

Five things to do if you find yourself running out of capital during retirement

By Ryno Oosthuizen, Business Development Manager

The recent volatility as well as economic downturn has many investors worried about their retirement nest egg. At the same time investors are also realising that they are delving into capital and potentially eroding some of their retirement provision. Although uncomfortable, the recent market distress may provide a great opportunity for investors to re-assess their current financial situation during retirement.

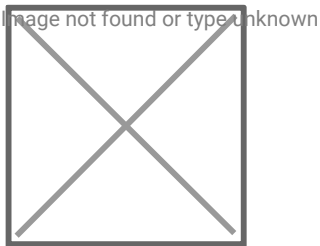
Here are five things investors can do if you find yourself running out of capital during retirement:

1. The first thing any investor should do when concerned about the longevity of their retirement portfolio is to consult their financial adviser. Consulting a qualified financial adviser ensures you receive professional advice based on your holistic portfolio. When consulting a financial adviser, they can give you honest and unemotional advice about your current financial situation.
2. A financial adviser can also help you with the second thing you should do – to try and not make any irrational or emotional decisions. Making irrational or emotional decisions such as drastically changing one's portfolio during market distress turns temporary losses into permanent ones. Rather than immediately trying to change your investment portfolio ask yourself as well as your financial adviser critical questions about whether your investment thesis remains intact.
3. The third action, whilst often uncomfortable, is certainly one of the most powerful actions which an investor can take - re-evaluating their budget. Making sure you decrease expenditure as far as possible and cutting all non-essential spending can curb your need for income and stretch your capital even further.
4. The fourth action which you can take in trying to secure your retirement livelihood is consult your financial adviser about different retirement solutions. Since the great financial crisis in 2008/2009 investors have been drawn to market-linked solutions instead of guaranteed solutions. This is partly due to the phenomenal returns which local and international markets have delivered but also because of their flexibility. Considering the use of guaranteed

investment options or solutions such as guaranteed annuities in one's retirement portfolio can greatly increase the longevity of your income.

5. Lastly, retirement for many investors in the past meant retreating to their seaside property and sitting on the couch reading the newspaper every day. Many retirees have realised the health and financial benefits of remaining engaged in the community through work. Using the skills you've built up during your working career to secure other forms of income post-retirement can be critical to your income longevity whilst also ensuring that you remain active both physically as well as mentally.

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Ryno's career at Glacier started as an operations consultant in 2009, after which he moved to distribution in 2012 as a junior business development manager (BDM) and then as a BDM in 2013, a role he currently fills. Ryno looks after the independent financial advisers and investment managers in the Cape Town region. Ryno holds a Bachelor of Commerce degree in Marketing Management from UNISA, and a Postgraduate Diploma in Financial Planning. He is a member of the Financial Planning Institute (FPI) and Certified Financial Planner (CFP®).

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