

Milestone  
Financial

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ADVICE

**Extra Mile**

# Welcome to the First edition of the Milestone Quarterly Newsletter for 2026

We hope you were able to find some sunshine over summer; in whatever part of the country you reside.

2025 was a stellar year in investment markets. 2026 started bumpily for tech stocks and then a new war created fresh uncertainties. While these kinds of market movements are normal, no one enjoys them. Closer to

home New Zealand does seem to be improving from an economic perspective which is welcome news.

This edition features a look back over 2025 – test your knowledge with our quiz. We look ahead to what is happening in New Zealand over 2026 and revisit 2021 with an article about inflation and why it hurts so much. There are also some tips for those heading towards retirement.

In a special positive news feature, you can find out how the shingles vaccine may help fight dementia.

We also have an exciting update from the Southern team, and some delicious salmon recipes.

We hope you find our newsletter interesting and insightful. As usual,

please reach out to your adviser if there is anything you'd like to explore more deeply.

Editor  
Melissa Allen



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## What's Happening in 2026

2026 is shaping up to be a defining year for Aotearoa New Zealand, anchored by a high-stakes election and a significant economic turning point. Here is a breakdown of the major events across the political, economic, and cultural landscape.



### Political: The 2026 General Election

The most significant event of the year is the New Zealand General Election, which Prime Minister Christopher Luxon has officially set for Saturday, 7 November 2026.

- **The Stakes:** The National-led coalition (National, ACT, and NZ First) is seeking a second term. They are campaigning on economic stability and “fixing the basics,” while the opposition (Labour, Greens, and Te Pāti Māori) is focusing on the cost of living and social equity.
- **Key Changes:** This election will feature significant electorate boundary changes. Several electorates are being replaced or renamed to account for population shifts.
- **Key Dates:**
  - 1 October:** Dissolution of Parliament.
  - 26 October:** Advance voting begins.
  - 7 November:** Election Day.

### Economic: Cautious Optimism

Economists are describing 2026 as the year New Zealand moves onto “firmer footing” after several years of stagnation.

- **Growth Spurt:** GDP growth is forecast to accelerate significantly, with Westpac predicting a lift to 3.3% in 2026 (up from roughly 1.8% in 2025).
- **Interest Rates & Inflation:** While inflation

currently sits around 3.1%, it is expected to drop toward 2.3% by the end of the year. Interest rates are likely to stay on hold for most of the year.

- **Job Market:** The unemployment rate is projected to peak early in the year and begin a gradual decline toward 4.7% by December as business confidence returns.

### Cultural & Sporting: Historic “Firsts”

Cultural life in 2026 is marked by major international sporting events and traditional festivals.

- **State of Origin:** In a historic first, New Zealand will host a State of Origin rugby league match at Eden Park. This is expected to be a massive tourism draw, bringing over 10,000 international visitors.
- **Matāriki (Māori New Year):** Celebrated in June, Matāriki continues to grow as a pillar of the NZ calendar, with over 100 events nationwide ranging from stargazing to traditional Haka performances.
- **Regional Highlights:**
  - March:** Pasifika Festival (Auckland)—the largest celebration of Pacific culture in the world.
  - March:** Vero International Festival of Historic Motoring (Nelson Tasman).
  - September:** International Hobbit Day (Hobbiton)—a major draw for film tourism.

# The “Accidental Blockbuster”: How a Simple Jab is Bringing New Hope to the Fight Against Dementia

**In the world of medical research, the most profound breakthroughs sometimes arrive through the back door. What started as a routine defence against shingles - a painful, blistering rash many older adults dread - is now being hailed as a potential game-changer for one of humanity’s most daunting challenges: dementia.**

Recent data from global rollouts in Wales, Australia, Canada, and the U.S. has revealed a “beautiful” surprise. It turns out the shingles vaccine does more than just protect the skin; it may actually shield the mind.

## A Discovery Hidden in Plain Sight

The excitement centres on a “natural study” born from a simple policy quirk. In 2013, Wales offered the vaccine to anyone aged 70 to 79. This created two nearly identical groups of people separated by only a few days in birth date - one eligible for the jab, one not.

The results were striking. Those eligible for the vaccine were 20 percent less likely to receive a dementia diagnosis over the following seven years. As U.S. researcher Eric Topol puts it: “If this vaccine was a drug and reduced Alzheimer’s by 20 percent, it would be considered a major breakthrough.”

## The Scientist Leading the Charge

At 39, Pascal Geldsetzer, an assistant professor at Stanford University, is the face of this optimistic new chapter. He is so moved by the evidence that he didn’t just analyse the data - he went out and got the jab himself.

For Geldsetzer, the beauty of this discovery lies in its simplicity. Unlike gruelling lifestyle changes or expensive daily medications, this is a one-off intervention.



“It’s extremely exciting because this is an inexpensive one-off intervention, not a medication that has to be taken every day,” he explains.

## Why It Matters

While scientists are still untangling exactly why the vaccine helps - whether it’s by keeping the shingles virus dormant or by giving the entire immune system a “polish” - the positive implications are hard to ignore:

- **Empowering Women:** Early data suggests the protective benefits may be even stronger for women.
- **Healthy Aging:** New research suggests a link between the vaccine and a slower biological aging process.
- **Accessible Care:** Because many versions of the vaccine are off patent, this “cheap shot” could provide an affordable way to protect brain health on a massive scale.

## A Shot of Optimism

As the UK moves to lower the eligibility age for shingles vaccination to 60, and researchers like Geldsetzer push for clinical trials to turn this correlation into a proven cure, there is a palpable sense of momentum. In an era where medical news can often feel heavy, the shingles vaccine offers a rare, sunny outlook: a familiar tool we already have in our kit might just be the key to keeping our memories - and our loved ones - vibrant for longer.

*Source Attribution:*

*This article is a creative rewrite based on original reporting by Anjana Ahuja, published in the Financial Times (Opinion: Medical Science) in February 2026, titled “The shingles vaccine may have a dementia upside.”*

## How to Retire (an Adviser perspective)



You've been working hard your entire adult life. Putting by, squirrelling away, creating a nest egg to support you in your retirement years. By your late 50's you've done well. A strong KiwiSaver balance, an investment portfolio, maybe a rental property. Everything is doing what it should and you're totally in control.

Then, say around age 62, you realise that retirement means not going to work anymore. If you've not been enjoying the last few years that won't be a problem, but if you've built a great working life it may come as a shock.

Then the implications hit. All that money you've saved and wealth that's been created, the time is coming when you might need to start spending it. Easy to say, surprisingly hard for some people to do.

Suddenly this a huge psychological block appears in front of you: No more steady income from work, and the prospect of having to spend a carefully curated nest egg of financial safety. If you just freaked out, you're not alone.

For some, the transition into retirement is a fantastically smooth journey where you give up all the things you don't like doing and start spending more

time doing the things you love. (If there was such a thing as a generic retirement goal, I think that should be it.) For others, the retirement transition can be a little scary.

As financial advisers, much of our time is spent helping our clients navigate this major life change. If you're worried, here are a few things I've picked up over the last 10 years which may help.

- **65 is just a number.** Yes, you may start receiving NZ Superannuation payments, so what? There is actually no standard retirement age in NZ, and you certainly don't have to stop working the instant you turn 65.
- **You don't have to stop work completely.** If you love what you do, keep doing it. Many workplaces will offer flexible or part-time hours. Most of my clients move through a "semi-retired" phase where they work reduced hours for a year or more.
- **Don't retire in winter (without a firm plan).** Suddenly changing routine and not having something to do during the coldest darkest months of the year is not a recipe for good mental health.
- **Test it.** Retire, give it 6 months, and if you don't like it find a new job. It's perfectly OK to retire more than once.

- **Check you can afford it.** Obviously, a key component. Your financial adviser can help you work out if you have enough saved for all the things you want to do. We can map out potential retirement scenarios with you using our in-house software. Most people have more options than they realise and being able to visualise them provides great insight. Understanding how your money can be made to work to fit your retirement lifestyle will make the transition much easier.

How and when to retire is likely to be one of the biggest decisions of your life. The most important thing you can do is spend some time working out what retirement looks like for you. Everybody is different. Don't expect your retirement plan to look like anyone else's; although it will be easier if you and your partner can agree on most of it.

Making a retirement plan can be hard if you don't know where to start. The concept of "whatever you want to do" can be overwhelming.

To get you started here are some common themes we see from our retired clients:

- **Travel:** Most retirement plans include this to some extent but there are huge variations: big

trips or small trips, international or local, business class or campervan, every few months or every few years.

- **Family & Friends:** More time with those you love is never wasted. A large number of retirees have a dedicated day (or two) with the grandchildren. And if the kids live overseas, well that's just another excuse to travel.
- **Hobbies:** Always wanted to learn to paint? Improve the golf swing? This is your chance.
- **Giving back:** Do you have expertise to share? Or simply time? Volunteering is an excellent way to maintain social connections.
- **Staying home:** Plenty of retirees just want to be at home and enjoy their garden and a good book. Retirement is not a contest. If home is your happy place, then that's right where you should be.

It might sound strange, but one of the most enjoyable parts of my job as a financial adviser is encouraging people to spend once they reach this new stage of life. You've saved your whole life to get to this point. What was all that discipline for if



not to enjoy yourself now? Life is short and health is fragile. Make the most of it while you can.

Whether you have a plan, or don't, you already have a financial adviser in your corner, ready to help guide you through this milestone. The earlier you start thinking about your retirement, the sooner we can adjust your financial plan to get you there

*Article from FMA Media Release - August 2025*

## Inflation is the Biggest Destroyer of Wealth



Following two decades of 'low-inflation' in the 2000s and 2010s, inflation spiked up suddenly in 2021 after the Covid lockdowns unleashed a fiscal and monetary flood of cheap money. The 'return' of inflation in 2021 awakened a sudden resurgence in interest in the implications of inflation for investors.

Over the past couple of years, I have heard and read dozens of comments along the lines of: "Gee, we haven't had to worry about inflation for so long, but now it's back, we'd better take a look at inflation protection". The problem is that most advisers and portfolio managers have only ever experienced the wonderful disinflation boom since the early

1990s – a period when declining inflation and interest rates boosted nominal and real returns from every asset class.

Great returns made every asset manager look good – even, and especially bond fund managers - but it was mostly just lucky timing. That wonderful low-inflation era is now gone, and so are the great

returns from every asset class that came with it.

Before 2021, there was a widely held belief (even by central bankers) that inflation had magically been 'solved', so we no longer needed to worry about it anymore. If inflation does return to the target levels (2-3% range in Australia, 2% in the US) – that does NOT mean the problem has gone away.

### Even 'low' inflation destroys wealth

In reality, the wealth-destroying impacts of inflation never went away. Inflation has always been a silent, government-sponsored destroyer of the purchasing power of money, and therefore it critically important for investors, *even in so-called 'low inflation' years*.

This chart shows the impact of inflation in Australia on \$100,000 in assets or income, from different starting points.

Another way of looking at it is this: if you had \$100,000 in paper dollars in 1980 and locked it in a safe, if you opened the safe today you still have that same \$100,000 in paper money, but it would only buy \$17,000 worth of today's goods and services. (Or, if you invested in bank term deposits in 1980 and you lived off the interest).

Inflation over the years since 1980 has eaten away 83% of its purchasing power. With the 1980 'real' (i.e. after inflation) value line (pink line starting from 1980), we can see that the real purchasing power of \$100,000 in 1980 decayed very quickly during the high inflation 1980s, but then the rate of value decay eased off (a less steep downward value decay curve) in recent decades.

The section at the bottom of the chart shows the annual CPI inflation rate in Australia since 1900. In the past 50 years, inflation was very high in the 1970s, then

remarkable feature of this chart is the fact that the value destruction curves are still steeply negative even during the so-called 'low inflation' years. Look at how steeply negative the lines are for money starting in 1990 (grey), 2000 (brown), and 2010 (green).

For example, \$100,000 starting in 1990 has been eaten away to a purchasing power of just \$38,000 today.

\$100,000 starting in 2000 has been eaten away to a purchasing power of just \$48,000 today.

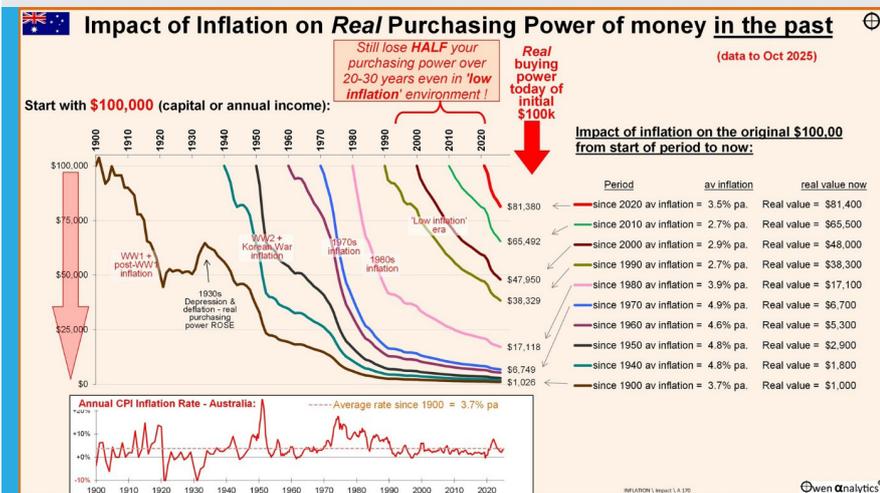
Even in the ultra-low inflation post-GFC years, \$100,000 starting in 2010 has been eaten away to a purchasing power of just \$65,000 today. That's a big destruction of wealth and purchasing power in a relatively short period of time. That's one third of our wealth and living standards gone – permanently destroyed – in the so-called 'low inflation era'.

### 2020s

In the current decade so far (up until October 2025), \$100,000 at the start of 2020 has already lost 19% of its purchasing power, to just \$81,000 today. We can see this in the short but very steep red value destruction curve to the right of the chart.

The downward slope of the 2020s wealth destruction curve is as steeply negative as the 1950s and 1980s wealth destruction curves on the chart.

The wealth-destroying effects of inflation *never went away*. Remember how central bankers dreamed about reviving inflation in the post-GFC years and in the Covid crisis - with their 'positive inflation targeting', zero interest rates, and their mad 'QE' (Quantitative Easing) money printing sprees. Likewise, governments with their free money hand-outs to anything that moved. Well, they certainly succeeded in bringing back



For example, take 1980 as a starting point (the pink curve near the middle of the chart). \$100,000 of assets or income in 1980 was a lot of money at that time. Believe it or not, the median Sydney house price was just \$69,000 in 1980! But \$100,000 in 1980 dollars would have been whittled down to \$17,000 in today's dollars due to the compounding effects of inflation.

declined in the 1980s, and was relatively 'low' in the 2000s and 2010s decades.

### Destructive impact during 'low inflation' years

The problem is that, even in the so-called 'low inflation' years, inflation still had a very serious destructive impact on wealth and incomes. For me, the most

inflation (be careful what you wish for), and we are all paying for it now.

Unfortunately, even after more than half a decade after the Covid lockdown crisis, governments are still addicted to inflationary deficit-spending sprees. And, for decades to come, our kids and grandkids will be paying for the debt that was borrowed by governments to fund the inflationary handouts. That's a double-whammy of wealth destruction governments and their central banks have handed our kids – thanks for the debt, and

thanks for the inflation!

### Compounding in reverse

We all know about the benefits of compounding on investments. Albert Einstein is attributed as saying: "Compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn't ... pays it". The destructive negative effect of inflation is compounding in reverse – Einstein's "he who doesn't [understand it] ... pays it."

Long-term investors, especially

those who are (or will in the future be) relying on their savings to fund their living expenses, are heavily exposed to inflation, even so-called 'low' inflation.

*by Ashley Owen, Founder and Principal of OwenAnalytics.*

## What's new at Milestone Southern?



Our Administration/Adviser Support specialist **Sonya Sommerfeld** successfully completed her Level 5 Certificate in Financial Services (Investment) in 2025. This means Milestone Southern has another dedicated KiwiSaver specialist financial adviser. Sonya will remain in her existing frontline role, supporting our investment clients, and will now be able to offer KiwiSaver advice to potential clients, friends and family members. Congratulations Sonya!



The Milestone Southern team would like to introduce our new Paraplanner **Kaylee Butler**. Kaylee started at the Christchurch office on 2nd March 2026, having moved from her hometown of Cromwell. We know that Kaylee will be a great addition to our team. Welcome Kaylee!

# 2025 Financial Quiz

How closely were you watching the markets last year?



## Questions:

### 1. Global – Central Banks

How many interest-rate cuts did the US Federal Reserve deliver in 2025?

- A) One
- B) Two
- C) Four
- D) Three

### 2. New Zealand – Monetary Policy

What was the Reserve Bank of New Zealand's Official Cash Rate (OCR) after its April 2025 cut?

- A) 3.50%
- B) 3.75%
- C) 4.00%
- D) 3.25%

### 3. Global – Crypto Markets

Which factor was most cited as driving Bitcoin's surge to new highs in 2025?

- A) Institutional inflows via spot Bitcoin ETFs
- B) Retail trading apps
- C) Mining supply shocks
- D) Central bank adoption

### 4. New Zealand – Housing & Credit

Which macro-prudential tool does the RBNZ use to limit high-risk mortgage lending?

- A) Mortgage rate caps
- B) Loan-to-value (LVR) restrictions
- C) Capital buffers
- D) Negative gearing rules

### 5. Global – Equity Markets

Which sector led global equity market performance for much of 2025?

- A) Industrials
- B) Energy
- C) Technology & AI-related stocks
- D) Financials

### 6. New Zealand – Energy & ESG

Contact Energy is best known for leadership in which renewable generation mix?

- A) Wind and solar
- B) Bioenergy
- C) Solar only
- D) Geothermal and hydro

### 7. Global – Commodities

What was the primary driver supporting gold prices during 2025?

- A) Jewellery demand growth
- B) Industrial usage
- C) Mining supply shortages
- D) Interest-rate expectations and geopolitical risk

### 8. New Zealand – Economic Growth

Which sector was most often cited as a drag on NZ economic growth entering 2025?

- A) Agriculture
- B) Tourism
- C) Construction and housing
- D) Retail

### 9. Global – Trade & Supply Chains

What risk most disrupted global supply-chain confidence during 2025?

- A) Excess shipping capacity
- B) Labour shortages
- C) Pandemic restrictions
- D) Rising trade barriers and tariffs

### 10. Markets – Risk Assets

Which asset class experienced the greatest price volatility during 2025?

- A) Cash
- B) Cryptocurrencies
- C) Government bonds
- D) Investment-grade credit

## Answers

**Q:1, A:D** - The Fed cut rates three times as inflation eased and growth slowed.

**Q:2, A:A** - The OCR was lowered to 3.50% to support a softening NZ economy.

**Q:3, A:A** - ETF inflows signalled growing institutional adoption of Bitcoin.

**Q:4, A:B** - LVR rules cap borrowing relative to property values to reduce risk.

**Q:5, A:C** - AI and semiconductor leaders dominated global equity returns.

**Q:6, A:D** - Contact Energy is a global leader in geothermal power generation.

**Q:7, A:D** - Lower rate expectations and geopolitical tension boosted gold demand.

**Q:8, A:C** - High interest rates weighed heavily on construction activity.

**Q:9, A:D** - Trade fragmentation and tariff risks disrupted supply-chain planning.

**Q:10, A:B** - Crypto markets continued to show sharp price swings year-round.

## Quick Basil & Tomato, Rocket & Smoked Salmon Pizzas

### Ingredients

- 135 g tub Mediterranean Margherita Layered Dip
- 2 large, thin pre-made pizza bases
- 100 g fresh mozzarella cheese, sliced or a pizza cheese blend
- 1 red onion, sliced
- 100 g cold smoked salmon slices
- 2 handfuls of rocket leaves
- handful of cherry tomatoes, halved
- capers, chopped (optional)
- lemon wedges (optional)

### Method

1. Preheat the oven to 220°C. Place pizza bases onto oven trays.
2. Divide a 135g tub Mediterranean Margherita Layered Dip between the pizza bases and spread evenly. The Mediterranean Margherita Layered Dip is a delicious combination of sundried tomatoes, cream cheese and basil pesto.
3. Top each with mozzarella/pizza cheese, red onion, capers (if desired) and cherry tomatoes.
4. Cook for 6 to 8 minutes or until cheese is bubbling and golden.
5. Top pizzas with cold smoked salmon slices, rocket leaves. Cut into slices and serve with lemon wedges.



## Hot-Smoked Salmon & Herb Dip

Pair with Copper Kettle Special Reserve Champagne Vinaigrette & Shallot. These sharp and tangy chips are the perfect vessel for a scoop of this creamy, smoky and earthy dip. The richness of the cream cheese and salmon are offset with plenty of lemon and herbs.

### Ingredients

- 125g cream cheese, softened
- ½ tsp whole-grain mustard
- Juice ½ large lemon
- 125g sour cream
- 1 spring onion, trimmed
- ¼ cup fresh herb leaves, e.g., dill, chervil, chives or parsley
- Salt and pepper, to season
- 150g piece hot-smoked salmon, skin and bones removed

### Method

1. In a large bowl place the softened cream cheese. Add mustard and lemon juice and mix with a wooden spoon until quite smooth. Add sour cream and mix well.
2. Finely slice the spring onion and roughly chop the herbs. Reserving some to garnish with, add herbs to the mix along with the spring onion.
3. Season with a little salt and pepper.
4. Flake the salmon into the mix, carefully removing any bones that may have been left behind.
5. Lightly fold the salmon into the creamy mixture and transfer to a large bowl to serve.
6. Sprinkle with a touch of herbs to serve.

This dip can be chilled prior to serving and will keep for up to 3 days in the refrigerator.



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