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by Sanlam

WE CAN'T PREDICT THE FUTURE,  
BUT WE CAN SECURE IT.



# MANAGING RETIREMENT INCOME STREAMS: A RADICAL PARADIGM SHIFT

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Glacier by Sanlam

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# RECAPPING WHAT WE SAID IN 2019

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Shifting  
focus from  
product to the goal,  
which is Income  
Stream Management.

How the  
combination of  
products could be  
used to strengthen  
the advice value  
proposition.



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# THE REALITY OF RETIREMENT



1

Your retirement income is **only as sustainable as the income purchasing power of your retirement capital**

2

A cheaper fee will not salvage your retirement if you did not save enough

3

Fee is what you pay. **Value is what you get.** Consider the **Gamma Factor**

4

If you did not save enough, **no product will save you**

5

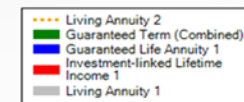
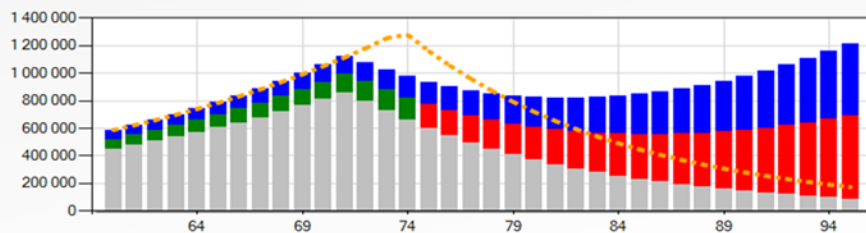
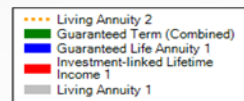
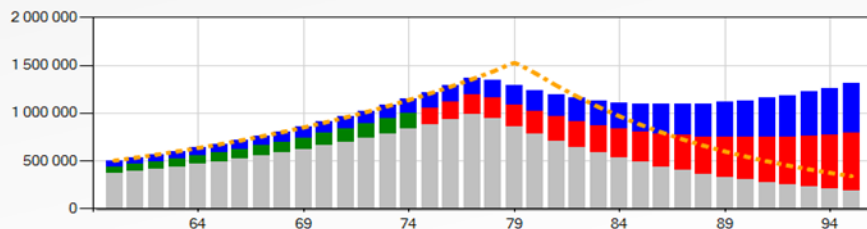
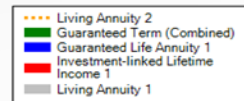
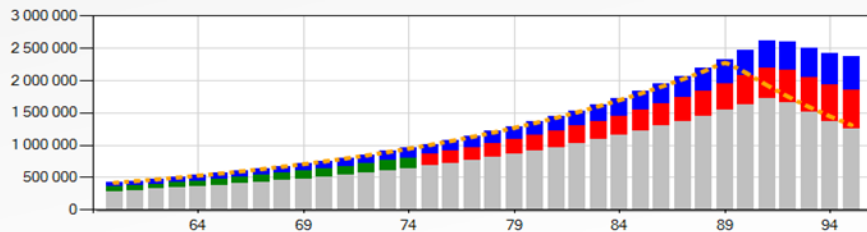
Chasing performance, will not save you

6

It's OK to tell a client what you are going to offer: **advice or damage control**

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# NABLY ENTS



Better replacement  
ratio and income  
management  
and...hope that  
markets will take  
care of the rest

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# SO WHAT HAPPENED SINCE THEN?

●  
Glacier  
re-launched  
the  
FlexiGuarantee  
Life Annuity\*

●  
Use of more  
combination  
products  
increased

●  
The competitive  
environment  
followed suit



\*Underwritten by Sanlam Life

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# TAKING A DEEPER DIVE INTO THE NEW ENQUIRIES OF THE NEW NORM

As the Industry changes, so does the relevant advice.

With the shift to combinations/ Hybrids – increase in various new enquiries.

We believe these have to be clarified, as RDR does indeed state that a product must have a clear target market.

SO LETS  
CHAT!

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# UNPACKING THESE QUESTIONS

Is a capital  
retention plan the  
option for all  
clients?

Do you start  
with a combination  
from the get-go? Or  
do you convert to one  
later on in the Income  
Stream Management  
journey?

With-profit  
annuities?  
Include or not?  
Later or at  
inception?

What is better,  
a joint life  
annuity or  
extended term  
certain period?  
Or both?

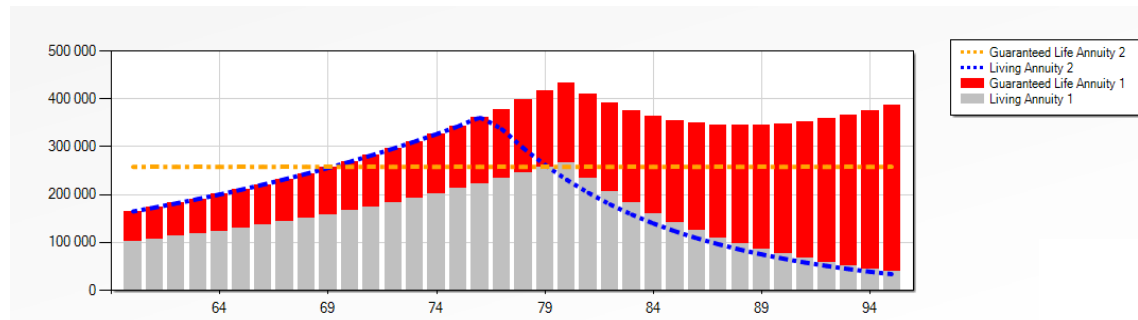
Escalating life  
annuities vs  
level life  
annuities?

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# MANAGING INCOME STREAM VS A BIG INITIAL INCOME

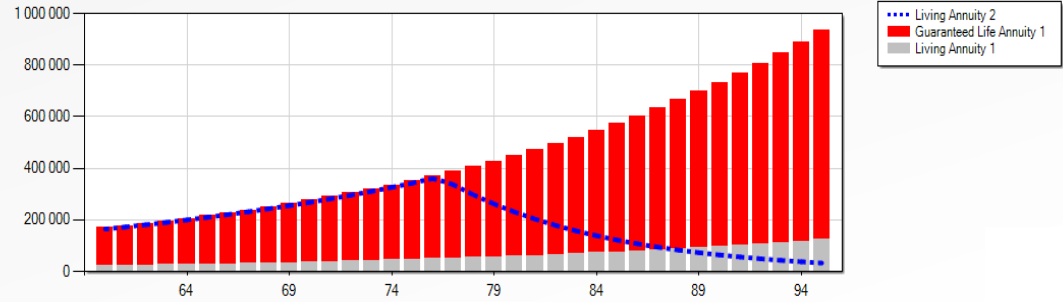
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# SMALL PORTION (30%) IN LIVING ANNUITY: FUTURE INCOME FLEXIBILITY


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R3 000 000  
investment  
value, 5%  
inflation




After 14 years,  
real value  
R1 500 000  
(74 years old)

## CAPITAL PRESERVATION: REAL VALUE

After 28  
years, real  
value R750 000  
(88 years old)

In the 30% ILLA  
example, real  
value after  
28 years:  
R690 000



Does the  
policy  
premium  
justify the real  
value?



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THANK YOU

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