



**EMBARGOED until 8:00pm, Wednesday 14 December 2011**

## **KiwiSaver a key focus for Fund Manager of the Year Awards**

**15 December 2011** - The assessment round for the annual FundSource Fund Manager of the Year Awards has been carried out against a backdrop of considerable flux in the funds management industry.

A key focus of the 2011 Awards is management of KiwiSaver funds, with the spotlight going on 'hidden' costs such as fees, as well as on fund performance.

This year's FundSource KiwiSaver Fund Manager of the Year is Fidelity Life, which is not one of the large default KiwiSaver providers.

"Fidelity Life, along with the other participants in FundSource's evaluation process, have submitted to a high level of qualitative, as well as quantitative, scrutiny," said FundSource spokesperson Rachael Newsome.

"With the profile of the default providers, it's easy to overlook providers like Fidelity Life. Their fee structure is transparent and reasonable, their fund performance steady and their collateral relatively unglamorous and easy to understand," said Newsome.

Across the broader funds management industry, major structural changes have been evident throughout the year in an environment of extreme volatility in international markets. At the same time, fund managers are gearing up to meet the changed requirements of financial advice legislation, designed to promote market health and confidence.

In this relatively fluid context, FundSource has elected not to convey top honours in the overall Fund Manager of the Year category for 2011.

"FundSource's Fund Manager of the Year is a retrospective award based on the previous calendar year's performance. However, it's also a key factor considered by financial advisors and investors when making forward-looking investment choices. So FundSource needs to take into consideration whether the recipient will continue to meet the awards criteria into the coming year," said Newsome.

An element that sets FundSource apart from other ratings agencies is the application of qualitative evaluation criteria alongside financial performance metrics. Qualitative criteria such as investment philosophy and retention of key personnel are evaluated alongside investment returns and fees.

"FundSource believes that by assessing the qualitative areas of people, process, philosophy and portfolio, we can form a much clearer view of potential future performance of a fund than would be the case looking only at past returns. Qualitative reviews allow us to see what is actually happening with investors' dollars, not simply the costs of running a fund and what the returns are.

"This helps investors to build a comprehensive picture of a fund manager's approach and operations, so they're not unduly influenced by factors such as glossy marketing materials or retrospective performance alone. It also means they can get the information they value to make investment choices that suit them," said Newsome.

"We look forward to assessing a more settled funds management sector in 2012."

### **ENDS**

Att: FundSource Fund Manager of the Year and FundSource KiwiSaver Fund Manager of the Year assessment criteria and a list of eligible fund managers.