

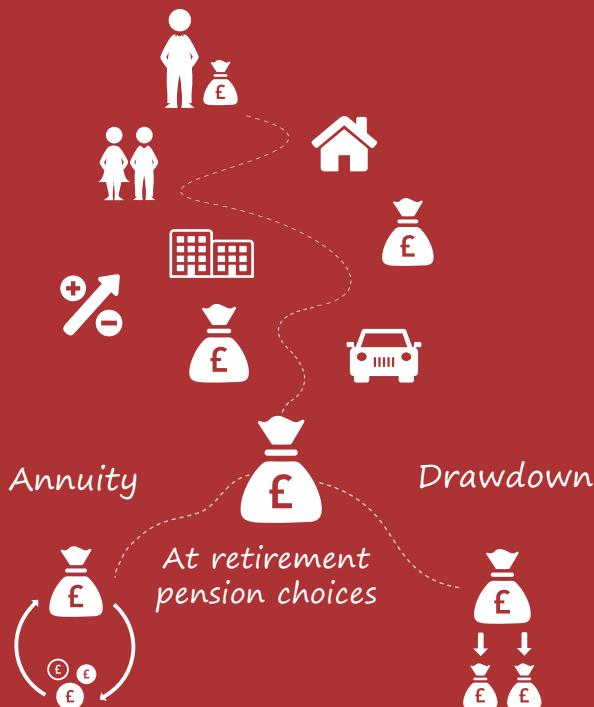


# Investing for a sustainable income in retirement

Guardian Solution from Parmenion



# Securing an income in retirement



Retirement is a significant milestone in your life and after years of hard work, it is an opportunity to realise the plans you made. To make those plans a reality, having well managed finances in retirement will be critical. This will involve careful consideration and professional advice will be invaluable.

The good news for those approaching or in retirement is that the options are now extremely flexible. The challenge is navigating the choices and making the decisions that are right for you now and for the years ahead.

A feature of your plan will be transforming pension savings into a regular and sustainable income. Before looking at the various options, a good first step will be to calculate a budget for essential and discretionary spending. Once this is clear, you can assess other sources of income such as state pensions and earnings from investment to ascertain what level of withdrawal you might be looking for from your pension savings.

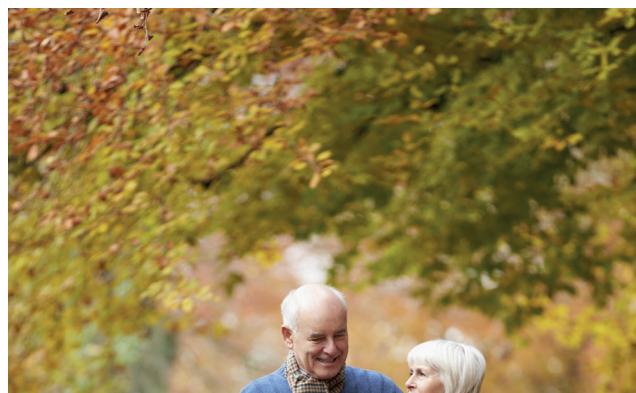
For many, the decision will be between two key alternatives; a guaranteed regular sum from an annuity or a periodic withdrawal from your savings leaving the remaining monies still invested. For some the security of a guarantee will appeal, while others may put greater value on the flexibility of drawdown. Your Adviser is perfectly positioned to ensure you make the most suitable decision for your personal circumstances.

# Investing for a sustainable income

Withdrawing an income from pension savings offers a number of benefits, including continued access to the capital and the possibility of being able to leave a tax efficient legacy. For this to be a success careful management of the investment is vital.

Different factors come into play when investing for an income in retirement and one of these is the concept of sustainability. Essentially the question is how to ensure the money does not run out? The answer is proven professional investment management and sound financial advice.

Parmenion's Guardian Investment Solution, for investors in retirement, has been specifically designed with the sustainability of withdrawals in mind. This is achieved by using a diversified mix of assets that target the optimum balance of capital growth and income yield, such that investors can plan for a stable income in retirement.

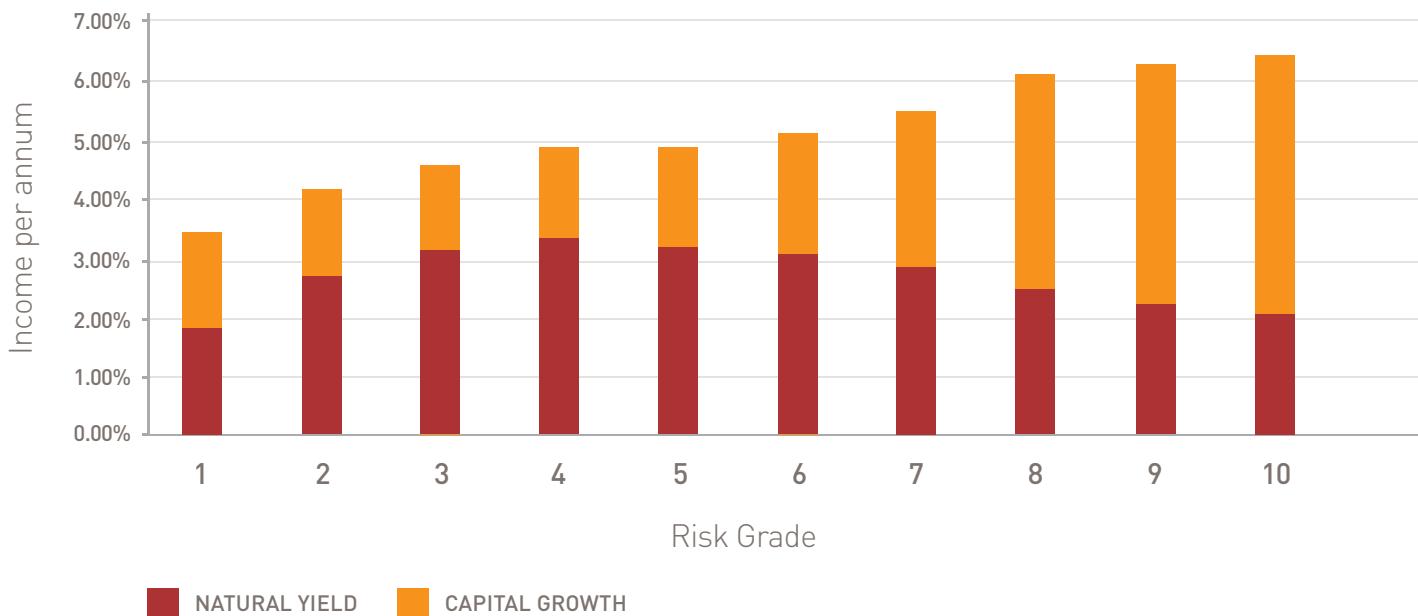


## ...and the importance of capital growth

The traditional investing approach when seeking to deliver an income is to focus on the yield, which the underlying assets generate. And commonly the greater the level of income the greater the level of capital risk.

It is possible to blend the potential of capital returns from different assets, with their income, in such a way that investors can target pension withdrawals equal to guaranteed annuities, without putting the sustainability of those savings at significant risk. Parmenion has worked with investment analysts to test our thinking and model potential future performance to give Advisers and their clients added comfort.

## Historic sustainable withdrawals



These figures are for illustration purposes only and should not be relied upon. Please discuss withdrawals with your Financial Adviser. A sustainable withdrawal rate is one which would have left initial capital intact over the period tested. The data period for testing was from 29.12.00 to 09.03.16 and was sourced from FE Analytics. Past performance is not an indication of future performance. Figures do not include platform, DFM or Adviser charges. These figures do not take into account the effects of inflation.

## Benefits of Guardian

- ✓ Specifically designed for investors in or approaching retirement
- ✓ Range of portfolios to suit different approaches to investment risk
- ✓ Blending capital growth and investment yields to support sustainable withdrawals
- ✓ Award winning investment management
- ✓ External validation by leading global investment analytics business
- ✓ Can be partnered with a flexible income tax wrapper at no additional cost
- ✓ Regular re-alignment of portfolio assets to maintain optimal balance.

## Value of monitoring and advice reviews

With longevity of capital being critical to securing a sustainable income, regular monitoring is very important. A key feature of Parmenion solutions is ongoing oversight through an independent committee and regular re-alignment of your assets to ensure the blend most appropriate to your risk appetite is maintained.

Your portfolio information is just a click away with intuitive online access that presents all the information in a clear and understandable fashion. Your Adviser has similar visibility, which is supplemented by a series of tools to help them quickly respond to changes in your circumstances, including amendments to withdrawals. Our efficient administration team process such requests in 24 hours leaving you safe in the knowledge that future payments are in line with your needs.

In addition to the above Parmenion also provides a six monthly reporting document, which is available via email or in printed form.

Investment in the stock market is not a suitable place for short term money and you may not get back what you put in. All investment carries risk and it is important you understand this. Your capital is at risk, the capital and income derived from it is not guaranteed. Investment in the stock market and any income derived from it, may go down as well as up. If you are in any doubt whether an investment is suitable for you, please contact your Financial Adviser.

# Our investment expertise

As an award winning provider of discretionary management services to Advisers, Parmenion Investment Management (PIM) is recognised for its expertise and proven approach to managing risk.

As an experienced discretionary fund manager, PIM undertakes robust and detailed investment research, fund selection and on-going monitoring to manage investments in line with the risk mandate agreed between an Adviser and their clients.

Our primary focus is on getting the right outcome for clients and managing investment portfolios according to each client's risk appetite. PIM provides an extensive range of investment solutions, all of which are managed within a consistent risk framework.

## New thinking for investing in retirement

Over the past two years, PIM have developed a new approach to blending investment assets, which aims to deliver a suitable balance of stable natural income and long term capital growth. Given the objective of a stable yield and an attractive total return, it is important that the right investment funds are selected. This means that there will be a high allocation to income producing funds, where they have demonstrated the ability to deliver an attractive yield without sacrificing capital growth.

Importantly, where no such funds are available, or in markets where the yield on offer is low, we will utilise funds which do not pay an income but aim to deliver attractive risk-adjusted total returns. Again, the balance of both natural income and capital growth is key. We can also invest in passive funds in this solution, so we only pay for active management where it makes sense to do so, thus keeping the overall solution as cost effective as possible.

Parmenion Investment Management is led by Peter Dalgliesh and Simon Brett, who along with other members of the team, have many years of investment management experience.

**To find out more about Parmenion**  
contact your Financial Adviser

**Or visit:** [www.parmenion.co.uk](http://www.parmenion.co.uk)

**Disclaimer:** Any news and/or views expressed within this document are intended as general information only and should not be viewed as a form of personal recommendation. All investment carries risk and it is important you understand this. If you are in any doubt about whether an investment is suitable for you, please contact your Financial Adviser.

## Recent Awards



5 Star Investments



Winner Best Platform for Adviser Service



5 Star Drawdown



Gold Service Rating DFM Service



Winner Best for Accumulation (Simple Needs)



Winner Best Ethical DFM