

## Fisher adds conservative fund to KiwiSaver offerings

4:00AM Friday Jun 12, 2009

By Tamsyn Parker – The New Zealand Herald



Specialist growth fund manager Fisher Funds has added a conservative fund to its KiwiSaver range, bucking the closure of two schemes in the past month.

Fisher Funds chief executive Carmel Fisher said the decision to start the fund was driven by client demand, particularly from those in the 50-plus age group who had less time before retirement.

"We have been asked by many people, particularly those with less than five years to retirement or those saving for a first home, who wanted us to invest their KiwiSaver savings in more conservative assets."

Fisher did not expect many of the 14,000 savers in its growth fund to switch but said some might divert new contributions to the conservative fund.

Instead she hoped the new fund would attract new investors.

But the fund will join a crowded market where some have already chosen to bow out because of stiff competition and the difficulty of making a profit.

Last week Australian provider eo financial services closed its eosaver scheme and union-backed scheme Iris KiwiSaver began winding up at the end of May.

There are already more than 12 conservative KiwiSaver funds for investors to choose from including the six default schemes which have around 400,000 of the million people who belong to KiwiSaver.

"It is a really competitive marketplace. The default funds have got massive numbers," Fisher said.

But she was pleased at the numbers Fisher had managed to attract and the growth fund was already profitable.

"So we don't need to rely on the new fund to make money. It's all just added growth for our business."

The new fund will be mainly managed outside of Fisher Funds.

Fisher said she was looking to outsource the decisions on how much went into different asset classes like shares, property and fixed interest. The money invested in cash and fixed interest, which will make up at least 80 per cent of the portfolio, would also be outsourced.

Rating company Morningstar's manager of fund analysis, Chris Douglas, said increasing competition was a good thing for investors.

Douglas said Fisher had a very loyal client base. "It's obviously a business decision where they are looking to diversify. Obviously they think they can get scale and make a profitable business out of it."