

Worry-free retirement roadmap!

↳ Taking the stress out of your self-funded retirement

Hi, Glenn here...

The one universal fact, "Life is **NOT** a rehearsal, and precious time **IS** slipping away".

We know you want a great lifestyle now and in the future. Without fear of running out of money or dying with too much. In other words, to live the best life possible with the money you have.

But here's the thing, the financial services industry is one massive distracting machine. Leading to confusion and complexity. For far too long, you've been sent up the garden path. **That stops here...**

It's time to set the record straight. To help you maintain your desired lifestyle without fear of running out of money. You see for the majority of financial experts, products are their focus. They spend most of their time discussing which product or which investments to use. These are just tools in the tool box and to be frank, they make it more complicated than it needs to be. Maybe this is the experience you've had!

We'll cover this more in an email titled "**The Truth About Money**" you'll receive as part of downloading this guide.

Our focus is 100% on helping clients live their best life with the money they have.

Given your here, I'm betting you want one thing. A simple plan to identify, achieve and maintain your desired lifestyle. Without fear of running out of money.

Here's the rub...

Living your best life comes down to confidently creating a long term spending (or saving) plan. One which will keep you on course. So you can achieve the life you really want. Without fear of running out of money - or dying with too much!

And no-one wants to be the richest person in the cemetery, right?

Planning your financial future successfully. Is all about waking up right now to the cost of the life you have. Comparing it to the life you want and the life you don't want - and understanding the cost of each.

This guide will take you through step-by-step. The exact process we use to help clients understand what their best life looks like. **HOW MUCH MONEY is ENOUGH for you?** Do you know your **NUMBER?** This is how we help clients accumulate it, manage it, protect it, and most importantly, **ENJOY IT!**

Fear no more my friend, we have you covered...

Let's get you on your way!

What's inside your worry-free retirement roadmap guide?

Retirement Dreams:

- #1 How are you going to fill your weeks in retirement? 1
 - #2 How much money is ENOUGH? 3
 - #3 Which retirement bucket are you in? 4
-

Retirement Toolbox:

- #1 What strategies can you deploy? 5
 - #2 Investing for retirement 7
 - How much risk do you need to take? 8
 - 3 Investment approaches 9
 - What are you going to invest in? 10
 - 10 investment rules for a worry-free retirement 11
 - #3 Protecting your plan 12
-

Elegant execution:

- #1 Use best in class products 13
 - #2 Implement 13
 - #3 Rinse and repeat 13
-

Tools to keep your retirement plan on track:

- 7 Retirement Mistakes to Avoid! 14
- Cognitive biases! Tame your mind so you can worry-less in retirement 15
- Checklist for planning a worry-free retirement 16

How are you going to fill your weeks in retirement?

#1

Retirement Dreams

Retirement can span 20-30 years and even longer depending on your health. That's a lot of time to keep busy. Having a plan on how you are going to spend your days is critical to living your best life. While making your retirement count.

You can think of your activities/time spent into 4 categories:

- **Vocation**
- **Vacation**
- **Recreation**
- **Relationships**

We've put together a worksheet to help you figure out how you are going to fill your days.

This is an important step.

Don't miss it.

You'll also want to discuss with your partner. While you'll share some activities, there will ones that you don't.



As billionaire, Warren Buffett put it, "The only two things that can make you truly happy in this world are people that love you and being healthy, and money can't buy you either of those."



It's time to stop Googling,

"How much money do I need for my retirement?".

Spoiler alert! It's not going to be right for you.

How much money you need varies depending on the life you want to live.

The holidays you want to experience, helping your kids and grandchildren out financially. The car you drive.

Then there's other factors such as how long you live, investment returns, investment risk, inheritances etc. Get my drift...

No two retirements look the same!

Financial security and clarity is achieved by knowing your **NUMBER**. How much money do you need, to ensure you can live the life you've been accustomed too. And **NEVER** run out of money?

Even better forecasting your retirement cash-flow year-by-year. An important yet necessary step on your path to a worry-free retirement.

Empowering you to make informed decisions. Ones which will allow you to decide how you deploy your financial resources and navigate any risks which may present themselves.

Most see retirement as a single goal. Breaking your retirement down into single components gives you more control and flexibility. Allowing you to prioritise what's most important to you. Giving you the ability to make personal trade offs if required. ie front loading experiences early on in retirement.

While we accept every retirement is different. Retirement expenses can be grouped into similar buckets:

- **Day to day living expenses**
- **Ongoing capital expenses**
(i.e. change of car)
- **Overseas holidays/regular travel**
- **Helping your family out**
- **Special occasions**
(i.e. weddings/special anniversaries)



Knowing your critical numbers will help you build a strong foundation to your worry-free retirement. Allowing you to prioritise your experiences (if required). Which means you make informed decisions. Which will directly impact your best life!

Which retirement bucket are you in?

#3 Retirement Dreams

This is where the rubber meets the road. Working out what your currently reality is compared to where you want to be.

Are you going to run out of money or die with too much?

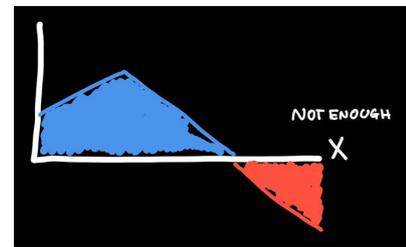
Which path are you on?

You'll fall into one of three buckets:



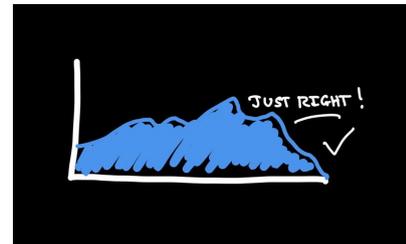
Not Enough:

You need to know how much is enough and how to accumulate it.



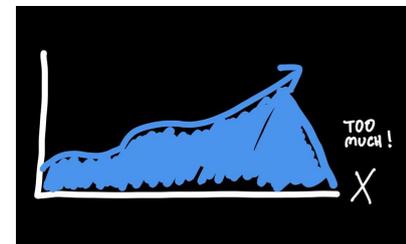
Just Right:

You've got just enough money for the rest of your life. You're never going to run out of money ever. You're thinking you are going to be ok. There's one problem, you don't know that because no ones ever told you.



Got Too Much:

You have more than enough money. This is when you know you have too much money with confidence. You can relax. You can de-risk your portfolio. You achieve peace of mind and security knowing your going to be ok. You can do stuff. You can give it away...



As Van Morrison put it, "Time like sand, is slipping through our hands"

How **MUCH** is **ENOUGH** to live your best life?

The biggest struggle we see is people understanding their options. What strategies they can deploy. Most jump straight to investing. Without any real consideration for taxes and structures. Ultimately leaving money on the table.

If you have a **GAP** between your retirement dream and your current savings, and you have time, you have options.

Most underestimate the importance of planning. Good and intentional planning is the key to a worry-free retirement.

Strategies to consider:

Maximise Super Contributions:

For most, super is going to be the main strategy you use to build your retirement nest egg.

Maximise your \$25,000 p.a. concessional cap. If you have not used your limits from previous years, you may be able to make catch up payments. Provided your balance is below \$500,000.

If you have excess cash outside super and you don't need it until retirement. You may want to consider adding to your super fund. You can add up to \$100,000 p.a. or up to \$300,000 in a 3 yr period. Provided you have not exceeded the \$1.6m super limit.

If you look like you are going to reach the \$1.6m limit in super and your partner will not. You may want to consider spouse-splitting your concessional contributions.

Remember, super is a tax-effective structure to hold your retirement funds. While you are accumulating super you pay tax on your income at 15% and capital gains at 10%. Once you retire and convert your super to an income stream all returns are tax-free. If used in the correct many this can add hundreds of thousands of dollars to your retirement fund.



Can't add more to super? You might want to consider an investment Bond!

If you have used all your superannuation caps up or you don't want to lock your money in super. You may want to consider using a Tax Bond if your tax rate is over 30%.

A largely forgotten structure, they can keep your tax-rate below 30%. Designed to be retained for 10 years plus at which point funds can be withdrawn tax-free. If you withdraw prior to the 10 year period. Any capital gains will be assessed in your personal name based on a sliding scale.

Great alternative to super for high-income earners. Providing tax-effective investment options for children or grandchildren.



Invest via your personal name or create a Family Trust.

Once you have exceeded your super contributions and other options. You may want to consider investing in your own name. Alternatively, you could consider using a family trust.

A family trust is used to hold the investments. While you retain flexibility over whose name the income is taxed in. Giving you the ability to stream the income to a lower taxed partner.



Reassess the level of risk you are taking!

The level of risk you take with the your investments can have significant impact on your success.

If you take on too much risk, it can hurt you leading into retirement. Take too little risk and you could run out of money in retirement.

It's important to consider the risk you are taking and the impact it could have on your path to retirement.

Fundamentally there are two stages to investing for retirement. Pre-retirement phase where you accumulate and grow your wealth.

The second phase of retirement. Where you start drawing from your retirement money. Whether it be a transition into retirement or full retirement. A different mindset is required as you move from accumulating wealth to drawing on your wealth to fund your retirement...

If you have worked through your retirement dreams and assessed whether a GAP exists or not, it's time to develop an appropriate investment strategy.

An investment strategy which is tailored to your own individual retirement plan. Will give you confidence in your retirement plan. Structured intentionally so you can live your best life worry-free in retirement!

3 Steps to developing your investment strategy!

1 How much risk do you need to take?

2 What style of investor are you?

2 What are you going to invest in?

Key principles to consider when investing for retirement:

- Focus on a total return outcome, not just income?
- Match your investment strategy to the retirement lifestyle you are aiming for?
- Understand the risk you need to take vs your current risk?
- Regularly review your investment strategy against your goals?
- Review against your personal goals, not whether you have beaten the market or not?



Prior to making a single investment decision. It's important to understand the amount of risk you are comfortable taking. Balancing with what's required to get the job done.

Risk means the range of movement (increase/decrease) in your investments. The greater allocation to riskier investments the more movement you will experience.

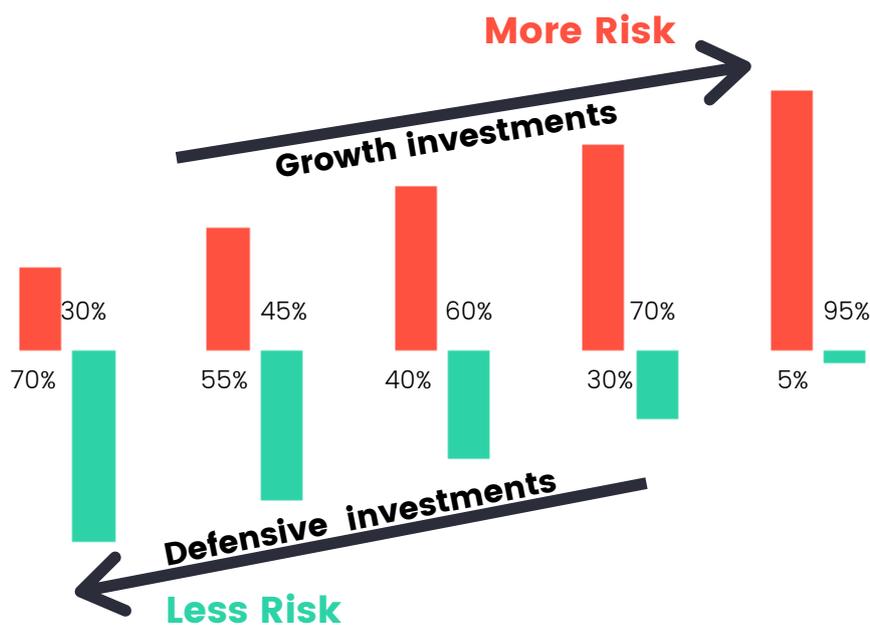
Achieving the right balance will allow you to sleep well at night.

If you are more than 10 years out from retirement. You'll be able to take on more risk. If you are less than 10 years out from retirement. You may need to be dialing down the amount of risk you have in your portfolio.

Your investments can be broken down into two broad categories:

Defensive investments like cash, term-deposits, bonds or hybrids. While these investments provide a reliable income, there is little scope for growth. These investments play an important role in your portfolio. As we expect interest rates to remain low for the foreseeable future. Allocating a high proportion to these assets will mean you struggle to keep pace with inflation.

Growth investments like Australian shares, International shares and Property. While higher risk, are geared towards growth. They also deliver income which can fluctuate over time.



Many over complicate it when it comes to investing. In reality, there are three main investment approaches you can consider:

1 **Passive investing**

Holding investments that replicate a specific sector of investment markets. i.e holding an index fund that replicates the return of the ASX 200.

2 **Active investing**

Your belief is you can outperform investment markets. You do this by choosing investments or investment managers that aim to outperform a specific investment market.

While in the short-term, out-performance can be achieved. Research proves it's difficult to outperform investments over a longer time frame.

3 **Core/satellite investing**

You might want to adopt a combination of approaches. You might start with with a significant proportion of your portfolio invested via a passive approach.

And then invest the remainder of your portfolio via an active approach.

Ultimately it will come down to your investment knowledge and your preferences.

When assessing your investment style, seek answers to these questions:

- How much investment experience do you have?
- Do you have the time, confidence and discipline?
- Do you think you can outperform investment markets?
- What approach is going to best suit your lifestyle?



One of the most hotly debated topics in retirement planning is what to invest in. While there are more options than we can cover here. Here are the main ones.

- Direct Investments**
You buy individual investments and own them directly. i.e. 100 Commonwealth Bank shares.
- Managed Funds**
A professional investment manager manages the investments on your and others investors behalf. i.e. they might hold between 20-100 direct investments.
- Exchange Traded Funds (ETF's)**
Similar to a managed fund. However, they generally track an index, i.e. ASX 200. You can invest in the broader market (locally and overseas) and access more specific segments of the investment market like property.
- Listed Investment Company (LIC's)**
Similar to a managed fund, but you can buy them on the ASX.
- Seperately Managed Accounts**
A portfolio of individual investments and assets. Owned by the investor and managed by a professional manager.
- Individually Managed Accounts**
A individual investment portfolio specifically tailored to your specific investments needs. You retain ownership of your investments.

When choosing your investments, follow these guidelines:

- Don't think you can outperform the market?
- Beware of costs!
- Don't over complicate it?
- Regularly rebalance your investment portfolio?



10 investment rules for a worry-free retirement!

Time and time again we see many make the same mistakes when it comes to investing. Particularly when they think they can do it better than an expert.

With the world full of information it's hard to work out what the right approach is.

If you want to avoid the common mistakes many make. Follow these guidelines and you'll avoid putting your retirement in danger.

1

Don't react to news headlines.

6

Retain a margin of safety.

2

Avoid acting on emotions.

7

Adopt a long term view.

3

Don't try and time investment markets.

8

Invest based on your personal goals and ignore the herd.

4

Diversify between different asset classes.

9

Take advantage of market corrections.

5

Don't take any more risk than you are comfortable with.

10

Invest based on the evidence, not hype and spin.

You work hard to build your nest egg. It's just as important to protect what you have worked so hard to accumulate. Here are three strategies which will help you protect you from market shocks and unforeseen events such as death or permanent injury.

Rainy day account

A critical but often overlooked aspect of retirement planning. You want to make sure you have enough cash reserves to cover you for 6-12 mths. If you have upcoming capital expenses in the next 1-3 yrs, you'll want to cover for those as well.

After all, you don't want to be forced to sell investments in a depressed market.

Insurance

While not a popular topic for many. It's critical to protect your families finances in the event of long term illness, trauma or long term injury. The role of insurance is to step in when one of the above events occur.

You want enough to cover the gap in your retirement plan. One which can be adjusted downwards on a yearly basis as you move closer towards your retirement funding goal.

It's time to review your income protection, life, trauma & disability insurance. After many years of toil. It would be devastating to watch your retirement plans destroyed. Because you failed to protect your family from unexpected events.

Estate Planning

Another often overlooked aspect of retirement planning. After all, we don't want to think about death. But, you don't want to leave your family in a financial mess to sort out when your gone, do you?

It's important to ensure you have an up-to-date will (updated in the last 3 yrs). Power of Attorney, Enduring Power of Attorney and a Medical Power of Attorney in place.

Reasons for updating your will might include, divorce (you will is void). Protecting your estate in case of a breakdown in a child's relationship, blended families or accumulating more assets.

#1 **Elegant Execution**

Use best in class products!

Now that you have your retirement roadmap mapped out. It's time to explore the products which are going suit your specific requirements.

You'll need to decide what super fund will you use. Will it be an industry, retail or self-managed super fund? If you have worked your way through all the steps and your planning to be self-funded retirement. It's likely the best fit super fund will be a retail or self-managed super fund.

If you are investing outside super or in a tax bond. You'll likely require the expertise of a financial planner to assist with finding the best fit.

Implement

#2 **Elegant Execution**

It's all well and good to do all this work and not implement. Those who take action get the spoils.

If you are feeling overwhelmed, start slowly and implement in small steps.

Otherwise, you may require the help of a financial planner to help you implement.

#3 **Elegant Execution**

Rinse and repeat

The world, investment markets and your personal circumstances change on a regular basis. A successful retirement roadmap requires regular reviewing. At times you will need to pivot.

Rinsing and repeating while testing your retirement assumptions. Will give you greater confidence you can live your best life in retirement, worry-free.

7 Retirement Mistakes to Avoid!

The **#1** worry Baby Boomers have is running out of money in retirement. Those which end up with less than what they should are generally making the same mistakes.

Avoid these 7 mistakes and you'll save yourself a lot of heartache and stress.

- 1** Not having a plan. If you fail to plan you plan to fail!
- 2** Retaining more cash than they need.
- 3** Investing as though you are accumulating wealth.
- 4** No plan for meeting income and capital cash flows.
- 5** Using the wrong assumptions.
- 6** Invest based on misinformation.
- 7** Not protecting your investment portfolio from investment shocks.

Cognitive Biases! Tame your mind so you can worry less in retirement...

As humans, we all exhibit personal biases whether you are aware of them or not. A preference for certain things, sometimes oblivious it's not even happening.

It's a systematic error in thinking you must overcome. It shows up when you are processing and interpreting information. It's happening now as you read this. It affects important decisions and judgments you make. It's a massive barrier people face when planning their retirement.

While hard to eradicate. It's important to be aware when your bias are showing up. Learn to tame them so you can prevent them from impacting your retirement plan in a negative way.

-  **Confirmation bias**
You look for information which supports your current thinking.
-  **Recency bias**
It's the reason people buy high and sell low.
-  **Loss aversion**
A tendency to avoid losses more than gains.
-  **Information bias**
When you seek out information even if it doesn't help the action we are needing to take.
-  **Oversimplification tendency**
You find simple answers to complex questions.
-  **Parkinson's law of triviality**
You direct your time towards trivial details. Rather than the important ones which make a difference.
-  **Memory bias**
A tendency to rely on recent decisions to guide you.

CHECKLIST FOR PLANNING A WORRY-FREE RETIREMENT!

WHAT ARE YOUR RETIREMENT DREAMS?

- I know the experiences I want in retirement.
- I know how I am going to fill my days.
- Will you fully retire or reduce your working hours?
- Will you volunteer?
- Do you know the hobbies or new interests you want to pursue?
- How are you going to stay connected with your social networks?

HOW ARE YOU TRACKING TOWARDS YOUR SELF-FUNDED RETIREMENT?

- I know how much money you need for retirement.
- Net worth. I know how much money I have saved for retirement.
- I know retirement bucket I will fall into, Not Enough/ Just Right or Got Too Much.

RETIREMENT PLANNING

- I have a detailed retirement plan which states how I am live my best life with the money I have
- I know when I'll have enough money to retire.
- I know how much my rainy-day will need to be.
- I know how much income I will need on an annual basis to fund my day to day lifestyle.

CHECKLIST FOR PLANNING A WORRY-FREE RETIREMENT!

SUPERANNUATION

- I have a detailed plan on how to maximise my contributions prior to retirement.
- I know how my super is invested (and it meets my needs).
- I know my super provider is right for me and meets my individual needs (cost/choices/transparency/regular updates).
- I know how much risk I am taking with my investments.
- I have a binding death nomination in place and reflects my current wishes.

INVESTMENTS

- I understand the level of risk I am accepting vs what I need to take.
- I am diversified across cash/fixed interest/australian shares/international shares and property.
- I understand all the different ways to invest.
- My investments generate cash-flow.
- My investments are invested in the most tax efficient structures (i.e. super vs tax bond vs personal).
- My investment strategy has the flexibility to adjust and move out of the way of investment bubbles.
- My investments are cost effective.
- My investments philosophy is based on the weight of evidence. Based on how investment markets work and long term observations.
- My speculative allocation is less than 10% of my portfolio.

CHECKLIST FOR PLANNING A WORRY-FREE RETIREMENT!

TAX PLANNING

- I know the tax-minimisation strategies I need to be using.
- I know how I am going to optimise my contributions into super.
- My lodgement of tax returns are up to date.
- If self-employed I have set aside funds to pay my tax.
- I review my tax-minimisation well before 30th June.

INSURANCE

- I know the four different types of insurances.
- If I or my partner are permanently injured, suffer a life threatening illness or pass away my family finances will not suffer. .
- I know what I am covered for right now.
- My insurance will be paid to the person I intended it to go to.
- If self-insuring, I know the impact on my families finances if something happens to me.
- My insurance plan reflects my current needs.

DEBT MANAGEMENT

- I have a plan to pay down all my debt prior to retiring.
- I have negotiated the lowest rate for my loans.

CHECKLIST FOR PLANNING A WORRY-FREE RETIREMENT!

ESTATE PLANNING

- My will has been updated in the last 5 yrs and reflects my wishes.
- I have a Power of Attorney, Enduring Power of Attorney and a Medical Power of Attorney.
- My family members know where my estate documents are.
- I have a list of all my online passwords.
- I know super, companies and trusts do not form part of my estate (not covered through my will) and I have measures in place to make sure they go to right people.

BEHAVIOURAL MANAGEMENT

- I understand the biases I have and the impact they are having on my plan.
- I have a plan to master emotional decision making .
- I have a growth mindset.

"Life is **NOT** a rehearsal, and precious time **IS** slipping away"



I'm Glenn - CFP | Money Mentor | We take the stress out of planning your self-funded retirement

Do you want to live a **GREAT** life and **DO STUFF** you want to do with the time you have left on this great planet of ours?

I think we all do...

You see it's not about the products or investments you use, while they are tools in the toolbox. Our role is something more important than that. It's about helping you get the best life possible with the money you've got.

The type of advice that can help you get and **KEEP** the life you want. To envision your future and find peace in this hectic world.

But here's the thing, you're well into your second week. Let me explain. Ever been on a two week holiday and at the start, you have all this time to do everything? But then the second week flies by, and on the way home, you wonder where the second week went.

You're in your second week. And life slips away faster the older you get. But you want to **DO STUFF** before it's too late.

That's where your life is not a rehearsal. And my guess is you want to live your best life with the time you have left.

It's better to prepare than repair...

If your heading towards a self-funded retirement. You want to continue to live your best life. And you want to know how **MUCH** is **ENOUGH** so you know when you can **STOP** doing what you don't enjoy. And **START** doing what you really love to do.

Click below and book in your [FREE Retirement Checkup call](#).

Schedule a call



On your call we'll help you work out whether you are on track and are using your money in a way which improves your life.

"Don't post-pone your happiness till sometime in the future which we are not guaranteed to have."

The Legal Stuff

General Advice Warning – Advice Disclaimer:

Any reference in this publication to the provision of advice refers to advice of a generic nature, and should not be taken as product or investment recommendations.

Before any action is taken based on the information provided, independent financial advice from a licensed financial adviser should be sought. Financial Freedom Project Pty Ltd ATF GA & DC Doherty Family Trust Trading as Jigsaw Private Wealth is a Corporate Authorised Representative of Exelsuper Advice Pty Ltd.

The information contained in this publication is of a factual nature only and is not intended to constitute financial product advice. Information is current as at July 2020. This is an online information blog. It does not imply an offering of securities.



www.jigsawprivatewealth.com.au