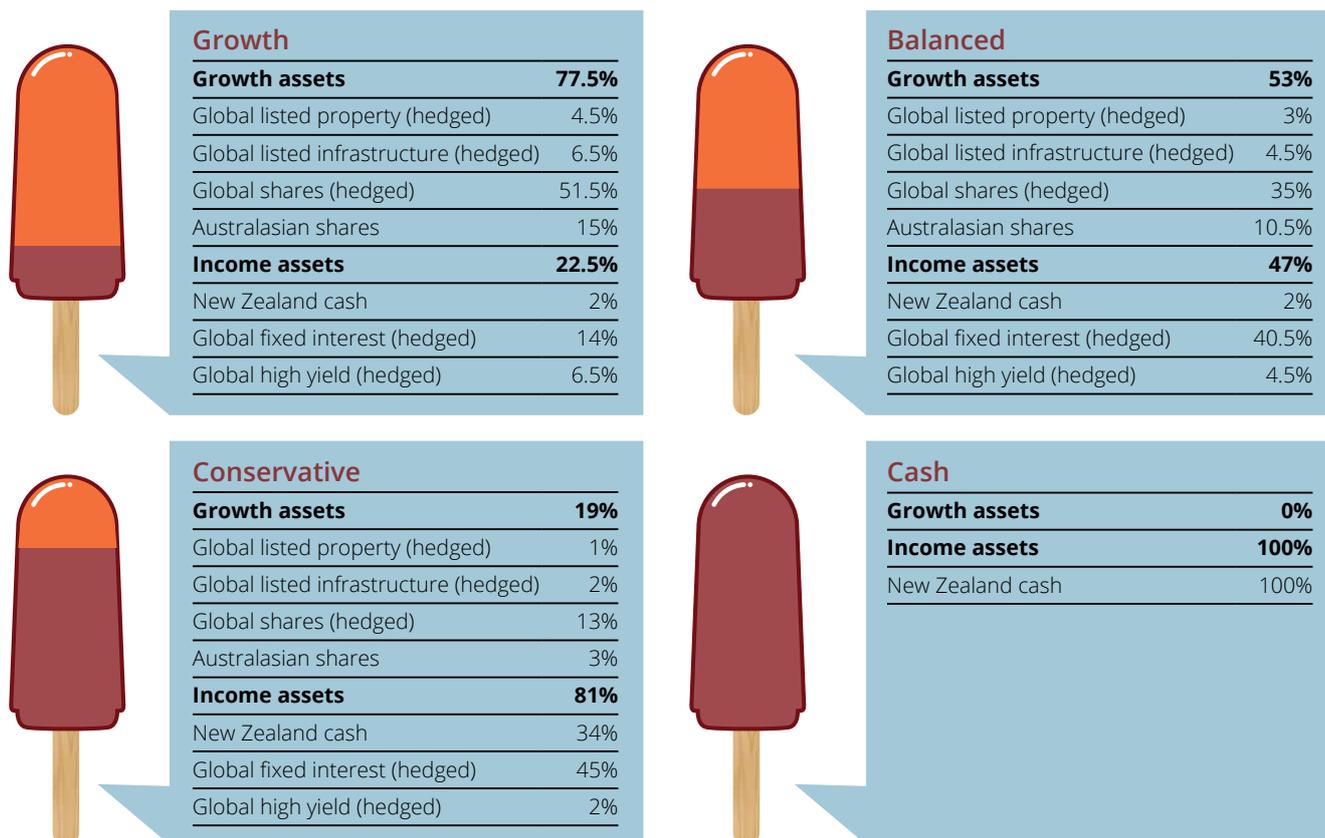
## Investment changes

These changes came into effect on 1 February:

### Two new asset classes

We introduced two new asset classes to the portfolio: global listed infrastructure and global high-yield debt. We believe that allocations to these new asset classes, although small compared to some others, will further diversify the portfolio and improve the risk and return relationship of Conservative, Balanced and Growth. For example, it is expected it will improve outcomes for members in scenarios of high inflation or prolonged periods of positive but very low equity market returns.

The graphs below show the new benchmark asset allocations.



## Global shares 100% hedged

On the advice of our investment consultant, we changed our global shares portfolio from 50% to 100% hedged. If you're not sure what hedging is, just think of the saying 'hedging your bets'. When we hedge overseas investments, it's like taking out an insurance policy against relative changes in exchange rates affecting the returns of assets denominated in foreign currencies. In effect, it means these investments produce a return in local currency. All our overseas investments are now 100% hedged except for Australian shares in our Australasian shares portfolio. See the Statement of Investment Policy and Objectives (SIPO) on the website for more information.

## UniSteps now the default option

We have also changed the trust deed to make UniSteps the default option for members who join the scheme but don't nominate an investment option. UniSteps is our new 'set and forget' investment option that shifts your savings to a more conservative mix of investments as you get closer to retirement. The mix of growth and income assets changes automatically, which means there's less need for you to review your investment choice as you get older. Read about UniSteps at [unisaver.co.nz/investmentoptions](http://unisaver.co.nz/investmentoptions).



## ● Updated disclosure documents

All issuers of investment products are required to produce a range of documents in a prescribed format to make it easier for investors to compare investments. We updated this material on 1 February principally to reflect the new asset classes. We updated the trust deed, SIPO, Product Disclosure Statement (PDS) and Other Material Information (OMI) documents. You can view the documents at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose). The new trust deed, SIPO and PDS are available on the website under 'Documents and forms'.

Got a  
question?

Visit our website [unisaver.co.nz](http://unisaver.co.nz)  
or call our helpline team on 0800 864 724

The helpline hours are 9am to 7pm, Monday to Friday  
(except public holidays).