

Title	Demonstrate understanding of KiwiSaver investment concepts and quantify retirement saving goals		
Level	5	Credits	5

Purpose	People credited with this unit standard are able to: <ul style="list-style-type: none"> – demonstrate understanding of investment concepts applicable to KiwiSaver schemes, and – quantify retirement saving goals.
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Classification	Financial Services > Financial Services - Professional Practice
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Available grade	Achieved
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Guidance Information

- 1 References
 Consumer Guarantees Act 1993;
 Fair Trading Act 1986;
 Income Tax Act 2007;
 KiwiSaver Act 2006;
 other relevant industry codes of practice;
 and all subsequent amendments and replacements.
- 2 Range
 Assessments requiring application or demonstration of skills and knowledge may be performed using workplace evidence or evidence derived from simulation or scenario based activities.

 All activities must comply with legislation, regulations, and best practice, including any guidance notes published by the agency responsible for the relevant enactment or code.

Outcomes and performance criteria

Outcome 1

Demonstrate understanding of investment concepts applicable to KiwiSaver schemes.

Performance criteria

- 1.1 Describe the main asset classes in terms of their characteristics.

Range	asset classes include but are not limited to – equities (shares), fixed interest investments including government and non-government debt, property investments, cash;
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where domestic and international variations of an asset class are ordinarily available, the characteristics of both must be described; characteristics include but are not limited to – benchmark and long term expected return, risk, liquidity, mix of investment gain between income and capital growth.

1.2 Describe characteristics of investments in KiwiSaver managed investments.

Range characteristics include but are not limited to – fee structures, member control.

1.3 Demonstrate understanding of the concept of investment risk and return and its relevance to KiwiSaver investment strategies.

Range investment risk includes but is not limited to – capital risk, currency risk, financial risk, market risk, liquidity risk, negative returns, returns below inflation rate.

1.4 Explain portfolio management theories in terms of asset allocation, diversification, and risk management.

1.5 Explain portfolio management approaches in terms of methodology and diversification benefits.

Range methodologies include but are not limited to – active/passive, value/growth, country and sector allocation, life stage approach.

1.6 Explain investment concepts and options that are specific to KiwiSaver.

Range default scheme, default fund, switching.

Outcome 2

Quantify retirement saving goals.

Performance criteria

2.1 Perform calculations to determine the financial requirements to achieve identified retirement goals.

Range three examples are required for each of – lump sum required to produce an identified income, income produced from an identified lump sum, lump sum generated from an identified regular savings amount, regular savings amount required to produce an identified lump sum; results are not required to be generated from first principles or formula, use of financial calculator, spread sheets or software tools is acceptable, including on-line resources.

This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.

Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	19 February 2015	31 December 2022
Review	2	23 January 2020	31 December 2022

Consent and Moderation Requirements (CMR) reference

0003

This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.