Te whai hua - kia ora!

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US28095 Expert Investing Glossary

Term	Definition
interest	Interest is the extra money that you have to pay when you have a debt. It is usually a percentage of the amount you have borrowed and is charged at regular intervals, for example, every month. If you have a savings account with a bank, the bank pays you interest because you're loaning them your money.
return	This is the amount of money that you get back from an investment. This can be because your investment has increased in value over time and someone is willing to pay more for it than you did, or because your investment produces income, for example, profits from a company you have invested in. You can also lose money in investing, creating a negative return.
KiwiSaver	KiwiSaver is a voluntary investment scheme set up by the government to help people save for retirement. You can make directs payments into your KiwiSaver account from your pay and/or make voluntary payments. The government gives KiwiSaver investors 50 cents for every dollar they invest, up to $521 each year. Employers make contributions too. You can access your KiwiSaver money when you turn 65. You may also be able to use it to help you buy your first home.
maturity	This is the date at which an investment ends.
fund manager	A fund manager is an organisation that provides a team of experts who invest your money in a mix of ways, such as shares, bonds, property, or cash.
inflation	Inflation is when prices go up, so your money has less buying power. For example, if you buy something worth $1,000 now, and inflation is at 2%, in one year's time you will need $1,020 to buy that same thing.
deposit (of an investment)	This is the amount of money you need to put into an investment.