

# Confident investing around retirement

By Roenica Tyson – Investment Product Specialist

---

Market volatility can pose a significant risk for investors just before or just after retirement

Investing around retirement can be challenging. You want to allow your retirement savings pot to continue to grow in real terms to maximise the retirement income you can earn. But the typical investment portfolio that allows such growth also exposes you to market risk. With a large market correction even a conservative portfolio can lose as much as 20%, leaving you with a lot less to secure a sustainable retirement income and a smaller cash amount if you intend to draw a lump sum from your savings. The same concerns apply when drawing a retirement income – following a market correction you ideally want to avoid locking in losses when drawing income and reducing the amount of capital left to grow. A common way to manage such market volatility is to move to lower risk investment options as one approaches retirement, but this comes at the cost of investment returns and limits growth of your retirement savings when you may need it most.

Competitive yet smooth investment returns

An investment option that addresses this conundrum is the Monthly Bonus Fund. This portfolio is intelligently managed to smooth out investment returns and can play a significant role in reducing volatility in your pre- or post-retirement portfolio – without having to sacrifice investment returns. The Monthly Bonus Fund by Sanlam has in fact delivered returns in excess of inflation + 4% over the last 10 years.

Backed by Sanlam Life and strong governance structure

An investment portfolio, expertly managed by Sanlam Investments, generates investment returns from a diversified portfolio of local and offshore assets. This portfolio looks similar to any other regulation 28 compliant portfolio with a moderate risk profile. The way these returns are distributed to investors, are what sets the Monthly Bonus Fund apart.

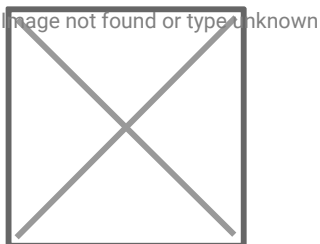
Who should invest?

The Monthly Bonus Fund is suitable for investors that want to lower investment risk without giving up return potential to earn competitive real returns in the form of monthly bonuses more certainty of the benefits they will receive at retirement to avoid the impact of volatile and negative investment returns while drawing a retirement income to remain invested for three to five years and don't regularly switch between underlying investments

Instead of distributing these returns in the volatile nature they are earned, a portion of the returns are held in reserve during periods of strong fund performance, and distributed during periods of poor performance. This 'smoothing' happens within a strong governance framework, overseen by an investment committee headed up by Sanlam's Chief actuary.

The result? Smooth investment returns distributed via monthly bonuses, which are guaranteed to never be negative. This essentially means the portfolio value would always go up (or sideways at worst), making it an ideal solution to protect and grow your retirement savings.

For more information about Glacier product availability, the guarantee and associated charges, click [here](#).



## Roenica Tyson

Roenica joined Glacier in August 2014 as an Investment Product Manager. She holds a BCom degree from the University of Stellenbosch and is a Certified Financial Planner (CFP®) and CFA® charter holder. Roenica started her career in 2006 at Allan Gray and subsequently worked at Momentum and Boutique Investment Partners in various product and investment roles.

**This document is intended for use by clients, alongside their financial intermediaries.** The information in this document is provided for information purposes only and should not be construed as the rendering of advice to clients. Although we have taken reasonable steps to ensure the accuracy of the information, neither Sanlam nor any of its subsidiaries accept any liability whatsoever for any direct, indirect or consequential loss arising from the use of, or reliance in any manner on the information provided in this document. For professional advice, please speak to your financial intermediary.

Glacier Financial Solutions (Pty) Ltd.

A member of the Sanlam Group

Private Bag X5 | Tyger Valley 7536 | Email [client.services@glacier.co.za](mailto:client.services@glacier.co.za) | Tel +27 21 917 9002 / 0860 452 364 | Fax +27 21 947 9210 | Web [www.glacier.co.za](http://www.glacier.co.za) | Reg No 1999/025360/07

Licensed Financial Services Provider | Glacier Financial Solutions (Pty) Ltd. is also a Licensed Discretionary Financial Services Provider FSP 770, trading as Glacier Invest | Sanlam Multi-Manager International (Pty) Ltd. | A member of the Sanlam Group

Private Bag X8 | Tyger Valley 7536 | Tel +27 21 950 2600 | Fax +27 21 950 2126 | Web [www.smmi.com](http://www.smmi.com) \*|\*Reg No 2002/030939/07

Licensed Discretionary Financial Services Provider, acting as Juristic Representative under the Glacier Financial Solutions FSP 770

Glacier International is a division of Sanlam Life Insurance Limited

Sanlam Life Insurance Ltd. | Email [life@sanlam.co.za](mailto:life@sanlam.co.za) | Tel + 27 21 916 5000 / 0860 726 526 | Fax +27 21 947 9440

Reg No 1998/021121/06 | Licensed Financial Services Provider