



INVESTMENTS

THE FINAL STRETCH

WHY THE LAST YEARS OF RETIREMENT MATTER MOST

AUGUST 2026



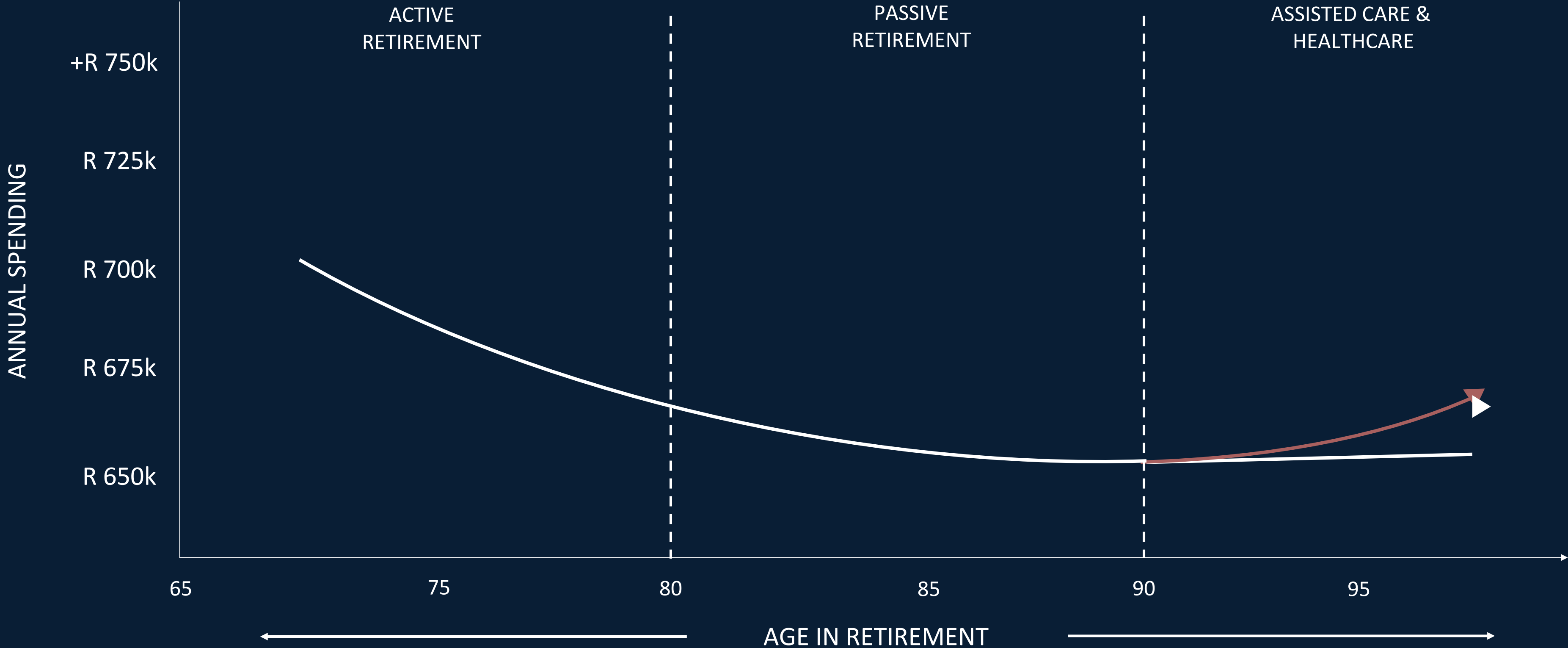
INVESTMENTS

A DYNAMIC RETIREMENT JOURNEY

MANAGING EVOLVING COSTS

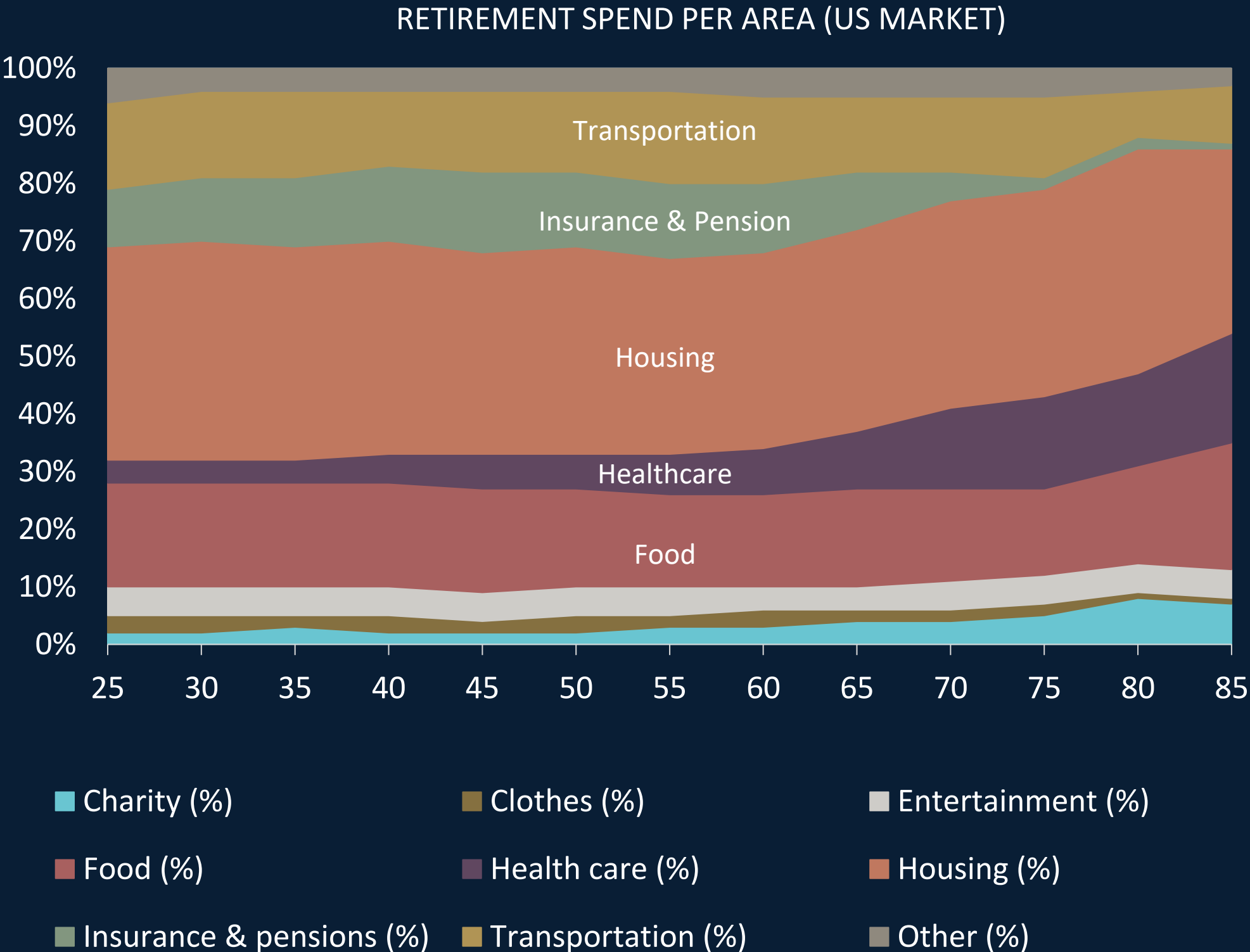
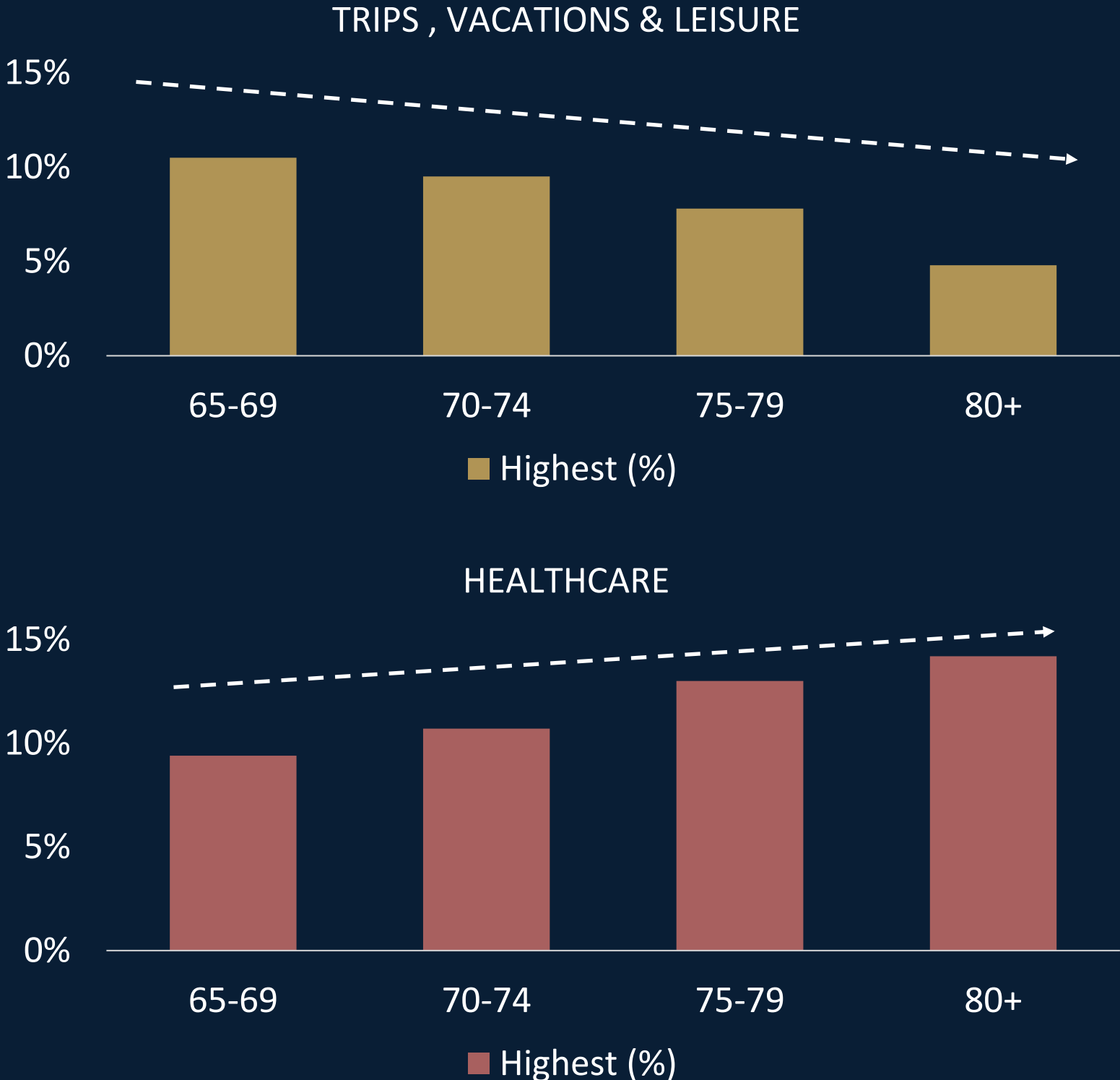
Retirement spending smile

Real spending decrease | Shift of mixture of spending



Retirement squeeze

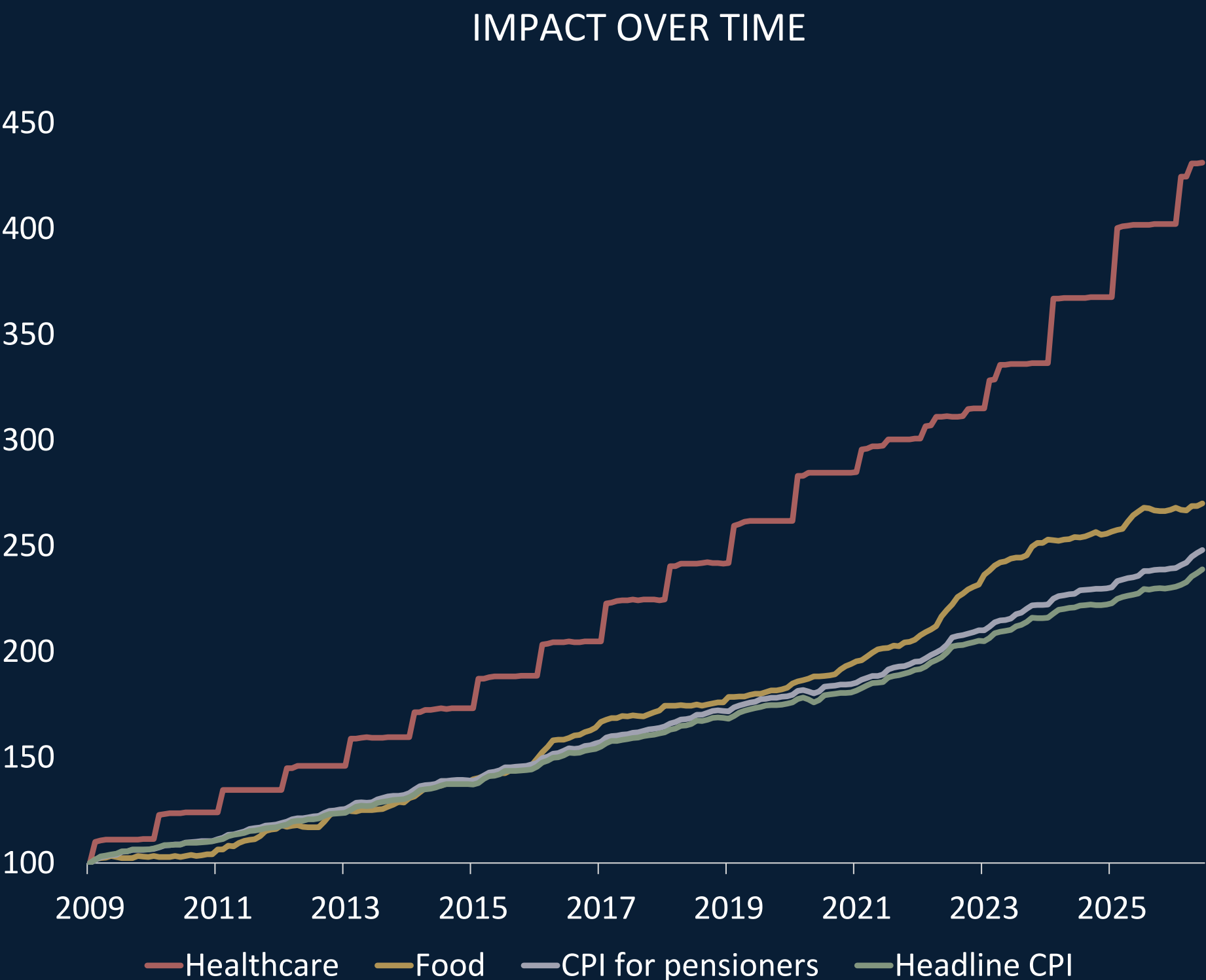
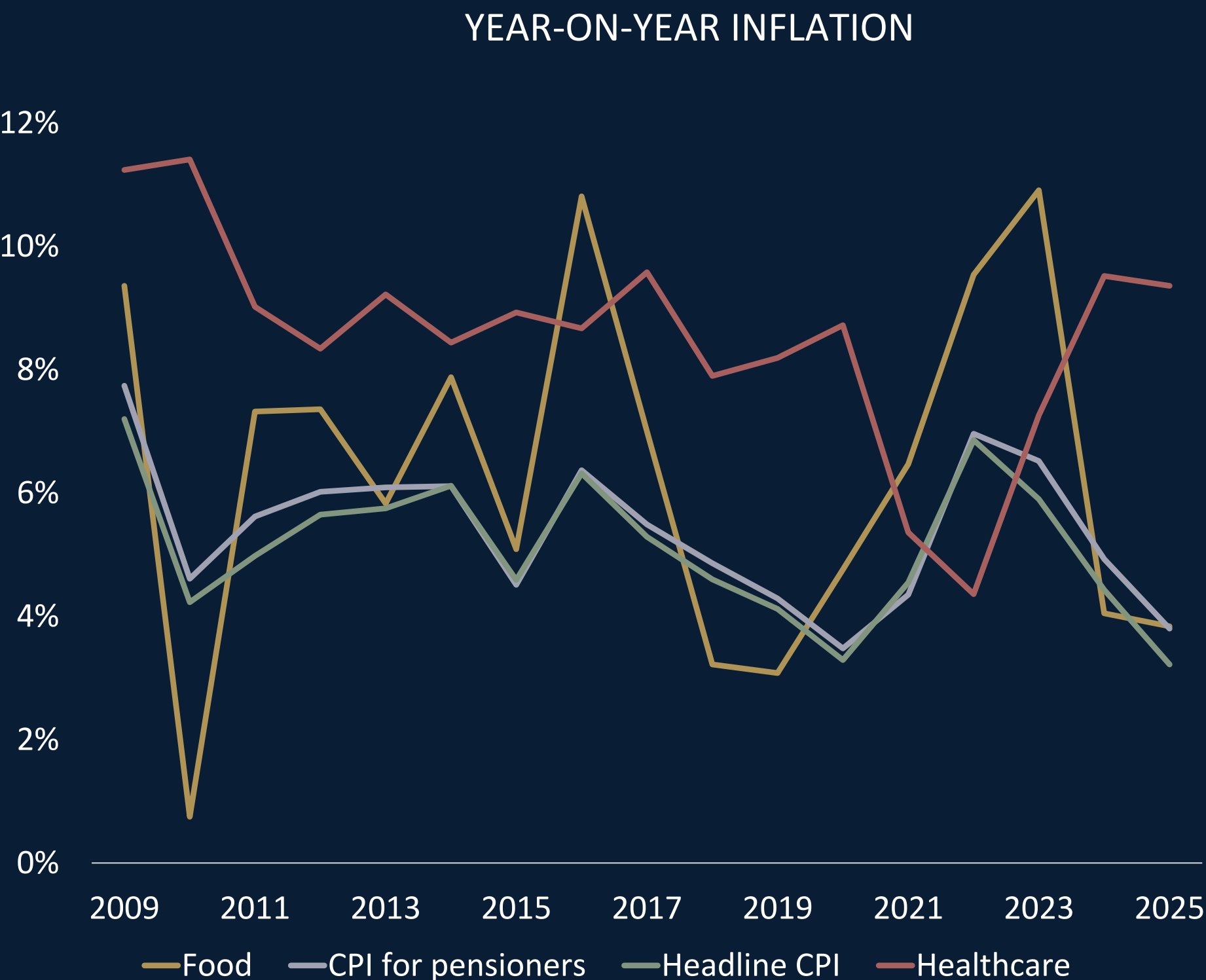
Real spending decrease | Shift of mixture of spending



Source: Bureau of Labor Statistics; Exploring the Retirement Consumption Puzzle by David Blanchett, CFP®, CFA; Spending Trajectories After Age 65: Variation by Initial Wealth - Michael D. Hurd, Susann Rohwedder

Retirement squeeze

Real spending decrease | Shift of mixture of spending



Monthly care costs in late retirement



R8k – R18k+

ASSISTED LIVING



R10k – R35k+

FRAIL CARE



R25k – R70k+

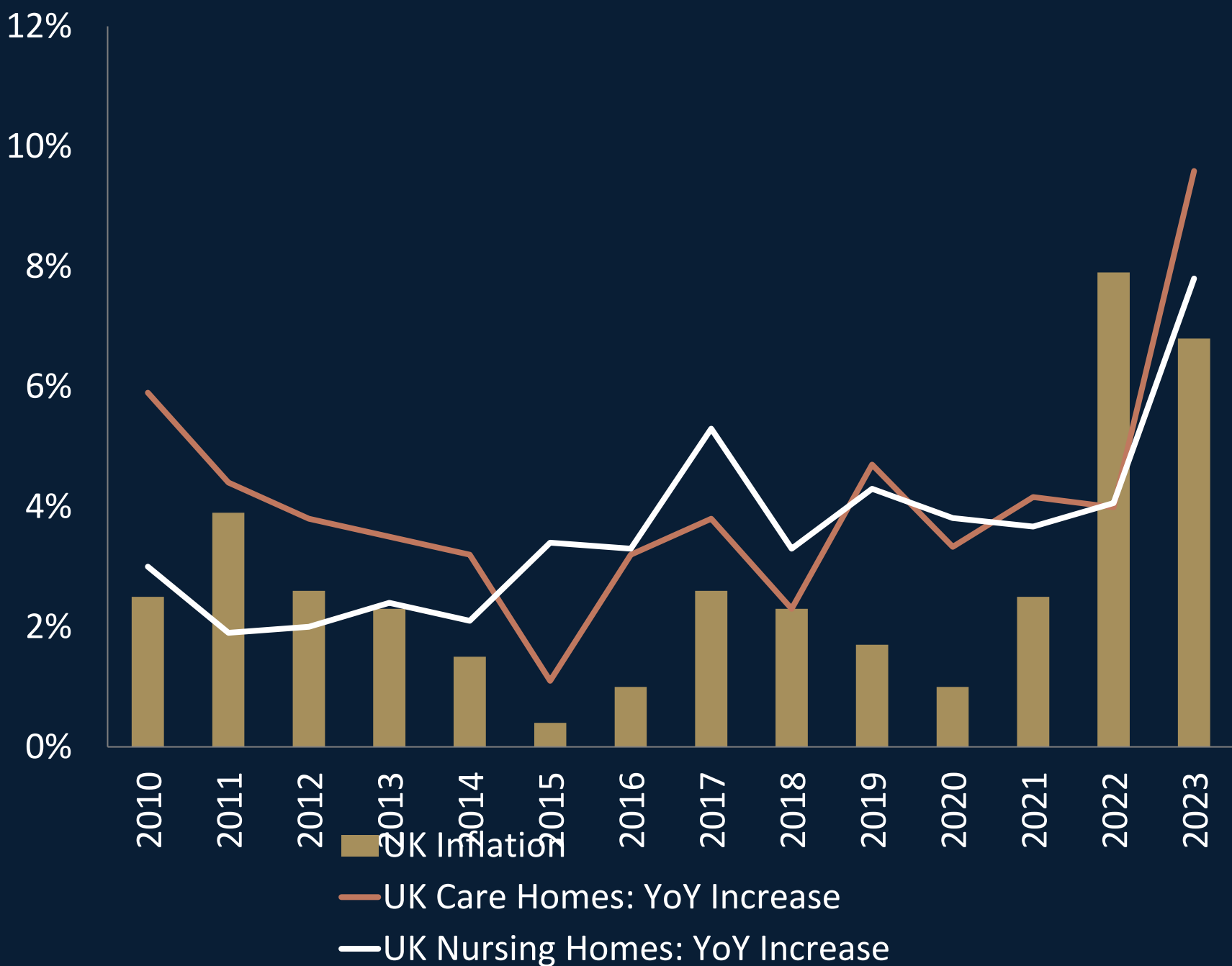
DEMENTIA CARE



R3k – R10k

VILLAGE LEVIES
(Lifelong Access)

COST OF ASSISTED LIVING (UK TREND)





INVESTMENTS

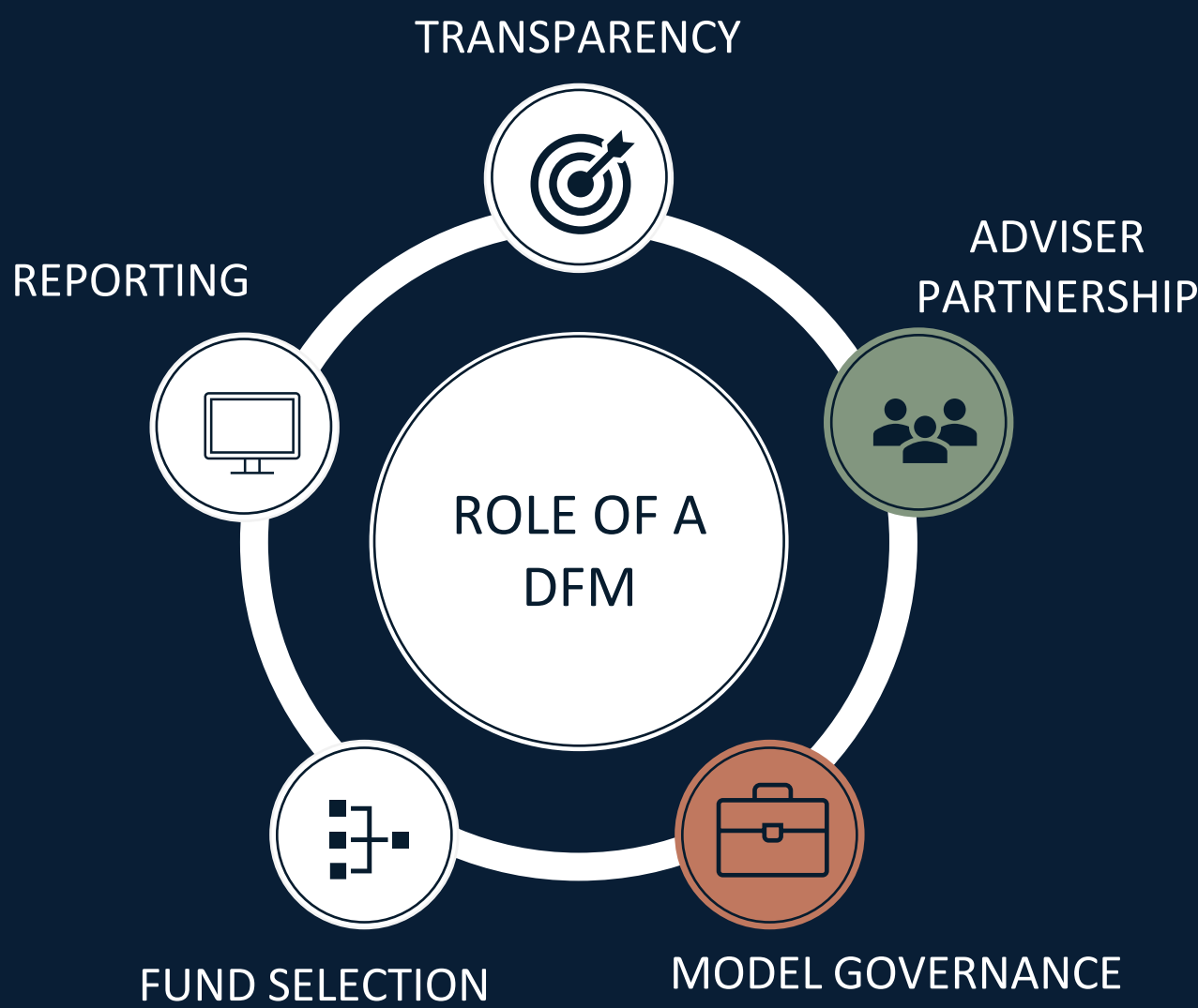
REGULATORY IMPACT

CLIENT NEEDS & OUTCOME-FOCUSED SOLUTIONING

COFI | Focus on clients and evidence

The need to deeply understand target market

FRAMEWORK TO ADDRESS COFI



OUTCOMES FOR CLIENTS AND YOUR PRACTICE

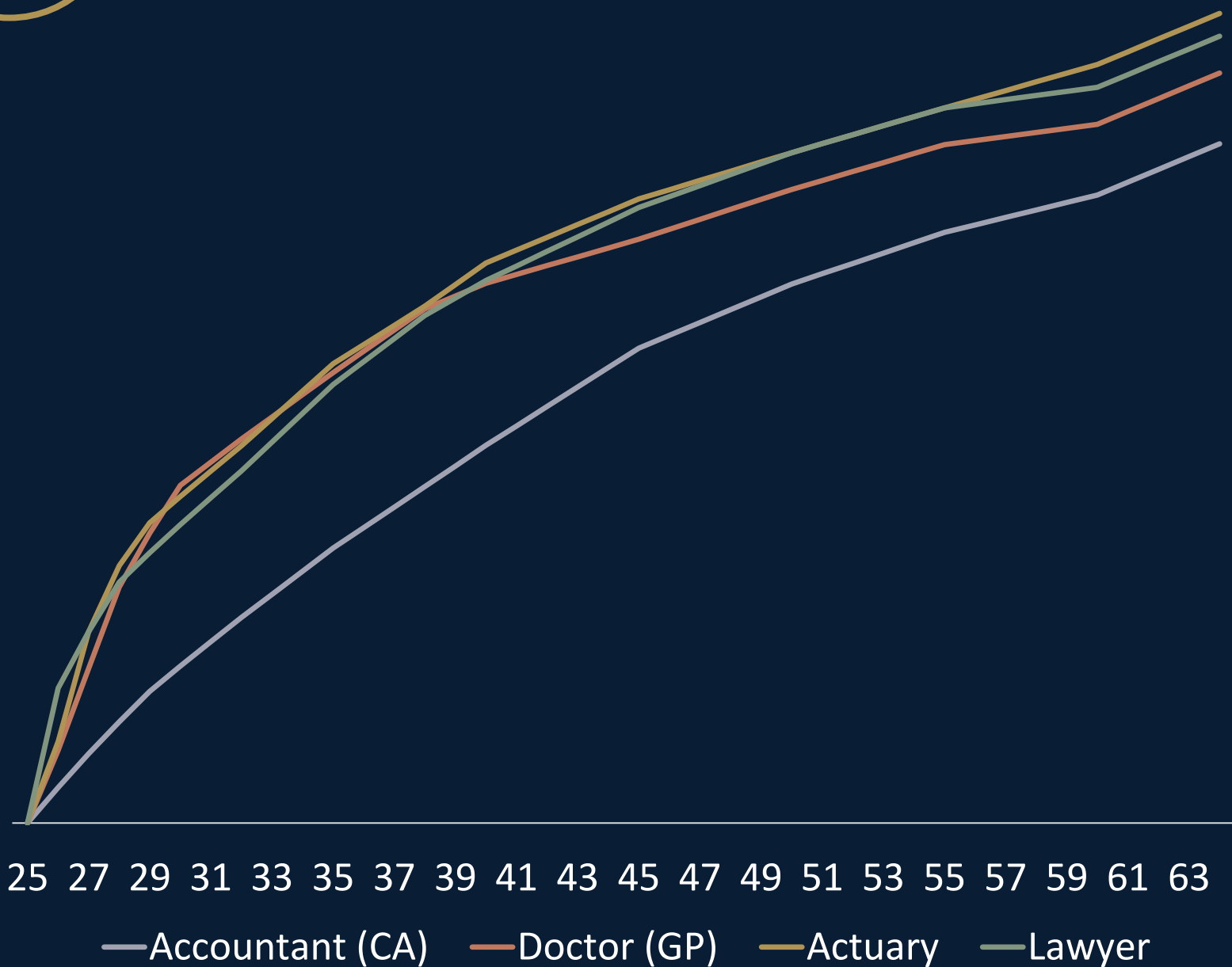
- 1 Client needs are embedded into product design
- 2 Formally written mandates, SLAs and data sharing
- 3 DFM acts as compliance enabler for partner advisers
- 4 Models have defined target market, risk profile & outcome-based goals
- 5 Ongoing reviews and evidence back to adviser

COFI | The need to deeply understand clients

The need to deeply understand target market



SALARY CURVES



AVERAGE PPS MEMBER LONGEVITY

+27 years



MALE
Aged 65

+33 years



FEMALE
Aged 65



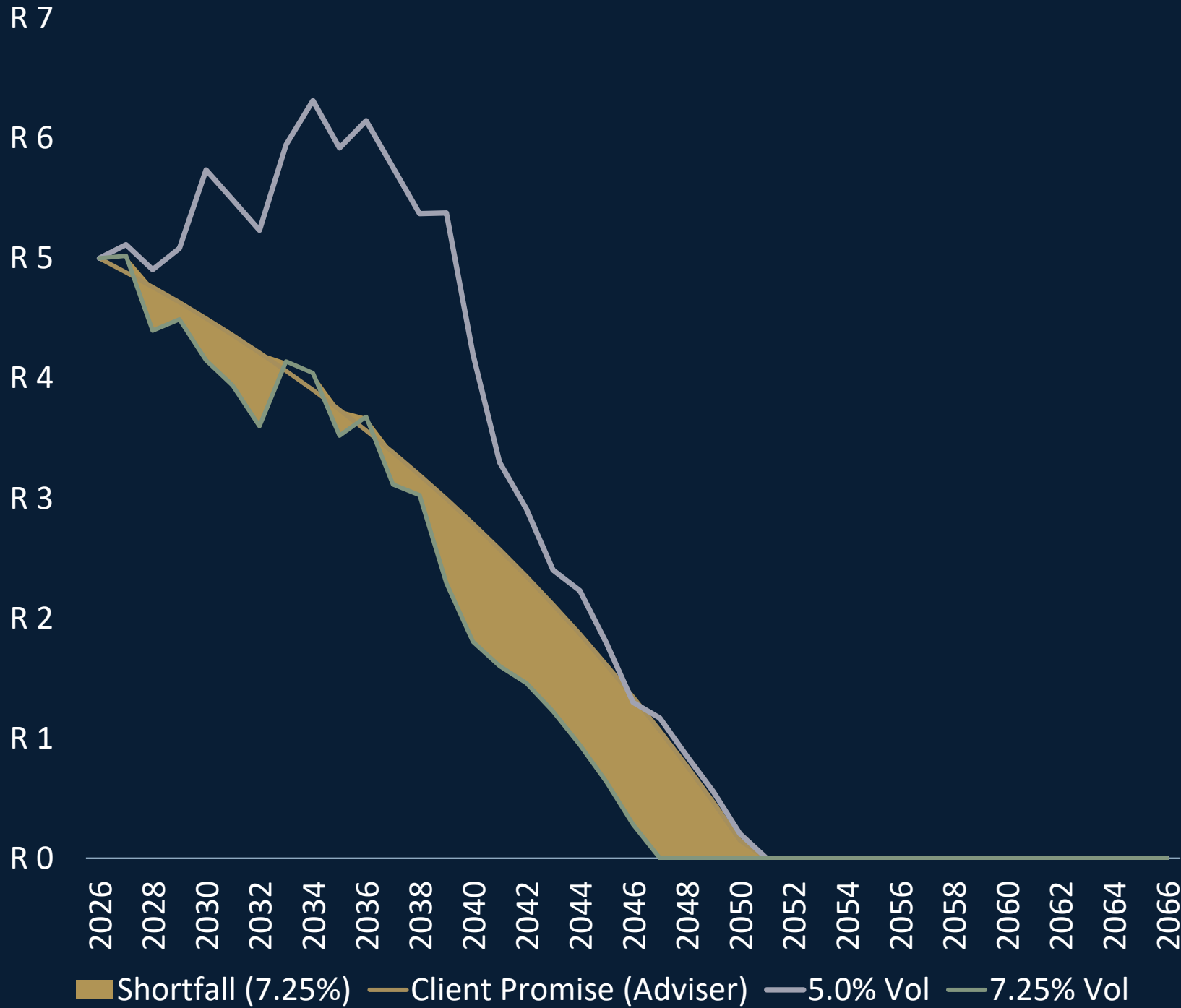
INVESTMENTS

SOLUTIONING FOR RETIREMENT

AN OUTCOME-BASED PROCESS

Alignment of advice process and investment process

Solutions constructed with key risks in mind



Outcome-oriented portfolio construction

CAPITAL ANCHOR

CPI+ and Capital Preservation



OBJECTIVE

Preserve capital & pursuing growth above inflation



KEY RISK

Capital impairment through excessive drawdown



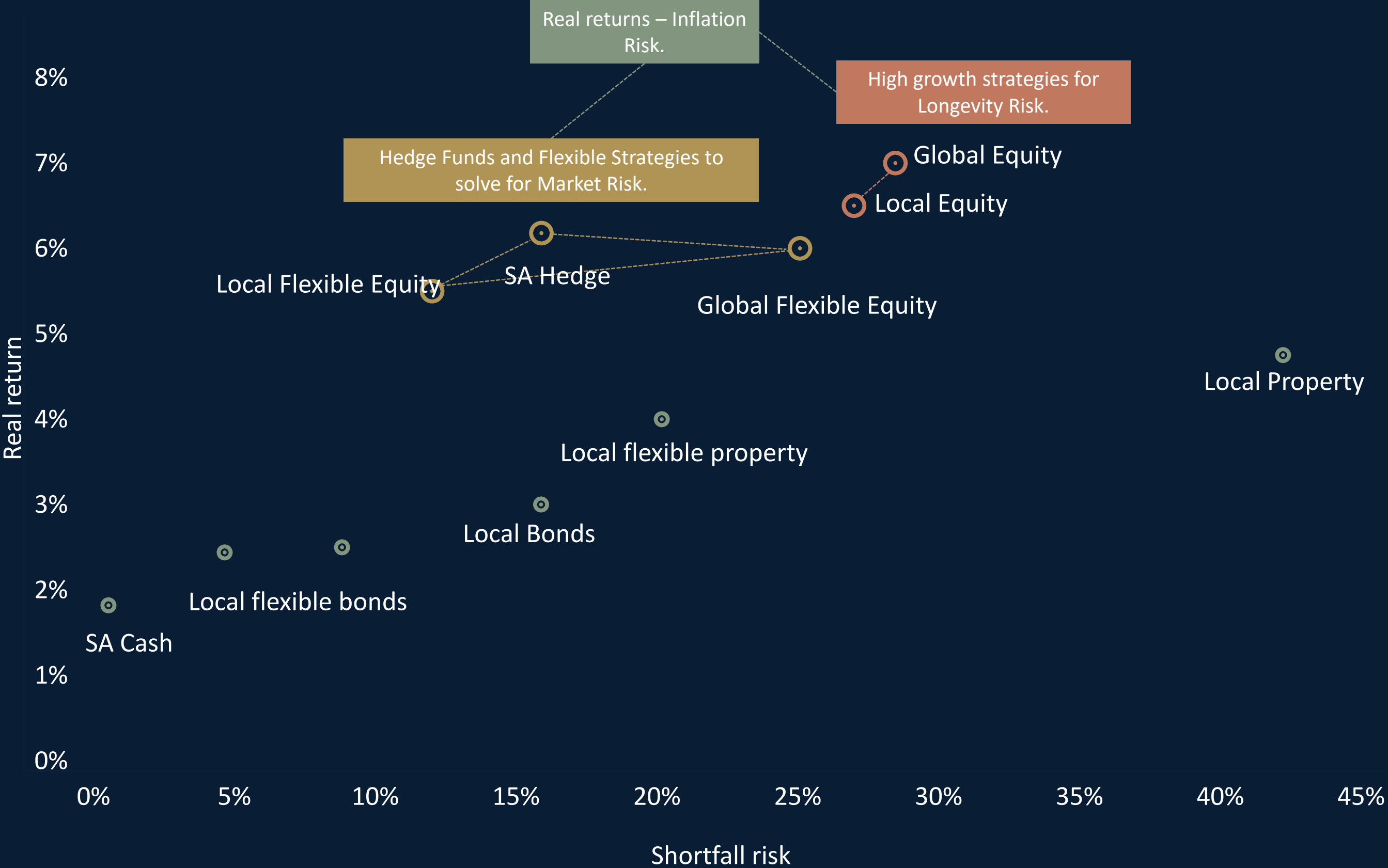
PRIMARY TOOL

Downside protection — defensive assets, overlays



DESIGN LOGIC

Manages journey risk and drawdown severity



Portfolio construction

Goals-based approach

SPECIALIST MANAGERS



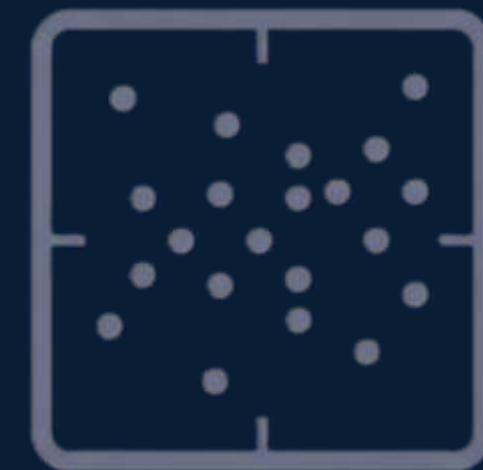
Addresses longevity risk
& inflation targets

FLEXIBLE MANAGERS



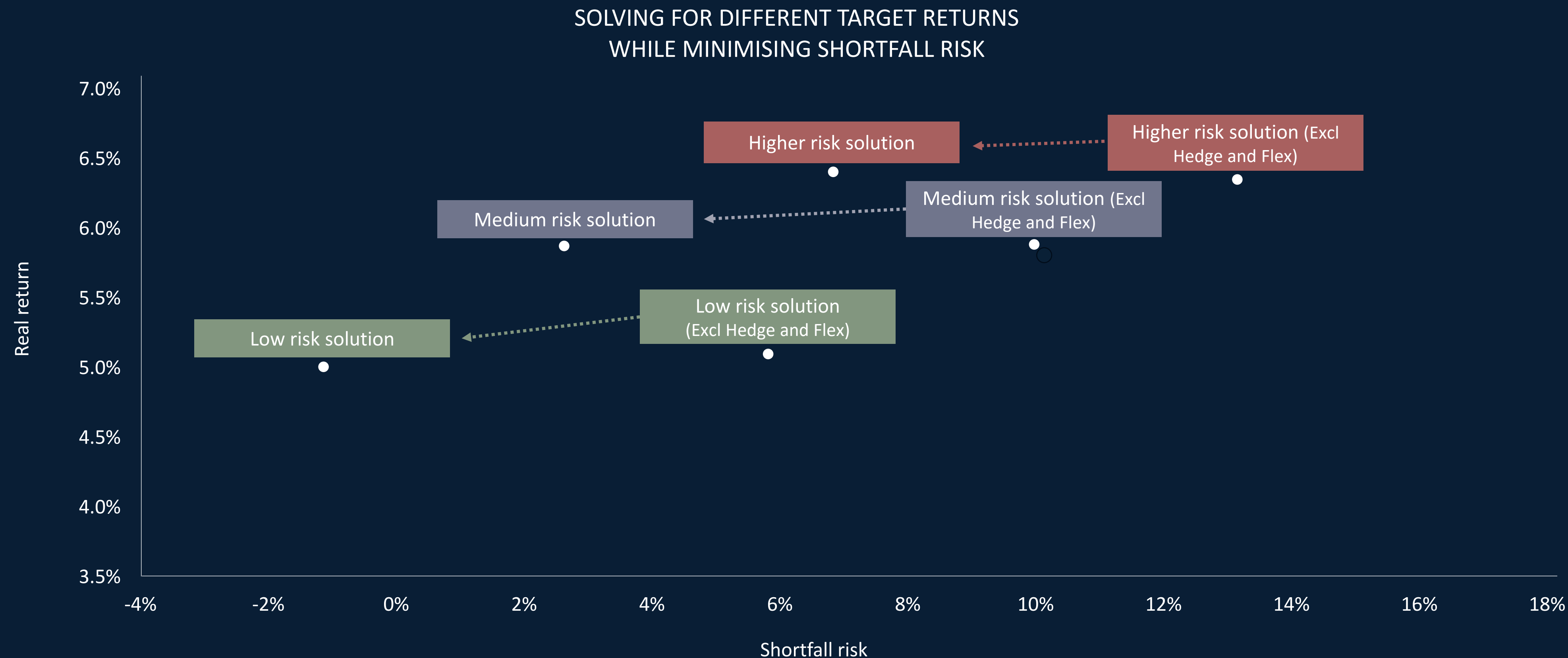
Provides flexibility & nimbleness

HEDGE FUNDS



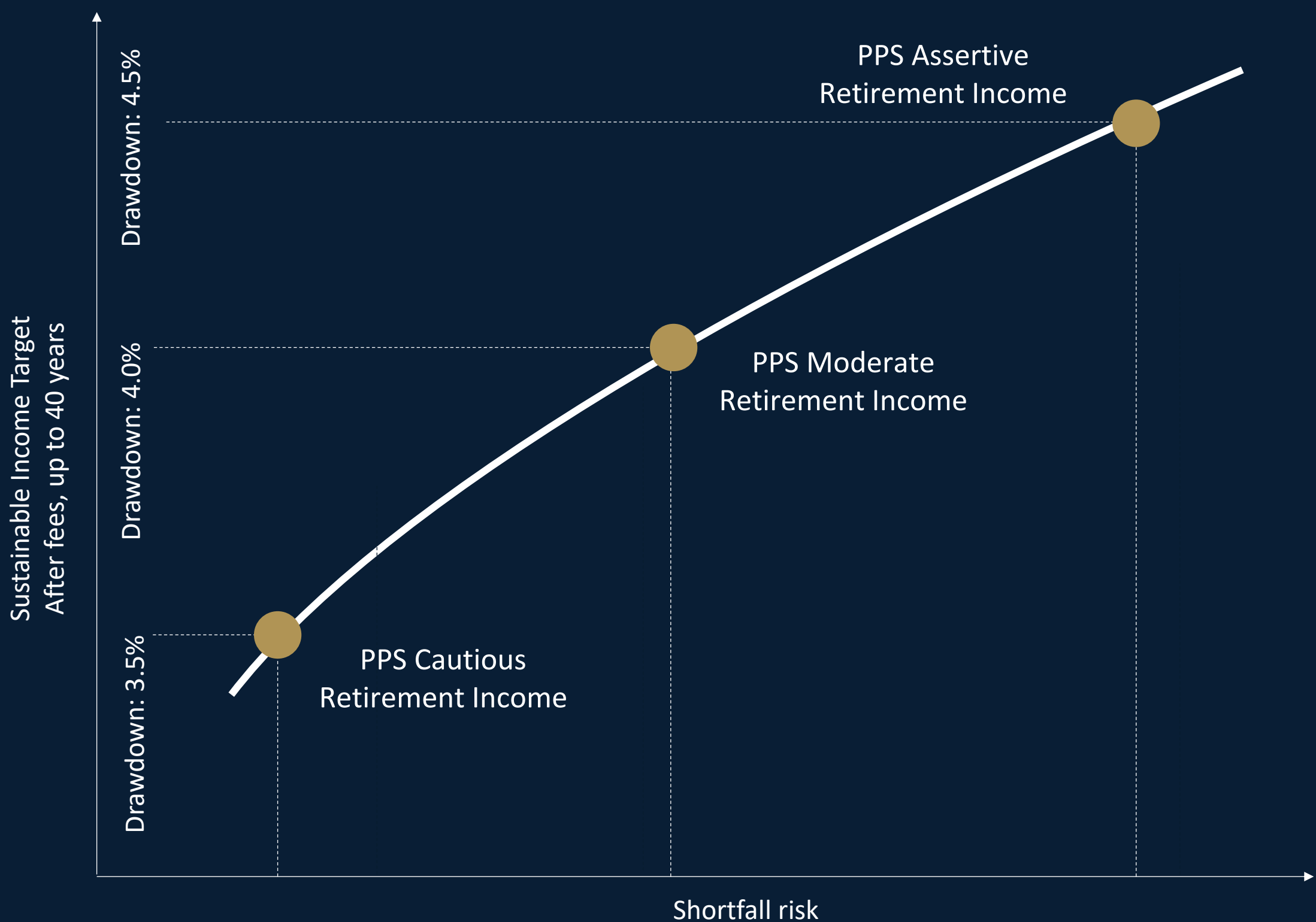
Uncorrelated returns which
address sequencing risk

Portfolio construction considerations



The solution range

Delivering as designed



SOLUTION NAME	UP CAPTURE RATIO	DOWN CAPTURE RATIO
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Cautious Solution	101	93
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ASISA peers	100	100
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SOLUTION NAME	UP CAPTURE RATIO	DOWN CAPTURE RATIO
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Moderate Solution	100	87
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ASISA peers	100	100
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SOLUTION NAME	UP CAPTURE RATIO	DOWN CAPTURE RATIO
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Assertive Solution	98	84
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ASISA peers	100	100
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Successfully navigating retirement

Impact of a well-constructed portfolio

SUCCESS RATE OF AN AVERAGE BALANCED FUND

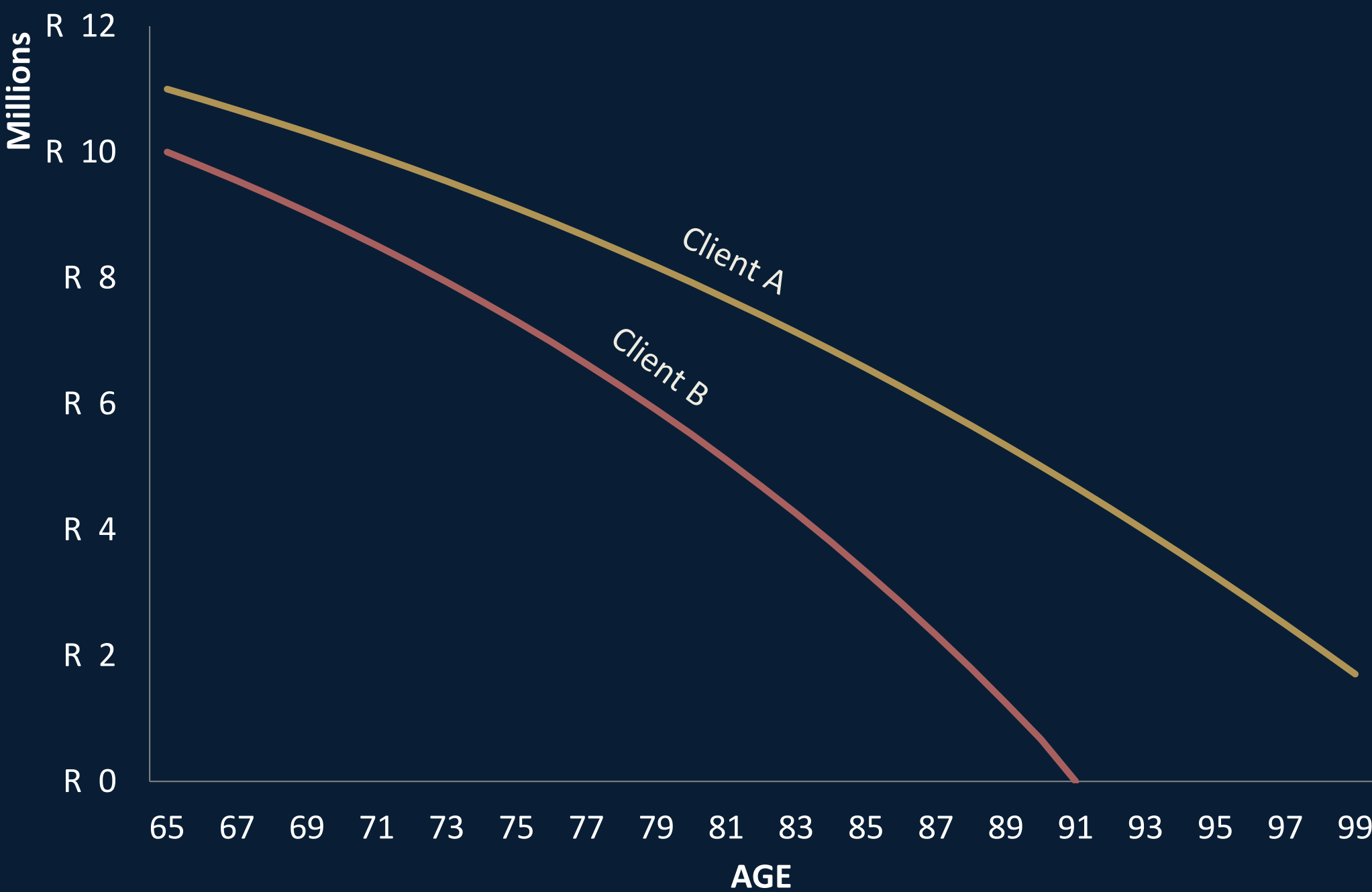
		YEARS IN RETIREMENT		
		20 years	30 years	40 years
INCOME AFTER FEES	3.5%	99	95	92
	4%	97	90	84
	4.5%	93	82	74
	5%	87	73	62
	5.5%	78	61	50
	6%	69	49	39
	6.5%	57	38	28

SUCCESS RATE ADDING HEDGE AND FLEXIBLE FUNDS

		YEARS IN RETIREMENT		
		20 years	30 years	40 years
INCOME AFTER FEES	3.5%	100	99	97
	4%	100	97	92
	4.5%	100	93	83
	5%	99	86	70
	5.5%	96	74	55
	6%	91	60	40
	6.5%	84	46	29

The benefit of a little extra

TWO JOURNEYS WITH DIFFERENT CLIENT OUTCOMES



ASSUMPTIONS

Savings: R10m
Growth: CPI +4% (after fees)
Initial drawdown: R600 000 p.a.
Drawdown increase: 6%

THE DIFFERENCE

Client A has R1 million extra at retirement
Client A earns R20 000 p.a. in retirement

THANK YOU



INVESTMENTS

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