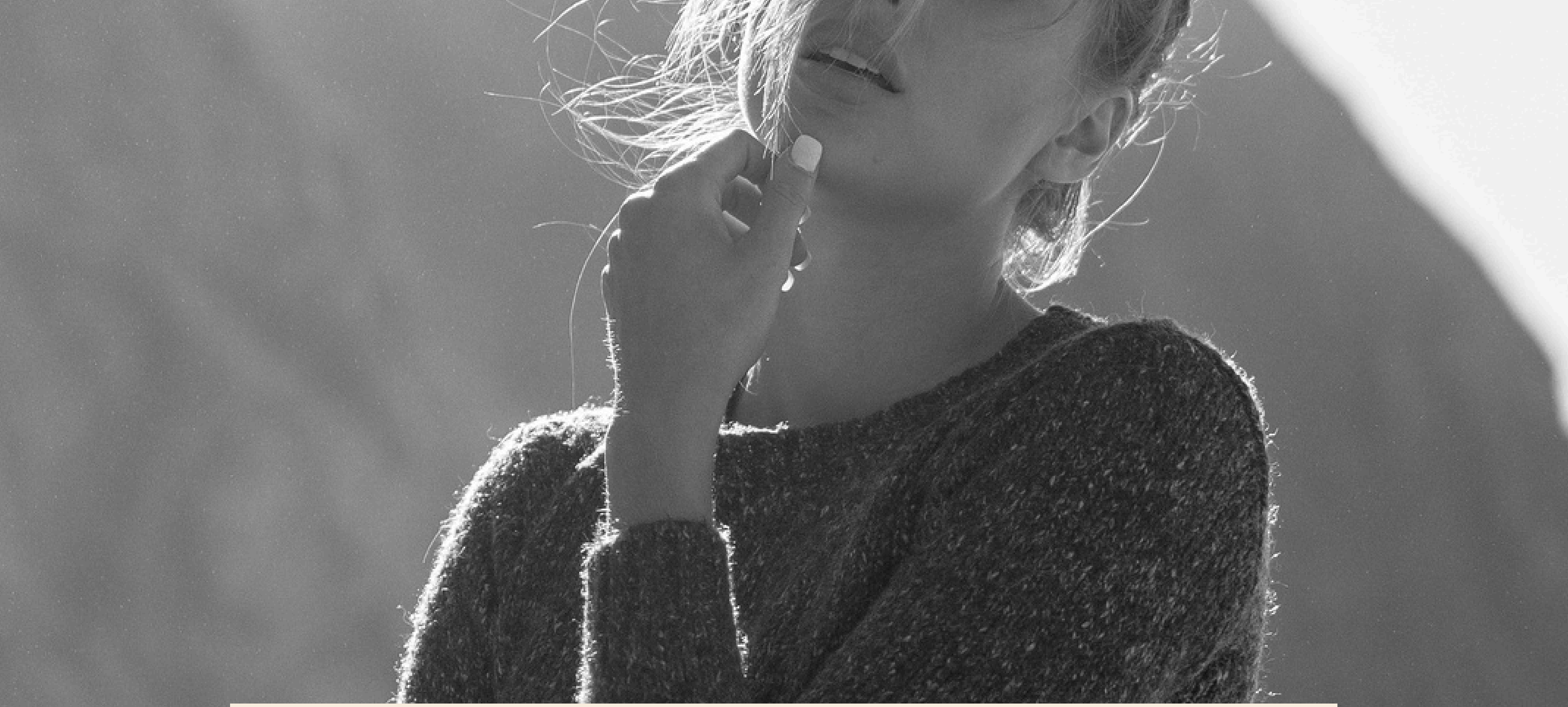

THE WEALTH WORKBOOK

THE 15-MINUTE GUIDE TO LUXURY RETIREMENT

This workbook will serve as your roadmap to achieving wealth and abundance in your life. Begin taking proactive steps today to create a prosperous future and enjoy the journey towards your best life!

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How to Avoid Running Out of Money in Retirement

One of the biggest risks an investor faces is running out of money during retirement. Many people work their entire lives to accumulate enough wealth for a comfortable retirement, only to discover they've fallen short. To help minimise this risk, Fisher Investments UK recommends keeping these key questions in mind when planning your retirement:

1. How Long Will Your Portfolio Need to Provide for You?
2. Estimate your retirement length based on life expectancy and plan accordingly to ensure your savings last.
3. How Can Cash Distributions and Inflation Impact Your Portfolio?
4. Understand how withdrawals and rising living costs can erode your wealth over time.
5. How Do You Establish a Primary Investment Objective?
6. Define clear goals for your investments to guide your financial decisions.
7. What Are Important Trade-Offs You May Need to Consider?
8. Evaluate the balance between risk, return, and spending to make informed choices.

Proper planning and addressing these questions can help you achieve a more secure and comfortable retirement.

1. How Long Will Your Portfolio Need to Provide for You?

The table below shows total life expectancies based on current age. We believe these projections likely underestimate how long people will actually live given our understanding of ongoing medical advancements. And don't forget these are projections of average life expectancy–planning for the average is not sufficient since about half of people in each bracket can be expected to live even longer.

Factors such as current health and heredity can also cause individual life expectancies to vary widely.

The bottom line? Your investment time horizon may be much longer than you realise. Prepare to live a long time and make sure you have enough money to maintain your

Average Life Expectancy*

Current Age	Life Expectancy	Current Age	Life Expectancy	Current Age	Life Expectancy	Current Age	Life Expectancy
51	83	61	84	71	86	81	89
52	83	62	84	72	86	82	90
53	83	63	84	73	87	83	90
54	83	64	85	74	87	84	91
55	83	65	85	75	87	85	91
56	83	66	85	76	88	86	92
57	83	67	85	77	88	87	92
58	84	68	85	78	88	88	93
59	84	69	86	79	89	89	94
60	84	70	86	80	89	90	94

2. How Can Cash Distributions and Inflation Impact Your Portfolio?

As you anticipate your investment time horizon, it's also critical to understand how withdrawals will impact your portfolio. Like many investors, you may have unrealistic expectations of how much money you'll be able to safely withdraw each year during retirement.

A common-but incorrect-assumption is that since equities have historically delivered just over a 10% annualised average return over the long term,* it must be safe to withdraw 10% a year without drawing down the principal.

Nothing could be further from the truth. Though markets may annualise around 10% over very long periods, returns vary greatly from year to year. Miscalculating withdrawals during market downturns can substantially decrease the probability of maintaining your principal. For example, if your portfolio is down 20% and you take a 10% distribution, you will need about a 39% gain just to get back to the initial value.

Another important portfolio factor to consider is inflation. Inflation is insidious. It decreases purchasing power over time and erodes real savings and investment returns. Many investors fail to appreciate the impact of inflation. Since 1925, inflation has averaged 4% a year.** If that average inflation rate continues in the future, a person who currently requires £50,000 to cover annual living expenses would need approximately £115,000 in 20 years and about £175,000 in 30 years just to maintain the same purchasing power. Similarly, if you placed £500,000 under your mattress today, in 30 years that money would only be worth £140,000 in today's

3. How Do You Establish a Primary Investment Objective?

Investment time horizon, cash flow needs, and inflation are all key factors to consider in your retirement planning. Another cornerstone is establishing a primary objective for your portfolio.

A precise way to determine your portfolio's objective is to define your "growth objective" –the amount of money you plan to have at the end of your portfolio's investment time horizon. Possible terminal value objectives include:

- **Portfolio growth:** You want to increase the purchasing power of your assets as much as possible over your investment time horizon.
- **Maintaining the value of the portfolio in real terms:** You aim to maintain your present purchasing power at the end of your investment time horizon.
- **Depleting assets:** You have no desire to leave any assets behind.
- Targeting a specific ending value: You desire a specific ending value, perhaps to pass to children.

Your primary investment objective helps create a roadmap for retirement. Focusing on your investment objective may also make it easier to stick with your investment strategy during market

For instance, if your primary goal is long-term growth, you might lean towards a portfolio with a higher percentage of stocks, which historically offer higher returns over time but come with increased volatility. On the other hand, if your focus is on capital preservation or generating steady income, you might prefer a more conservative mix that includes bonds or dividend-paying stocks, which tend to be less volatile.

It's also important **to consider your timeline.** If you're investing for retirement that's several decades away, you might be more willing to ride out the ups and downs of the stock market. Conversely, if you're nearing retirement or need the funds for a specific short-term goal, a more conservative approach might be prudent to protect your capital.

Additionally, regularly reviewing and rebalancing your portfolio ensures it aligns with your evolving goals and risk tolerance. Consulting with a financial advisor can provide personalized insights tailored to your unique financial landscape, helping to create a strategy that feels right for you. Remember, the key is to find a balance that provides peace of mind while working towards your financial objectives.

Having a **pension plan for retirement is crucial** for several reasons. Firstly, it provides financial security in your later years, ensuring you have a steady income when you can no longer work. This is especially important as life expectancy increases, and many people spend a significant portion of their lives in retirement.

Secondly, pension plans often benefit from tax advantages, allowing your savings to grow more efficiently over time. Investing regularly in a pension plan can also help you take advantage of compound interest, which can significantly increase your retirement savings.

Moreover, having a well-structured pension plan allows for better financial planning. It helps you set clear goals and assess how much you need to save to maintain your desired lifestyle in retirement. Finally, a pension plan can provide peace of mind, knowing that you have a safety net in place, reducing financial stress as you age. Overall, a pension plan is a vital component of a comprehensive retirement strategy, ensuring you can enjoy your golden years without financial worry.