

# Generate™

Generate KiwiSaver Scheme **Supplementary Brochure**

30 Sept 2018



Signatory of:



Principles for  
Responsible  
Investment



A product disclosure statement for Generate KiwiSaver Scheme is available at [www.generatekiwisaver.co.nz](http://www.generatekiwisaver.co.nz) or by contacting us on 0800 855 322. SuperRatings does not issue, sell, guarantee or underwrite this product. Go to [www.superratings.com.au](http://www.superratings.com.au) for details of its rating criteria. [generatekiwisaver.co.nz](http://generatekiwisaver.co.nz)

# What the industry is saying about Generate...

*The Morningstar KiwiSaver Survey ranks KiwiSaver funds based on net returns **after fees** and before taxes. For the year ended 30 June 2018 the Generate Conservative Fund ranked 1st out of 19 funds in the moderate category, the Generate Growth Fund ranked 3rd out of 26 funds in the growth category and the Generate Focused Growth Fund ranked 1st out of 10 funds in the aggressive category.*

[Morningstar KiwiSaver Survey Report June Quarter 2018\\*](#)  
26 July 2018

*Sorted's FundFinder scores all three Generate KiwiSaver Funds at 95% for services, currently the equal highest score ranking. "When it comes to telling you how fast your KiwiSaver account is growing, helping you decide which fund to be in, or offering alternatives or assistance, some providers give you more of a hand than others".*

[www.fundfinder.sorted.org.nz](http://www.fundfinder.sorted.org.nz)  
20 August 2018

*Best Overall Member Experience Finalist and Most Innovative Communication Finalist at the Workplace Savings NZ Communication Awards 2018.*

[Workplace Savings Awards](#)  
7 September 2018

*"In each of the last eight quarters, Generate has been the fastest growing Scheme."*

[Workplace Savings NZ KiwiSaver Survey to 30 June 2018](#)

*"Generate, now the 11th largest KiwiSaver scheme on the Morningstar table, also topped the performance tables for the 12 months to March 31 2018 with its 'Focused Growth' returning 14.8 per cent for the annual period."*

[Investment News](#)  
6 May 2018

*"The Morningstar December 2017 quarter KiwiSaver report released last week shows ...Generate topped the aggressive fund table with a 23.9 per cent annual after fees return."*

[Investment News](#)  
4 February 2018

*Generate has been awarded a KiwiSaver Gold Rating from SuperRatings for 2016, 2017 and 2018.*

[SuperRatings](#)  
11 September 2017\*\*

*The PAA Excellence Awards celebrate the best of pride, passion, professionalism and excellence in the financial advice industry. The importance of great relationships, superb communication, innovation and a commitment to working collaboratively can't be understated, and the winners of the 2017 Product Provider Representative Awards are celebrated for these reasons and more. Investment Product Provider Representative of the Year 2017 Generate KiwiSaver.*

*"And the winners of the PAA Excellence Awards are..."*  
[www.paa.co.nz](http://www.paa.co.nz)  
3 Aug 2017

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\*\* SuperRatings does not issue, sell, guarantee or underwrite this product. Go to [superratings.com.au](http://superratings.com.au) for details of its ratings criteria.

# What our members are saying about Generate...

We ask all new members “can you please rate the advice experience out of 5” – with 1 being “not very informative or helpful” and 5 being “really valuable information and a good use of my time”...

... 96% rate our KiwiSaver advice as 4 or 5 out of 5.\*

We also ask “how can we improve the advice and joining up process? Is there anything more you would like to know about KiwiSaver?” Here are just some of the comments...

**@BevanK** *The man that came to speak to us was Bevan, what an amazing guy! He made the whole process interesting! He had a great sense of humour, really was in depth with everything and made us clearly understand! Best appointment I have had!*

**@BenV** *I would honestly say this is the first time I have felt like I understand the different options. I'd highly recommend Generate to anyone.*

**@BradN** *If I'm completely honest, everything was explained perfectly and all my questions were able to be answered while there - the advisor didn't need to double check anything, which was great product knowledge.*

**@CharlesS** *It was an easy to follow, hassle free process. I was very impressed with the professionalism and mannerism in which the information was provided to me. Excellent service.*

**@ChnourB** *I was very happy with my advisor. She did a great job explaining things, was very friendly and very helpful. Would recommend her for sure!*

**@DennisS** *I found the meeting very good. He realised early on that I knew quite a bit about KiwiSaver so instead of reading off a script he adapted what he was saying to suit me and my knowledge. Very good customer service.*

**@DonnaC** *The adviser was very friendly and knowledgeable, able to answer my questions and I can't think of how you could improve what she did.*

**@EdwardB** *It was an easy process for me to follow and a good amount of information was offered. I was pleased, that's why I joined.*

**@GerardW** *I am extremely happy with the service provided and the fact it was free is great. Awesome work!*

**@IanR** *I thought the information provided by Ian was amazing. He was very informative and explained the process very well. I would recommend him to others.*

**@IsabelR** *One of the best things for me is that the advisor was able to come to my home and fit hours around my work and other commitments. I found this a far better approach than to get appointments during business hours as a working person. I think this system is better tailored to the client and focuses around meeting the needs of the client in a supportive way. Well done!*

**@JadeB** *Am pleased to say it was practical, sound advice and the only company to make an effort to explain how KiwiSaver really works and what was best for me and my kids.*

**@JaneD** *I found Jane to be totally honest and clear. She was very helpful. Many thanks!*

**@JeremyT** *Our advisor (for my wife and I) was Jeremy. I have to say that every question I had to ask was answered immediately, with the confidence of someone who knows their stuff. After having him discuss our current Kiwisaver situations and available options, I spent a couple of days following up information and researching Generate on the 'net'. I did NOT find a single discrepancy. I have been contacted by several of my friends that they too are impressed with what Generate offers, and specifically thanking me for sending Jeremy their way and that they too have chosen to make the switch.*

**@KaseyM** *My partner and I were really pleased with the advice we received from Kasey! Excellent service. Would highly recommend to family and friends.*

**@KenK** *Ken was fantastic! I can't fault his knowledge and he provided us with all the answers so easily, and his personality is awesome!*

**@KirstenB** *My adviser was extremely friendly, answered all my questions and made the whole process a breeze.*

**@PaulL** *Paul was incredibly helpful and informative....it was well thought out and covers all the information we had questions about.*

**@RalphP** *Ralph was clear in his explanation – relaxed, friendly and helpful. Couldn't ask for more!*

**@SarahT** *I honestly can't thank Sarah enough for informing me about KiwiSaver. I have been a part of KiwiSaver for 8 years now and didn't know a thing about it, just that I had money in a bank account. I now understand ... and it's really nice to see and know where my money is going.*

**@TimN** *Tim was my adviser and he was excellent. He really talked through my options and I felt engaged with my KiwiSaver for the first time, after I had been with my bank for years and hadn't heard from them. When I went into them last year they gave me no information about my investment options or information if I wanted to use any of my KiwiSaver for a first home deposit.*

**@TrevorW** *Trevor was very knowledgeable about the whole KiwiSaver process, not pushy at all and gave me the confidence to sign with you guys. I was previously with my insurer who gave me little, to no information about what my money was actually doing. It seems like you guys are a bit more onto it in terms of keeping your customers informed and content. Keep it up!*

\* In surveys from November 2015 through September 2018 (75% rated 5 and 21% rated 4).



# KiwiSaver offers you benefits no other investment can.

When you join a KiwiSaver scheme you will receive:

## **3% contribution from your employer.**

If you're contributing to a KiwiSaver scheme from your salary or wages, your employer is required to put in a minimum of 3% of your before tax pay\* (less employer superannuation contribution tax), if you're 18 or over.\*

As an employee paying PAYE, you'll need to contribute 3% for at least the first 12 months of membership.\*

## **Member Tax Credits of up to \$521.43 every year.**

For every \$1 you put into your KiwiSaver account from 1 July to the following 30 June, the Government will put in 50 cents up to a maximum of \$521.43 per year, if you're 18 or over. To get the maximum amount you'll need to contribute \$1,042.86. This is called a Member Tax Credit (MTC).\* When you join for the first time, MTCs will be paid based on the number of days you have been a member in that year.

**Did you know:** Last year 1.1m members missed out on the full MTC. 580,000 members got no MTC at all.\*\*

## **First home withdrawal.**

If you've never owned a home, and you've been a KiwiSaver member or a member of a complying superannuation fund for a combined total of at least three years, you can take out all of the money both you and your employer have put in, as well as all of the investment returns, to help buy your first home (except for \$1,000 and any amount you may have transferred from an Australian complying superannuation scheme).\*

## **Up to \$10,000 HomeStart grant.**

On top of the first home withdrawal, if you're eligible, you may also receive up to \$10,000 as a HomeStart grant from the Government towards your first home.\*

## **Your money is held in trust.**

Whether you are with a big Aussie bank or a New Zealand owned KiwiSaver specialist, the law requires your investments to be held by a licensed supervisor and not the scheme provider. This means you can focus on selecting the fund that's right for you knowing your investments are being held by an independent supervisor.

\* Some conditions apply (see the Product Disclosure Statement (PDS) and Other Material Information (OMI) at [generatekiwisaver.co.nz](http://generatekiwisaver.co.nz) for more information).

\*\* "Confusion reigns on member tax credits" [www.cffc.org.nz](http://www.cffc.org.nz) 30.08.17

# KiwiSaver has a number of generous benefits

## EMPLOYEE†

3% contribution from your employer, provided you are over 18 and yet to reach your Qualifying Age\*\*

Member Tax Credits of 50 cents per \$1 invested by you, up to \$521.43 every year

First home withdrawal\*

Up to \$10,000 HomeStart grant\*

## SELF-EMPLOYED

Member Tax Credits of 50 cents per \$1 invested by you, up to \$521.43 every year

First home withdrawal\*

Up to \$10,000 HomeStart grant\*

## NOT EMPLOYED

Member Tax Credits of 50 cents per \$1 invested by you, up to \$521.43 every year

First home withdrawal\*

Up to \$10,000 HomeStart grant\*

## UNDER 18

Once you're 18, you may be eligible for all the KiwiSaver benefits

First home withdrawal\*

Up to \$10,000 HomeStart grant\*

† Salary or wage earner

\* Some conditions apply (see the PDS or OMI)

## KiwiSaver FAQ's

### How much do I need to put in?

If you are an employee, you can choose to put in 3% (the default rate if you don't make a choice), 4% or 8% of your before tax pay.\* The amount of your contributions is deducted from your after-tax pay.

If you are an employee, you are required to contribute to KiwiSaver for a minimum of 12 months before you can apply to suspend contributions.

### What about my employer's contributions?

In cases where you are employed, over 18 and yet to reach your Qualifying Age\*\*, your employer will top up your contribution with a contribution at the minimum employer rate (currently 3% of your before tax pay).\* Employer superannuation contribution tax is deducted from employer contributions.

Members who are self-employed or not employed can choose how much they want to put in and when.

### When can I withdraw my savings?

There are typically two stages in life where you can make a withdrawal:

1. \*\*Qualifying Age – when you reach the New Zealand superannuation age (currently 65) and have been a member of a KiwiSaver scheme and/or a complying superannuation fund for at least five years.
2. For your first home – when you make a first home withdrawal.\*

Having said that, you may also be able to make an early withdrawal based on: significant financial hardship, serious illness, permanent emigration, or to pay a tax liability or student loan repayment obligation arising from the transfer of funds from a foreign superannuation scheme.\*

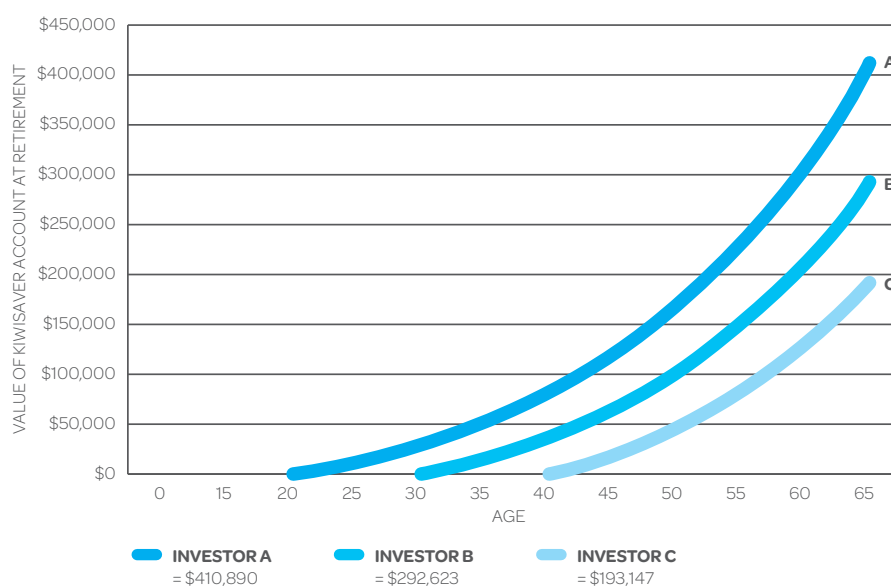
\* Some conditions apply (see the PDS and OMI).

# The earlier you start saving, the better off you will be...

...because this allows you to take advantage of compounding investment returns and generous Government incentives.

These simulated results show the positive effect of compounding returns for three investors:

- Investor A starts saving at age 20, with a starting salary of \$30,000.
- Investor B starts saving at age 30, with a starting salary of \$40,000.
- Investor C starts saving at age 40, with a starting salary of \$54,000.



## Assumptions

Each investor remains employed at all times until their retirement age of 65.  
No withdrawals are made.

Their salaries grow by 3% per annum and they earn a 6% per annum return after tax and fees. Inflation is assumed to average 2% per annum.

The investors and their employers each contribute 3% of the investor's before tax pay into the investor's KiwiSaver account.

The employer's contributions are net of employer's superannuation contribution tax at current rates.

## \*Disclaimer

The illustrations above do not reflect the prospective performance of the Scheme or of any fund. Returns to members of the Scheme are subject to investment and other risks (including potential losses). No returns are guaranteed or assured, and returns can at times be negative, particularly given the length of the investment period shown in the illustration. Past performance is not necessarily an indicator of future performance and returns over different periods may differ.

# Why fund choice is so important

Your KiwiSaver account has two ways of growing:

1. By the amount of money you, your employer and the Government put in.

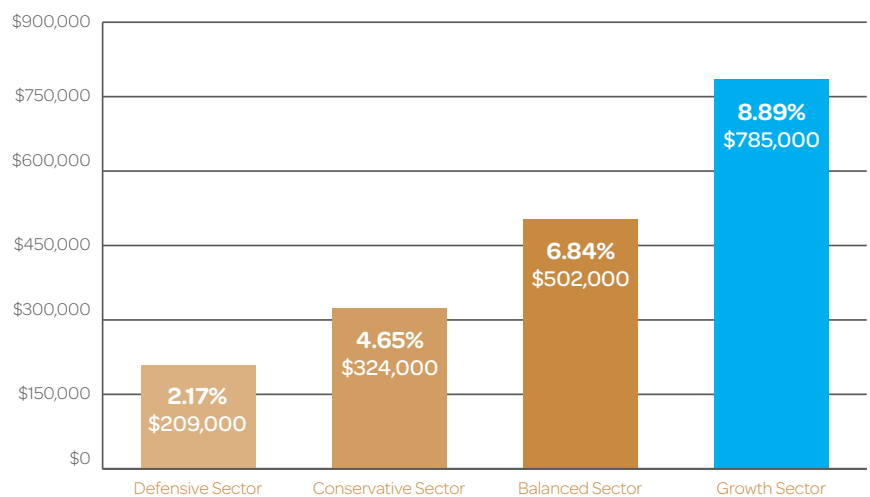
**What is your contribution rate?**

2. The returns you earn on your fund. The higher your net return, the bigger your KiwiSaver account at retirement.

**Has your fund performed satisfactorily?**

**Sarah – 30 years old with a salary of \$55,000**

**Here's what Sarah's KiwiSaver account could be worth after 35 years based on a 5 year average sector return p.a. on sorted.org.nz**



## Assumptions

Sarah is aged 30 on a salary of \$55,000 p.a. and already has a KiwiSaver balance of \$17,000. She remains employed and contributing 3% of her before tax pay until she reaches retirement at age 65. In her first year on \$55,000 her 3% contributions will work out to \$32 p.w. Her salary is assumed to grow by 3% p.a. Inflation is assumed to average 2% p.a. Her employer's contributions are net of employer superannuation contribution tax.

The 5 year percentage returns shown are the average for each fund type from sorted.org.nz Fundfinder 01 April 2013 to 30 June 2018, less 2% p.a. to adjust for inflation. Defensive 2.17% (0.17%), Conservative 4.65% (2.65%), Balanced 6.84% (4.84%) and Growth 8.89% (6.89%) p.a. The ~5 year average returns are used for illustrative purposes only and during this time period there has been a bull market in equities so these returns may be higher than usual. The graph does not reflect the prospective performance of the Generate KiwiSaver Scheme or of any fund. The returns are subject to investment and other risks (including potential losses). No returns are guaranteed or assured, and returns can at times be negative, particularly given the length of the investment period shown in the illustration. Past performance is not necessarily an indicator of future performance and returns over different periods may differ.

# With so many KiwiSaver schemes why Generate?

## Good question...

### Strong performance and value for money

The Generate Focused Growth Fund and the Conservative Fund were the number one performing KiwiSaver Funds in the Morningstar KiwiSaver Aggressive and Moderate categories respectively, for the year ended 30 June 2018. The Generate Growth Fund was third in the KiwiSaver Growth category for the same period.<sup>1</sup> The rankings are based on net returns **after** fees (but before taxes). Therefore the Generate Funds were all great value for money for the year to 30 June 2018.

### Investment Provider of the Year 2015 and 2016 and Investment Provider Representative of the Year 2017

Generate was voted the Investment Provider of the Year for 2015 and 2016 by the Professional Advisers Association. Advisers were asked to rate investment providers, not only on performance but also on the quality of our communications and investment statements, our services and education to clients and our services and support to advisers. The award was changed in 2017 to the Investment Provider Representative of the Year and Generate again won the vote.

### Awarded Gold Rating for 2016, 2017 and 2018 by SuperRatings

In its unique value for money assessment SuperRatings awarded Generate a Gold Rating for 2016, 2017 and 2018.<sup>2</sup>

### We are KiwiSaver specialists...

Our focus is on your retirement savings. New Zealand owned and operated, Generate's investment decisions are made by experienced investment professionals and overseen by an investment committee that has more than 100 years of combined expertise. You, as members, are the most important part of the Generate KiwiSaver Scheme. Our goal is simply to help you grow your savings and achieve the lifestyle you want in retirement.

### ...with proven underlying funds

We have identified high calibre underlying funds. We generally invest in funds that have substantial funds under management and are run by well-resourced teams of investment managers and research analysts located around the world. Importantly, some of our underlying funds seek positive returns from rising *and* falling asset prices. After all, the Global Financial Crisis was a timely reminder that asset prices don't always go up in value. All investments have different levels of risk (see the OMI for more details).

### ...and we actively monitor your investments.

In order to generate the returns you deserve, we carry out extensive research on all prospective investments. We then actively monitor the performance of our selected investments to ensure they meet our high standards. When we think an investment is no longer likely to live up to our expectations we will replace it with one we believe can.

### We want Kiwis to get advice on their KiwiSaver accounts

We're proud to say that over 90% of Generate KiwiSaver Members have joined through talking to a financial adviser.

Further, in our new member survey 96% of respondents rate us 4 or 5 out of 5 when asked: "Can you rate the experience out of 5- with 1 being not very informative or helpful and 5 being really valuable information and a good use of my time".<sup>3</sup>

### Many people are switching on to the benefits of Generate

Over the last three years Generate has had one of the fastest growing memberships (in percentage terms) of any KiwiSaver provider and is now the 10th largest provider by members.<sup>4</sup> Over 50,000 Kiwis are now enjoying the benefits of Generate.

### Keep you up-to-date with easy to understand information...

When you join the Generate KiwiSaver Scheme you can access daily fund prices on our website and keep up-to-date with regular 'plain English' email newsletters, annual reports and audited financial statements. We also give you a private login to our website so you can always view the full details of your investments, including how much you have saved and transaction information.

### ...and enjoy peace of mind knowing your savings are held by Public Trust.

Public Trust is New Zealand's most enduring trustee organisation. It's the only Crown entity that acts as a trustee serving the corporate and business market in New Zealand. It provides corporate trustee services to some of the best known names in the finance and investment industry (both locally and internationally). Public Trust's role is important, as it is the supervisor of your investment in the Scheme. As the supervisor, Public Trust has full oversight of your KiwiSaver investment. Public Trust does not guarantee the performance of the Scheme or any of the Funds.

<sup>1</sup> Morningstar KiwiSaver Survey Report June Quarter 2018. See page 2 for more details about the Morningstar rankings.

<sup>2</sup> SuperRatings does not issue, sell, guarantee or underwrite this product. Go to [superratings.com.au](http://superratings.com.au) for details of its rating criteria.

<sup>3</sup> Generate New Member Survey up until September 2018.

<sup>4</sup> Workplace Savings Quarterly KiwiSaver Surveys.



# Our People

We're proud of our people and the level of service we provide. From the 96% customer satisfaction score on our advice, to the strong performance results of the funds, our team are here to make sure you are looked after. Our Directors and Investment Committee bios are below.

**Peter Brook** BCom, ACA, CFIP

## **Chairman & Investment Committee Member**

Peter has over 20 years' experience in the investment banking industry, retiring to pursue his own business and consultancy activities. He is currently a director of Argosy Property Limited, Chairman of Burger Fuel Worldwide Limited and Trust Investments Management Limited. Peter is also a Trustee of the Melanesian Mission Trust Board, a member of the Institute of Finance Professionals New Zealand Inc., and a director of several other private companies.

**Scott Weenink** LLB, BA, Mstud (Oxon)

## **Director**

Scott is currently an Executive Director and Chief Commercial Officer of Modica Group, an enterprise messaging business having previously been General Counsel & Company Secretary of Auckland International Airport. An M&A and corporate finance lawyer by background, Scott also previously served as General Counsel and an Executive Director of global telecoms company, Ooredoo Asia based in Singapore. Scott has also worked for law firms Norton Rose Fulbright and Bell Gully. Scott has a Masters in Law from Oxford University (Wolfson College) and has completed an Executive Management course at Chicago University's Booth School of Business. He is admitted to the Bar in New Zealand, New South Wales and the United Kingdom.

**Sam Goldwater** BCom, DipCom, DipSci

## **Portfolio Manager, Director & Investment Committee Member**

Sam has over 20 years of financial markets experience. Locally he worked in fixed income sales and trading for the National Bank of New Zealand Treasury, co-managed the bond desk at First NZ Capital, and immediately prior to Generate led the investment management of a sizeable portfolio of family assets. He also worked for three years in London in fixed income trading and origination. Sam co-founded Generate in late 2012.

**Henry Tongue** BCom, DipCom

## **CEO, Director & Investment Committee Member**

Henry has 19 years' experience in the financial markets, beginning as an equity analyst for a New Zealand stock broking firm before moving to London in 1999. In London he worked as an analyst for Credit Suisse and Abbey National. Returning to New Zealand in 2003, Henry joined a private investment company in the management of their Australasian equity and property portfolio. From 2007 until 2011 he was Senior Portfolio Manager responsible for investments across all asset classes at Huljich Wealth Management. Henry co-founded Generate in late 2012.

**Nick Bowden** BA, BCom

## **Investment Committee member**

Nick is an advisor to a London based fund manager. He has over 20 years' experience working with various financial institutions and investment firms in New York and London. He has primarily focused on investment portfolios but in addition he brings deep operational experience in dealing with the changing risk and regulatory environments. Nick also worked at First Union in New York, which became part of Wells Fargo, from 1995-1999 in an institutional sales role.



# Description of your investment options

FUND	CONSERVATIVE FUND	GROWTH FUND	FOCUSED GROWTH FUND																																										
OBJECTIVE AND OVERVIEW	<p>The objective of the Conservative Fund is to provide a conservative investment return through investment in a portfolio of actively managed cash, fixed interest, property and infrastructure assets, and international equities.*</p> <p>Volatility is likely to be the lowest of the funds.</p> <p>Long-term returns are likely to be lowest of the funds due to the lowest weighting of growth assets.</p>	<p>The objective of the Growth Fund is to provide a growth investment return over the long-term through investment in a portfolio of actively managed cash, fixed interest, property and infrastructure assets, and international equities.*</p> <p>Volatility is likely to be higher than the Conservative Fund but lower than the Focused Growth Fund.</p> <p>Long-term returns are likely to be higher than the Conservative Fund but lower than the Focused Growth Fund due to its weighting of growth assets.</p>	<p>The objective of the Focused Growth Fund is to provide a higher growth investment return over the long-term through investment in a portfolio of actively managed cash, fixed interest, property and infrastructure assets, and international equities.*</p> <p>Volatility is likely to be the highest of the funds.</p> <p>Long-term returns are likely to be highest of the funds due to the highest weighting of growth assets.</p>																																										
TARGET INVESTMENT MIX	<table><tr><td>Income Assets</td><td>Growth Assets</td><td>Cash</td><td>Fixed Income</td><td>Property &amp; Infrastructure</td><td>International Equities</td></tr></table>	Income Assets	Growth Assets	Cash	Fixed Income	Property & Infrastructure	International Equities	<table><tr><td>Income Assets</td><td>Growth Assets</td><td>Cash</td><td>Fixed Income</td><td>Property &amp; Infrastructure</td><td>International Equities</td></tr></table>	Income Assets	Growth Assets	Cash	Fixed Income	Property & Infrastructure	International Equities	<table><tr><td>Income Assets</td><td>Growth Assets</td><td>Cash</td><td>Fixed Income</td><td>Property &amp; Infrastructure</td><td>International Equities</td></tr></table>	Income Assets	Growth Assets	Cash	Fixed Income	Property & Infrastructure	International Equities																								
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MINIMUM RECOMMENDED INVESTMENT TIMEFRAME	Less than 5 years	5 years or more	10 years or more																																										
RISK INDICATOR**	<table><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr><tr><td>Low</td><td></td><td></td><td></td><td></td><td></td><td>High</td></tr></table>	1	2	3	4	5	6	7	Low						High	<table><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr><tr><td>Low</td><td></td><td></td><td></td><td></td><td></td><td>High</td></tr></table>	1	2	3	4	5	6	7	Low						High	<table><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr><tr><td>Low</td><td></td><td></td><td></td><td></td><td></td><td>High</td></tr></table>	1	2	3	4	5	6	7	Low						High
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ANNUAL FUND CHARGES AS A % OF NET ASSET VALUE (NAV)***	1.25%	1.54%	1.69%																																										
You will also be charged an administration fee of \$36 p.a.																																													

\* See page 11 for further information

\*\* The risk category for each investment option is calculated based on the volatility of past returns over five years. See the OMI for more information.

\*\*\* Estimate for the year ahead. Annual fund charges for the fund are made up of: the management fee; the supervisor fee; other administration charges. For details regarding actual fund charges, see the latest fund update at [www.generatekiwisaver.co.nz/fund-updates](http://www.generatekiwisaver.co.nz/fund-updates)

### Target investment mix

Each fund has a long-term target investment mix. The actual investment mix will vary from the target investment mix as we pursue tactical investment opportunities, or as we seek to protect asset values in periods of market volatility.

For further information about the funds' investment activities see the Statement of Investment Policy and Objectives (**SIPO**) at [generatekiwisaver.co.nz](http://generatekiwisaver.co.nz).

### Income assets

Cash and fixed interest assets are referred to as income assets because they generate income in the form of interest payments. Income assets are typically less volatile than growth assets, so while the returns will go up and down (and be negative at times) they won't usually move to the same degree as growth assets. Over the long-term, income assets will usually provide lower returns than growth assets.

### Growth assets

Equities and property and infrastructure are referred to as growth assets because they have greater potential to achieve capital growth over the medium to long-term than income assets. They also involve more risk. Typically, the returns of growth assets will fluctuate more than income assets, and growth assets are more likely to experience periods of negative returns.

The Manager takes a broad view of what constitutes property and infrastructure assets. The Manager's definition expands to include aged care, telecommunications, transport and logistics companies.

International equities are made up of underlying funds that invest predominantly in equities and direct investment in international stocks. However, the Conservative Fund will not invest in underlying funds. See the SIPO for more information.

### Currency exposure

Foreign currency exposures in the funds are typically 50% hedged. For more details on our currency strategy, see the SIPO.

### Changes to the SIPO

We regularly review our SIPO. We may change the SIPO at any time with the approval of our Investment Committee. Any changes to the SIPO will be advised to the Supervisor and lodged on the Disclose Register within five business days of the change taking effect. Changes will also be advised in the annual report.

Further information about the assets in the funds can be found in the fund updates at [generatekiwisaver.co.nz/fund-updates](http://generatekiwisaver.co.nz/fund-updates).

# You might like to choose your own fund...

The longer you have until retirement the more growth assets you can hold to maximise the potential of your KiwiSaver account balance. But, if you are planning to buy your first home or nearing retirement in the next three years you should consider the Conservative Fund. You can also choose to split your savings into more than one fund to give you as much flexibility as possible over your investment in the Scheme.

The following risk profiler will help you decide which fund is right for you\*:

## How many years do you have in KiwiSaver before you will withdraw your savings for your first home or retirement?

A) 3 years or less (You should consider the Conservative Fund)	1
B) Between 3 – 5 years	2
C) Between 5 - 10 years	3
D) 10 years or more	4

## How would you describe your risk tolerance?

A) I am a conservative risk taker. I am happy with a lower level of return over the long term.	1
B) I am a balanced risk taker. I like to have some higher risk investments and some lower risk investments and a moderate level of return over the long-term.	3
C) I am a risk taker. I am happy taking risks and don't mind about short term losses if I can achieve a higher return over the long term.	4

## Growth funds are more volatile than conservative funds.

### If you were in a growth fund that lost 5% of its value in a month during a market decline, what would you do?

A) Move to a conservative fund	1
B) Move half to a conservative fund	2
C) Stay in the growth fund confident that growth should outperform conservative over time.	3
D) Increase your contribution rate or make a lump sum contribution while prices are lower.	4

## How did you do?

Please add up the numbers next to your answers.

YOUR SCORE	INDICATIVE FUND CHOICE
6 and under	Conservative fund
7 - 8	Conservative fund 50% and Growth fund 50%
9 - 10	Growth fund
11 - 12	Focused Growth fund

**Your scores are an indication only of the fund that may best suit you. You can choose any fund or a % of each. Before making a choice, you should consider all of the factors relevant to your decision and seek financial advice where you think it might be helpful.**

\* This is a general guide only and not financial advice, nor a personalised financial adviser service under the Financial Advisers Act 2008. It does not take into account your personal financial situation or goals.

# ...or get the best of both worlds with our life cycle options

By investing in the fund, or mix of funds, that suits your age, you can enjoy the benefits of growth investments as well as the protection of conservative investments when you need them most. There's no hassle or headaches deciding yourself because, if you select either of our Stepping Stones options, we automatically set your investment mix each year based on your age.

FUND	INVESTMENT OBJECTIVE				RISK INDICATOR*	ANNUAL FUND CHARGES PER INVESTOR (ESTIMATE)
	Age	Conservative Fund	Growth Fund	Focused Growth Fund		
Stepping Stones	0-35	0%	50%	50%	1 2 3 <b>4</b> 5 6 7 Low ← RISK/RETURN → High	1.61%
	36-45	30%	35%	35%	1 2 3 <b>4</b> 5 6 7 Low ← RISK/RETURN → High	1.50%
	46-55	60%	20%	20%	1 2 <b>3</b> 4 5 6 7 Low ← RISK/RETURN → High	1.40%
	56-60	80%	20%	0%	1 2 <b>3</b> 4 5 6 7 Low ← RISK/RETURN → High	1.31%
	61-64	90%	10%	0%	1 2 <b>3</b> 4 5 6 7 Low ← RISK/RETURN → High	1.28%
	65+	100%	0%	0%	1 2 <b>3</b> 4 5 6 7 Low ← RISK/RETURN → High	1.25%
Stepping Stones Growth	0-50	0%	100%	0%	1 2 3 <b>4</b> 5 6 7 Low ← RISK/RETURN → High	1.54%
	51-55	30%	35%	35%	1 2 3 <b>4</b> 5 6 7 Low ← RISK/RETURN → High	1.50%
	56-60	60%	20%	20%	1 2 <b>3</b> 4 5 6 7 Low ← RISK/RETURN → High	1.40%
	61-64	90%	10%	0%	1 2 <b>3</b> 4 5 6 7 Low ← RISK/RETURN → High	1.28%
	65+	100%	0%	0%	1 2 <b>3</b> 4 5 6 7 Low ← RISK/RETURN → High	1.25%

Please note you will also pay an administration fee of \$36 a year.

## Still not sure about the right fund for you?

No problems. Simply call us on **0800 855 322** and we will give you further information to assist you to make the right decision.

\* The risk category for each investment option is calculated based on the volatility of past returns over five years. See section 4 for more information.

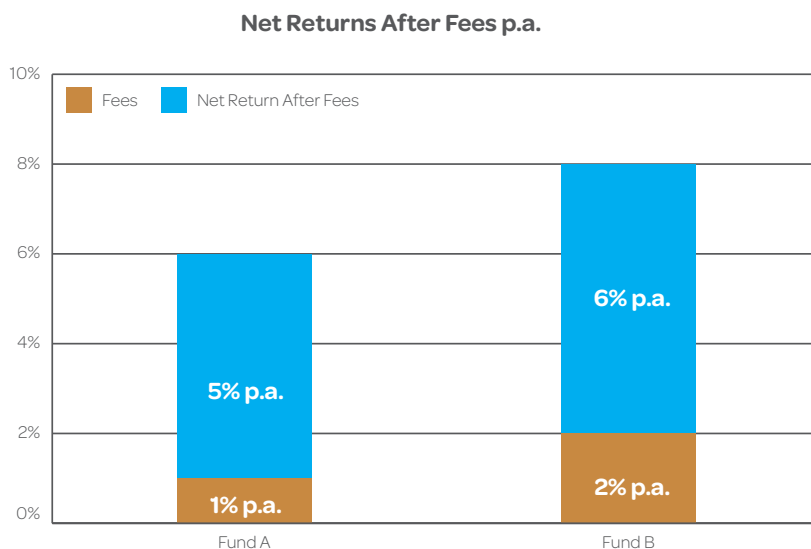


# KiwiSaver fees and taxes.

## Compare returns after fees and not just fees.

We strongly recommend you compare returns after fees rather than the fees of different KiwiSaver schemes. Why? Because a comparison of just fees will only give you part of the story. As Warren Buffet says 'Price is what you pay, value is what you get.' If you compare net returns **after fees** you will be comparing what you actually receive as an investor.

The graph below shows two funds. Fund A has a 1% fee while Fund B has a 2% fee. A comparison of just fees would select Fund A. However, Fund A has total return of 6% less the 1% fee which gives a net return of 5%. Fund B has a total return of 8% less the 2% fee which gives a net return of 6%. A comparison of net returns after fees would select Fund B. This is a simple example as there are many other things to consider when selecting a fund but it demonstrates the value in looking at returns after fees.



### Focus on 'after fee and tax outcomes' more important than pure fees – SuperRatings

Funds research firm SuperRatings recognises that whilst fees are an important factor in assessing the competitiveness of a scheme, studies have shown that “there is often an inverse relationship between fees and investment outcomes achieved by members, as those funds with the lowest fees will often provide lower investment returns than their higher fee counterparts”.

SuperRatings CEO, Adam Gee, confirmed “We remain highly concerned with the continual focus on fees by many participants within the KiwiSaver market. As is evident from our modelling, whilst fee savings will deliver some benefit to members, the associated reduction in potential investment earnings is often four to five times the level of fees saved”. (SuperRatings Media Release 22.11.16)

### What taxes will you pay?

KiwiSaver Schemes are portfolio investment entities. The amount of tax you pay is based on your prescribed investor rate (PIR). Your PIR rate is either 10.5%, 17.5% or 28% based on your income over the last 2 years.

**Did you know: If you are paying too much tax you are not eligible for a refund. However, if you are paying too little tax you are liable to pay additional tax to the IRD (together with any interest and penalties).**

A guide to calculating your PIR is included on page 19.

# Generate fees outlined

**Please note:** A full breakdown of the fees is provided in Section 5 of the PDS.

FEE	CONSERVATIVE FUND	GROWTH FUND	FOCUSED GROWTH FUND
Annual fund charges as a % of Net Asset Value (NAV)*	1.25%	1.54%	1.69%
You will also pay an administration fee of \$36 per year			

## Example of how fees apply to an investor

Hannah invests \$10,000 in the Growth Fund. She is not charged an establishment fee or a contribution fee.

This means the starting value of her investment is \$10,000. She is charged management fees, which work out to about \$154 (1.54% of \$10,000). These fees might be more or less if her account balance has increased or decreased over the year. Over the next year, Hannah pays other charges of \$36.

## Estimated total fees for the first year

Fund charges: \$154  
Other charges: \$36

See the latest fund update for an example of the actual returns and fees investors were charged over the past year. This example applies only to the Growth Fund. If you are considering investing in other funds or investment options in the Scheme, this example may not be representative of the actual fees you may be charged.

\* Estimate

# Get more with Generate KiwiSaver online

With Generate KiwiSaver not only will you get your balance and transactions on all devices but you will also get a full breakdown of your fund choices, asset allocations and individual holdings. You can also see how the funds are performing and be able to adjust your investment between the Generate funds.

Account Summary

Account balance  
**\$85,065.05**

**My Details**

Name JOHN SMITH  
Member N° 13325  
KiwiSaver Start Date 15/11/2008  
Generate Start Date 05/09/2014  
IRD 057657898  
Phone 0211234567  
Email john@smith.com  
Address 7 Queen Street  
Auckland City, Auckland 1025  
DOB 23/03/1979  
PIR 28% (What's this?)

**Contributions Summary as at 30/11/2016**

**Growth in your KiwiSaver account**

**My Investments**

How your KiwiSaver contributions are currently invested

Fund	Split %	Units Held	Unit Price	Value
Focused Growth Fund	35.1%	23,019	\$1.2664	\$29,841.40
Conservative Fund	29.9%	21,038	\$1.2071	\$25,395.08
Growth Fund	35.1%	23,059	\$1.2936	\$29,828.57
<b>Total</b>				<b>\$85,065.05</b>

**Fund performance\* as at 30<sup>th</sup> November 2016**

Fund	1 Month	1 Year	3 Years (p.a.)	Since Inception (p.a.)
Conservative Fund	-0.81%	4.08%	6.74%	5.39%
Growth Fund	0.36%	0.47%	8.18%	7.36%
Focused Growth Fund	1.16%	-2.28%	7.74%	7.42%

\*Past performance is not necessarily an indicator of future performance and return periods may differ. Returns are after fees and before taxes.

[View Full Report](#)

Transactions Statement

Transactions

☒ All available transactions  
☐ Between these dates

From YYYY-MM-DD To YYYY-MM-DD

**Choose display options**

☒ Contributions ☒ Transfers In  
☒ Fund Switch ☒ Withdrawals  
☒ Govt

**Sort Date**

☒ Descending ☐ Ascending

[Update](#) [Export to Excel](#)

Date	Type	Value
30/11/2016	Fee	\$3
29/11/2016	Employee Contributions	\$500
15/11/2016	Employee Interest	\$0.65
15/11/2016	Employee Interest	\$1.55
14/11/2016	Switch	\$544.49
14/11/2016	Switch	\$51.74
14/11/2016	Switch	\$51.55
14/11/2016	Switch	\$545.54
10/11/2016	Employee Contributions	\$251.25
02/11/2016	Employee Contributions	\$500
28/10/2016	Fee	\$3
14/10/2016	Employee Interest	\$0.66
14/10/2016	Employee Interest	\$1.45
12/10/2016	Employee Contributions	\$251.25
30/09/2016	Fee	\$3
29/09/2016	Employee Contributions	\$500
15/09/2016	Employee Interest	\$1.38
15/09/2016	Employee Interest	\$0.65
12/09/2016	Employee Contributions	\$251.25
29/08/2016	Employee Contributions	\$500
26/08/2016	Fee	\$3
15/08/2016	Employee Interest	\$1.45
15/08/2016	Employee Interest	\$0.66
11/08/2016	Employee Contributions	\$251.25
01/08/2016	Employee Contributions	\$500

Total Contributions **\$21584.41**  
Total Withdrawals **\$677.41**  
Total Transfer In **\$53545.13**  
Total **\$74452.13**

My Investments

**Fund splits**

**Your Asset Allocation**

**Fund Assets**

How your KiwiSaver contributions are currently invested

Security Type	Weight	Value
Fixed Interest	25.66%	\$21,847.68
Property and Infrastructure	32.24%	\$27,452.41
Cash	8.24%	\$7,015.45
International Equities Managers	33.16%	\$28,230.00
Australian equities	0.7%	\$593.95
<b>Total</b>	<b>100.00%</b>	<b>\$85,139.49</b>

**Fund Portfolio Holdings**

Fixed Interest Property and Infrastructure Cash International Equities Managers Assets

Shares	Split %
AIANZ 5.47 10/17/17 (AIAN10)	0.07%
ANZ 4.00% 22/03/2021 (ANB110)	0.33%
ANZ 5.28 10/03/19 (ANB110)	1.2%
ASBNK Term Deposit 3.38% 19/08/2019 (ASBNK 3.38 190819)	0.22%
ASBNK Term Deposit 3.5% 13/07/2020 (ASBNK 3.5 200713)	0.53%
ASBNK Term Deposit 3.6% 24/02/2019 (ASBNK 3.6 190224)	0.09%
ASBNK Term Deposit 3.7% 11/02/2019 (ASBNK 3.7 190211)	0.13%
ASBNK Term Deposit 3.74% 20/09/2021 (ASBNK 3.74 210920)	0.18%
ASBNK Term Deposit 3.75% 10/06/2021 (ASBNK 3.75 210610)	0.61%
ASBNK Term Deposit 3.95% 21/10/2016 21/10/2019 (ASBNK 3.95 161021 191021)	0.22%
ASBNK Term Deposit 3.95% 28/10/2016 28/10/2019 (ASBNK 3.95 161028 191028)	0.25%
ASBNK Term Deposit 4.20% 23/11/2016 23/11/2019 (ASBNK 4.20 161123 191123)	0.22%
ASBNK 4.245% 05/26/2021 (ASBNK 4.245 052621)	0.61%
ASBNK Term Deposit 4.6% 08/04/2017 (ASBNK 4.6 170408)	0.07%
ASBNK Term Deposit 4.7% 22/06/2019 (ASBNK 4.7 190622)	0.11%
ASBNK Term Deposit 4.8% 28/04/2018 (ASBNK 4.8 180428)	0.05%
ASBNK Term Deposit 4.8% 03/05/2018 (ASBNK 4.8 180503)	0.05%
ASBNK Term Deposit 4.8% 06/05/2018 (ASBNK 4.8 180506)	0.14%
ASBNK Term Deposit 5.25% 15/01/2018 (ASBNK 5.25 180115)	0.05%
BZLNZ Term Deposit 3.45% 03/08/2021 (BZLNZ 3.45 210803)	0.3%
BZLNZ Term Deposit 3.59% 05/10/2017 (BZLNZ 3.59 171005)	0.42%
BZLNZ Term Deposit 3.59% 13/07/2020 (BZLNZ 3.59 200713)	0.31%
BZLNZ Term Deposit 3.71% 20/09/2021 (BZLNZ 3.71 210920)	0.11%
BZLNZ Term Deposit 3.85% 08/06/2021 (BZLNZ 3.85 210608)	0.47%
BZLNZ Term Deposit 3.87% 27/05/2021 (BZLNZ 3.87 210527)	0.11%
BZLNZ Term Deposit 3.92% 21/11/2016 21/11/2018 (BZLNZ 3.92 161121 181121)	0.28%
BZLNZ Term Deposit 3.92% 12/04/2021 (BZLNZ 3.92 210412)	0.22%

Please make sure your email address is correct on your application. You will need this to login to your account. We recommend you use a personal email address as opposed to a work email address. We will email you as soon as we have processed your application with your login details.

Please contact us if you need help to login.

---

# How to join or transfer – follow these easy steps...

- 1.** Complete the application form at the back of the PDS.
- 2.** Remember to include the required identification and proof of address.
- 3.** Let your employer know you have joined a KiwiSaver scheme as well as your contribution rate (if you are employed and new to KiwiSaver).

## What next?

- 1.** Check your email for confirmation of your membership of the Generate KiwiSaver Scheme.
  - 2.** Follow the instructions included in the confirmation to access your account.
  - 3.** Read our monthly email newsletter for updates on investments and other news.
  - 4.** If you are employed, your KiwiSaver contributions will be sent from your employer to Inland Revenue, who will forward them onto the Generate KiwiSaver Scheme. If you are not employed but want to contribute on a regular basis, please complete a direct debit form as part of your application.
-

## Enrolment Checklist

### Step 1: Select Member Type and Requirements

AGE 18-64	AGE 16-17	AGE 15 AND UNDER		
ALL APPLICANTS	ALREADY IN KIWISAVER, MARRIED, IN A CIVIL UNION OR DE FACTO	NEW TO KIWISAVER	ALREADY IN KIWISAVER	NEW TO KIWISAVER
<input type="checkbox"/> Applicant signature <input type="checkbox"/> Provide IRD Number <input type="checkbox"/> Provide ID (Step 2)	<input type="checkbox"/> Applicant signature <input type="checkbox"/> Provide IRD Number <input type="checkbox"/> Provide ID (Step 2)	<input type="checkbox"/> Minor's signature <input type="checkbox"/> Signature of one parent or guardian, with consent from all parents or guardians <input type="checkbox"/> Minor's IRD Number <input type="checkbox"/> Minor's Birth Certificate or Passport <input type="checkbox"/> Provide ID for signing parent or guardian (Step 2)	<input type="checkbox"/> Signature of one parent or guardian, with consent from all parents or guardians <input type="checkbox"/> Minor's IRD Number <input type="checkbox"/> Minor's Birth Certificate or Passport <input type="checkbox"/> Provide ID for signing parent or guardian (Step 2)	<input type="checkbox"/> Signature of all parents or guardians <input type="checkbox"/> Minor's IRD Number <input type="checkbox"/> Minor's Birth Certificate or Passport <input type="checkbox"/> Provide ID for all parents or guardians (Step 2)

### Step 2: Provide Identity and Proof of Address Documents

OPTION 1	OPTION 2
<input type="checkbox"/> Passport; or <input type="checkbox"/> New Zealand Drivers Licence; or <input type="checkbox"/> New Zealand Firearms Licence	<input type="checkbox"/> Birth Certificate; or <input type="checkbox"/> Citizenship Certificate <b>AND</b> one of the following: <input type="checkbox"/> HANZ 18+ Card; or <input type="checkbox"/> Tertiary Student Photo ID; or <input type="checkbox"/> Current International Driving Permit <input type="checkbox"/> NZ Bank Credit Card with photo

Choose one of the acceptable forms of **proof of address** for applicant's physical address (not a PO Box) by sending us a copy of an invoice, statement, letter or contract in applicant's name, dated within the **last 12 months**, from one of the following sources:

☐ Utility provider e.g. water, electricity, gas, telecommunications, Sky TV (or other fixed address media provider)  
☐ Government or local Government agency e.g. IRD, benefits statement, Watercare, Council notice  
☐ NZ Bank or KiwiSaver correspondence  
☐ Car registration notification/demand  
☐ Companies Office records

If you do not have one of the above forms then please provide a copy of an invoice, statement, letter or contract in applicant's name, dated within the **last 3 months**, from one of the following sources:

☐ Electronic white pages  
☐ Non-bank, non-KiwiSaver financial institution  
☐ Insurance company  
☐ Employer provided accommodation letter  
☐ Rental tenancy agreement

### Step 3: Certification of your Documents

Provide originals or have an approved person certify copies of all ID and proof of address.

**An employee or agent of Generate can verify original documents by sighting the original documents and then making the following statement "I verify that I have sighted the originals of the attached documents and the documents are exact copies of the original."**

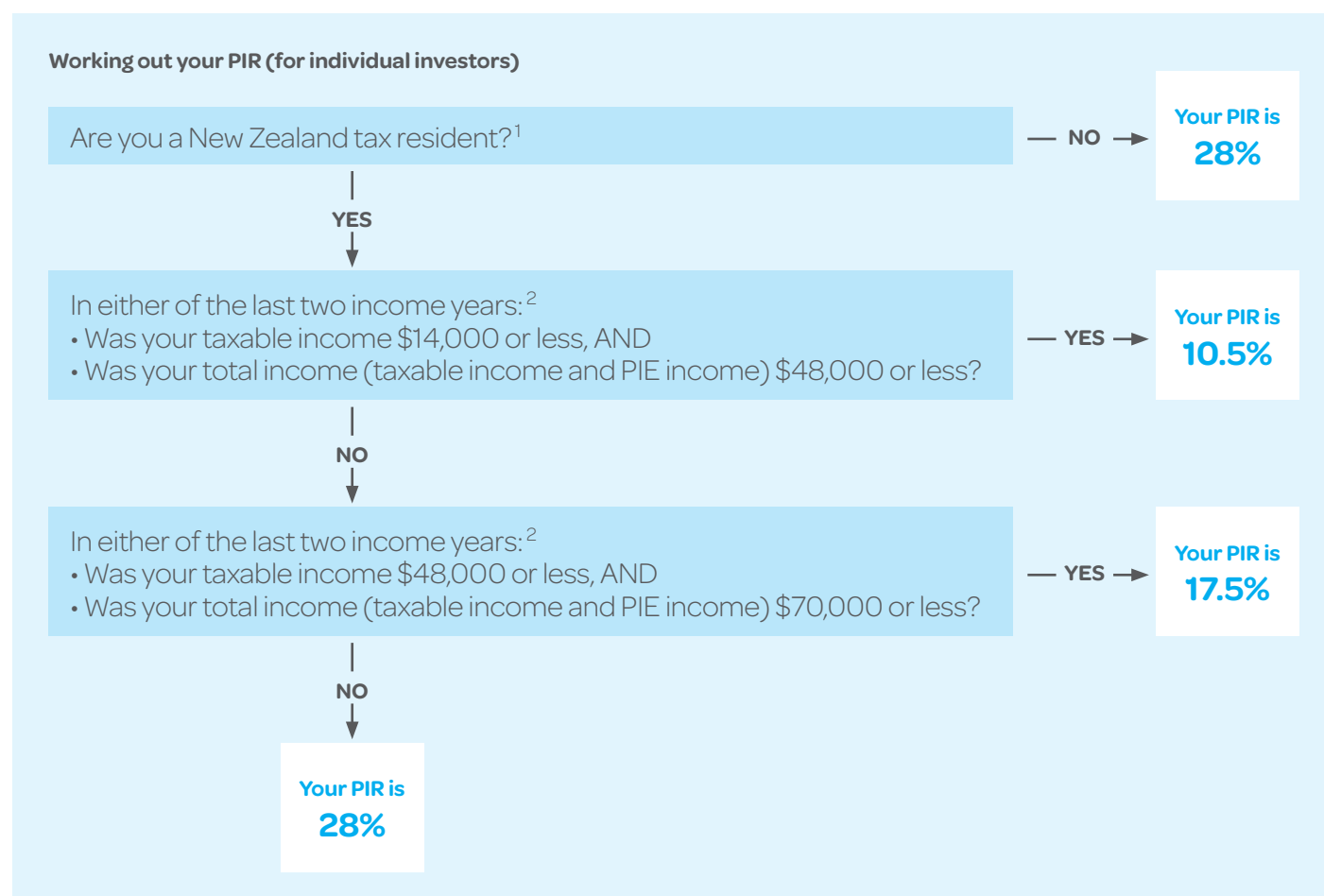
- ☐ Certification must be within the last three months.
- ☐ The approved person cannot be your spouse, partner, relative or living at the same address as you.
- ☐ The approved person could be: a JP; Chartered Accountant; Lawyer; Police Officer; Registered Teacher; Registered Doctor or any other person who has legal authority to take statutory declarations in New Zealand.
- ☐ Upon comparing the copy with the original document, the approved person must write on the copy their name, occupation, their signature, the date and the following, "I certify this to be a true copy of the original document and confirm that it represents the identity of [full name of person being identified]"



# Working out your tax rate for KiwiSaver

You pay tax on the money you earn from your KiwiSaver investment. If you're not on the right rate, you could be paying more tax than you have to and you can't get that money back. However, if you are paying too little tax you are liable to pay additional tax to the IRD.

Before you invest in a portfolio investment entity (PIE) such as a KiwiSaver scheme, you will need to provide your IRD number and Prescribed Investor Rate (PIR). If you do not provide your IRD number and PIR, the income derived on your KiwiSaver account will be taxed at the default rate of 28%. Your PIR is used to calculate the tax on income derived on your KiwiSaver account. You can determine your PIR by answering the following questions:



<sup>1</sup> Generally you are a New Zealand tax resident if;  
 – You are in New Zealand for more than 183 days in any 12 month period, or  
 – You have a “permanent place of abode” in New Zealand, or  
 – You are away from New Zealand working for the New Zealand Government.

<sup>2</sup> Previous two income years refers to the two tax years prior to the tax year that the PIR is being applied to. (For example, use your income for the 2015 and 2016 tax years to work out your 2017 PIR). Your attributed PIE income or attributed PIE loss for an income year is the amount of income or loss attributed to you by PIEs in that income year, which will be recorded in the tax certificates issued to you at the end of the income year by each PIE you invest in. Refer to the OMI tax section for more information on how to determine your PIR.

## Tables: Value at retirement and income in retirement

### 1)

#### EMPLOYED - VALUE AT AGE 65 CONTRIBUTING 3% OF SALARY

Age	Starting Salary	\$ p/w in year 1	Defensive	Conservative	Balanced	Growth
			2.17%	4.65%	6.84%	8.89%
20	\$35,000	\$20.19	\$215,000	\$379,000	\$683,000	\$1,261,000
25	\$45,000	\$25.96	\$217,000	\$359,000	\$599,000	\$1,015,000
30	\$55,000	\$31.73	\$209,000	\$324,000	\$502,000	\$785,000
35	\$75,000	\$43.27	\$217,000	\$314,000	\$452,000	\$654,000
40	\$80,000	\$46.15	\$180,000	\$247,000	\$334,000	\$452,000
45	\$85,000	\$49.04	\$144,000	\$187,000	\$238,000	\$303,000
50	\$90,000	\$51.92	\$110,000	\$135,000	\$162,000	\$194,000
55	\$95,000	\$54.81	\$78,000	\$89,000	\$101,000	\$114,000
60	\$100,000	\$57.69	\$46,000	\$50,000	\$54,000	\$57,000

#### INCOME PER MONTH IN RETIREMENT TO AGE 90

Years in Retirement	Defensive	Conservative	Conservative	Conservative
	2.17%	4.65%	4.65%	4.65%
25	\$732	\$1,743	\$3,208	\$6,042
25	\$741	\$1,652	\$2,813	\$4,865
25	\$712	\$1,489	\$2,357	\$3,762
25	\$739	\$1,446	\$2,126	\$3,133
25	\$613	\$1,135	\$1,570	\$2,167
25	\$492	\$860	\$1,120	\$1,451
25	\$375	\$619	\$760	\$927
25	\$264	\$410	\$475	\$546
25	\$158	\$231	\$252	\$274

### 2)

#### EMPLOYED - VALUE AT AGE 65 CONTRIBUTING 4% OF SALARY

Age	Starting Salary	\$ p/w in year 1	Defensive	Conservative	Balanced	Growth
			2.17%	4.65%	6.84%	8.89%
20	\$35,000	\$26.92	\$248,000	\$432,000	\$770,000	\$1,407,000
25	\$45,000	\$34.62	\$252,000	\$412,000	\$681,000	\$1,144,000
30	\$55,000	\$42.31	\$243,000	\$373,000	\$574,000	\$891,000
35	\$75,000	\$57.69	\$253,000	\$365,000	\$522,000	\$750,000
40	\$80,000	\$61.54	\$210,000	\$286,000	\$385,000	\$518,000
45	\$85,000	\$65.38	\$167,000	\$216,000	\$274,000	\$346,000
50	\$90,000	\$69.23	\$127,000	\$154,000	\$185,000	\$220,000
55	\$95,000	\$73.08	\$88,000	\$101,000	\$115,000	\$129,000
60	\$100,000	\$76.92	\$52,000	\$56,000	\$59,000	\$63,000

#### INCOME PER MONTH IN RETIREMENT TO AGE 90

Years in Retirement	Defensive	Conservative	Conservative	Conservative
	2.17%	4.65%	4.65%	4.65%
25	\$846	\$1,990	\$3,620	\$6,743
25	\$860	\$1,898	\$3,200	\$5,480
25	\$828	\$1,717	\$2,696	\$4,269
25	\$863	\$1,678	\$2,452	\$3,591
25	\$714	\$1,315	\$1,808	\$2,482
25	\$571	\$992	\$1,287	\$1,659
25	\$433	\$711	\$870	\$1,056
25	\$301	\$466	\$538	\$617
25	\$176	\$256	\$279	\$303

## Assumptions

**Employed:** The tables show the value at retirement for KiwiSaver members based on their current age and income p.a. Members are assumed to already have a KiwiSaver balance of \$17,000. They remain employed and contributing either 3%, 4% or 8% (depending on each table) of their before tax pay until they reach retirement at age 65. The \$ value per week of the contributions in year 1 are shown. After year 1 the contributions will increase at 3% per year along with the salary increases. Their salary is assumed to grow by 3% p.a. Inflation is assumed to average 2% p.a. Their employer's contributions are net of Employer Superannuation Contribution Tax.

**Income in retirement:** Any member invested in the Growth or Focused Growth Fund is assumed to move to the Conservative Fund when they turn 65. The tables show the income per month in retirement based on the projected value at retirement. The member is assumed to withdraw a consistent amount per month until the age 90 at which time the value of the account will be zero. The member makes no further contributions after 65.

The returns shown are the average for each fund type per annum (p.a.) from sorted.org.nz Fundfinder 01/04/13 to 30/06/18 less 2% p.a. to adjust for inflation. Defensive 2.17% (0.17%), Conservative 4.65% (2.65%), Balanced 6.84% (4.84%) and Growth 8.89% (6.89%) p.a. The ~5 year average returns are used for illustrative purposes only and during this time period there has been a bull market in equities so these returns may be higher than usual. The graphs do not reflect the prospective performance of the Generate KiwiSaver Scheme or of any fund. The returns are subject to investment and other risks (including potential losses). No returns are guaranteed or assured, and returns can at times be negative, particularly given the length of the investment period shown in the illustration. Past performance is not necessarily an indicator of future performance and returns over different periods may differ.

## Tables: Value at retirement and income in retirement

### 3)

#### EMPLOYED - VALUE AT AGE 65 CONTRIBUTING 8% OF SALARY

Age	Starting Salary	\$ p/w in year 1	Defensive	Conservative	Balanced	Growth
			2.17%	4.65%	6.84%	8.89%
20	\$35,000	\$53.85	\$382,000	\$647,000	\$1,121,000	\$1,993,000
25	\$45,000	\$69.23	\$392,000	\$626,000	\$1,010,000	\$1,658,000
30	\$55,000	\$84.62	\$379,000	\$572,000	\$863,000	\$1,314,000
35	\$75,000	\$115.38	\$399,000	\$567,000	\$799,000	\$1,132,000
40	\$80,000	\$123.08	\$328,000	\$442,000	\$588,000	\$781,000
45	\$85,000	\$130.77	\$260,000	\$331,000	\$416,000	\$520,000
50	\$90,000	\$138.46	\$195,000	\$234,000	\$278,000	\$328,000
55	\$95,000	\$146.15	\$132,000	\$150,000	\$168,000	\$188,000
60	\$100,000	\$153.85	\$73,000	\$78,000	\$83,000	\$87,000

#### INCOME PER MONTH IN RETIREMENT TO AGE 90

Years in Retirement	Defensive	Conservative	Conservative	Conservative
	2.17%	4.65%	4.65%	4.65%
25	\$1,301	\$2,978	\$5,268	\$9,549
25	\$1,335	\$2,880	\$4,745	\$7,943
25	\$1,292	\$2,631	\$4,053	\$6,297
25	\$1,360	\$2,607	\$3,755	\$5,421
25	\$1,119	\$2,033	\$2,761	\$3,742
25	\$886	\$1,524	\$1,953	\$2,490
25	\$664	\$1,078	\$1,305	\$1,569
25	\$451	\$691	\$791	\$899
25	\$249	\$359	\$389	\$419

### 4)

#### SELF EMPLOYED - VALUE AT AGE 65 CONTRIBUTING FROM \$20 PER WEEK

Age	Starting Salary	\$ p/w in year 1	Defensive	Conservative	Balanced	Growth
			2.17%	4.65%	6.84%	8.89%
20	\$20	\$20	\$124,000	\$204,000	\$341,000	\$580,000
25	\$20	\$20	\$102,000	\$160,000	\$251,000	\$399,000
30	\$20	\$20	\$83,000	\$124,000	\$182,000	\$271,000
35	\$20	\$20	\$67,000	\$94,000	\$130,000	\$181,000
40	\$20	\$20	\$52,000	\$69,000	\$90,000	\$118,000
45	\$20	\$20	\$39,000	\$49,000	\$60,000	\$74,000
50	\$20	\$20	\$28,000	\$33,000	\$38,000	\$44,000
55	\$20	\$20	\$17,000	\$19,000	\$21,000	\$23,000
60	\$20	\$20	\$8,171	\$8,578	\$8,954	\$9,321

#### INCOME PER MONTH IN RETIREMENT TO AGE 90

Years in Retirement	Defensive	Conservative	Conservative	Conservative
	2.17%	4.65%	4.65%	4.65%
25	\$422	\$939	\$1,601	\$2,781
25	\$349	\$736	\$1,180	\$1,912
25	\$284	\$569	\$857	\$1,299
25	\$227	\$431	\$612	\$868
25	\$177	\$318	\$425	\$566
25	\$133	\$225	\$284	\$356
25	\$94	\$150	\$179	\$211
25	\$59	\$89	\$100	\$112
25	\$28	\$40	\$42	\$45

## Assumptions

**Employed:** The tables show the value at retirement (Age 65) for KiwiSaver members based on their current age and income p.a. Members are assumed to already have a KiwiSaver balance of \$17,000. They remain employed and contributing either 3%, 4% or 8% (depending on each table) of their before tax pay until they reach retirement at age 65. The \$ value per week of the contributions in year 1 are shown. After year 1 the contributions will increase at 3% per year along as will the salary. Inflation is assumed to average 2% p.a. and therefore the \$ values are inflation adjusted. Their employer's contributions are net of Employer Superannuation Contribution Tax.

**Self-employed:** The tables show the value at retirement for KiwiSaver members based on their current age and contributions starting at \$20 per week. Their contributions are assumed to grow at 3% p.a. They remain contributing until they reach retirement at age 65. Members are assumed to already have no KiwiSaver balance to start with. Inflation is assumed to average 2% p.a.

**Income in retirement:** Any member invested in the Growth or Focused Growth Fund is assumed to move to the Conservative Fund when they turn 65. The tables show the income per month in retirement based on the projected value at retirement. The member is assumed to withdraw a consistent amount per month until the age 90 at which time the value of the account will be zero. The member makes no further contributions after 65.

The returns shown are the average for each fund type per annum (p.a.) from sorted.org.nz Fundfinder 01/04/13 to 30/06/18 less 2% p.a. to adjust for inflation. Defensive 2.17% (0.17%), Conservative 4.65% (2.65%), Balanced 6.84% (4.84%) and Growth 8.89% (6.89%) p.a. The ~5 year average returns are used for illustrative purposes only and during this time period there has been a bull market in equities so these returns may be higher than usual. The graphs do not reflect the prospective performance of the Generate KiwiSaver Scheme or of any fund. The returns are subject to investment and other risks (including potential losses). No returns are guaranteed or assured, and returns can at times be negative, particularly given the length of the investment period shown in the illustration. Past performance is not necessarily an indicator of future performance and returns over different periods may differ.

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# What happens next?

We will email you a welcome note and login details to access your account online.

Every month we will send you a newsletter which includes some useful information on the performance of your KiwiSaver, where it is invested and our view on the markets. We also include insights into our underlying funds and companies we invest in along with some general information on investing to break down the jargon and help everyone understand it.

Please make sure your email address is correct on your application so we can stay in touch.

#### Helpful Tip:

**KiwiSaver is for life however many people change jobs regularly so please use a personal email address rather than a work one.**

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# Moving from another provider?

If you are moving from another provider, Generate will contact your old provider and arrange the transfer of your funds. **Please note that this can take up to 35 working days.**

#### If you are Employed (via PAYE)

If you would like to change or check your contribution rate of 3%, 4% or 8% you will need to tell your employer to make that change. KiwiSaver providers are unable to tell your employer what your contribution rate is. If you are happy with your current contribution rate you do not have to do anything further.

#### If you are self-employed/not working/under 18

If you have a direct debit in place with your previous provider you will need to instruct your bank to cancel the old direct debit and set up a new one with Generate.

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# New to KiwiSaver?

If you are joining KiwiSaver for the first time, any contributions will be held by the IRD for the first 90 days before being sent to your Generate account.

#### If you are employed (via PAYE)

**You will need to let your employer know that you have joined KiwiSaver and what your chosen contribution rate is (either 3%, 4% or 8%).** KiwiSaver providers are unable to tell your employer what your contribution rate is. They may ask you to complete a KS2 form. If no deductions are received by the IRD they will write to your employer requesting them to start making deductions.

#### If you are self-employed/not working/under 18

Your balance will be starting at \$0. With no contributions coming through your work, we strongly encourage you to start a direct debit or set an automatic payment up to contribute to your account.

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# Contact us

If you have any questions regarding your membership in the Generate KiwiSaver Scheme please contact us on **0800 855 322** or email us at **info@generatekiwisaver.co.nz**

## Directory

### Supervisor

Public Trust  
Level 9  
34 Shortland Street  
Auckland  
T 0800 371 471  
F 0800 371 001

### Solicitors for the manager

MinterEllisonRuddWatts  
Level 20  
88 Shortland Street  
Auckland  
T +64 9 353 9700  
F +64 9 353 9701

### Solicitors for the Supervisor

DLA Piper  
Chartered Accountants House  
Level 5  
50 - 64 Customhouse Quay  
Wellington 6011  
T +64 4 472 6289  
F +64 4 472 7429

### Auditors

Grant Thornton New Zealand Audit Partnership  
Level 15  
Grant Thornton House  
215 Lambton Quay  
Wellington  
T +64 4 474 8500  
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Your Adviser Details:



# *Generate*<sup>™</sup>



[generatekiwisaver.co.nz](http://generatekiwisaver.co.nz)