



Retirement Investment Solution

Turn our combined expertise
into your edge

In partnership with



This document is for Professional Clients
only and is not for consumer use.



Introduction



We know that life as an adviser can be a fine balancing act, especially when it comes to offering your clients the right advice as they approach retirement. That's why Invesco and Just have teamed up to deliver a purpose-built, integrated solution which aims to enhance client outcomes in retirement.

The Retirement Investment Solution is a single offering that combines a guaranteed retirement income (via Just's Secure Lifetime Income) with optimised investment portfolios that are specifically designed to offer growth potential (via Invesco's Managed Retirement Solution range).

The Managed Retirement Solution range is part of Invesco's discretionary Model Portfolio Service (MPS) and has been designed to exclusively complement Just's Secure Lifetime Income (SLI) within a single self-invested pension plan (SIPP) wrapper (and the models are not available as a standalone offering).

This uniquely blended retirement solution helps to address some of the biggest challenges your clients may face in their retirement decision making, including:



Longevity

Your client living longer than expected (or longer than their retirement pot lasts)



Lifestyle

Your client taking too much income relative to the size of their retirement pot



Managing life events

Whether its the arrival of grandchildren, or a health event that changes their circumstances, your client may need access to part of their retirement pot on a flexible basis

Benefits

With this purpose-built Retirement Investment Solution, your clients can benefit from:

A guaranteed income for life

This unique offering is a purpose-built retirement investment solution that delivers a guaranteed level of income for life (via Just's Secure Lifetime Income), offering your clients certainty in retirement.



Holistic asset allocation

By incorporating a guaranteed income element, we are able to allocate to a larger proportion of growth assets (when compared to a traditional drawdown product) within the Invesco Managed Retirement Solution Model Portfolio Service, resulting in improved return potential while maintaining your client's risk profile.



Retirement personalisation

This offering will enable your clients to personalise a retirement solution to match their specific objectives and changing circumstances or reinvesting any income generated back into the Invesco Model Portfolio Service.



Providing greater choice in retirement

The combination of a guaranteed income through Just's Secure Lifetime Income and growth potential, can help to lower the amount your client may need to withdraw from their portfolio over time, compared with a traditional drawdown product, (as illustrated on [page 05](#)), providing more choice to individuals in retirement.



A complex decision, simplified

By creating a combined proposition that has been risk-rated as a holistic solution, we have taken some of the complexity out of offering clients flexibility and choice in retirement. Enabling clients to achieve income stability and growth potential within a single solution.

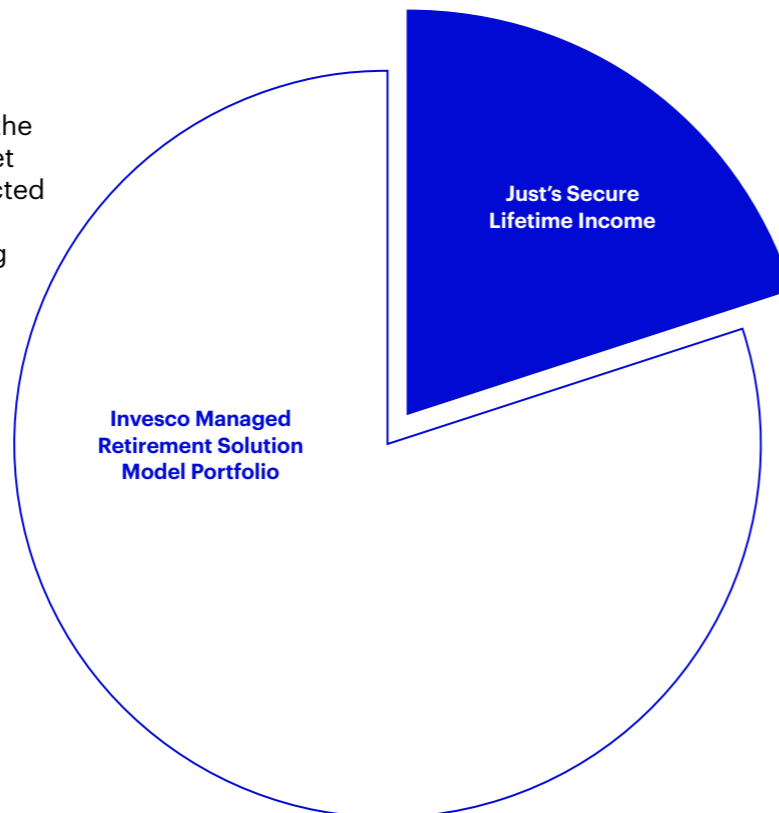


An innovative approach to retirement

By allocating a portion of the overall portfolio to securing a guaranteed income, your clients can have peace of mind about receiving an income for life. And they can choose how much of their portfolio to allocate to the Secure Lifetime Income component, between 10-40%.

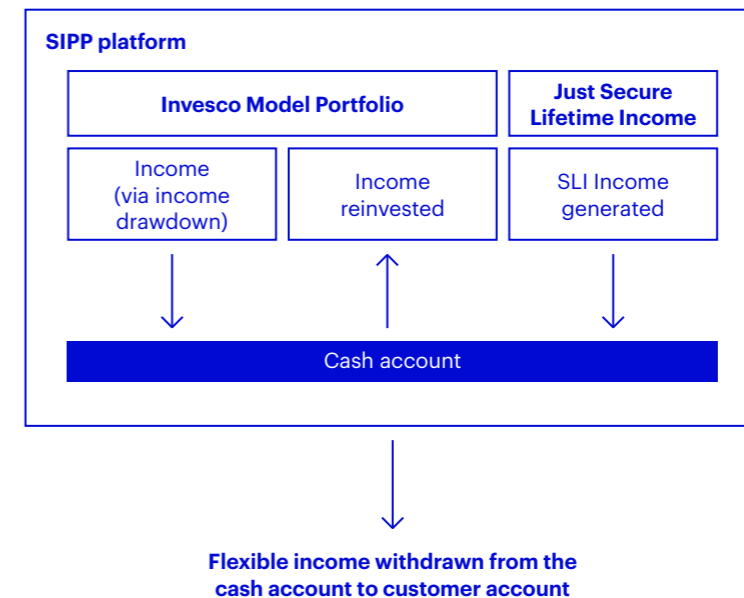
Defining the amount to allocate to SLI is crucial for determining how much of the portfolio requires protection from market uncertainty and longevity risk. The selected SLI allocation serves as a foundation for stable income, subsequently shaping the investment approach for the remaining portfolio assets.

The rest of your client's retirement portfolio can then be invested in the relevant Invesco Managed Retirement Solution Model Portfolio to help optimise growth potential in a way that matches their personal retirements needs.



Income options

The income generated from the Secure Lifetime Income (SLI) component is paid (gross of tax) to a cash account within the self invested personal pension (SIPP) platform. Your client also has the option to take additional withdrawals from the Model Portfolio, via income drawdown (although this will erode the value of their portfolio). This offers both a flexible level of income withdrawal and the option to reinvest any income your client doesn't need to take.

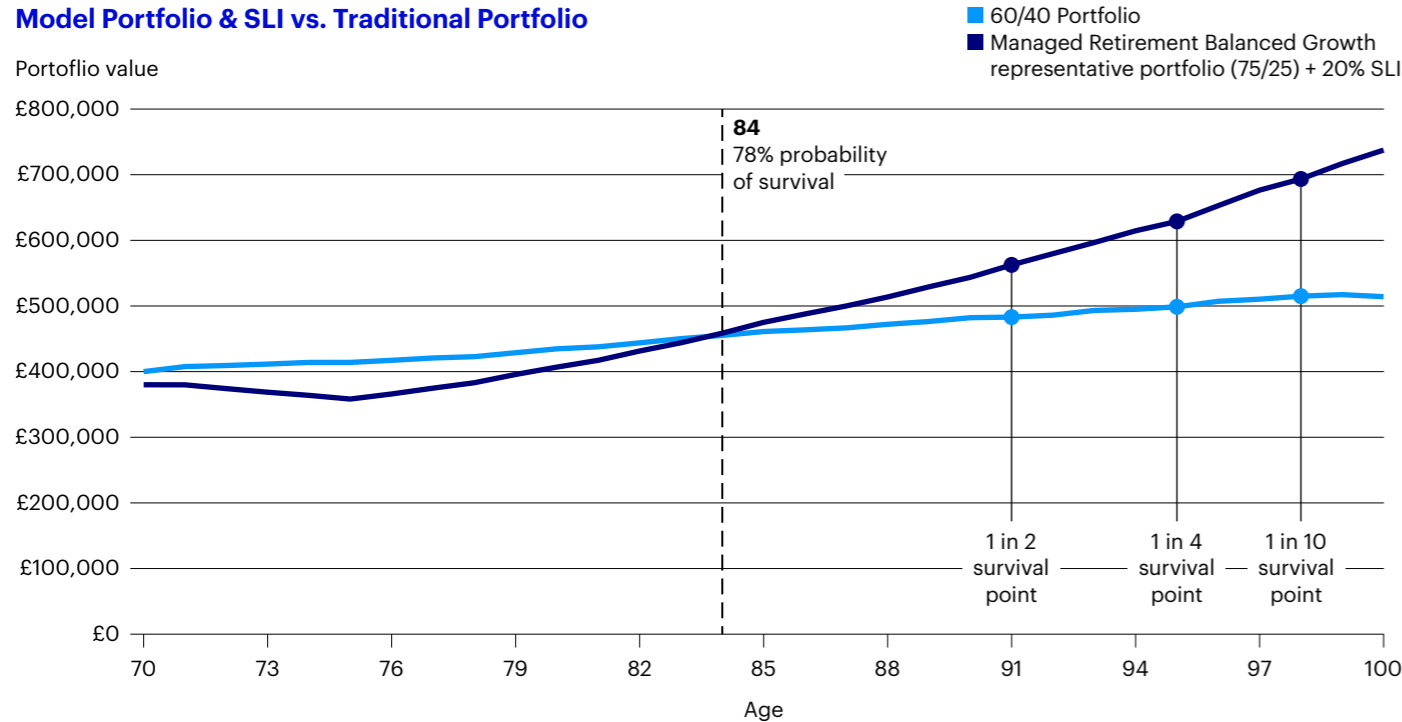


For illustrative purposes only.

Long term retirement outcomes

The combination of a guaranteed income and growth potential helps to lower the withdrawal rate over time, compared with a traditional drawdown product, meaning the portfolio aims to deliver longer term growth, as illustrated in the example below.

Model Portfolio & SLI vs. Traditional Portfolio



For illustrative purposes only. Past performance (actual or simulated) does not predict future returns. Forecasts are not reliable indicators of future performance. Source: Invesco and Just Group as at 30 June 2024.

Example based on 70 year old, average health non-smoker, with a £400,000 total portfolio value, taking £18,000 (4.5%), non-escalating income pa 1.50% AMC/ ongoing adviser charge, SLI scenario assumes a £80,000 (20%) SLI purchase price and includes the cash in value within total portfolio value. SLI is generating £6,029 income pa, graph shows the mid-year portfolio value at each time point, representing an average around the median portfolio value at each time point.

The modelling shows the percentiles of the distribution of outcomes reflected by an annualized returns forecast run across 1000 Moody's different real-world scenarios as at 30 June 2024. Using these scenarios we are calculating the probability of success and the median final value for a given simulated distribution rate. The 60/40 and representative portfolios are modelled using custom FI and Equity indexes based on US Agg, US HY, Global Agg, Gilts, FTSE all share, S&P500, Russell 2000, Euro Stoxx 50, TOPIX, MSCI Asia Pacific ex Japan, MSCI EM.

The survival probabilities provided by Just Group are based on their longevity assumptions for the example client.

The chart shows the median simulated portfolio values for a traditional investment drawdown portfolio compared with a holistic solution that combines a representative balanced growth model portfolio with Secured Lifetime income (SLI) for a 70 year old with a portfolio value of £400,000.

In the early years (prior to age 84 in this example), a traditional 60/40 portfolio outperforms. This is because the combined Model + SLI strategy allocates 20% to guaranteed lifetime income that reduces the value of the overall portfolio (purchase price of £80,000). Therefore the remaining portfolio value is £320,000 plus the cash in value for SLI. The cash in value when purchased begins at £60,000 (75% of the original SLI purchase price) and reduces by 2x each income payment until it reaches zero (this is typically anytime between 5-10 years depending on income value and SLI amount purchased). This is shown in the chart with the dark blue line declining over the first 5-10 years as the cash in value of the SLI reduces to zero.

However, from age 75 the combined solution begins to increase in value as the inclusion of SLI provides the benefit of being able to take a higher allocation to growth assets within the remaining portfolio (in this example allocating to a representative portfolio of 75%/25% with remaining assets for the same overall risk tolerance).

Beyond age 84, the combination of Models + SLI outperforms as the benefits of holistically including guaranteed lifetime income as an asset within the overall portfolio materializes. The benefit of guaranteed lifetime income manifests in three ways: it reduces the withdrawal rate of the model, reducing sequence risk and allowing the growth delivered in the model to compound through time rather than being used to support income.

The probability of survival points shown are based on Just's longevity assumption for the example client.

A holistic retirement solution

When optimising for your clients' retirement needs, each individual's journey looks different. Our blended approach with Just's Secure Lifetime Income focuses on providing income stability, whilst retaining flexibility to also help deliver growth in retirement.

Simple steps to optimise your client's retirement portfolio

Step 1

Begin by assessing your client's current retirement portfolio against their long-term goals and their personal risk profile. This will help guide you in balancing your client's individual circumstances, thinking about their retirement goals (such as lifestyle, income needs, desire to leave a legacy or paying for a child's wedding) alongside their capacity and tolerance for risk.

Step 2

Using the table below, simply match your client's risk rating – in this case using Dynamic Planner's Risk Managed Decumulation (RMD) service ratings – to the level of guaranteed income required.


This will help to determine the most appropriate Invesco Managed Retirement Solution Model Portfolio for your client.

Risk Ratings Matrix

As provided by Dynamic Planner

- Invesco Managed Retirement Solution Cautious Balanced model portfolio
- Invesco Managed Retirement Solution Balanced model portfolio
- Invesco Managed Retirement Solution Balanced Growth model portfolio
- Invesco Managed Retirement Solution Growth model portfolio

Proportion of portfolio allocated to Just's Secure Lifetime Income	RMD 5			RMD 6			RMD 7		
	0%	Not applicable		Not applicable		Not applicable		Not applicable	
10%	Cautious Balanced	Balanced	Balanced Growth	Balanced	Balanced Growth	Growth	Not applicable		
15%	Cautious Balanced	Balanced	Balanced Growth	Balanced	Balanced Growth	Growth	Not applicable		
20%	Cautious Balanced	Balanced Growth	Growth	Balanced Growth	Growth	Not applicable			
25%	Balanced	Balanced Growth	Growth	Balanced Growth	Growth	Not applicable			
30%	Balanced	Balanced Growth	Growth	Balanced Growth	Growth	Not applicable			
35%	Balanced	Growth	Not applicable		Growth	Not applicable			
40%	Balanced	Growth	Not applicable						

 Please see our **How To Guide** for more information on how to:

1. Select the most appropriate combined solution for your client, and
2. Implement the process on your client's SIPP platform.

Thanks to our collaboration with Just and Dynamic Planner, the solution offers flexibility, indicated by the tolerance ranges. These parameters illustrate the margin for adjusting the SLI allocation without shifting the portfolio away from the client's risk profile.

The models

As each client will have a different attitude to risk, the Invesco Managed Retirement Solution range offers four separate discretionary models, each targeting a different risk profile (when combined with Just's Secure Lifetime Income).

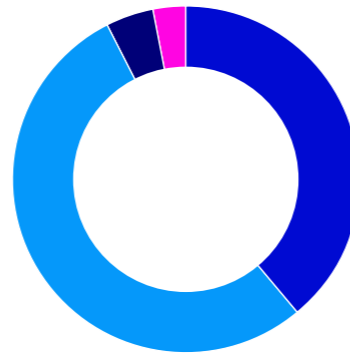
For a full breakdown of where exactly the portfolios currently invest, please refer to the latest model factsheet.

These models have been specifically designed to work alongside Just's Secure Lifetime Income and are not available as a standalone offering.

Invesco Managed Retirement Solution Model Portfolio Range

Overview

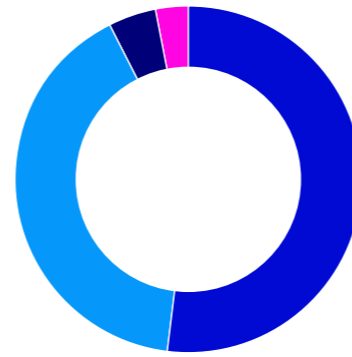
Invesco Managed Retirement Solution Cautious Balanced



Equities	39.0
Bonds	53.7
Alternatives	4.3
Cash*	3.0

Targets between 40% – 70% of global equity volatility

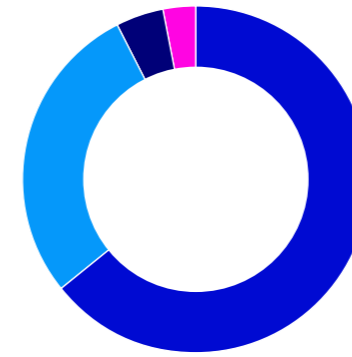
Invesco Managed Retirement Solution Balanced



Equities	52.0
Bonds	40.7
Alternatives	4.3
Cash*	3.0

Targets between 50% – 80% of global equity volatility

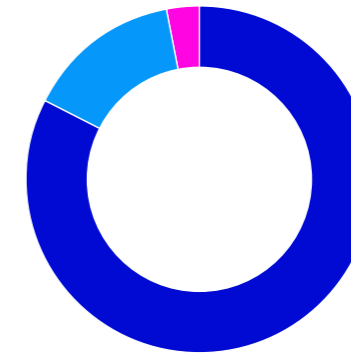
Invesco Managed Retirement Solution Balanced Growth



Equities	64.2
Bonds	28.4
Alternatives	4.4
Cash*	3.0

Targets between 60% – 90% of global equity volatility

Invesco Managed Retirement Solution Growth



Equities	82.5
Bonds	14.5
Alternatives	0.0
Cash*	3.0

Targets between 70% – 100% of global equity volatility

Specifically optimised investment portfolios aimed at enhancing growth potential in retirement.

* Cash or cash equivalents. For illustrative purposes only. Risk targets are relative to the MSCI AC World Index. The model portfolio's risk profile may fall outside the range stated in the portfolio objective from time to time. There can be no guarantee that the model portfolio will maintain the target level of risk, especially during periods of unusually high or low market volatility. The asset allocations are indicative and due to the timing of an investment may not fully reflect the constituents of an actual portfolio. The composition of a portfolio may also vary due to the availability of investments across the different platforms.

The Invesco team

Your client's investment is in experienced hands. The Invesco Managed Retirement Solution is managed by a division of Invesco Multi Asset Strategies – a team of over 170 investment professionals in total that is dedicated to the management of portfolios of funds for our clients.

In addition to their own expertise, they leverage that of the wider business, gathering data and insight from across our global network of investment professionals to ensure they make informed portfolio decisions that can benefit investors.

They've been assembling portfolios for over 25 years and currently manage over £110bn of assets for our clients, including that of our Advisory Model Portfolio Service which launched in 2019.



David Aujla

Portfolio Manager,
Multi Asset Strategies



A team of
170+
investment professionals

Over
25 years
of assembling multi asset portfolios
on behalf of UK clients

Manage over
£110bn
of assets for our clients

Who is Invesco?

Investing isn't a part of what we do at Invesco – it's the only thing we do. All our energy and expertise goes into uncovering the right opportunities to help your clients reach their financial goals and get more out of life.

Over the last 45 years we've continually grown in order to meet the wide variety and changing needs of you, our clients, to the point where we're now one of the world's largest investment managers, with more than 8,000 investment professionals globally.

To deliver on those needs, we currently manage over 800 investment products, from simple funds to entire portfolios, which altogether currently represent approximately US\$1.7 trillion assets under management.

Ongoing support

The Invesco Managed Retirement Solution has been designed with simplicity in mind, making it as easy as possible to manage and monitor the investment portfolios.

We understand that a modern Model Portfolio Service delivers more than just well-managed portfolios, and therefore place great importance on equipping the advisers that use our service with useful tools to support their client conversations.



For you



Monthly commentary

Regular videos and letters from the investment team discussing the previous month's developments



Model reports

A quarterly model report, sharing performance over the quarter and a detailed written update from the investment team



Model information

Access the latest model information, such as underlying funds, charges and risk ratings, using our online MPS portal, Basecamp

For your clients



Factsheets

A monthly snapshot, summarising the model information, including fund and asset class breakdowns, charges and model performance



Asset class commentary

A quarterly update on financial markets, providing commentary on the latest developments and how this is impacting the models



Model update reports

When models are updated, typically once per quarter, we share a detailed summary of all the changes made

Who are Just?



To help deliver this differentiated offering, Invesco has partnered with Just, a specialist in retirement solutions.

About Just

Just are dedicated to helping people achieve a better later life. With a strong social purpose at the heart of their brand, they provide innovative retirement income solutions tailored to meet the unique needs of their customers.

JUST.

THE RETIREMENT SPECIALIST

Quick facts about Just



Award-winning service

Received their 19th consecutive '5-star' award in the 'Pensions and Protection' category at the 2023 Financial Adviser Service Awards.



Trusted experience

Over 650,000 customers have trusted Just's expertise and commitment to helping them achieve a better later life.



Extensive reach

Managing nearly £24 billion of their customers' money, with operations based in London, Reigate, and Belfast. Their shares are traded on the London Stock Exchange.



Ratings and protection

Rated A+ by Fitch Insurer Financial Strength Rating for Just Retirement Limited and A by Fitch Issuer Default Rating for Just Group. Their Secure Lifetime Income plan is 100% protected by the Financial Services Compensation Scheme (FSCS), providing additional peace of mind.

Source: Just, as at 31 December 2023.

Regulatory status

Just is a trading name of Just Retirement Limited. Registered Office: Enterprise House, Bancroft Road, Reigate, Surrey, RH2 7RP. Registered in England and Wales Number 05017193. Just Retirement Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

For more information please visit justadviser.com.

Find out more

If you would like to learn more about the Invesco Managed Retirement Solution please get in touch using the contact details below, or feel free to reach out to your usual Invesco representative.



Contact

Tel: 01491 417600

IVZMPS@invesco.com

Telephone calls may be recorded.

To find out more about Secure Lifetime Income, contact your usual Just account manager or visit justadviser.com to see the range of literature on Secure Lifetime Income.

All information in this document regarding Just and Secure Lifetime Income has been approved by Just.

Just is a trading name of Just Retirement Limited. Registered Office: Enterprise House, Bancroft Road, Reigate, Surrey, RH2 7RP. Registered in England and Wales Number 05017193. Just Retirement Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Investment risks

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

The portfolios include funds that invest in emerging and developing markets, where there is potential for a decrease in market liquidity, which may mean that it is not easy to buy or sell securities. There may also be difficulties in dealing and settlement, and custody problems could arise within these underlying funds.

Portfolio performance may be adversely affected by variations in the relative strength of world currencies or if Sterling strengthens against those currencies.

The portfolio includes funds that invest in fixed income securities which may not always make interest and other payments nor is the solvency of the issuers guaranteed.

Market conditions, such as a decrease in market liquidity for the securities in which the funds invest, may mean that the funds may not be able to sell those securities at their true value. These risks increase where a fund invests in high yield or lower credit quality bonds.

Important information

This document is for Professional Clients only and is not for consumer use.

All information as at 30 June 2024 and sourced by Invesco, unless otherwise stated.

Views and opinions are based on current market conditions and are subject to change.

Current tax levels and reliefs may change. Depending on individual circumstances, this may affect investment returns.

Clients and financial advisers must refer to the Service Guide and Value proposition and target market documents, which provide additional important information about the service, and must be read and understood before investing.

Invesco Asset Management Limited, Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK. Authorised and regulated by the Financial Conduct Authority.

©2024 Invesco Ltd. All rights reserved.

20240925-3841017-EMEA.