

## How to pick a fund

## Me pēhea te kōwhiri pūtea

## Filifiliga o se teugatupe

Whether you're in KiwiSaver or the New Zealand Post Super Plan, you can choose how your savings are invested. This brochure will help you pick a fund based on how old you are.

Mehemea kei te KiwiSaver koe, kei te Mahere Penihana rānei o New Zealand Post, ka taea e koe te kōwhiri ka pēhea te haumitanga atu o ō moni penapena. Mā tēnei pānui koe e āwhina ki te kōwhiri pūtea, i runga i tō pakeke.

E mafai ona e filifili le faiga e teu faafaigaluega ai au tupe, e tusa lava poo le KiwiSaver poo le New Zealand Post Super Plan o loo e faaogāina. E fesoasoani le pepa faamatala lenei pe a filifili sau teugatupe ma e fuafua i ou tausaga.



# 1

### Get clear about your options

Kia mārama koe ki ō kōwhiringa

Ia e mautinoa i lau filifiliga ua fai

Each of the three investment options is a different mix of the same 'ingredients'. Those ingredients are growth assets and income assets.

### Growth assets



Best suited to long-term saving (10+ years)

Examples: shares and property

Growth assets tend to produce higher long-term returns than income assets but with more highs and lows along the way.

### Income assets



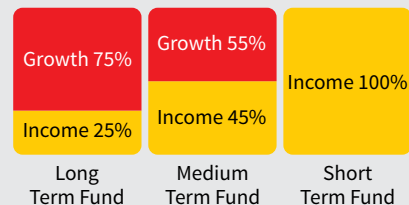
Best suited to short-term saving (up to 3 years)

Examples: bonds and cash

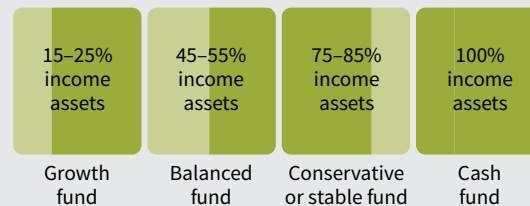
Returns from income assets tend to be more consistent but lower over time than growth assets. Remember, though, returns from all types of investments can occasionally be negative.

**Let's look at your options.** The Super Plan has three. Your KiwiSaver might have more, but the idea is the same. Each one will be a mix of growth and income assets.

### Super Plan



### KiwiSaver



# 2

### Check how your money is invested now

Tirohia ka pēhea te haumitanga atu o tō moni ināianei

Siaki poo faapefea ona teu faafaigaluegaina lau tupe i le taimi nei

### Here's how.

- Check your latest annual account statement
- Sign in to your account online
- Call your scheme helpline/0800 number

### KiwiSaver members

#### Default investment option

If you didn't choose a fund when you joined KiwiSaver, your savings will have been invested in a conservative fund. On 1 December 2021, your savings will be moved to a balanced fund unless you let your provider know you want to stay invested in conservative or move to another option.

#### Not sure who your KiwiSaver provider is?

It's easy to find out who looks after your KiwiSaver if you're not sure. Contact Inland Revenue and if you're a member, they will have your details on file. Call 0800 KIWISAVER or log in to MyIR at [www.ird.govt.nz](http://www.ird.govt.nz).



# 3

Decide if it's still the best option

Me whakataua mehemea koinei tonu te kōwhiringa pai

Faamautu poo sa'o lau faaiuga ua fai

Here's some information to help you.

Read the section that corresponds to your current age.

## Younger than 45

### Best match – Long Term Fund (or, for KiwiSaver, a growth fund)

At your age, you still have many years before retirement. Growth is likely to be the main focus for your investment. That makes sense, because you still have plenty of time to ride out the highs and lows associated with growth investments in the hope of achieving a higher long-term return.

The Long Term Fund (or growth fund) may not be the best choice if you:

- plan on accessing your savings in the next 10 years (say, to buy a first home) and/or
- feel uncomfortable with the idea of a negative return reducing the value of your savings in any given year.

In this case, you might want to look at the Medium Term Fund or the Short Term Fund (or a balanced or conservative fund if you're in KiwiSaver).

#### KiwiSaver members

Your provider might also offer a lifecycle option where the mix of growth and income assets changes automatically as you get older. It's a good 'set it and forget it' option if you don't plan to withdraw your money before retirement (say, for a first home).

## Age 45 to 60

### Best match – Medium Term Fund (or, for KiwiSaver, a balanced fund)

At your age, you're likely to want to strike a balance between the potential for growth and protecting the value of your investment.

Consider the Short Term Fund (or a conservative or cash fund) if you:

- plan on accessing your savings in the next 3 years (say, to buy a first home) and/or
- feel uncomfortable with the idea of a negative return reducing the value of your savings in any given year.

Consider the Long Term Fund (or a growth fund) if you:

- don't plan on accessing your savings for at least 10 years and
- feel comfortable with some volatility in returns (ups and downs) if it may mean a better result in the long term.

## 60 years +

### Best match – Short Term Fund (or, for KiwiSaver, a conservative or cash fund)

You may well be thinking about retiring in the next few years. Your main concern is likely to be maintaining the value of your investment. That makes sense. At your age, you have less time for your savings to recover from a negative return or to earn more money to cover any loss in value.

The Short Term Fund (or a conservative or cash fund) may not be the best choice if you:

- don't intend to access your savings in the next few years and/or
- are keen to seek some growth while still protecting your investment.

In this case, you might want to look at the Medium Term Fund or the Long Term Fund (or a balanced or growth fund if you're in KiwiSaver).

# 4

Make a change if you need to

Me whakarerekē mehemea kei te pīrangī koe

Toe sui pe a moomia

Here's what to do if you feel you need to make a change once you've thought through your options.

### Super Plan members

You can change your investment choice at any time during the year. You can do this online at [www.superplan.co.nz](http://www.superplan.co.nz) or by filling in and returning a *Change of investment form*. You can download a form from the website or call the helpline on 0800 697 728 (choose option 1), and we'll send you one. Any change you make won't start until the first of the month after we receive your online change or completed form.

### KiwiSaver members

You can change your investment choice by signing in to your account online or you can download a form from your provider's website. If your KiwiSaver is with a bank, you might be able to change your investment choice using internet banking.

The information contained in this flyer is general in nature and does not take into account your personal situation. You should consider whether the information is appropriate to your needs, and where appropriate, seek professional advice from a licensed financial advice provider.