

The Finance Ghost: Welcome to this inaugural WellsFaber podcast episode. I am your host, The Finance Ghost. I'm very excited to be working with the team to bring you just all kinds of interesting stuff and insights on your wealth creation journey, your financial planning journey, as we all move through life, I guess.

And this is not just for existing WellsFaber clients, but really for anyone who's just looking for a bit of advice, a bit of wealth management, please do speak to the team. And the goal here is really to bring you a variety of insights - they won't always be financial in nature, but they're certainly going to always be flavoured around just that journey through life and the planning that we all need to do.

I think we're off to a really good start in this podcast series because we're going to be talking about something that is even more important than your money. I suspect that even Kevin will agree with me, that's Kevin Dolley, who is a wealth manager at WellsFaber, he's one of the guests today, but our other guest is none other than Dr. Michael Mol. I've promised to only call him doctor once. I've also promised not to make mention of certain competitions he won early in his career. But I am allowed to make reference to the fact that he was on Top Billing, of course.

So, Michael, it's quite fun for me because I used to watch Top Billing, I used to look at those houses and think, wow, if I really work hard one day, then maybe I can have a house like that. The TL;DR is I still don't have a house like that (thanks, economy, but we're getting there - we're working on it). But you're busy with some other stuff these days as well, not just doing Top Billing type work. And obviously we're going to dig into that.

Kevin, it's lovely to have you on the show as well and I'm really looking forward to this.

Kevin Dolley: Thank you. Happy to be here.

Michael Mol: Brilliant. Well, Ghost, thank you for having us. I mean, that's - as you say, great to be part of the inaugural session. I used to tell my kids, we joked about "I see dead people" from Sixth Sense, but now I hear dead people - speaking to the ghost!

The Finance Ghost: There we go. Exactly. I'll have to get you to do my intros going forward, I think it might work out quite well! And Michael, so much of your work is to stop people becoming ghosts too early, right? Because you're very focused on health and in a financial sense, we talk about assets and liabilities but at the end of the day, your health can very quickly be either an asset or a liability. I mean, speaking for myself, having been on this crazy entrepreneurial journey for the past five years, my body sent me a proper warning shot a couple of years ago. And I listened. I had to listen.

And I think there really are two types of people, those who have had the warning shots and those who are still going to get it. At least people in a high-performance environment. And I think a big part of what you do is actually just helping people maybe catch that before it happens / respond to it.

So I'm going to start with you here, and again, I think most people know you from a Top Billing perspective, but actually you do so much stuff outside of that and you are focused on a lot of medical stuff. So maybe talk to us more about the doctor side of your life. Let's just start there. And why you do this work, the work you do, and why it's so important that even in a wealth creation context, people listen to their bodies and they treat their health as an asset before it becomes a problem?

Michael Mol: Yeah, well, I mean, if I had to sum it up, Ghost, it would be, life's just so much better when you're healthier and being healthier is so much easier than you think. And you mentioned it. I mean, it's the old cliché: don't burn your health to earn your wealth because one day you'll be paying everything you earn just to buy it back. And yes, it is a cliché, but clichés become clichés for a reason, because they're true more often than we'd like to admit.

So you asked me what does health mean to me? I'll tell you what it doesn't mean: this belief that health and longevity demands joyless self-denial is an absolute myth. I mean, the fact is, science actually increasingly shows that pleasure and purpose and play even, are essential ingredients in a long and healthy life. So, I mean, if you've read the...

The Finance Ghost: ...and pizza.

Michael Mol: And pizza!

The Finance Ghost: A little bit of pizza surely?

Michael Mol: Wow, pizza, yes, absolutely!

The Finance Ghost: It's all the P's, if you just stick to the P's in moderation

Michael Mol: Thin base.

The Finance Ghost: Absolutely. Yes.

Michael Mol: But you make a good point, because studies of centenarians - the Blue Zone, Sardinia, Okinawa, all those places show that they drink wine, they eat carbs, they laugh a lot, they're not chewing kale and ice cubes in silence. They're enjoying life with boundaries. And I mean, this is the analogy, I share this with my kids. I share this with audiences around the world actually - imagine you're building a house. A beautiful, strong, long-lasting house. The foundation walls, the roof are nutrition, sleep, exercise and connection. Those four pillars,

they're the essential structure. And without them, your house is going to collapse no matter how fancy your interior is.

Now you get peptides and rapamycin and cold plungers and ozone therapy and all those beautiful biohacking extras. That's your artwork, that's the lighting, that's the smart home gadgets. Very cool, yep, but not game-changers. Not without the basics.

And a lot of people are trying to install chandeliers in a house with the cracked foundation. They're fasting like monks and injecting peptides and tracking the HRV, but they're still sleeping less than five hours a night, they're living with ultra-processed food and kind of skipping strength training. And that's like polishing your luxury German sedan while the engine's falling apart.

Here's the truth, and that's maybe a long way to get to the point, Ghost, is this: the boring stuff works and it works stupidly well. I mean, prioritising whole foods and lifting heavy things and holding hands and getting seven to nine hours of sleep, that's the cheat code. The rest might give you an ever so slight edge, but the big wins, they are free, they're simple, they're just not sexy.

The Finance Ghost: Yeah, that's great, actually. I mean, I certainly don't have the doctor title in front of my name, but I have lived this exact journey in the past few years. And it's amazing how sleep is just the biggest thing. I was running on - I remember when I started this business and anyone listening to this who's an entrepreneur will probably appreciate this, but I used to not go to bed on the same calendar day on which I woke up for probably two-and-a-half to three years. So in other words, you're going to bed after 12 every single night. And then I had a little one. Well, I mean, I obviously still have a little one, but you know, he was very little at the time and so it's not even - it's still a broken sleep. You're going to bed at 12, you're waking up at 6 or 5 with this wonderful little boy who's now rearing to go - he's been in bed since 7. And you can't, you just absolutely can't.

And now, I mean, I'm 37 and I've gotten to a point where certain things, I'm just very, very strict on - sleep is one of them. And just the other one is, and you said it, which I love actually is that point around just pleasure and prioritising the stuff, finding the hobbies you enjoy, making time for them. It sounds stupid until you've burned out. And once you've burned out, you understand that if you do not treat these things as equal to your money-making activities and everything else, you're going to come short.

You *are* going to come short. That's the point, right?

Michael Mol: No wealth without health. And I'm so glad you mentioned sleep. It's crucial. If you skip on sleep, then every other aspect of longevity and wellbeing has to work twice as hard. Matthew Walker talks about this all the time. And I'm sorry to mention this to you, Ghost, but people or men who sleep five hours or less have got smaller testicles than men who sleep seven hours or more. True fact. And what it really points to is just one night of sleeping less than five hours and your testosterone levels drop by 10 to 15%, which is the same drop we see over 10 to 15 years in men. And low testosterone is pretty much, you know, more belly fat, less muscle, more *meh* and a libido that takes more naps than you do. So you don't want that as men. And I'm so glad you fixed your sleep.

The Finance Ghost: I'm pleased to report, especially after learning that, that I definitely did fix my sleep! So now very happy to get my seven hours a night.

Kevin, I think let's switch over to you. And obviously none of us like talking about mortality, not even the ghosts in the room like me. But at the end of the day, it's about extending the quality of life, not just the number of years that you happen to be on this earth for. That's very much what Michael's focus is and just making sure you're actually going to have a good time when you're older as opposed to just "being around" - and your job, Kevin, is to make sure that people have enough money to have a quality life when they get older and obviously working with your clients on this.

We've got some rule-of-thumb stuff that we're going to talk about around what people need to retire and all of that kind of thing. But maybe even before we get to that, I actually want to deal with another question I was going to ask you just now, but I think it's so relevant now based on everything Michael's just said, which is the value of being able to work later. I mean, it must make a pretty huge difference to your retirement journey if you've got that extra five years of income - instead of retiring at 65, you're actually of healthy body and mind and you're able to keep earning until you are 70 or whatever the case may be? I mean that's gotta make a massive difference, right, versus drawing down on your retirement savings? And we'll get to some of those rule of thumb calculations now.

Kevin Dolley: Yeah, Ghostie, it really does. So if you look at your - we'll get into the rule of thumbs. But just touching on that point of working an extra five years, what you can essentially do is you can increase your capital at retirement by 60% to 65% if you save for that extra five years. So you continue with your contributions and you delay your retirement by five years. So that can make a huge difference.

You're probably looking at roughly 20% higher retirement income if you were to work that extra five years. So that's substantial. If we're looking at some of the rule of thumbs. The most common one, if you're look at your living annuity drawdown rates is, is 4%. Now that was founded on a few studies that were done in the 90s. It looked at a massive amount of data dating back to the 1920s and it basically tried to create a portfolio over a 30-year period - so basically retiring from 65, living till 95 and to withstand any stress test that you could give it in that period. So worst-case scenario with market crashes, making sure that your income is sustainable over a 30-year period. So that's where the 4% rule comes from and that's largely been accepted by financial advisors for the last number of years.

And you know, I'm kind of trying to challenge that a little bit. I think it's a really conservative, worst-case scenario type of rule of thumb to work with. And it can create quite a bit of anxiety when getting closer to retirement and looking at how much they've managed to save up and what that can eventually generate as a monthly income during their retirement.

So, if we consider that maybe closer to 5% is a more realistic drawdown rate or an achievable drawdown rate with the right underlying investments and asset allocation, the 4% rule of thumb essentially says that if you need, let's use an example of a retirement income of R 1 million a year in your first year of retirement, it means that you need R25 million essentially at the date of retirement. If we use 5%, it changes that story to R20 million instead of R25 million. So that's a sizable difference in the amount of capital that you have to build up.

And then speaking to that first point of working an extra five years, you can very quickly close that gap and actually exceed that if you do work a bit longer. So, yeah, those are the sort of rules that we've been working with for quite a number of years. And I think if we get our planning right, we can actually challenge that a bit.

Michael Mol: Hey, Kev, quick question for you. Sorry to interrupt.

Kevin Dolley: Sorry, yes?

Michael Mol: But five years - so what if you double that to 10 years? And the reason I ask is we're looking at certain health interventions, lifestyle changes that can give you an extra 10 good years of life, healthspan, not lifespan. What would that do?

Kevin Dolley: So that'll be exponential. I mean, the general rule is in seven years, you can double your capital. So in 10 years, you're going to more than double your capital. And, yeah, if you do manage to do that, it makes retirement way less daunting.

The Finance Ghost: There's another point there as well, which is actually worth talking about, which is, you know, and again, this is very - I certainly understand this as someone who's currently dealing with planning for school fees, etc. etc.

I mean, by the time you're in your 60s, and maybe you followed Michael's advice and your libido has been amazing and you still have young children and all of those things, you've had your sleep - I don't know, then you have different financial problems. Kevin, I don't even know if you can save someone from private school fees at the age of 80!

But, you know, leaving that sort of lifestyle aside for a moment as an outlier, I think the point is that by that stage, your kids are through school, they're hopefully out the house, they've flown the nest. Despite how long people live at home these days, you're at the point now where hopefully either your house is paid off or you did what I'm planning to do in rent for a long time, and you've done your savings properly, whatever it is you've done, your monthly expenses should hopefully be way off your monthly income, otherwise you have a much bigger problem. And so the point is, if you can extend those few years, those are really the years where you bulk up your retirement savings massively.

Obviously early in your life, you've got the compound interest benefits of having excess to invest. Whatever you invest is definitely going to help you down the line. But later on in life, when your overheads are lower, that's an important time, isn't it Kevin?

Kevin Dolley: Absolutely, yeah. The middle years, when you have all those big expenses, it becomes extremely difficult to save. You have a big bond, you have kids going through school, your expenses are at a high. And in the examples that I used, working that extra five years, if you

have much lower expenses at that point in time and you can pump a lot of extra cash into your retirement, you can probably double that pot within five years, not even seven years. So absolutely, I've seen that time and time again with a lot of people that have got the – let's use the average family, having kids around about 30ish. At about age 55 to 60, your kids are financially independent, hopefully they've studied and they've got their degrees and off they go. Or they're entrepreneurs and they're self-sufficient from an income perspective. And at that point you can really make up for a bit of the gap that you might have had in your retirement savings.

The Finance Ghost: Yeah, absolutely. Of course, being an entrepreneur is lovely because then no one is forcing you to retire. If you're in a corporate setting, then you might need to retire anyway. But I think for people who get to a point where they are exiting their corporate careers in quite senior roles, quite specialist roles, those consulting opportunities are there for those who want them.

And Michael, maybe bringing it back to you and that point you made around extending the healthspan, it's all good and well to want these contract opportunities, but you need to be healthy enough to do it. And I must say, in my life I've met some very young 65-year-olds, I've met some very old 50-year-olds and a lot of it just comes down to lifestyle, right? I mean you're only going to get one body in your life, you better look after it. And it's that approach to wellness that you are obviously a champion of.

Just going back to your comment earlier about studying those regions where people get very old. I'm half-Italian, so that bodes well. My grandfather, my Italian grandfather, old Nonno, he made it to 99, it was a very sad day and he nearly - he nearly, *nearly* made it. But let me tell you, that man lived until the end, he really did, which is quite exciting.

So from your perspective, what should people - let's start with the sort of 50s and 60s, which I can't relate to yet, but I'll get there. What can they do in that age bracket to really just extend their working lives, what advice would you have for people at that stage in their lives?

Michael Mol: Ghost, let me dial back to what you just said. I love that - you've met a young 65-year-old and an old 50-year-old. And that's such an important point, because age - we see it as just a number, but there are two numbers. There's the number on your driver's license. That's your chronological age. It tells us how many times you've gone around the sun. It's useful, but it's not the whole story. There's another number, and it might matter even more - what's called your biological age. That's how old your body actually is. Your cells, your tissues, your brain, your cardiovascular system. And the exciting part is that biological age isn't fixed. It can go up, it can go down. It can even be reversed.

I mean, think of it this way, and you said it - two people can both be 60. One is running marathons, the other can barely walk up the stairs. Chronologically the same, biologically worlds apart. Okay?

In the 1900s, our forefathers lived to 45. Don't know if you know that that was the average life expectancy at the turn of the century. And they died from quick death. They died quick deaths, you know, from diseases, from infections. Today we live to 75. We no longer die quickly, we die slowly at the hands of four diseases of lifestyle, essentially. Peter Attia calls them the Four

Horsemen of the Apocalypse: cardiovascular disease, cancers, neurodegenerative disease and diabetes, metabolic-type disease, or diabetes, as we like to call it.

Now, those aren't just causes of death. They're also causes of decline, of dependency, of losing the ability to live independently and remember the people you love. But the good news is, while these horsemen ride hard and they're coming for us, there's one intervention that fights them all at once.

To come to your question, what can people in their 50s and 60s do? It's not a pill, it's not a supplement - it's exercise! And I hope - you might not want to hear that, but it's the only tool proven to delay every single one of those four horsemen.

In a world obsessed with biohacking shortcuts - and there are plenty of those - it turns out the most effective intervention to reduce your biological age, to increase your healthspan, those are years of your life lived free of disease and disability, isn't a peptide, it isn't a supplement - it's movement. In fact, here's the statement for you: if exercise were a pull, it'd be the most powerful drug ever created.

But better than a pill, it's free, it requires no prescription, you just have to take it consistently. So if you're in your 50s and 60s and you want to work a little more, you want to extend your working life, you want to get that extra five, maybe even ten years that Kevin talked about - exercise!

The Finance Ghost: That is brilliant. And I just want to then confirm because earlier you mentioned strength training specifically. I mean, obviously there's the running marathons etc. - what kind of exercise? Is one just much better than the other? I mean, I imagine any movement is a good thing to start. But, if someone has time to go to the gym for an hour a week at most, you know, two trips times 30 minutes, should they be on the treadmill? Should they be in the weights section, which is the better one?

Michael Mol: Ghost, it's a great question. You asked me for a prescription for exercise. Most of my colleagues, and this is not a dig to them, I mean, most people do this, just say to patients: you need to exercise more. But there's no prescription.

So here's a prescription for slowing down the pace of aging, alright? You need to do three sessions minimum a week of zone two exercise, zone two cardio. So that's moderate intensity - riding on an indoor trainer, running, walking, whatever it is, you do three sessions a week. Two sessions a week minimum of strength training. You build your muscle, muscle mass, muscle is medicine, muscle is longevity. And then one session a week of high impact interval training that just builds your VO2 max. Your VO2 max is basically a crystal ball of how long you're going to live. So three sessions of zone two cardio, two sessions of strength training, one session of VO2 max HIIT workouts. That's your prescription for slowing down the pace of aging.

If you do more, more benefits. Please don't do less. And by the way, there's not one type of exercise that's better than any other. Every CrossFitter that's listening to your podcast is going to go rubbish. CrossFit is the best. It's not.

The best exercise in the world is...drumroll...the one that you will do! It's a lame answer, but there's so much science behind that. Science has shown that there's not one type of exercise

that that has benefit over another. As long as you do what you're doing, what you love to do, at the right intensity for your fitness levels.

The Finance Ghost: Actually half-right, every CrossFitter listening to this is not just going to say that, they're going to write it to me because they have to tell me that they're doing CrossFit. I mean, this is what they have to do every day, isn't it? That's the way it works, it's like being a pilot. There's probably a few of those listening to this too! If there are any pilots who do CrossFit listening to this, then please just pick one to tell us about. We don't need to know about both!

But, Michael, there's a lot of good stuff in there. And for me, I guess I'm ticking the box on the strength training by just having toddlers who basically put me through Gulliver's Travels every time of basically assaulting me. That's essentially my role as dad. I'm probably behind on the VO2, so I'll work on that. But if we then just maybe bring it back a decade or two to people in their 40s and 30s - and again, maybe just speaking from experience, and maybe I'm just actually naïve, but it feels like these are particularly stressful decades because it's typically broken sleep, young children, climbing the corporate ladder. I mean, ask me again when I'm 50, but it feels like my peer group is going through some stuff. You know, it's not an easy thing to balance. What's your advice for that sort of phase of life?

Michael Mol: So two quick answers to that, Ghost. Scott Galloway, Professor Scott Galloway, talks about the happiest day decades of your life. They are your 60s, your 70s and your 50s. So 30s and 40s are just going to be hard decades. As you say, it's work, it's kids, it's not easy.

And the challenge with that is stress. Not quick stress - quick stress is good. It's chronic stress. Chronic stress shortens our telomeres. In other words, it ages us at a cellular level. If you imagine your DNA is like a pair of shoelaces at the end, you've got these little plastic tips. They're called aglets in your actual shoelaces, but on your DNA, they're called telomeres. They protect your DNA from unravelling every time your cells divide. And what chronic stress does is like dragging your shoelaces through gravel and dirt and tar and rain.

And over time, these protective tips wear down. And when they get too short, your cells can't divide properly. They age, they break down, and they die. It starts with stress.

The good news is that telomere damage is at least partially reversible through key lifestyle interventions - how you sleep, how you eat, how you exercise, how often you connect with people. But probably the biggest intervention in terms of reversing and stopping the damage to those telomeres is managing stress.

Alright, in your 30s and 40s, you're living at a stressful level and you've got two options. One, you can remove the stress - good luck with that, I don't think that's possible. The second thing to do is to build resilience. In other words, build a buffer against stress. Because life's not going to stop throwing you curveballs. Your nervous system can either stay on fire or it can be fireproof. And the good news is that resilience is trainable. You can train your nervous system to be more resilient, it's like training a muscle.

And there's two quick things, and let me not take too much time with this. The one is - Andrew Huberman loves to talk about this - the physiological sigh. It's a 10 second breathing trick that can instantly calm your nervous system. So when your kids are giving you absolute hell Ghost,

10 seconds is all it takes. And here's how it works - you inhale deeply through your nose and then at that point of maximal inhalation, you go one more so it's a shorter sip of air and then slowly through your mouth. So if you put that all together, the physiological sigh is something like this (breathing).

Now, that double inhale followed by a long exhale activates your parasympathetic nervous system. That's your body's calm-down mode, it lowers your heart rate and it shifts you out of fight or flight, kid-killing mode - I can't say that - in seconds. It basically teaches your body how to recover from stress faster and without what you experienced: burnout. And it protects your telomeres from aging too quickly. So that's the one thing. Physiological sigh. It's a great way to train yourself to manage stress.

The other one I feel a bit disingenuous sharing with you, but cold showers, it's because I don't do this. But what cold showers do is trigger a stress response, a controlled stress response which helps your body practice staying calm under pressure. In other words, it's teaching your brain that not every stress signal is dangerous. And over time that builds up mental and physiological toughness so you don't overreact to everyday stress. You can't avoid stress. We know that. But you can upgrade how your body handles it. And that's the key for your 30s and 40s.

The Finance Ghost: Pro tip. If you don't want to do cold showers and you want to practice dealing with stress, just start a business. And then you will get daily cold showers, sans water. It's very exciting. And then you will learn, as I've had to, where you actually get to the point where you just are this very steady - there are going to be lots of good days, lots of bad days, and if you just learn to respond to all of them as calmly as you can, then you get to a point where you actually prioritise yourself. I mean, I've learned so much in the past five years, basically out of necessity, frankly.

Michael Mol: But Ghost exactly, so you've trained yourself to be resilient. Well done. That's exactly how it happens. And it's not easy, but it's worth it.

The Finance Ghost: And with warm showers. With warm showers. And pizza, a little bit of pizza. Just less than I used to have.

Michael Mol: Especially in Cape Town's winters, yup.

The Finance Ghost: Yep, there we go. Exactly. Kevin, let's get back to you. And we're having such a great chat about longevity of body and mind. And it's so important. But longevity of portfolio matters too, right? Because no matter how many cold showers you take, if you run out of money, you're going to have stress that you can't get rid of with seven hours of sleep, unfortunately.

And if someone does all of this right, then the cruel irony is that they actually need *more* money for retirement. It's actually this kind of weird situation where the better you look after yourself in your working years, the longer you will need money for, on average, obviously over a large

sample size. Can't guarantee that for each person. I wish we could, but that means you retire at 60, 65 now, you might live for another 20, 30 years even. And yet there's this kind of belief where now that I'm getting near retirement, I must get out of risky assets, I must get out of equities, I must just go and sit in something that grows at inflation as though 20 or 30 years is not a long term view.

But we run around to everyone in their 30s and say, oh, but you're saving for retirement, which is 30 years away, that's very long term! You should be completely in equities.

There's just this complete mismatch, right? And I know that you've got some views around the importance of actually seeing different phases in retirement and how your portfolio needs to respond to that. It's not just this hitting the wall and going, you know, well, that's it, no more risk assets for me. I'm no longer a long-term investor.

Kevin Dolley: Yeah, absolutely. And I think one of the biggest balancing acts that a person getting close to or someone that has just retired, one of those balancing acts that you have to go through is drawing the right amount from your investments and the fear that you have of either running out of capital at some point versus the fear of not enjoying your retirement and not actually spending some of that money. So there's this push and pull the whole time. And obviously getting to a position where you do have enough capital takes away quite a bit of that stress. But not everyone is in that position.

I think we need to consider the different phases of retirement. In your first five to 10 years of retirement, you're still fairly young. Your body should still be quite good if you've looked after it like we've just discussed. And you should be able to do the things you've always wanted to do that you might not have been able to do while you were working full time - the travel and the visiting your family and more of the social stuff, more of the nice stuff, living a little, enjoying that part of your retirement.

As Michael said, it's been proven that those are some of the happiest years of your life. And obviously if there's finances to back that up, then it probably makes it a lot easier. I'm sure for some people that haven't planned correctly, those years can be very stressful and maybe not even the happiest years of their life.

So I think in those first few years, definitely live a little, spend a little, within reason. And then if we look at the middle years of retirement, if we broke this up into 30 years, right? So first 10 years, next 10 years, and then the final 10 years. Those middle years, generally, you're getting a bit older, your body's not really allowing you to do everything you wanted to do previously. Maybe you're traveling a bit less. And at that point your spend technically should be a little bit lower, so you could go from a phase of spending a bit more to a phase of spending a bit less and actually still accumulating or building your capital. And then in the latter years, inevitably, health plays a role. Your costs related to healthcare might go up substantially. It may or may not - some have sudden deaths, some have long protracted periods where they have huge medical expenses and we need to plan for that. That is critical.

The point I'm trying to make is that our income needs during retirement are not necessarily linear. They will change over time. And just having that in mind when you structure your portfolio is important.

I like to follow a bit of a bucket approach when we look at this. We spoke about not investing too conservatively - if you look at retirement, it may be a 30-year investment horizon. That's a long investment term and it's been shown time after time, equities generally wins, okay, so investing in the stock market is generally going to give you the best return. And I like to structure at retirement - I like to structure a portfolio that looks quite similar to a balanced portfolio, which is inevitably what you would have been invested in all the way leading up to retirement because of Regulation 28 - that's the maximum exposures you can have to equity and offshore.

And if you create a similar type of portfolio going into retirement, it should deliver the returns that you need to provide that sustainable level of income. And what that means is that we put roughly 15%, which would be about three years' worth of income, we put that into income-type funds, which is cash and bonds, and you draw your income from there for the first three years. The next three years, so another 15% of your capital, we would look at a low-equity, multi-asset type of fund. So fairly conservative, but still a bit of upside when the stock markets do run, and there you withdraw your next three years' worth of income. So you're basically providing for six years. Your first six years of retirement, you're providing for in those two funds.

And then the balance of your portfolio would be in equities, local and offshore. Getting that balance right is obviously quite important to hedge against the rand over time. And that 70% is your growth element. So we want that to grow well ahead of inflation. And that essentially then becomes your income that you draw in the latter parts of your retirement.

The big risk, and in some of those studies we spoke about where the 4% rule came from - it looks at the worst-case scenarios where someone retires right before a massive market crash. For example, one we had in 2008 with the Global Financial Crisis, if you had retired at that point in time and you were invested fairly aggressively, you took a big knock on your portfolio and it took you three, four years to regain some of those losses. That can be devastating for someone that's just retired. And that's why I like the bucket approach because we're securing six years' worth of income essentially and we're not having to touch our equity exposure for at least six years. If you do have a bit of a market crash, it's not like you're cashing in any of those losses and it just means that the portfolio is more sustainable going forward.

Just another interesting point - if you consider these long-term investments, obviously we've got to make some assumptions when we do these calculations. And over a 40-year period, if you get your return wrong by 1%, so instead of earning 10%, you earn 9%, or instead of earning 9%, you earn 8%, it can mean that your end result, so the amount of money you've built up at the end of that 40-year period, is 20% less. So a 1% reduction in net return equals a 20% reduction in capital at the end of the 40-year term. So that is massive. And that's why I say investing too conservatively is probably your biggest risk. If you invest too conservatively, you will 9 times out of 10 hit that number of 1% less return and you can't really afford that. So hopefully that makes sense.

The Finance Ghost: It's that extra hour of sleep, right? It's that one extra hour of sleep. It's that extra hundred basis points return. It's amazing how it's that last bit makes such a big difference to the outcome. I think that's the key point there.

Michael Mol: One extra rep.

The Finance Ghost: Yeah, exactly. So, Kevin, there's very much an era in your retirement where it's travel to Paris and then there's travel to Parys as you get older and you can't necessarily do the big international trips and you've got to plan for all these things. And last question for you on this podcast, the other thing you have to plan for, and I think that this is becoming more and more of a reality - I mean, it's incredible, so for me it's the other way around. My parents are going to be reliant on me for their retirement. A lot of probably WellsFaber clients and the kind of people you're speaking to, some of them might be the other way around, where they're actually in pretty good shape for their retirement. And unfortunately they might have adult children who aren't necessarily finding life to be quite as easy because, let's face it, the economy is a funny old thing and it's not so straightforward at the moment for a lot of people in their 20s and early 30s to actually just get by. It really isn't.

I guess that's the point of having a financial advisor, right? And a wealth advisor and a wealth manager - is you can actually understand those family specifics and those nuances and you can adjust calculations based on what do the next few years look like? Maybe someone's kid is still at university as they retire, their income needs now for the next few years are very different to someone who doesn't have a kid at university, for example. I guess that's where I wanted to finish off with you is just - that's my perception of part of the value of a wealth advisor is understanding family nuances, right?

Kevin Dolley: 100% Ghost. This can have a very negative impact on a family when you do sit with these scenarios where adult children are still dependent into their 30s, sometimes even into their 40s. And where there are maybe two or three siblings, it can create some very difficult conversations because one sibling might be dependent still and the other's not. And as the parent that's retiring, you now having to draw less from your money so that you can still support a child. And then obviously, planning towards your demise, at some point, you've got to consider that maybe two of your kids are financially independent and one is not and how do you plan for their inheritances and making sure everything's fair and there's no arguments at the end of the day? So it's critical for me to understand every client's finer detail when it comes to that - their wishes for their children, for their inheritance they're leaving behind, obviously, considering spouses as well. And the critical thing there is that we make sure we have beneficiary nominations. We have wills that are drafted meticulously to make sure that things can be executed and wound up easily with as little argument as possible.

I've seen it time and time again where families fall apart. And this happens when someone passes and siblings end up not speaking to each other for the rest of their lives because maybe there wasn't a proper plan put in place. And so part of my job is to also help the client to have these conversations with his children or with her children, prior to anything happening, so that everyone's on the same page and that it's a work in progress, that you continue working on it so that if someone should pass away, it's a smooth transition to prevent any of these really terrible things from happening.

The Finance Ghost: Absolutely. I mean, that family stuff, people can do crazy things over money, and that feels like hard stuff to manage.

And Michael, to end off with you, some of the stuff you brought up earlier feels actually so manageable - just go to gym that extra time, get that extra hour of sleep. This stuff is not rocket science. It just requires discipline. So I'm maybe going to end off with you and I guess if someone just made - the question is if someone just made one, just *one* positive health change right now, which one would you pick? And then I also just want to give you an opportunity to actually talk to a little bit more about the work you're doing in this space. I know you're doing a lot of keynote-type stuff. Someone listening to this might be thinking, wow, this is a talk that I actually want either my staff to hear or whatever the case may be, or my clients. Just walk us through a little bit of how people can reach you and that kind of work you're doing as well.

Michael Mol: Yeah, sure, Ghost. Thank you so much. It is what I'm doing a lot of. I get my greatest kicks from just sharing good science, reliable science in a way that people can understand and practically apply it. And I find the best way to do that these days is through a lot of keynote speaking. So if you want to get hold of me, I'm on the socials, I'm online, get hold of Ghost. He's got my details. We'll be happy to come and speak to you and to your people.

But to answer your most important question, Ghost, in terms of what one thing - and this is an illustration just for you with young kids. Gallup did this survey some years ago. They took a report card, they sent it home to some parents and they said, hey, parents, imagine your child came home with this report card that had an A for English and an F for mathematics. Which subject would you concentrate on as parents? Okay, give that some thought. Turns out 87% of parents focused on the F, which was really sad because it meant that this kid was being characterised by the people that love him most by the very thing that he isn't. Social science has shown time and time again, when you focus on a weakness, everything just comes down. It just destroys everything. Unhappy child, all your marks come down. When you focus on an area of strength, everything comes up. So ironically, focusing on the English, on the A is going to bring up the maths. And again, studies show that time and time again. I mean, we should be asking this question: how many little Shakespeares were sitting in extra maths on a Friday when they should have been sitting in extra English?

Now relate that to your health scorecard or report card. So, how are you eating? How are you sleeping? How are you exercising? How well are you connecting? What's your resilience like? You might be aceing some, you might be really failing others, crushing one or two.

The point I want to leave you with is there's so much out there in terms of how we could be healthier. You know, what we can do, what we should be doing. Just open TikTok. It's an absolute nightmare. In fact, don't open TikTok when it comes to health. Just ignore that.

The point is, there's so much - my recommendation to you is to pick one thing. And the thing you pick on your health report card needs to be the thing that you're good at. So maybe you enjoy lifting weights, maybe you're a champion sleeper. Maybe walking in the big outdoors is your thing. Whatever it is, pick the thing you love to do, pick the thing that you're great at and get in the game. Because when you start doing that, everything bubbles up. It's just the habit stacking, the wins, they all just accumulate when it comes to your health. And before you know it, you're living healthier and better and longer. And it starts by picking the one thing that you enjoy doing, that you're good at, and train that like your life depends on it, because it does.

The Finance Ghost: I literally could not agree with that more based on my own lived experience. That's not just because we're doing a podcast together, that makes an absolute world of sense. Pick the thing that you enjoy the most and build from that position of strength. And then the other stuff will fall into place.

I mean, it's so incredibly accurate. I really wish I'd actually heard stuff like this a few years ago, although I would have - and this is maybe where I'll leave it, is I know from my own experience, I got to a place where it was a case of, oh, I'm so busy, I'm so stressed, I will never xyz, and I promise you when that word "never" makes it into your vocabulary, you are now in red alert mode. You can - as someone who runs the whole Finance Ghost ecosystem, basically myself, I understand what it's like to have a crazy diary - but I can also tell you if you do not make the time, if you don't start treating these things as importantly as your work, as importantly as your family, actually, which is an unpopular decision, but again, as someone who's burnt out, let me tell you, the worst thing you can do for your kids is not be there. So rather take an extra hour away from your time with them and go and look after yourself and you will be much better for them in the time you do have with them.

So this has really been a great podcast. Thank you. I've really enjoyed this. To the listeners, if you want to connect with Michael, it's drmichaelmol.com, speak to him, get him to come and speak to your teams. Just think of the insights that have been imparted on this podcast alone. I can only imagine how good the keynote is. So well done. I think it's great work that you're doing. It's very important. For those who want to connect with Kevin, you can go on to wellsfaber.com. I imagine people can probably find you both on LinkedIn, the one platform that I avoid like the plague. But yeah, there's nods there. So find them both on LinkedIn.

And to both of you, thank you. I think this is a lovely first podcast in this podcast series. To those listening to this, send through your suggestions, send through your views, send through your questions. We want this podcast series to be as interactive as possible in terms of responding to what people want to listen to. So let us know - even if you do CrossFit, let us know that as well, and we'll find a way to bring that into the next podcast!

So, Michael, Kevin, thank you so much for your time.

Michael Mol: Thank you, Ghost, it's been a privilege.

Kevin Dolley: Thank you guys. It's been great chatting.