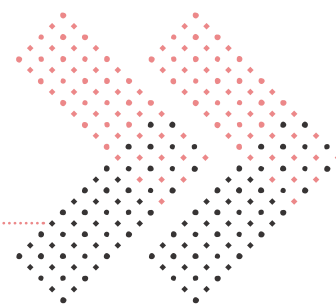


SECURE LIFETIME INCOME

Openwork Blended Drawdown Portfolio



Income anchoring with Secure Lifetime Income and Omnis

Just's Secure Lifetime Income (SLI) has been integrated into the Openwork Drawdown Advice Process. The integration boosts retirement planning by blending a new defensive asset with invested portfolios. This strategic approach helps to reduce the pressure on portfolios to produce income, improving income sustainability and legacy provision for retirees. SLI offers a combination of portfolio security, growth, and longevity, to help navigate the complexities of modern retirement. It helps provide a stable and guaranteed income stream, protecting against market volatility and the risk of outliving savings. The solution could help empower investors to have the confidence to manage lower withdrawal rates from other investments, improving financial health and helping ensure a robust legacy.

What is the income anchor method?

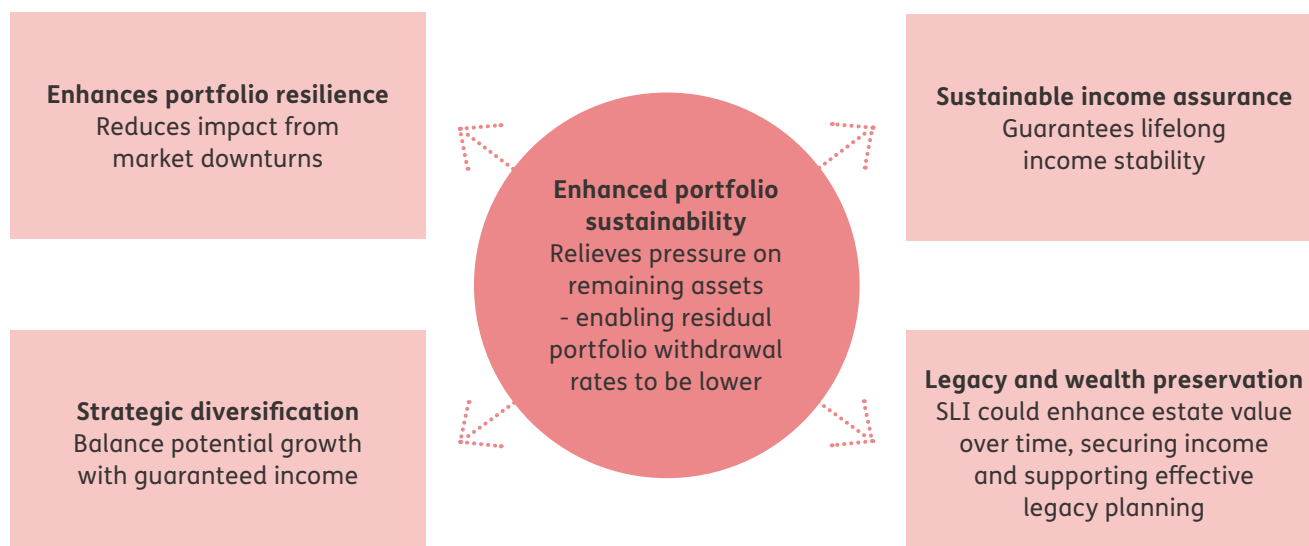
Income anchoring centres on addressing the client's income needs within the retirement strategy. It involves designating a percentage of the required income to SLI, a secure source of guaranteed income.

As risk profiles escalate, the allocation to SLI adjusts downward, allowing the remaining portfolio to align with the client's risk tolerance and growth objectives. This nuanced calibration of guaranteed income against the backdrop of varied risk preferences is at the heart of the method. It helps ensure each client's portfolio is not just strengthened for today, but strategically positioned for the future.

The Openwork Blended Drawdown Portfolio is aimed at:

- **Drawdown clients seeking certainty of income:** It could be ideal for those entering retirement as the method secures a predictable income stream, allowing peace of mind in volatile market conditions.
- **Enhanced financial resilience:** SLI not only helps strengthen retirement plans against economic fluctuations, but directly mitigates sequence of returns risk, ensuring stable income regardless of market volatility.
- **Risk Management:** By securing a portion of income, clients can help mitigate the impact of market fluctuations on their income, offering a strategic cushion against economic downturns.

Benefits of blending portfolios with SLI



Openwork Blended Drawdown Portfolio: A strategic comparison

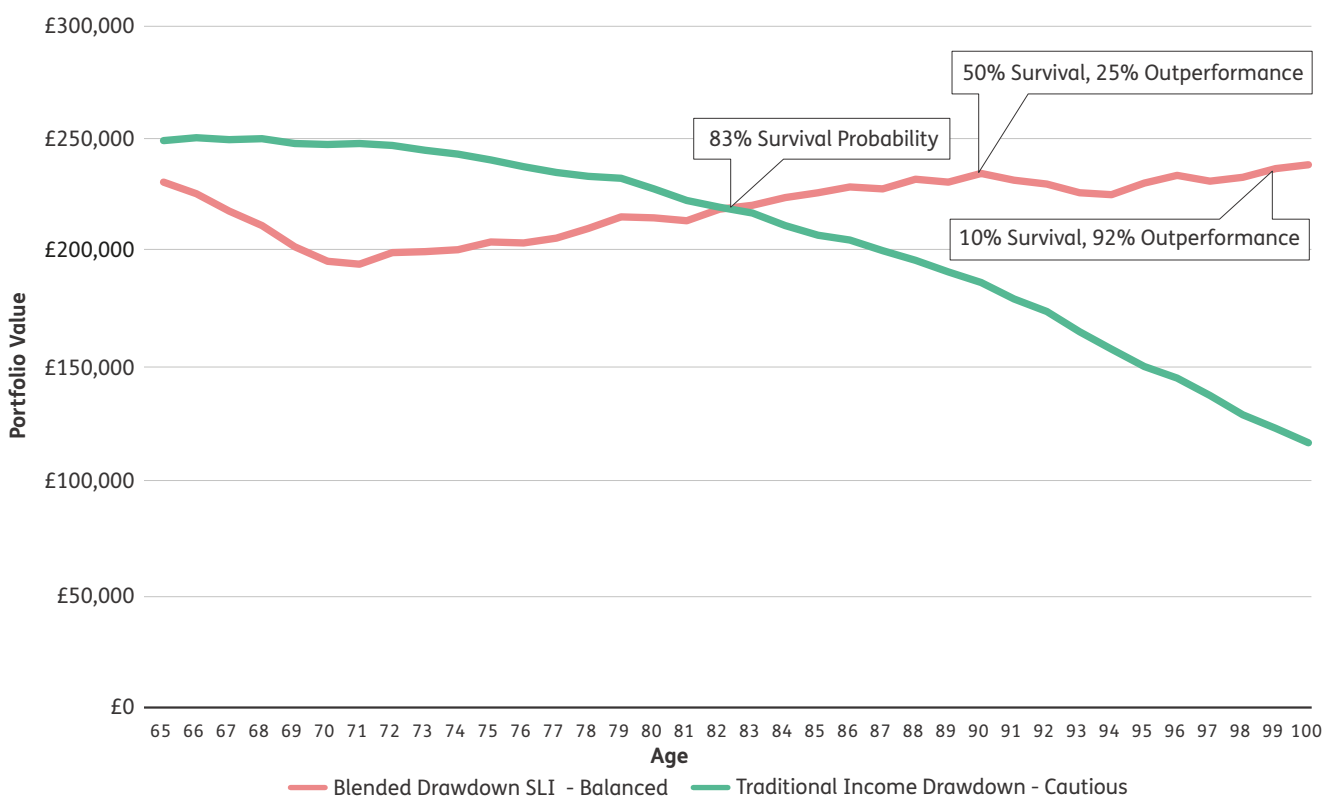
The chart illustrates the impact of combining SLI with a traditional portfolio. SLI blended with an Omnis balanced portfolio aligns with a cautious risk profile, yet harnesses more growth potential. Initially, SLI's death benefits affect the starting value. However, in the example below, from age 82 onward, the blended portfolio delivers stability, outlasting traditional approaches in longevity and value preservation, which at the 10% survival probability point outperforms by 92.67%.

The illustration is based on a 65-year-old male in good health, with a £250,000 portfolio and a £10,000 annual withdrawal. The example illustrates a balanced, forward-looking strategy for sustaining retirement income and legacy goals.

The trade-off with this approach

- **Balanced growth:** Allocating a portion to guaranteed income moderates growth potential during strong markets whilst ensuring stable long-term security.
- **Flexibility:** Incorporating SLI enhances long-term stability at the expense of some immediate financial flexibility.
- **Early estate planning:** SLI balances early-year estate values with the benefits of long-term financial security and legacy planning.

Traditional Income Drawdown Vs Blended Drawdown Risk Profile: Cautious



Example for a 65-year-old in good health: £250,000 portfolio with a £10,000 annual income, including £4,000 (40%) from SLI and 1.75% AMC, a median return of 1000 projections shown. Traditional: Cautious mix of Gilts (25%), Corporate Bonds (35%), UK (20%) and Overseas Equities (20%). Blended: Balanced mix with SLI (30%), Gilts (7%), Corporate Bonds (14%), UK (28%) and Overseas Equities (21%). Projections shown are hypothetical and based on assumptions, not indicative of future performance. Investments can fluctuate, and you may get back less than invested. Do not rely solely on this data for investment decisions. Figures and rates supplied by Just Group and correct as at 02/05/2024.

For more information

To learn more please connect with your dedicated Openwork team.

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