

Good Evening,

After reading a number of investment books - the key learning would be that by far and away the safest, most simple and most effective vehicle to build long term wealth is low cost, high quality index funds (or similar). Index funds have massively outperformed managed funds (which tend to come with a much higher fee structure). So my question is - why are the majority of default KiwiSaver schemes highcost managed funds that have not even got close to delivering market returns over the last 10 years?

I would recommend the likes of Simplicity Growth Fund or the Vanguard Global Index (via InvestNow in NZ). The SmartShares are also good - but I believe the fees should be lower.

So in short - please make low cost, high quality index funds (or similar structures) the default funds.

Regards,
Marlow

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