



**MANDEVILLE**



**MAKING CLIENTS WEALTHY**  
OUR MISSION

# Portfolio Management Techniques for Women

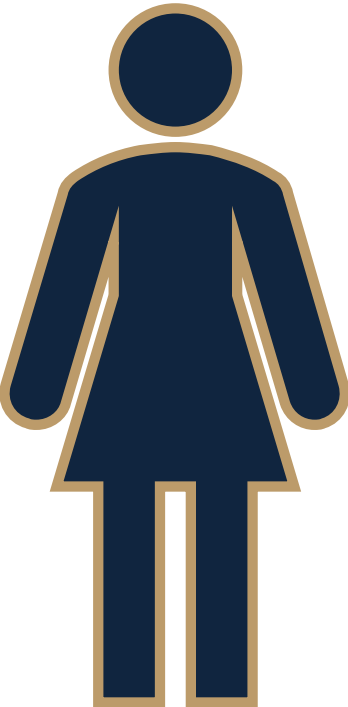


Learning for Impact - The Women's Collection

Nov 17 - 18, 2021

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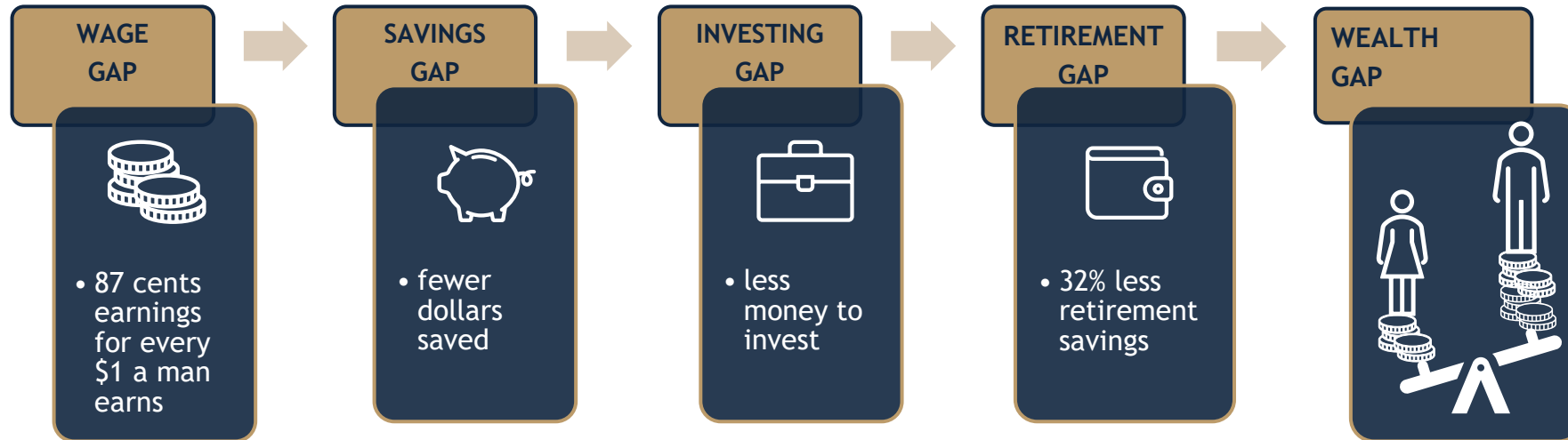
# Closing The Gender Wealth Gap By Investing



# The Gender Wealth Gap

**\$1,055,000** Cumulative lifetime earnings gap between men and women at retirement

**39%** Forfeit income or career advancement to care for children or parents



# How Can Women Close The Gender Gap by Investing ?

# Women's Investment Needs

- ❑ Capital Preservation
- ❑ Growth of Capital
- ❑ Income
- ❑ Tax Minimization
- ❑ Liquidity

# Market Growth Expectations (2021-2030)

- ❑ **Low Interest Rates**
- ❑ **Low economic growth**
- ❑ **Inflation**
- ❑ **Equity Valuations**

**The Market is Agnostic Women's Needs!**

# A Differentiated Approach



# 1. Re-defining Portfolio Risk

**The Myth:** Women are Risk Averse

**The Facts:** Women are Risk Aware. Women are less inclined to assume high risk for the potential of higher returns than men, primarily because women prioritize capital protection over alpha generation.

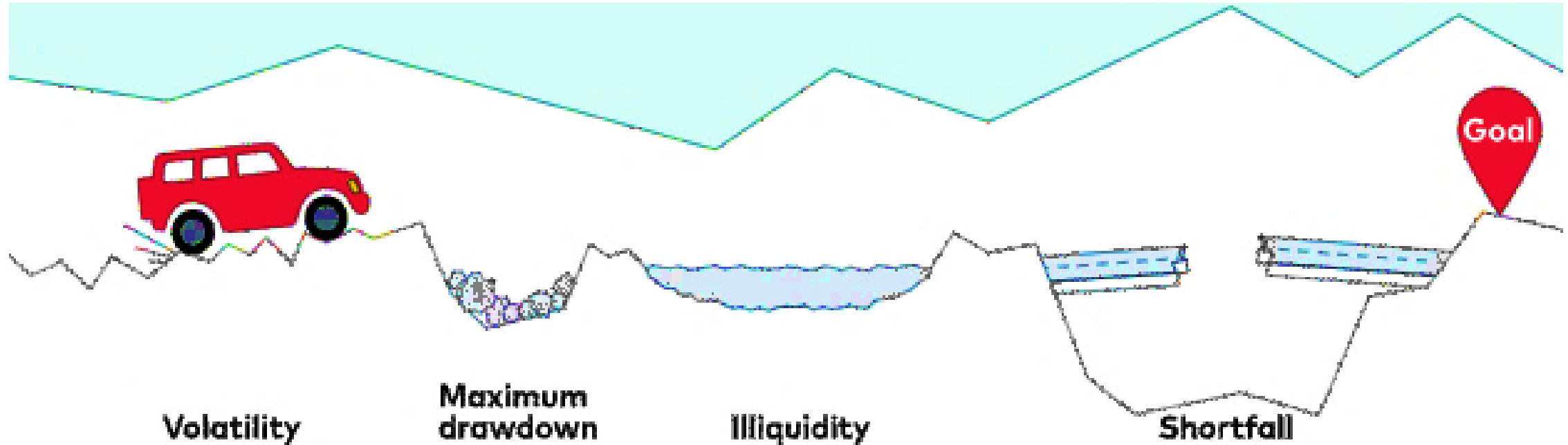
**OUR APPROACH : RE-DEFINE PORTFOLIO RISK**



**TIP:** Think of risk as muscles, the more you use them, the better developed they become, and the better you will feel about flexing them. And just like the markets, that comes with time and experience.

# a. Shortfall Risk: The Forgotten Risk

Shortfall risk is defined as the risk of the portfolio falling short of reaching its intended goal.



Gender economic disparities leave women especially vulnerable to shortfall risk

## b. Longevity Risk: The risk of living too long

Longevity risk is the economic consequences of outliving a portfolio of financial assets tasked with providing lifetime income. Women face a higher risk of outliving their financial wealth.

Women live longer than men, by approx. 6-8 years

Retire with 32% less saved for retirement

Must work 2 years longer to be retirement ready



Tend to retire earlier and save less

2/3 long term-care residents are women

16% of senior women live in poverty

## 2. Re - Thinking Asset Allocation

**The Myth:** Women are Conservative.

**The Fact:** Retail Investors lack ACCESS to high quality private and alternative investments found in the portfolios of the wealthiest investors, institutions, pensions and endowment funds.

**OUR APPROACH : ACCESS TO ALTERNATIVE AND PRIVATE INVESTMENTS**

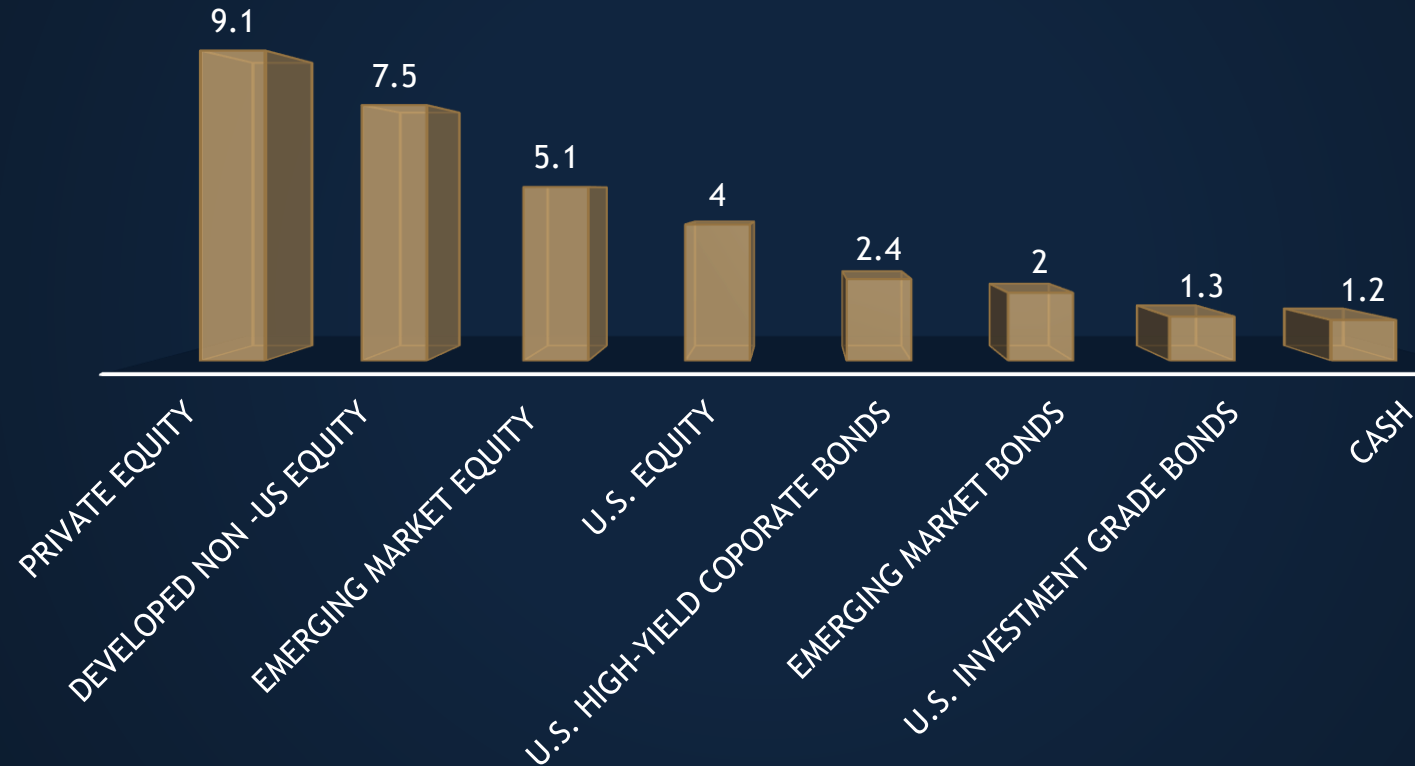


**TIP:** Partner with an Investment Advisor that can provide ACCESS to the same quality private and alternative investments used by the most successful creators of wealth.

# Market Return Expectations (2020-2030)

## EXPECTED RETURNS OF ASSET CLASSES

■ Median Expected Return (%)

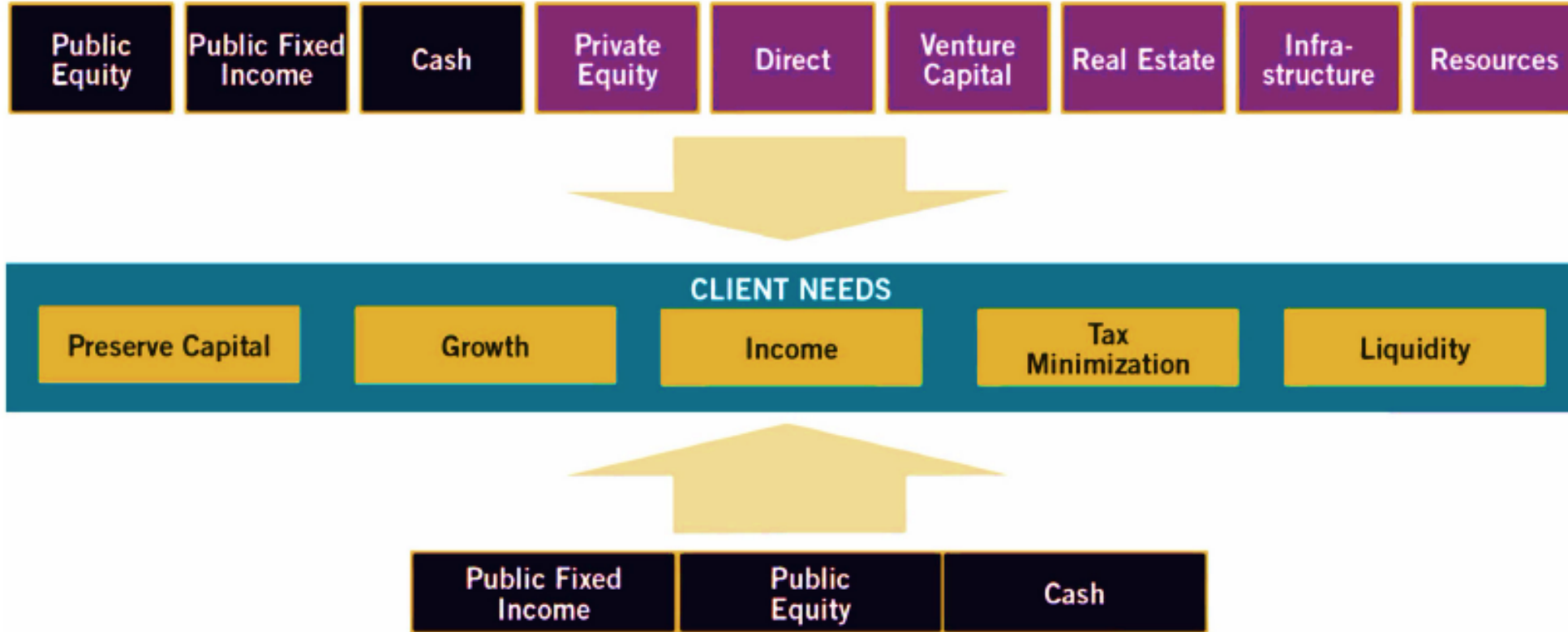


## SHORTFALL RISK FOR A 6% NOMINAL RETURN



# Bridging The Wealth Gap

## THE MANDEVILLE APPROACH



## THE STANDARD APPROACH

# 3. Re - Assessing Portfolio Liquidity

Liquidity is the ease with which an asset or security can be converted into ready cash without affecting its market price.

## Liquid Assets:

Public Investments: Money Market, GIC'S, Bonds, Equity, Exchange Traded Funds (ETFs)

## Less Liquid /Illiquid Assets:

Private and Alternative Investments such as Private Equity, Private Debt, Venture Capital, Hedge Funds, Real Estate, Art, Jewelry, Coins , Bullion

## The Illiquidity discount

A discounted valuation of private and alternative investments due to lack of marketability. Investors rewarded with an added premium which serves as additional compensation to encourage investment in assets that cannot be easily and efficiently converted into cash at fair market value.

# 3. Re - Assessing Portfolio Liquidity

**The Myth:** Retail investors need 100% Portfolio Liquidity.

**The Facts:** Liquidity in a portfolio is a balancing act. It is generally considered important to hold assets with varying levels of liquidity to create a well-diversified range of investments. Too little liquidity and you could be stuck in a cash emergency. Too much liquidity and you miss out on returns, and risk falling short of your investment objectives.

## OUR APPROACH: LIQUIDITY NEEDS ANALYSIS



**TIP:** Conducting a **Liquidity Needs Analysis** is an essential process in portfolio design. Women's extended life expectancy and longer investment horizon, provides an opportunity to take advantage of the illiquidity premium to maximize portfolio alpha.



# 4. Re-Evaluating Investing Style

**ACTIVE vs PASSIVE**  
Does it really need to be either or?



# 4. Re-Evaluating Investing Style

Alpha Returns: Above or below market returns from Active Investing.

Beta Returns: Returns to the market from Passive investing.



**TIP:** Given the low expected returns forecast I do encourage women investors to re-think the optimal proportionality between alpha and beta. Both can co-exist in a portfolio especially over a lifetime of saving for major mile stones like retirement

# 5. Invest In Your Wealth.

Make up to **2.3x MORE\***

Working with a financial advisor over time can create up to 2.3x more wealth.\*

1.8x

4-6 years

2.1x

7-14 years

2.3x

15+ years

**THANK YOU!**

# Disclaimer

## Disclaimer

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## Sources

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