



Retirement Planning is a long-term plan (for most of us anyway we hope - 20 years plus). Let's be optimistic **25 years to aged 90** if you retire at age 65.

## A Primary Consideration

### How long are you going to live?

Living too long and running out of money is a real risk. This is almost a certainty, particularly in a low interest rate environment. You can't afford to wait for interest rates to rise - it will never be enough. Economists and Legislators don't want it, it's bad for business and there are a number of tools now in place to prevent any rapid rise.

The only real option to make your money last is to take on a measured amount of risk. We recommend balancing risks to your income needs. We also recommend widely diversifying (not all your eggs in one basket).

In the current economic environment, we are very comfortable at predicting a net of tax and fees return of 5-6% over a three-year rolling average period or more (currently this is being out-achieved). We will take the higher returns while they are there!

## Current Economic Outlook

We have noticed since the change of Government that sentiment has changed somewhat to a 'wait and see' attitude. There has also been media coverage around financial market issues of risk given the relatively high returns being achieved from managed investments such as KiwiSaver and investment portfolios over the recent term.

When we put together portfolios, we take into account the prevailing conditions and take precautions against over exuberant financial markets. Our research says we are not there yet. There is some time to go. However, we have already put in place some safeguards against downside risk for our client's portfolios!

At CFS, we take into account a number of external economists and investment analysts view of the economic conditions in any prevailing winds that we may choose to take a safer route.

We do this to minimise volatility as we want to produce sustainable longer-term returns (risk you can sleep with).

## Our Recommendation

You should talk to us about your retirement and investment objectives. There is nothing surer that if your funds remain in low interest rates, you will lose your buying power over time against inflation. You will be forced to spend your capital and it won't last average retirement years!

We are confident that we will achieve your return objectives doubling bank fixed interest rates after tax and fees.

This will have a dramatic impact on your quality of life and how long your money will last. It is well documented that having an appropriate income for your lifestyle reduces financial strain leading towards better health and longevity.

Give us a [call](#) and talk to me about your retirement planning objectives and what you can do. We won't charge you anything and it may be one of the best things you can do for yourself.

Merry Xmas.

Kind Regards

A handwritten signature in black ink, appearing to read 'M. J. O'Donnell'. The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

**CEO / Director**

**Authorised Financial Adviser FSP32461**