

Bespoke retirement solution

Delivering the retirement you've always wanted



Brewin
Dolphin

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What does retirement mean to you?

Retirement can mean very different things to different people. Once you stop working, do you plan to spend time travelling and seeing the world? Will you get involved in hobbies and projects, or volunteer your time to a cause close to your heart? Or do you intend to spoil your children and grandchildren.

And in order to realise these ambitions, what plans do you have in place to ensure you have the finances to fund everything that your retirement involves?

No matter what you expect your post-work life to look like, there are many things you should consider when planning for retirement, such as:

- Working out how much you need in your retirement 'pot' to maintain the standard of living you want once you retire, as well as having enough for unexpected contingencies. This will typically involve calculating what income you need each year as well as having funds set aside for other expenditure.
- Deciding on the best financial planning. Should you put money into a pension, invest in shares, ensure you have cash available – or all of these? And what are the risks associated with each?
- How do you best take an income when it comes to retirement? And how do you make sure that you have enough to see you through what could be decades of retirement without running out of money?

Retirement planning is changing

These aren't simple decisions by any means. Retirement planning is more complicated than before for several reasons.

On one hand, the financial planning options are probably wider than ever before. From pensions to investments and savings to alternative assets, the possibilities can be confusing. On the other, people are living longer, which means that it can be tricky to work out exactly how much you will need and for how long.

It's this latter point that can cause real worry among people who are approaching retirement (and those that are already there). How can you draw a retirement income while ensuring that your remaining investments and savings will provide for you in the future?

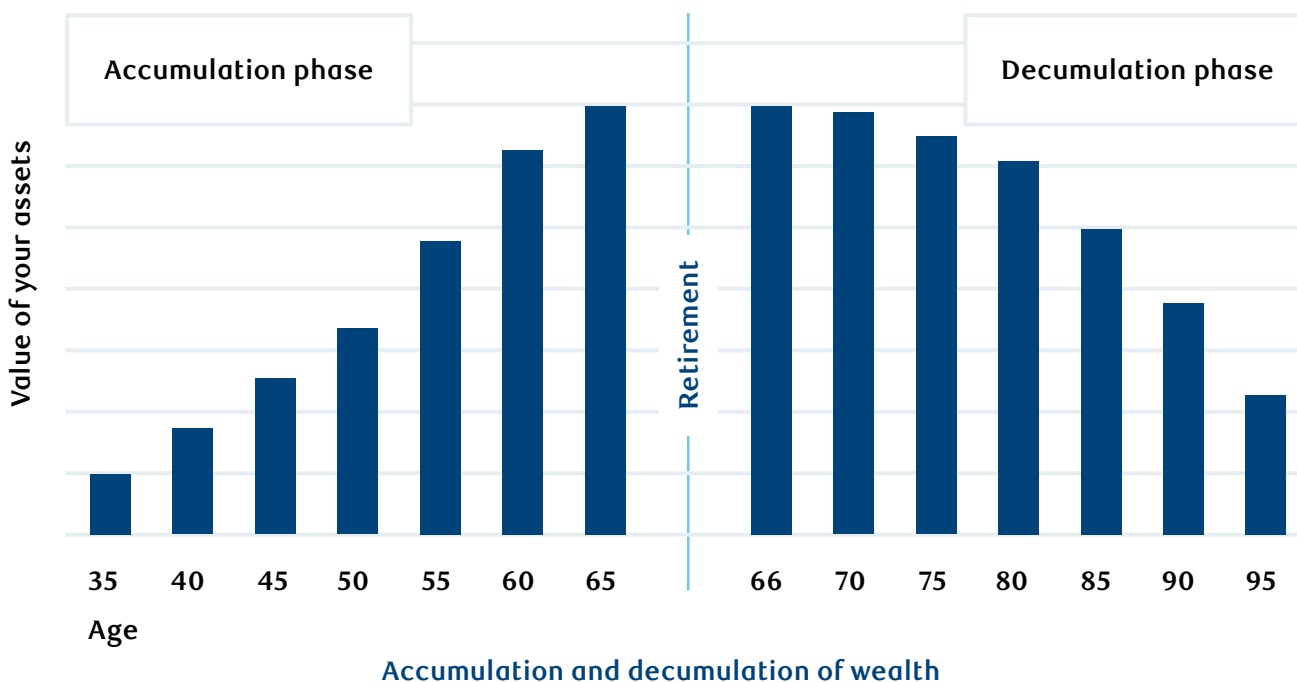
At RBC Brewin Dolphin, we understand how much of a concern this can be. That's why we've created our Bespoke Retirement Solution, to help support you throughout all your retirement years.



How to grow your retirement pot and make the most of it

While robust retirement planning can involve a lot of moving parts, it's possible to break it down into two key phases:

- **Accumulation** – building up funds in order to create a large enough retirement pot to last.
- **Decumulation** – strategically withdrawing from your retirement pot so you have a steady income stream without depleting your resources too quickly.



During the **accumulation** phase – before you retire – it's likely that the focus will be on growth, and you may well be willing to accept more risk for the potential of higher returns (although these are never guaranteed). As you near retirement, a typical option is to start 'de-risking' – taking less risk with your investments.

Once you retire and are in the **decumulation** phase – taking income from your retirement pot – it's likely that you will want to take even lower risk in order to preserve your wealth.

As you approach retirement, you should be thinking about how you're going to start taking income from your pensions and investments. This will likely involve decisions about how to draw down assets, replace your income, manage risks and maintain financial stability throughout your retirement years.

The role of pensions

Pensions typically play a significant role in delivering income during retirement and the pensions system has evolved significantly in recent years. Since 2015, for example, savers with defined contribution pensions have been able to take advantage of the following options:

- **Cash withdrawal:** take the whole fund as cash, with 25% tax-free (capped at £268,275), though this option may incur a large tax bill.
- **Guaranteed income:** use some or all of your pension to buy an annuity for a guaranteed lifetime income.
- **Flexible withdrawals:** withdraw any amount over any period, potentially reducing your tax liability by spreading withdrawals across multiple tax years.
- **Lump sums:** withdraw lump sums whenever you like.

There is a possibility that these options may change in the future. Indeed, from 2027, UK government proposals mean it's possible that pensions may form part of your estate for inheritance tax purposes, which could have a serious impact on any planning you have in place.

This illustrates how changes to the rules could impact how you take money from your pension. However, there are other risks involved when it comes to taking an income.

This does not constitute tax or legal advice. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. You should always check the tax implications with an accountant or tax specialist.



Risks when taking income in retirement

Sequencing risk

Investment returns are inherently volatile and don't follow a smooth, predictable path, making sequencing risk one of the most significant challenges in the decumulation phase. This risk can arise if the market declines while you're withdrawing retirement income, potentially reducing your overall investment that could benefit from future market recoveries.

The impact of timing on returns shouldn't be underestimated. Research¹ shows that investors routinely achieve between one and two percentage points per year less in returns than their funds do because of poorly timed buy and sell decisions. To minimise this risk, it's crucial to have a clear plan that avoids withdrawing funds during market downturns.

Longevity risk

With increasing life expectancy, your retirement savings need to last longer. A 50-year-old woman in the UK, for example, has a life expectancy of 87 years, with a one-in-four chance of living to 95 and a one-in-ten chance of reaching 99². This means you may well need retirement income to last for more than three decades.

What's more, longevity risk can impact how much income you'll need in the future, especially if you require more funds for healthcare in later years. Therefore, it's essential to estimate income needs over time and to review this on a regular basis.

Inflation risk

The cost of living generally rises over time, reducing the purchasing power of your money. Inflation risk is a concern for all investors, but it's especially critical for those relying on their investments for long-term income security. It can be made more challenging by spikes in inflation. Therefore, any decisions made around levels of income need to take inflation into account.

Our Bespoke Retirement Solution has been created to mitigate these risks where possible.

(1) www.morningstar.com/personal-finance/fund-investors-who-kept-it-simple-captured-more-return

(2) Office for National Statistics, National life tables – life expectancy in the UK: 2018 to 2020
www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies/bulletins/nationallifetablesunitedkingdom/2018to2020



How we can help you achieve your retirement goals

Building a retirement pot during your working life requires careful and ongoing planning. However, it's also important that due care and attention is given to how income is taken and wealth is preserved during retirement.

Traditional methods of income generation through pensions will likely always play a significant role in this. However, as people are living longer and the investment and economic picture is always subject to change, we believe a more considered and holistic approach can help mitigate risk and provide the security in retirement that you're hoping for.

That's why we have created our Bespoke Retirement Solution – to help mitigate sequencing risk and inflation, and improving income longevity, providing you with a structured, effective and flexible investment method that helps to meet your specific needs in retirement. This solution is an evolution of RBC Brewin Dolphin's established investment approach, drawing on decades of expertise and experience in financial markets.

It takes a comprehensive view of your total portfolio, rather than treating individual investment segments in isolation. This ensures that the overall risk profile remains aligned with your goals and risk appetite.

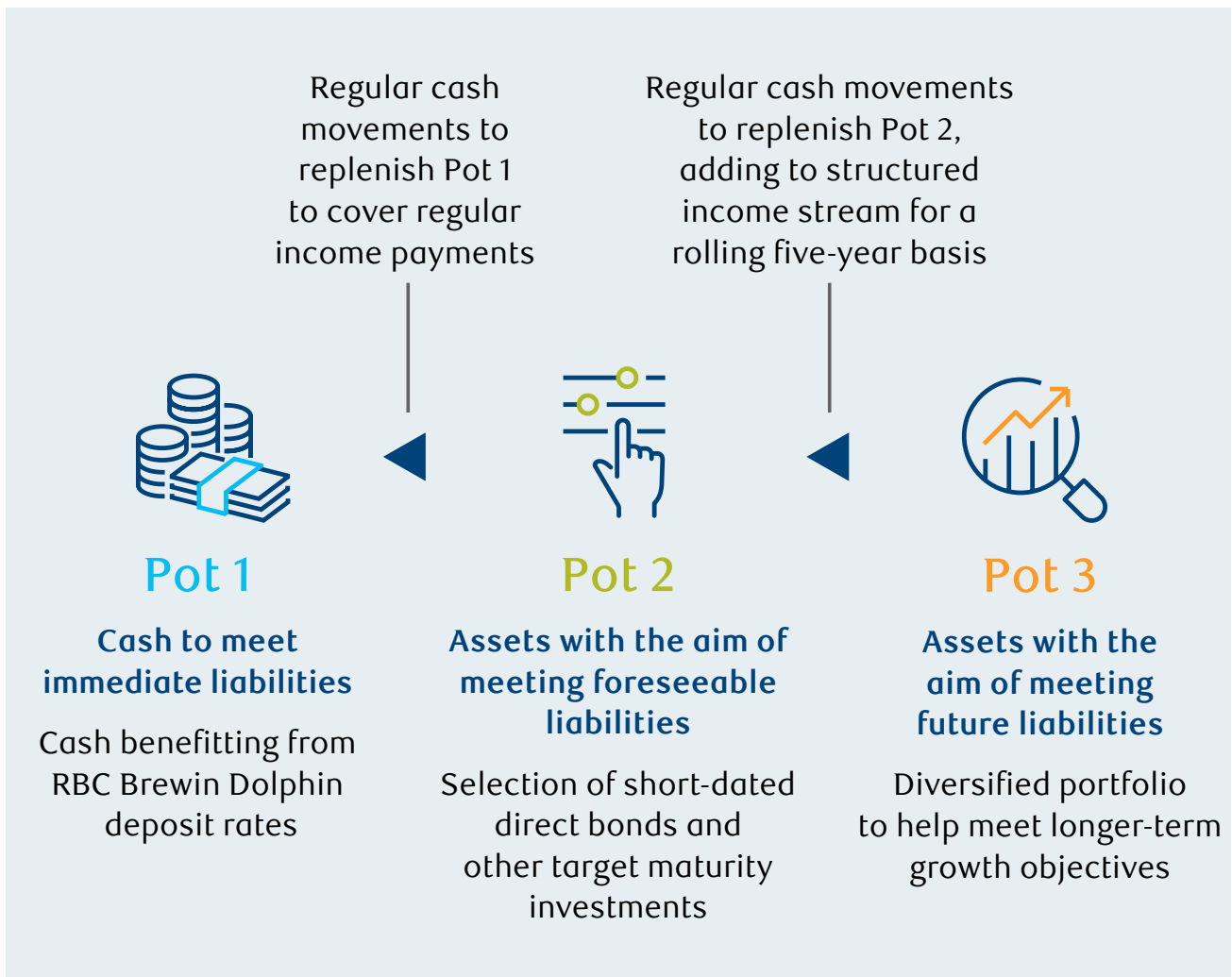
What's more, we provide you with a dedicated investment manager, who will work with you and your financial adviser to help ensure your plans stay on track.

Three pots cover the entire picture

At the heart of our Bespoke Retirement Solution is a three-pot portfolio structure that carefully balances short-term income, medium-term stability and long-term investment growth. It's designed this way to help ensure that your retirement portfolio can adapt to your evolving financial needs whilst aiming to manage market risks.

Our approach blends traditional assets with more sophisticated financial instruments to create specific pots targeting each stage of your retirement journey.

- **Pot 1: Short-term pot.** This is held entirely in cash, helping to cover your income needs for three to six months. Cash is moved into this pot on a regular basis so that funds are available when required.
- **Pot 2: Medium-term target maturity pot.** This is designed to provide greater income stability at set points in time over the next five years by investing in assets with predefined outcomes, such as fixed income bonds, and / or structured notes. It aims to reduce the impact of market fluctuations on your medium-term income.
- **Pot 3: Long-term growth portfolio pot.** This focuses on growing your wealth over the longer term, typically through a mix of bonds, equities, alternatives and cash. We carefully manage interest rate sensitivity and equity market volatility in line with our current market views to help ensure that the portfolio remains well-positioned for long-term growth.



This approach allows for complete flexibility if your circumstances change or if the financial and economic landscape shifts. Regular reviews and conversations with your adviser can help give you peace of mind that you'll be able to enjoy the retirement you want and deserve.

The value of investments, and any income from them, can fall and you may get back less than you invested. Information is provided only as an example and is not a recommendation to pursue a particular strategy.

Case study: Crafting a resilient and rewarding retirement plan

This case study highlights how a tailored investment strategy can help address the challenges of retirement planning, helping to support financial stability and long-term growth for individuals like Robert.

The idea

As Robert approaches retirement, he envisions a future where his financial arrangements provide both stability and growth. With a £425,000 pension and a £177,000 investment Individual Investment Account (ISA), his goal is to draw £12,000 annually from his pension, while letting his ISA grow.

After a conversation with his financial adviser, a key challenge was identified: mitigating sequencing risk – the risk that a market downturn early in retirement could deplete the value of his investments and jeopardise the long-term sustainability of his income.

Knowing Robert needed an investment strategy to meet his income needs, while also helping to protect his investments from volatility and preserving long-term growth potential, his adviser approached RBC Brewin Dolphin for a solution.

Making it happen

RBC Brewin Dolphin designed a bespoke retirement strategy to address Robert's priorities, segmenting his portfolio into three pots:

1. Pot one: Short-term immediate liquidity

This pot is held entirely in cash, ensuring Robert's income needs are covered for the first three to six months of retirement. It provides immediate liquidity and peace of mind.

2. Pot two: Medium-term income reserve

Provides greater income stability at set points in time over the next five years. By investing in assets with predefined outcomes, this approach is designed to help shield Robert's medium term income from fluctuations. This pot is made up of short-term bonds and other target maturity investments. These release funds at set intervals, gradually topping up the cash reserves in pot one.

3. Pot three: Long-term growth

This pot focuses on growing Robert's wealth over the long term, leveraging a balanced mix of direct bonds, equities and collective funds. By carefully managing interest rate sensitivity and equity market volatility in alignment with our current market views, we help ensure the portfolio is strategically positioned for long-term growth.

This segmentation strategy not only mitigates sequencing risk, but means Robert's portfolio remains better positioned for resilience and future gains.

The outcome

Robert can now look forward to a more secure retirement, confident his income needs are met on a five-year rolling basis. By addressing sequencing risk and aligning investments with Robert's goals, RBC Brewin Dolphin's Bespoke Retirement Solution has empowered him to retire with peace of mind.

Our Bespoke Retirement Solution in summary



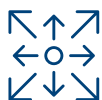
A bespoke investment service individually tailored to your specific needs and requirements.



Your own dedicated Investment Manager who will work with you and your adviser and within your agreed investment mandate.



Meetings with you and your adviser as you see fit. These can be held at a location convenient for you.



The benefits of a large-scale operation with all the research, portfolio building and investment management in-house.



Regular updates and access to reviews, analysis and reports to keep you informed.



Online valuations through our secure website.



An investment service that acts in your best interests at all times.



No provider ties, which means we have no investment bias.



A transparent fee structure with no hidden commission or transaction costs.

About RBC Brewin Dolphin

The pedigree and heritage of a great wealth manager, combined with the strength and scale of a leading global bank.

RBC Brewin Dolphin is a leading UK wealth manager and is backed by one of the world's top 15 largest banks¹, the Royal Bank of Canada (RBC).

We combine scale, experience and highly specialised expertise to manage your investments and deliver value.



260 years

RBC Brewin Dolphin can trace its origins back to 1762

£57.1bn²

funds under management

C\$103bn³

assets under management

About RBC

RBC is a leading diversified provider of financial services and is among a small group of highly rated global banks regularly recognised for its financial strength, market leadership and philanthropic work.

AA- (S&P) / Aa1 (Moody's)
One of the world's safest custodians⁴

Highest credit rating amongst global peers

TOP 15
One of the largest banks globally⁵

C\$234bn
Market capitalisation

Solid earnings
through a diversified business model⁶

50% Personal & Commercial Banking
26% Capital Markets
20% Wealth Management
4% Insurance

(1) Based on market capitalisation as at 30 April 2025, Bloomberg; (2) RBC Wealth Management, as at June 2024; (3) As at 30 April 2025, represents period-end spot balances. AUM (Assets Under Management): Assets managed by us, which are beneficially owned by clients. Services provided in respect of assets under management include the selection of investments and the provision of investment advice. We have assets under management that are also administered by us and included in assets under administration. AUA (Assets Under Administration): Assets administered by us, which are beneficially owned by clients. Services provided in respect of assets under administration are of an administrative nature, including safekeeping, collecting investment income, settling purchase and sale transactions, and record keeping. Includes RBC Brewin Dolphin; (4) Ratings (as at May 28, 2025) for senior long-term debt issued prior to September 23, 2018 and senior long-term debt issued on or after September 23, 2018, which is excluded from the Canadian Bank Recapitalization (Bail-in) regime; (5) Bloomberg, as at 30 April 2025, rounded off to the nearest billion; (6) Earnings by Business Segment: Excludes Corporate Support. As at 30 April 2025.



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