

**mary  
holm**

**NEW ZEALAND'S  
MOST TRUSTED  
MONEY EXPERT**

**rich  
enough?**



**A LAID-BACK  
GUIDE FOR  
EVERY KIWI**

## Rich enough?

Over the next year, we'll be publishing extracts from Mary Holm's bestselling book on saving and investment, *Rich Enough?* Mary is the author of six books on personal finance. She is a Qantas Media Award-winning columnist known for her personal finance column in the *Weekend Herald* and regular appearances on National Radio and is a director of the Financial Markets Authority and Financial Services Complaints Limited (FSCL). In this first extract, Mary presents some rules of thumb on retirement spending, answering the question: How much are you likely to want for regular spending in retirement?

Read [rules of thumb on retirement spending](#)

## Year begins with record gains in share markets

Only a few months ago, we were lamenting a significant drop in share prices that saw returns from Growth, Balanced and Conservative dip sharply. In its latest quarterly report, our investment manager Russell Investments notes that a strong rally in share markets around the world at the start of the year was enough to make up for the losses incurred in the previous quarter. "This quick recovery may be a helpful reminder for members that markets can turn from pessimism to optimism, and vice versa, in a very short amount of time. Changing strategy based on short-term results is often an ill-advised approach to investing, and members who switched into Cash on the back of disappointing returns at the end of last year could have easily missed out completely on the recovery in the first three months of 2019."

Read the full [quarterly report](#) | See the [latest returns](#)

## Insights into investor behaviour

Common sense would say that the best way to maximise returns on savings is to buy investments when they're cheap and sell when the price is high. The fact is, most of us do exactly the opposite. So, what motivates investors to buy high and sell low? In this engaging article, Russell Investments uses research into investor behaviour to explain this phenomenon and offers thoughts on how to avoid behavioural biases that cause us to act against our best interests.

Read Russell Investments' article on [investment behaviours](#)

## Unit pricing will make investment switches faster

At the moment, if you change investment options, you have to wait until the beginning of the following month for your new choice to take effect. This is because we need to wait until after the monthly interim crediting rate is declared. On 1 July 2019, we will introduce daily unit pricing, which means investment switches will be processed within a few days. There are other benefits too – like speeding up the annual review process. The introduction of unit pricing reflects our commitment to ensuring UniSaver's scheme design and systems are in line with industry best practice.

Read more about [unit pricing and how it works](#)

## Board changes

Ian Russon has taken over as Chair of UniSaver Limited, the scheme's trustee and manager, following the retirement at the end of April of fellow independent director Malcolm Johnson. Sarah Graydon will join the board at the end of June as his replacement.

Ian was elected Chair by the member-elected and university-appointed directors earlier this year. His work as a professional company director follows a long and distinguished career in the financial sector in New Zealand and overseas. He has been a director of UniSaver Limited since 2017 and is also the scheme's licensed independent trustee.

Sarah is an experienced lawyer who has worked in a number of areas, predominantly in corporate roles. She headed up the legal team at New Zealand Post for eight years and now works with Juno Legal providing advisory, coaching and legal services centred on in-house legal functions. Sarah's governance experience spans superannuation, health and education. She is a licensed independent trustee and currently holds board positions with three other superannuation schemes as well as UniSaver. On joining the board, Sarah will become UniSaver's licensed independent trustee as we adopt the best-practice policy of separating this role and the role of Chair.

## Sign-off from Malcolm

Malcolm Johnson has been Chair since 2014. During his time in the role, he has overseen significant changes to the scheme. These include:

- establishing an implemented consulting model in which day-to-day investment decisions are delegated to UniSaver's investment consultant and manager Russell Investments
- investing in a broader range of asset classes to diversify the funds further
- introducing new options and benefits such as UniSteps and first-home withdrawals
- launching a new name, brand and website
- laying the groundwork for daily unit pricing.

"It has been my great pleasure to have worked with my fellow trustee directors and our advisors in serving the members of UniSaver over my tenure," says Malcolm. "UniSaver's overall architecture and offering to members is best practice and will serve existing and future members well. I wish you all good health, happiness and prosperity."

## Changes to the locked section

New legislation came into force at the beginning of April that affects KiwiSaver schemes and complying superannuation funds like our locked section. There are also some changes in terminology:

- 'Member tax credits' are now known as 'government contributions'.
- 'Contribution holidays' are now called 'savings suspensions'.

### From 1 April 2019

- The maximum savings suspension period has been reduced from five years to one year.

### From 1 July 2019

- Eligible employees over the age of 65 will now be able to join and contribute to the locked section (but won't be eligible for government contributions).
- The five-year lock-in period for new members over the age of 60 who join UniSaver's locked section will be removed.

### From 1 April 2020

- Existing members who joined the locked section before 1 July 2019 who would otherwise be prevented from making a retirement withdrawal by the five-year lock-in period may opt out of the five-year lock-in period.

These changes are explained in detail on our website.

Read about the [changes to the locked section](#)

## What's in a name?

At the same time as we're updating our public documents to reflect the 1 July changes, we've taken the opportunity to update the terminology we use to refer to members who leave their money in UniSaver when they are no longer working for a participating employer. 'Deferred' members will now be known as 'retained' members. The term 'deferred' is a hangover from the days when many schemes offered pensions. Most modern schemes now use the term 'retained'.

## Let us know if your email address changes

We've sent this e-newsletter to the email address we hold for you. Let us know if you'd prefer us to use another email address or if your email address changes at any time.

Sign in to your account to [change your email address](#)

Got a  
question?

Visit our website [unisaver.co.nz](http://unisaver.co.nz)  
or call our helpline team on 0800 864 724  
The helpline hours are 9am to 7pm,  
Monday to Friday (except public holidays).

  
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