|  |
| --- |
| **NZQA Assessment Support Material** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Unit standard** **28101** | | | | | |
| **Title** | Evaluate savings and investment options and make a plan to create a long-term personal investment portfolio | | | | |
| **Level** | 3 | **Credits** | 4 | **Version** | 4 |

|  |
| --- |
| **Student guidelines** |

You will be assessed on how well you:

* Use a planning process to evaluate options to create a long-term savings and investment portfolio for a given scenario.

The planning process must include:

* Investment goals
* Risk factors
* Diversification
* Return on Investments
* Liquidity
* Sources of advice.

|  |  |
| --- | --- |
| AWARD of GRADES | |
|  | * For award with **Achieved**, you must; use an investor profile and planning process to evaluate options and create a long-term personal financial savings and investment portfolio. * For award with **Merit**, you must; include reasons for the selection of the specific options identified in the plan to create a long-term personal financial savings and investment portfolio. * For award with **Excellence**, you must include justification for the selection pf the specific options identified in the plan to create a long-term personal financial savings and investment portfolio. |

|  |  |
| --- | --- |
| Conditions of ASsessment | |
| A picture containing text  Description automatically generated | This is an **open book assessment**. You may use any information to help you complete the task(s). Answers must be in your own words.  Your assessor will provide you with information regarding timeframes for this assessment. |

|  |  |
| --- | --- |
|  | **Scenario** |



Donna and Hone are in their early-thirties with two children (Kelly – 4, Alex – 2). Hone is a Builder and Donna works a few days a week at an Accountants so she can be at home with the children the rest of the time. They want to generate other forms of income through different investment options.

*You may need to make some assumptions about the people in the scenario to complete the task – make sure these are realistic and make sure you document them in your assignment*

Donna and Hone have a surplus in their budget where they have $50 going into a savings fund a week, which currently has $3,500 in it.

Donna and Hone have been contributing the minimum to their KiwiSaver with an aggressive scheme for 15 years and are considering switching to a more conservative or balanced scheme. Currently Donna has $16,000 and Hone has $22,000 in their KiwiSaver funds.

Hone’s mother, who had been living in Australia, died suddenly about 5 months ago. She didn’t have a partner so the inheritance was split between Hone and his two sisters. They have sold the house in Australia and with everything settled Hone inherited $95,000.

They have always rented and are currently paying $460 per week for a three bedroom. They have set a goal to purchase their first home in the near future. They are eligible for the KiwiSaver HomeStart grants.

|  |  |
| --- | --- |
| A picture containing text  Description automatically generated | **Tasks** |

1. Create a long-term personal financial savings and investment portfolio for a minimum period of three years for the scenario on the previous page. The portfolio must include KiwiSaver, AND two other forms of investment.

The planning process must include:

1. Investment goals
2. Risk factors
3. Diversification
4. Return on Investment
5. Liquidity
6. Sources of advice

|  |
| --- |
| * 1. Create a KiwiSaver Portfolio for Donna |
| Provider: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Fund Type: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Contribution %: \_\_\_\_\_\_\_\_\_\_ |
| Create a KiwiSaver Portfolio for Hone |
| Provider: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Fund Type: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Contribution %: \_\_\_\_\_\_\_\_\_\_ |

|  |
| --- |
| 1. Identify Donna and Hone’s investment goal(s) for KiwiSaver |
|  |

|  |
| --- |
| 1. Identify the possible risks associated with Donna and Hone’s KiwiSaver portfolio |
|  |

|  |
| --- |
| 1. Explain how Donna and Hone’s KiwiSaver portfolio has diversification? |
|  |

|  |  |
| --- | --- |
| 1. Identify the future returns on investment that Donna and Hone’s KiwiSaver can achieve? | |
| |  |  | | --- | --- | | 3 - 5 years | 10 + years | |  |  | |

|  |
| --- |
| 1. Identify when Donna and Hone can access their KiwiSaver funds? |
|  |

|  |
| --- |
| 1. Who should Donna and Hone seek advice from with regards to KiwiSaver? |
|  |

|  |
| --- |
| * 1. Using the $3,500 Savings, create a share portfolio for Donna and Hone |
| |  |  |  |  | | --- | --- | --- | --- | | Company Name | Current Share Price | No of Shares Purchased | Total $ Invested | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | | Total Share Portfolio | |  | $ | |

|  |
| --- |
| 1. Identify Donna and Hone’s investment goal(s) for Shares |
|  |

|  |
| --- |
| 1. Identify the possible risks associated with Donna and Hone’s Share portfolio |
|  |

|  |
| --- |
| 1. Identify how Donna and Hone’s share portfolio has diversification? |
|  |

|  |
| --- |
| 1. Identify the future returns on investment that Donna and Hone’s Share portfolio can achieve? |
| |  |  | | --- | --- | | 3 – 5 years (Dividends) | 10 + years (Capital Gain) | | |  |  |  |  | | --- | --- | --- | --- | | Company Name | Total No of Shares | Dividend Yield % | Total $ Dividend | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | | *Total Dividend per year* | | | *$* | | *X 3 years* | | | *$* | | *x 5 years* | | | *$* | | |  |  |  |  | | --- | --- | --- | --- | | Company Name | Total $ Invested | 52 week % change | New Total $ | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | | Total Capital Gain per year | | | *$* | | X 10 years | | | *$* | | |

|  |
| --- |
| 1. Identify how Donna and Hone can access their Share Portfolio? |
|  |

|  |
| --- |
| 1. Who should Donna and Hone seek advice from with regards to Shares? |
|  |

|  |
| --- |
| * 1. Create a Property Investment Portfolio for Donna and Hone |

|  |
| --- |
| 1. Identify Donna and Hone’s investment goal(s) for property investment |
|  |

|  |
| --- |
| 1. Identify the possible risks associated with Donna and Hone’s property investment |
|  |

|  |
| --- |
| 1. Explain how Donna and Hone’s property investment has diversification? |
|  |

|  |
| --- |
| 1. Identify the future returns on investment that Donna and Hone’s property investment can achieve? |
| |  |  | | --- | --- | | 3 - 5 years | 10 + years | |  |  | |

|  |
| --- |
| 1. Identify when Donna and Hone can access their property investment funds? |
|  |

|  |
| --- |
| 1. Who should Donna and Hone seek advice from with regards to property investment? |
|  |

|  |
| --- |
| 2 Explain in detail why you have chosen the three investment options for Donna and Hone’s financial savings and investment portfolio |
|  |

|  |
| --- |
| 3 Justify the choice of investment options for Donna and Hone’s financial savings and investment portfolio |
|  |