

Risk profiles

Conservative You require a strong emphasis on the security of your savings over time and wish to have a high degree of stability in your return. The fund suited to this profile is the **SIL Conservative Fund**.

Conservative Balanced You place a strong emphasis on the security of your savings over time but also want a small degree of capital growth. The fund suited to this profile is the **SIL Conservative Balanced Fund**.

Balanced You want to grow your savings, at the same time being prepared to accept a small degree of variability in your investment return. The fund suited to this profile is the **SIL Balanced Fund**.

Balanced Growth You want to grow your savings, at the same time being prepared to accept a medium degree of variability in your investment return. The fund suited to this profile is the **SIL Balanced Growth Fund**.

Growth You want to maximise capital growth in your savings and are comfortable with a higher degree of variability in the value of your investment. The fund suited to this profile is the **SIL Growth Fund**.

Before selecting a fund, it is important to think about what investment returns you require to achieve your savings objective. For example, the Growth Fund is likely to deliver far higher returns than the Conservative Fund. However, higher returns generally carry a much higher risk as well.

Glossary

Cash management funds are very much like a bank account, but usually offer higher interest.

Income funds invest in a range of mortgages or government and corporate bonds. These funds generally provide good capital security however they don't generally aim to increase in capital value.

Share funds invest in shares listed on the stock exchange (in New Zealand and overseas). They vary in value with the sharemarket, and generally provide strong capital growth over the long term.

Property funds invest in property (e.g. retail, industrial and commercial buildings). They generally provide strong capital growth over the long term.

For more information on ING funds that match these investment definitions, or for a copy of the Investment Statement, please contact ING Client Services on 0800 737 575.

ING New Zealand

- Is a government-appointed KiwiSaver default provider
- Helps clients meet their financial goals through the accumulation, investment and protection of assets
- Currently holds both the Morningstar and the FundSource Fund Manager of the Year titles, as awarded by New Zealand's leading independent research houses.

Prepared by ING in conjunction with Morningstar

Disclaimer

The fund information contained in this brochure from ING and Morningstar is a summary only and does not take into account the investment objective, financial situation or needs of any particular investor. The product information is necessarily brief and must be read in conjunction with the product policies. Before acting on any information contained in this brochure you should consider how appropriate it is, having regard to your objectives, financial situation and needs. Please refer to Morningstar's website www.morningstar.net.nz or phone ING Client Services on 0800 737 575 to obtain and consider carefully the relevant Investment Statement before deciding to invest.

MORNINGSTAR



Fund Selector

Guidance to help you select a fund from the SIL KiwiSaver Scheme

KiwiSaver
Poua he Oranga

ING



Understanding risk

Understanding and managing risk is the cornerstone of any successful investment philosophy, so it's very important that you become familiar with the concept.

Risk has many different meanings, but in simple terms, it is the chance that what you receive back on your investment will be less than you expected to receive. All investments have some degree of risk associated with them. There is also a direct relationship between risk and return. Generally, the greater the risk, the greater the potential return – and vice versa.

Risk vs return

Income assets are generally defined as cash, mortgages and fixed interest investments that provide a return from an interest payment and a repayment of capital at some future date.

Growth assets include shares, property and alternative assets. The primary source of return from growth assets is an increase in their capital value (i.e. growth).

On a risk/return basis, income assets have lower risks than growth assets. So investors who want to earn higher returns over the long term generally have a higher proportion of growth assets in their investments portfolios; however, risk increases as the proportion of growth assets increases.

Quiz... determine your risk profile

What is your age?

- Over 60 years
- 51-60 years
- 41-50 years
- 31-40 years
- 18-30 years

Circle one

- 1
- 2
- 3
- 4
- 5

For this investment my main objective is?

- To avoid losing money
- To keep up with the bank deposit rate
- To achieve returns marginally above the bank deposit rate
- To achieve returns well above the bank deposit rate
- To achieve the highest returns I can regardless of risk

- 1
- 2
- 3
- 4
- 5

Which sentence best reflects your investment attitude?

- I do not want to see my portfolio lose value at any time
- I like to minimise risks and am willing to assume only limited risks
- I am comfortable with my investments losing their value for a short period, provided it is likely they return to their original value.
- I am prepared to see my investment reduce in value for a period, provided this gives prospects of superior gains over the long term.
- I would expect to see my investment reduce in value for a period, and I am comfortable with this as my investment goal is based on the long term.

- 1
- 2
- 3
- 4
- 5

Investment markets can go up and down in value. By how much could the value of your total portfolio go down over one year before you would feel uncomfortable?

- Any fall in value would make me feel uncomfortable
- 2-5%
- 6-10%
- 11-15%
- 16% or more

- 1
- 2
- 3
- 4
- 5

With which of the following investment options do you feel most comfortable?

- Cash management funds
- A mix of bank deposits and income funds
- Income funds and diversified property investments
- As above, plus some shares
- Shares only

- 1
- 2
- 3
- 4
- 5

Now add up your scores

Quiz scoring

Your score	Your risk profile
5-7	Conservative
8-11	Conservative Balanced
12-18	Balanced
19-22	Balanced Growth
23-25	Growth

Each of the risk profiles is explained overleaf and a fund suited to each profile is highlighted.