

## Fidelity KiwiSaver Scheme News 2010

Please find your Annual KiwiSaver statement enclosed. We are pleased with how our funds have performed in recent months since the ripples caused by the global financial crisis have calmed.

While not for everybody, our Options Kiwi Fund\* continues to be a very popular alternative investment for those people who can tolerate the high risk nature of this investment. The unit price dipped to a low of \$2.97 last year, and it has recovered to \$4.07 as at 31 March 2010. For the year to 31 March, it gained 32.8%.

As a Fidelity KiwiSaver Scheme member myself, I've really enjoyed watching my money grow this year. I regularly log on to the Fidelity Life website and check my balance.

You can also see the latest investment returns on our website for both our KiwiSaver and non-KiwiSaver investment funds.

When you first joined the Fidelity KiwiSaver Scheme the letter we sent to you welcoming you to Fidelity Life included your user name and password to log onto the website. If you don't know where the letter is, or you've never checked your balance online, visit [www.fidelitylife.co.nz](http://www.fidelitylife.co.nz) and click on the investor section.



Yours sincerely,  
Milton Jennings  
CEO



## KiwiSaver celebrates its 3rd birthday

Nearly three years ago the Government launched KiwiSaver in New Zealand with much fanfare. Since then over 1.35 million people have joined KiwiSaver.

This has surpassed the Treasury's projections of 680,000 members by June 2014.

The Fidelity KiwiSaver Scheme has steadily been building its number of members. At the time of writing, we have around 53,000 members, and more are joining us every day.

## 9 Facts about KiwiSaver

### DID YOU KNOW:

1. Having a KiwiSaver account doesn't affect your eligibility for NZ Super or reduce the amount of NZ Super you would be eligible for.
2. You don't have to pay tax to get the "member tax credit". This is the name for a subsidy from the government matching your own contributions up to a maximum of \$1,042.86. It's given to all KiwiSavers aged 18 and over.
3. If you join KiwiSaver part-way through a membership year (1 July to 30 June), you'll receive a member tax credit only for the portion of the year that you've been a member. (Note: even if you contribute more than the tax credit threshold)
4. If you're self-employed you don't have to contribute a percentage of your pay. The same goes if you're not employed.
5. You can make voluntary contributions (lump sum payments) at any time, either directly to your KiwiSaver provider or through Inland Revenue.
6. On the event of your death, all your KiwiSaver savings are paid to your estate. If you are a Fidelity KiwiSaver Scheme member, your KiwiSaver account balance will be topped up to \$10,000 if you die in an accident and your KiwiSaver balance is under \$10,000. No other scheme offers this benefit. Terms and conditions apply, see the Fidelity KiwiSaver Scheme investment statement for details.
7. If you've been contributing to KiwiSaver for at least three years, you may be able to withdraw some of your savings to help pay for a deposit on your first home (those who joined KiwiSaver right at the start will be able to apply for a first home withdrawal from 1 July this year).
8. If you are between 60-64 years old when you joined, you'll have to be a member for five years before you can get your money out.
9. If you are under 60 years of age when you join, your money will be locked in until NZ Super age - currently 65. You can apply to take some out for a first home loan deposit (see 7), if you are seriously ill, in financial difficulty, or leaving NZ permanently.

(Source: The Complete KiwiSaver, by Mary Holm)

\* The Options Kiwi Fund has a high risk profile and is subject to significant volatility. The Options Kiwi Fund uses leverage and derivatives (options contracts) that could enhance any returns or generate substantial losses. As with all Fidelity KiwiSaver Scheme funds, please consult your financial adviser on what proportion of your retirement savings should be in the Options Kiwi Fund.

## FIDELITY KIWISAVER SCHEME INVESTMENT RETURNS

(after management fees & costs, before tax and account fee) For the period ended 31 March 2010

Fund	Inception Date	Fund Size (\$m)	Unit Price	Month	Quarter	6 Months	One Year	Two Years (p.a.)	Inception (p.a.)
<b>Capital Guarantee Kiwi Fund*</b>	MAY 08	11.12	2.18695	0.78%	1.46%	2.58%	6.40%	n.a.	4.77%
<b>Conservative Kiwi Fund</b>	OCT 07	13.82	5.662174	1.66%	3.04%	5.25%	13.28%	5.80%	4.90%
<b>Balanced Kiwi Fund</b>	OCT 07	30.71	5.660683	2.75%	3.61%	6.04%	18.46%	6.07%	4.37%
<b>Ethical Kiwi Fund</b>	MAY 08	1.81	2.088837	2.87%	2.99%	5.07%	17.50%	n.a.	2.29%
<b>Growth Kiwi Fund</b>	OCT 07	17.13	5.454727	3.83%	4.06%	6.32%	23.86%	3.46%	1.77%
<b>Aggressive Kiwi Fund</b>	OCT 07	6.56	2.785527	4.54%	6.27%	9.12%	32.88%	6.06%	1.21%
<b>Options Kiwi Fund**</b>	OCT 07	24.47	4.072921	1.61%	8.04%	12.53%	32.82%	14.38%	14.93%

### Notes:

- Past performance is not necessarily an indicator of future performance.
  - The returns shown do not allow for administration or switching fees:
    - The administration fee is \$3 per member per month.
    - The first switch between funds each year is free.
    - Additional switches will incur a fee of \$60 per switch.
  - The returns are shown before tax. Your after-tax return will depend on your Prescribed Investor Rate.
- \* The Capital Guaranteed Kiwi Fund has the benefit of a guarantee from Fidelity Life that the unit price on 31 March each year will never be lower than it was on 31 March the previous year. The Guarantee is provided by Fidelity Life Assurance Company

("Fidelity Life") to the Trustee of the Fidelity KiwiSaver Scheme (Guardian Trust Superannuation Trustees Limited). The Guarantee is given by Fidelity Life in its capacity as the administration and investment manager of the Fidelity Life KiwiSaver Scheme and is conditional upon this appointment continuing. Fidelity Life's obligations under the Guarantee are unsecured and will rank behind all secured and preferential creditors of Fidelity Life, together with all life insurance policy holder liabilities and will rank equally with all other unsecured creditors. For further details of the terms and conditions of the guarantee refer to the Fidelity KiwiSaver investment statement.

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## FIDELITY KIWISAVER FUNDS

Asset Splits as at 31 March 2010

Asset Class	Capital Guarantee Kiwi Fund*	Conservative Kiwi Fund	Balanced Kiwi Fund	Ethical Kiwi Fund	Growth Kiwi Fund	Aggressive Kiwi Fund
<b>Cash</b>	69.18%	8.14%	2.73%	5.44%	2.30%	0.48%
<b>Fixed Interest</b>	19.99%	58.97%	38.71%	34.49%	17.94%	n.a.
<b>New Zealand &amp; Australian shares</b>	5.39%	15.34%	24.16%	20.61%	24.10%	24.94%
<b>Global shares</b>	5.44%	14.90%	29.54%	39.46%	48.66%	49.90%
<b>Tyndall Option Fund</b>	n.a.	n.a.	n.a.	n.a.	n.a.	24.69%
<b>Property</b>	n.a.	2.65%	4.87%	n.a.	7.01%	n.a.

The **Options Kiwi**, besides having a small cash holding, is totally invested in the Tyndall Option Fund.

The **Ethical Kiwi**, besides having a small cash holding, is totally invested in the Tyndall Wholesale Balanced SRI Fund.

The asset split for the Ethical Kiwi is for the previous month.

All reasonable care has been taken in producing this information that in most instances comes from sources outside the administration manager, Fidelity Life Assurance Company Limited.

Investors should seek professional advice before investment decisions are made.

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Guardian Trust Superannuation Trustees Limited is the Issuer of the Fidelity KiwiSaver Scheme and Fidelity Life Assurance Company Limited ("Fidelity Life") is the Administration

and Investment Manager and Distributor. Units in the Fidelity KiwiSaver Scheme do not represent deposits or other liabilities of Fidelity Life or the Issuer. Units in the Fidelity KiwiSaver Scheme are subject to investment risk, including delays in repayment and loss of income and principal invested.

No member of Fidelity Life, Guardian Trust Superannuation Trustees Limited, its parent and their respective directors or any other person guarantees or secures (either partially or fully) Fidelity Life and its subsidiaries or the capital value or performance of any products issued or managed by them other than as specifically provided in the guarantee given by Fidelity Life in favour of the Issuer in respect of the Capital Guaranteed Kiwi Fund.

An investment statement is available for Fidelity Life Products detailed in this newsletter. Please contact your adviser or us (contact details at the bottom of this page) for a free copy.

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