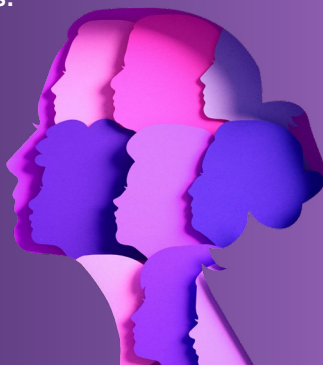


Women and Wealth

An intergenerational
investment guide

We are excited to expand on our Women In Wealth session by bringing you this brochure as part of our International Women's Day celebrations.



milfordasset.com



Start planning now

Money is an emotional topic for us all – and with good reason. You work hard for it in the first place, and your hopes and dreams for your future, and that of your family, are inherently linked to it.

Retirement savings don't just appear out of nowhere on your last day of work. There are several actions you can take in each decade of your life that will help ensure you are set up to enjoy your later years.

Imagine your retirement fund is a tree that you plant at a young age and tend to over the years so that by the time you finally retire, there's plenty of shade to relax under and lots of delicious fruit to pick.

With the ups and downs of the current market, it's more important now than ever to put a sound plan in place to get you to where you want to go.

The following pages contain our top tips for all your life stages, to help you retire comfortably at the end of your working life.



20s

Cash in on compound growth

Your 20s bring great potential and opportunity for getting yourself on the path to financial security.

20s

Cash in on compound growth

Invest in yourself

Now is the time to build strong foundations. Take advantage of personal growth opportunities, professional development courses and skills training. Whether you attend university or learn a trade, improving your skills and knowledge can increase your earning potential for the years to come.

Start an emergency fund

Set aside enough to live on for three to six months as an emergency fund to cover you in case of unexpected bills or a period of not being able to work. It's great to avoid those high interest costs if you had to borrow to fund the emergency.

Open a KiwiSaver account

You can choose to contribute 3%, 4%, 6%, 8% or 10% of your pay. If you're looking to buy your first home, now is a great time to increase your contributions as much as you can. This can be just from your pay, or from a mix of your pay and your employer's contributions. Starting now will ensure you benefit from the powerful effects of compounding interest over your lifetime.

Ensure you invest in an appropriate fund taking into account both your risk tolerance and investment time horizon. Research shows that women are often more reluctant to take financial risk than men and this risk aversion can have a big impact on women's KiwiSaver balances at retirement age, putting them at greater risk of not meeting their goals and leaving them with fewer choices. Having a good understanding of different types of investments and how they can help you meet your objectives can help increase your risk tolerance so it is a good idea to do some research.

Milford has excellent advice tools available at milfordasset.com/tools-guides to help you choose the right Milford KiwiSaver Plan Fund for your goals.

Avoid consumer debt

Even if you love it, only buy what you can afford to pay for in full. Set up a savings account for those items you can't yet afford rather than using a credit card or a loan to finance it, unless you are in a position to pay off your credit card balance in full each month. Avoiding interest on top of the original purchase price is one of the best gifts you can give your future self.

Budget

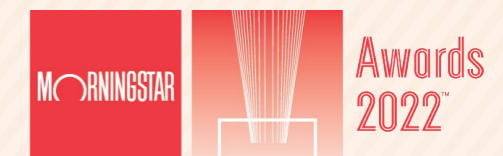
Complete a budget and allocate money to each of your expenses so that you know exactly where you are with your finances. There are great tools to help with this such as those available at sorted.org.nz

Make plans for your financial future early on in life

It can be really beneficial to start to make plans for your financial future early on in life as women face a multitude of headwinds in growing our wealth. There is the well documented pay gap between men and women, but even if that is successfully addressed, women often work in lower paying industries. Women also typically face more disruptions to their careers than men, mainly due to having children and being the primary caregiver in the household and this, in turn, leads to women having less savings and lower KiwiSaver balances when they reach retirement. Women also typically live longer than men and with the expected increase in life expectancy, women are increasingly having to stretch what they have further and further, which really limits choices, sense of financial security and quality of life. That is why it is important that women get their money working harder as early as possible, to try help bridge this deficit.



Milford is a consistently top performing KiwiSaver provider and has been awarded Morningstar Fund Manager of the Year 2022 and Morningstar Fund Manager of the Year: KiwiSaver – six times in the last ten years.



We are also proud to have been awarded Consumer NZ People's Choice KiwiSaver 5 years in a row.



30s

Stay (or get) focused



With a little more financial stability under your feet, your 30s are your time to shine, and to really set yourself up for your future.

30s

Stay (or get) focused

Eliminate debt

Aside from your mortgage, your 30s are your chance to finish paying off any student loans and personal debt. Start by picking off the debt with the highest interest first to achieve the biggest gains.

House purchase

While renting may be a good housing solution for many people, owning a home and paying down a mortgage can have long-term benefits. Many people consider buying their first home in their 30s. Having a KiwiSaver account can help with this major life-step. In some circumstances you can withdraw your KiwiSaver savings for a first home purchase, and you may also be able to apply for the First Home Grant of up to \$10,000.

Save for your children

If you have, or plan to have children, now is a good time to put some money aside for their future. An Investment Fund with a long-term time horizon can be a good way to save for this.

Continue making KiwiSaver contributions when on parental leave

KiwiSaver contributions are optional from paid parental leave payments and it is easy to be tempted to temporarily stop making KiwiSaver contributions due to the increased financial pressure that starting a family often has on a household. If you are in a position to do so, continue to make regular KiwiSaver contributions as they can have a considerable impact on your KiwiSaver balance over time.



Set aside time for financial planning

Women often have the added responsibility of juggling work and responsibilities at home, which can make it challenging to prioritise setting aside sufficient time for budgeting and reviewing investments on a regular basis. However, it is important to prioritise this as it will help you feel much more in control of your financial future. Engaging with a Financial Adviser will help alleviate some of the time pressures faced by most women already juggling work and home life. A Financial Adviser also has the experience and knowledge to make sure you are in the appropriate investments for your circumstances.

Make sure you are not invested too conservatively

Research shows that women use savings accounts and term deposits to a higher degree than men. Holding the lion share of your savings in cash is not a good long term solution as it is not going to provide you with the growth you need for later in life and inflation will gradually erode the value of your capital over time. Hence, it is best to use savings accounts or fixed deposits to maintain some liquidity and contingency funds, while placing a reasonable portion of funds in growth assets, like shares, that can generate some long-term capital growth.

Milford's Digital Advice Tools are an easy way to get helpful digital investment advice on some of Milford's Investment Funds or KiwiSaver Plan Funds.

Or if you want to talk to someone, Milford have a team of KiwiSaver Advisers that can help with your situation.

Call 0800 332 645 and we'll put you through to one of the team.



A woman with long dark hair is sitting on a couch, reading an open book to two children. One child is a girl with long brown hair, and the other is a boy with short dark hair wearing a blue and white striped shirt. They are all looking at the book with interest. The background is bright and slightly out of focus, suggesting an indoor setting with natural light.

40s

Broadening your investments

In your 40s, broadening your investments can boost your future retirement lifestyle while enabling you to enjoy the benefits of the previous decades now.

40s

Broadening your investments

Pay down your mortgage

Your mortgage is likely to be your largest debt. As you earn more, consider increasing the repayments or reducing the term remaining on the mortgage. Sometimes small adjustments in the amount or frequency of payments can reduce the length of the mortgage, and the interest to pay, significantly.

Take control of your finances

Research shows that women often leave investment decisions to their partners and some of the reasons behind this include historical family and gender roles and confidence levels. Making long-term financial decisions together can increase your confidence about your future financial position, reduce the risk of making financial mistakes, and reduce anxiety about money. If you are not in a relationship and unsure of what to do, find someone you trust, such as a Financial Adviser, who can help you put a plan in place for your financial future and will be there to review it alongside you on a regular basis.

Grow your investment portfolio

Consider adding new investments for long-term return. Adding property or share investments can boost your retirement fund. Ramp up your KiwiSaver contributions. You may now be in a position where you can increase your KiwiSaver contributions - even just a small increase will make a difference to your retirement savings. Make sure you review your KiwiSaver Fund on a fairly regular basis to make sure you are taking the appropriate level of risk for your circumstances and investment time horizon as they change. It is never too early to start preparing for your retirement.

Milford has excellent advice tools available at milfordasset.com/tools-guides to help you make sure you continue to invest in the fund that is most suitable for your circumstances and stage in life.



Start money conversations with your children

Setting up an Investment Fund or KiwiSaver Plan for your young ones is one of the best ways to ensure they start planning for a healthy financial future and develop a positive relationship with money. Involve them in conversations about investments early on. You can start an Investment Fund with Milford for as little as \$1,000 and a benefit of investing in an Investment Fund is that, unlike a KiwiSaver Fund, the funds are accessible at any time. Children will have a better understanding of investing if they are able to watch their own investments grow over time.

Discuss finances with your parents

It's important to make sure that your parents have a financial plan in place. While not an easy conversation to have, getting things in place now will pay off in the long run and may make your parents feel more in control of their finances.



50s

Protect your assets



With that long-sought retirement just around the corner, protect the assets and investments you've built through diversification and sound planning.

50s

Protect your assets

Firm up your retirement goals

Now is the time to really hone your retirement plans. Think about the lifestyle you would like to lead and how you would like to spend your time, and plan for the expenses that will be involved now. At the same time, add up your likely sources of retirement income. These may include New Zealand Superannuation, a private Superannuation, rental income or Trust income. Any shortfall needs to be covered from your retirement savings, such as your KiwiSaver account. Seek professional advice to find out if you are on track and if not, what action you can take to achieve your retirement goals.

Ensure you are engaged with your investments

Many women continue to leave investment decisions on their partners, putting them at a massive disadvantage of being unaware of family assets or investments. If you are not doing so already, ensure you are a part of all conversations about your investments, especially those with your Financial Adviser, if you have one. Make sure your expectations and needs are also being considered during the initial investment phase and ongoing reviews. The best way to ensure this is to attend all meetings.

The Milford KiwiSaver Digital Advice Tool can help give you the confidence that you are on track with your KiwiSaver goals.

Check it out at
www.milfordasset.com/tools-guides



Talk to your children about finances

As your children age, ensure that they are aware of the long-term benefits of having a KiwiSaver or an Investment Fund in place and making regular contributions to it from savings or their salary.

Diversify

It may also be wise to diversify a property portfolio if you have built one of these because an adverse event such as a natural disaster or property crash could affect your retirement plans. Again, seek professional advice to choose a good mix of assets so that all your eggs are not in one basket.

Estate planning

Estate planning should be considered throughout your life-stages and it's always a good idea to ensure your Will is up to date. While checking on your Will, why not consider setting up an Enduring Power of Attorney that can be acted upon should you become mentally incapacitated and temporarily or permanently unable to make decisions for yourself. Appropriate professional advice is important here.



In your 60s and onwards, the choice is yours. Enjoy the lifestyle you've earned, and continue planning for what the future may bring.

60s & onwards

Enjoy your retirement



60s & onwards

Enjoy your retirement

Plan for retirement

When will you retire, and will you have enough income to maintain your lifestyle? Adjust your assets so this is sorted before you retire.

Be across the family finances

The average life expectancy for a woman is longer than that of a man. Therefore, if you have a partner, you do have a higher chance of outliving him and finding yourself on your own managing the finances. If you haven't already done so, ensure you are across everything so that it will be a lot easier if the unfortunate situation was to eventuate.

Complete a budget

How are your savings looking? Will you be able to maintain your lifestyle and fund your retirement goals? At some point during your retirement, you are likely to need to drawdown on your savings. Seek advice on how much you are likely to be able to withdraw and how this fits in with your other goals such as leaving money to family or charities.

Reduce risk

If you have been exclusively focused on investment growth for the past three decades, it may be worth reviewing the risk levels on your KiwiSaver and other investment funds if retirement is getting close.

Talk to your family about your long-term care

Have that important conversation with your family about your wishes in the event you can no longer care for yourself. Let them know what you would like to have happen and budget for the likely costs. A Financial Adviser will help you assess how these potential costs fit into your financial plan.

Enjoy your retirement

You've worked hard and you've got there! Now is the time to enjoy the fruits of your planning, saving and investing!



Consider specialist advice

Would you benefit from a consultation with Milford's Private Wealth team?

Whether you are saving for your future, building a legacy of wealth for your family or looking to utilise your nest egg to generate retirement income, our advisers can help guide you towards realising your goal.



The information in this document was put together by Milford Financial Advisers



Gareth Stythe

Financial Adviser

Gareth joined Milford in November 2021 and has 25 years' experience in the wealth management industry in the UK and New Zealand.

Gareth has spent the majority of his career advising a range of high net wealth clients in Auckland. Since arriving in New Zealand in 1999 he spent 20 years at a boutique advisory firm helping families, trusts, and corporates with their investing needs. Immediately prior to Milford, Gareth worked for Kiwi Wealth as a Senior Financial Adviser. Gareth has a Bachelor of Arts in Philosophy from Southampton University.

Financial Adviser Disclosure Statements are available upon request.



Kate Tyro

Financial Adviser

Kate joined Milford in July 2018 as a Financial Adviser. Prior to joining Milford, Kate spent 13 years with Macquarie Private Wealth, now Hobson Wealth Partners, in both Christchurch and Auckland.

Kate graduated from the University of Canterbury with a Bachelor of Commerce majoring in Economics, and a Post Graduate Diploma of Arts (Political Science). She completed her MBA at the University of Auckland. Kate was previously a NZX Adviser and, as a former member of the Hobson Wealth Portfolio Strategy Group has expertise in fixed income investments and asset allocation of portfolios.

Your expert guide to navigating your investments through the decades

Some helpful tools to support your journey

Now that you have a great set of tips to support your financial journey, you can start planning no matter what age or stage in life you are at.

Milford have a number of online tools and guides to help you along the way which you can find at www.milfordasset.com/tools-guides

Digital Advice for Milford KiwiSaver and Investment Funds

Online tools to help give you the confidence that you are on track with your KiwiSaver and Investment Fund goals, based on the outcomes you want to achieve, timelines and risk profile.

Our digital tools are available anywhere, any time from any device.

L.I.F.E

Milford Private Wealth clients (with amounts over \$500,000) can receive a comprehensive investment management and advice service. This includes a bespoke Lifestyle Investment Forecasting Engine (L.I.F.E) tool, designed to help you plan your journey to financial freedom.

Personal KiwiSaver Advice

Milford's KiwiSaver Advisers can provide you with investment advice in relation to your situation and goals so you can feel confident choosing a Milford KiwiSaver Plan Fund. Call 0800 332 645 to talk to one of the team.

milfordasset.com
0800 332 645



Your expert guide to navigating your investments through the decades

This document is provided for your information only. It does not constitute financial advice and has been prepared without taking into account your personal financial situation or goals. If you require financial or other expert advice you should seek assistance from a professional adviser. Past performance is not a reliable indicator of future performance. Before investing you may wish to seek financial advice. Read the relevant Milford Product Disclosure Statement as issued by Milford Funds Limited at milfordasset.com. For more information on our financial advice services visit milfordasset.com/getting-advice

Morningstar Awards 2022©. Morningstar, Inc. All rights reserved. Awarded to Milford Asset Management for New Zealand Fund Manager of the Year and Fund Manager of the Year: KiwiSaver.

The Canstar 2021 Outstanding Value Award was received in September, 2021 for Milford's KiwiSaver Plan. The Canstar 2021 Provider of the Year Award was received in September, 2021 for Milford's KiwiSaver Plan.



MILFORD
INVESTED IN YOU

milfordasset.com