

KIWISAVER

A guide to Selecting the best fund for you

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Financial
Wellness
Group

Do You Deserve More Than a Default KiwiSaver Fund?

A Step-by-Step Guide to Choosing the Right Fund for You

KiwiSaver is a powerful tool for building financial security in New Zealand, yet many people find themselves in default funds or simply unsure if their current KiwiSaver setup aligns with their long-term goals. This guide is here to change that.

We've created a straightforward, step-by-step approach to help you evaluate and select a KiwiSaver provider and fund that best matches your financial goals and values. For those who prefer a hands-on approach, this guide outlines a practical method for non-financial advisers that balances simplicity and thoroughness. And if you're ready for an in-depth analysis, we've included insights into how a financial adviser might approach this selection process, covering all providers in New Zealand to give a comprehensive view.

Whether you're new to KiwiSaver or looking to ensure your current investment is optimized, this guide will provide clarity and confidence as you make informed choices for your future.

Let's get started on building a KiwiSaver strategy that's as unique as your financial goals!

Please note: Nothing expressed or implied in this guide is financial advice. This guide is for information and education purposes only.



The Approach for non-Financial Advisers- basic research

- Step 1: Understand Your Investment Goals
 - Estimate time: 30 minutes
 - Complexity: 1/5
 - Purpose: Define what you aim to achieve with your KiwiSaver, such as risk tolerance and growth goals.
- Step 2: Evaluate Your Current KiwiSaver Fund
 - Estimate time: 1 hour
 - Complexity: 2/5
 - Purpose: Assess how your current fund is performing, including returns, fees, and risk level.
- Step 3: Explore Available KiwiSaver Providers
 - Estimate time: 1.5 hours
 - Complexity: 3/5
 - Purpose: Research KiwiSaver providers and identify their offerings, focusing on those that align with your values.
- Step 4: Compare KiwiSaver Fund Performance and Fees
 - Estimate time: 2 hours
 - Complexity: 3/5
 - Purpose: Examine historical returns and fees to narrow down suitable funds.
- Step 5: Use KiwiSaver Comparison Tools
 - Estimate time: 1 hour
 - Complexity: 2/5
 - Purpose: Use online tools to compare funds based on your criteria, helping to make an informed choice.
- Step 6: Review Ethical and Sustainable Options (if applicable)
 - Estimate time: 30 minutes
 - Complexity: 2/5
 - Purpose: If sustainability matters to you, identify funds that match your ethical preferences.
- Step 7: Select and Enroll in Your KiwiSaver Fund
 - Estimate time: 30 minutes
 - Complexity: 1/5
 - Purpose: Complete the enrollment process with the new provider if you've decided to switch.

Total Time: 5-8 hours

Average Complexity: 2/5

Result: Reasonably effective



The Approach for Financial Advisers: in-depth research

- Step 1: Conduct a Client Needs Analysis
 - Estimate time: 3 hours
 - Complexity: 3/5
 - Purpose: Understand the client's full financial picture, goals, risk tolerance, and timeline.
- Step 2: Identify the Client's Risk Profile
 - Estimate time: 2 hours
 - Complexity: 3/5
 - Purpose: Gauge the client's comfort with different levels of risk, guiding fund selection.
- Step 3: Examine Provider Options and Offerings
 - Estimate time: 5 hours
 - Complexity: 4/5
 - Purpose: Conduct thorough research across all providers, including fee structures, fund types, and past performance.
- Step 4: Analyze Ethical and Sustainable Investment Options
 - Estimate time: 2 hours
 - Complexity: 3/5
 - Purpose: Review ethical funds to meet client values, considering options across providers.
- Step 5: Evaluate Performance and Fees for Each Fund Type
 - Estimate time: 5 hours
 - Complexity: 4/5
 - Purpose: Compare long-term returns and fee structures to determine high-value options.
- Step 6: Use Industry Comparison Tools for Detailed Analysis
 - Estimate time: 3 hours
 - Complexity: 4/5
 - Purpose: Utilize advanced tools and databases to enhance the depth of analysis.

- Step 7: Review Provider Transparency, Customer Service, and Accessibility
 - Estimate time: 4 hours
 - Complexity: 3/5
 - Purpose: Assess provider reputation and client support to ensure a quality experience.
- Step 8: Develop a Client Recommendation Report
 - Estimate time: 4 hours
 - Complexity: 4/5
 - Purpose: Summarize findings and create a recommendation tailored to the client's unique situation.
- Step 9: Present Options and Implement Client's Choice
 - Estimate time: 3 hours
 - Complexity: 2/5
 - Purpose: Walk the client through selected options and manage enrollment and transfers if necessary.

Total Time: 34-46 hours

Average Complexity: 4/5

Result: Comprehensive and highly effective Solution

Done for You Approach

Goal: FWG manages the entire process for You

- **Step 1: We send you an email with link to a survey to complete**
 - **Estimate time for you to complete: 5 minutes**
 - **Complexity: 0/5**
- **Step 2: Adviser Performs Full Analysis and creates a Comprehensive Personalised Report for you**
 - **Estimate time for You: 0 minutes**
 - **Complexity: 0/5**
- **Step 3: Review Recommendations and meet with adviser to discuss**
 - **Estimate time: 25 minutes**
 - **Complexity: 0/5**
- **Step 4: FWG takes care of implementation for you**
 - **Estimate time for you: 0 minutes**
 - **Complexity: 0/5**

Total Time: 30 minutes (client time only)



The Value of Financial Advice

When considering whether to use a financial adviser for KiwiSaver or go directly with a provider, there are several key benefits to weigh. At FWG, we provide a comprehensive review and analysis of your KiwiSaver, as well as personalised recommendations, tailored to your specific situation, preferences and risk profile.

1. Personalized Financial Planning

We tailor investment strategies based on your individual financial situation, goals, and risk tolerance. We don't just select a fund; we align your KiwiSaver with broader retirement and wealth-building goals. This is particularly helpful when choosing the right investment approach for long-term retirement outcomes.

2. Investment Expertise

While KiwiSaver providers offer a range of funds (from conservative to growth), our financial advisers bring added value by selecting the optimal fund based on your unique needs. They analyse fund performance, and market trends, and help adjust your investments as your circumstances change or market conditions shift.

3. Behavioural Guidance

Our advisers act as emotional coaches, helping clients avoid rash decisions in times of market volatility. Studies have shown that one of the biggest benefits advisers provide is preventing clients from panic-selling in downturns, which can significantly enhance long-term returns.

4. Holistic Financial Management

Our financial advisers provide more than just fund selection. They integrate your KiwiSaver into your overall financial strategy, considering other savings, investments, and insurance needs. This holistic approach ensures your finances are working together to meet your long-term goals, from retirement to estate planning.



5. Cost Efficiency: Fee Rebate

While some KiwiSaver providers charge adviser fees, many rebate a portion of these fees (up to 0.2% in some cases). This can lower the cost of receiving advice. Depending on the provider, you might not pay an adviser fee at all or only a small portion, making the service even more cost-effective.

6. Potential Added Returns

Research from companies like Vanguard, Morningstar, and Russell Investments suggests that advisers can add between 1.5% and 4.9% to annual returns. This added value comes from behavioural guidance, tax planning, portfolio rebalancing, and other strategic adjustments. Over the long term, these contributions can significantly enhance your retirement savings, often outweighing the costs associated with advice.

Conclusion

While managing KiwiSaver directly might seem like a cheaper option, the long-term benefits of using an FWG financial adviser can often outweigh the costs. Personalised advice, behavioural support, tax efficiency, and potential fee rebates can lead to better financial outcomes. Whether or not you're charged an adviser fee depends on the provider, but with tax deductibility and rebates, the net cost of advice can be minimal, especially when considering the potential for added returns. This balanced approach ensures you're optimizing your KiwiSaver account and aligning it with broader financial goals, helping you secure a comfortable retirement.

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Personalised Report, please click
the button below or scan the QR
code and we will email you your
secure link**



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