Keep calm, carry on, and if in doubt seek advice
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Coronavirus is now a serious global health issue. It's too early to say exactly how the impact of the virus will shake out but it will be significant and wide-reaching.

Already we are seeing it hit financial markets both globally and here at home and the experts are warning us to prepare for this volatility to continue for some time.

At a personal level many of us have seen this market volatility firsthand through the dramatic impact on our KiwiSaver balance and other investments.

This type of volatility can be scary but it's not new. We've experienced similar effects during Y2K, the Global Financial Crisis (GFC), and other public health emergencies over the years.

It's easy to panic when a global downturn translates into dramatic changes in your daily KiwiSaver balance but it's a timely reminder about the importance of taking a long-term view to your KiwiSaver and other investments.

Following the GFC, the first decade of KiwiSaver has seen an unusually consistent period of growth in global equity markets. This in turn has translated into a decade of solid returns for the clear majority of KiwiSaver funds. The end result? Understandable but wide spread complacency about how KiwiSaver operates and the fact that changes are to be expected.

For many young people, KiwiSaver might be their first and only investment, and all they have known is for their balance to increase year on year, perhaps without fully understanding the factors that have led to this. Last year was one of the best year's yet for KiwiSaver returns so it has meant that fluctuations now feel even more acute.

We need to remember that such a long stretch of uninterrupted positive returns though is the exception not the norm. Equity markets like housing markets go up and down in the short and medium term, meaning that the important thing to focus on is long term returns.

The current volatility then provides a good lesson for us all and an opportunity to take a valuable temperature check of our KiwiSaver investment. Are the settings right? Is the investment strategy of our fund the right one considering our risk profile and stage in life? For example, a more active fund may be more appropriate for younger KiwiSavers who are taking a longer-term view than someone nearing retirement age.

Talk to your fund or your financial adviser and ask them their views on how your KiwiSaver should be responding to the current market volatility, if you're in the right fund for the long-term or not, and if you should consider adjusting your investment profile.

Take advantage of the great resources online such as the FMA's KiwiSaver Tracker and Sorted's KiwiSaver Fund Finder that allow you in your own time and in the comfort of your own home to learn more about how KiwiSaver works and the various investment options available to you.

When it comes to KiwiSaver don't be afraid to ask questions; I guarantee you that you won't be the first person or the last to ask them.

Change and volatility can be scary but it's really important not to panic and make any hasty decisions. Equally, you shouldn't just ignore what is happening in global economic markets.

Instead, keep calm, take the opportunity to have a good considered look at your KiwiSaver, and once you're assured that the settings are right for the best possible long-term outcome for you, then carry on.

Remember it is your money and your call on how it is invested. Get good advice, set a reminder to re-assess your investment every six to twelve months, stick to your long-term strategy and you should be able to look forward to a solidly appreciating investment that will play a major role in helping you enjoy a comfortable retirement.

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