

# Retirement Portfolios



## Professional advice and customised portfolio solutions designed to meet your personal retirement goals and priorities

Retiring after decades of hard work is exciting. It's a time to relax, spend more time with family and friends and pursue new hobbies. But, retirement is a journey not an event. Australian men are expected to live to 80.3 years on average, compared with 84.4 years for women, according to the Australian Bureau of Statistics<sup>^</sup>. Those who make it over age 60 can expect to live significantly longer. That means many Australians will spend over 20 years in retirement, assuming they retire at age 65.

**While 71 per cent of people plan to work until they're at least 65 years old<sup>^</sup>, the average retirement age of Australia's 3.4 million retirees was 53.8 years, according to the Australian Bureau of Statistics<sup>\*\*\*</sup>. Among those recently retired, the average retirement age was 61.5 years.**

It could in fact be much, much longer, given life expectancy is increasing and people commonly stop working earlier than planned due to sickness, poor health, unemployment or redundancy.

The figures reveal that people are spending much more time in retirement than they expected and therefore less time working and contributing to super and their savings.

Without careful and early planning, most Australians face a significant retirement savings shortfall and an uncertain future. That's why it's critically important to seek professional advice, sooner rather than later.

### The value of advice

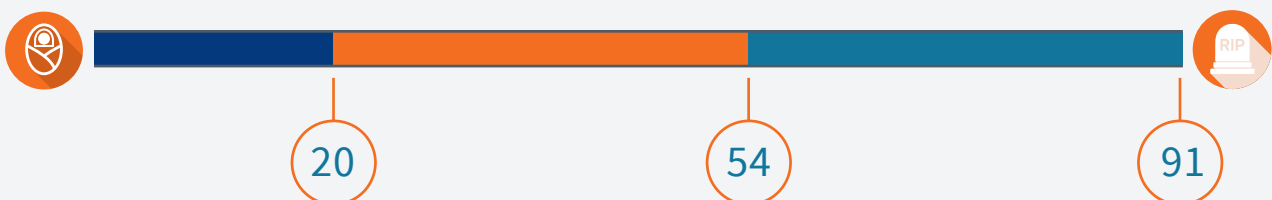
An experienced financial adviser can help you effectively plan for retirement and guide you along the journey to help you make wise financial decisions and stay on track to achieve your goals.

In an environment of increasing global economic and political uncertainty and increased market volatility, your adviser can

help you build a regular, reliable income stream and protect your wealth so that no matter what challenges and surprises life throws, you'll have someone by your side helping you make important decisions. That's the kind of confidence and security you deserve, and it's the confidence you need in order to truly relax and enjoy all that retirement has to offer.

Retirees need confidence that they'll have enough income for life, to cover all their living expenses plus extras like entertainment, travel and home renovations. They need confidence that they'll have enough money to pay for any medical treatment and aged care with hopefully some left over to leave an inheritance to their loved ones. Ultimately, they need to feel confident that they've worked hard, planned well and made smart financial decisions so they don't run out of money and end up dependent on the Age Pension which only provides for a very basic standard of living for those who qualify.

### Average Australian Lifestages 2015



# millennium3 Retirement Solutions



To help you realise your retirement goals, millennium 3 has developed a range of customised investment portfolios. Designed to meet your specific needs, objectives and priorities, these portfolios also manage key risks including inflation, market volatility, illiquidity and longevity.

Whether you're five years out from retirement and still focused on growing your nest egg, or you've already retired and need to preserve capital and build a regular, stable income stream, millennium 3 has designed a portfolio to suit your unique needs.

The Retirement Portfolios complement millennium 3's existing investment suite. They are managed according to our proven investment principles, including efficient risk management, effective diversification, a rigorous investment selection process and regular monitoring and reporting.

The Retirement Portfolios are managed by the group's experienced team of investment professionals, drawing on the skills and insights of best of breed fund managers.

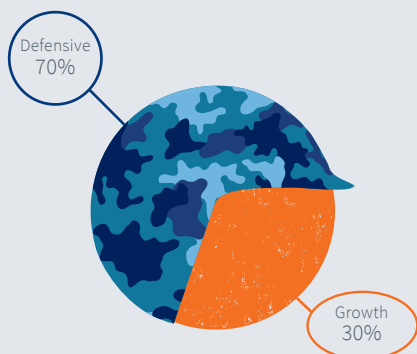
millennium3 is one of Australia's largest financial services adviser groups with origins tracing back over 30 years. millennium3's head office is located in Queensland with an extensive network of qualified financial advisers located in all states.

millennium3 provides the licensing, infrastructure and practice development support to enable individual member practices to deliver investment and risk management advice to their customers.

**Managed by millennium 3's experienced team of investment professionals, each portfolio has been stress-tested through shock scenarios, including a financial crisis, the collapse of China's economy and a housing correction, so that we are prepared for this kind of unforeseen event.**

## Retirement Portfolios

### Defensive



Primary focus: stable income and capital preservation



Performance target: inflation + 2.5%



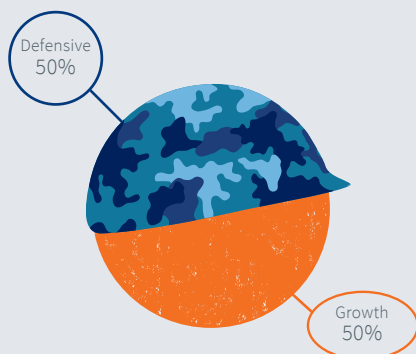
Suited to: risk-averse retirees seeking to preserve their capital



Asset Mix:

Primarily defensive assets – total return strategies and cash  
A small exposure to growth assets – including Australian and international shares

### Balanced



Primary focus: stable income and some capital growth



Performance target: inflation + 3.0%



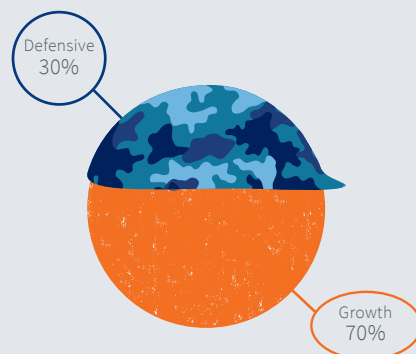
Suited to: retirees seeking income who recognise they need to grow their wealth to see them through retirement



Asset Mix:

Evenly invested in growth and defensive assets

### Balanced Growth



Primary focus: stable income and capital preservation



Performance target: inflation + 3.5%



Suited to: retirees who have some risk tolerance and not in mid-to-late retirement



Asset Mix:

Primarily growth assets – including Australian and international shares, listed infrastructure and property  
A small exposure to defensive assets



## Design, construction and management

millennium3 works closely with the ANZ Chief Investment Office (CIO) to design, construct and manage the Retirement Portfolios. These portfolios are built from high quality investment options that are carefully selected by the research team using a range of qualitative and quantitative criteria, including:

- **Quality.** We ensure that the investments in these portfolios are the most appropriate for their investment needs and are positioned to meet your objectives.
- **Style.** Complementary strategies are selected to avoid any unintended style biases, i.e. where the portfolio is too reliant on a single source of return, sector or asset class.
- **Liquidity.** Investments that are actively traded and allow investors to exit if needed, without liquidity risk.
- **Fees.** These portfolios target core strategies in traditional asset classes, while also targeting some premium strategies in order to achieve diversification and multiple sources of return.

## The 5 principles on which the portfolios are built



**1.** The long-term investor will outperform the short-term investor



**2.** Diversification across asset classes is the key to managing return and risk



**3.** Market inefficiencies can present opportunities for higher returns



**4.** Investment management should be both simple and transparent



**5.** Robust governance is critical to efficient portfolio management

As an investor, you can be confident that every investment within these portfolios:

- has passed a rigorous selection criteria by both the CIO experts and their independent, external research partners,
- is underpinned by a robust governance process that puts your best interests first,
- is subject to regular and ongoing review.



**To find out more about how these solutions may help you achieve and maintain your financial and lifestyle goals through retirement speak to your financial adviser today**