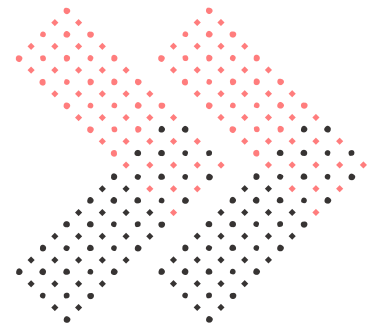
 Please contact us if you'd like this document in an alternative format.

**JUST.**

## FIXED TERM INVESTMENT

# Pre-retirement: outcome-based de-risking



As clients move closer to retirement, conventional wisdom has been to gradually de-risk the entire pension portfolio by reducing market exposure. Increasingly, however, clients transition into retirement rather than stopping work abruptly. This creates a planning challenge around how to meet near-term goals with certainty, while keeping the rest of the portfolio effectively invested to meet longer-term objectives.

Below is an exploration of how Fixed Term Investment can help support outcome-based retirement planning.

## At a glance – benefits of outcome-based de-risking pre-retirement

Many clients have specific goals at or around retirement that need to be met with certainty.

### More certainty, earlier in the journey

Fixed Term Investment enables advisers to secure outcomes using **uncrystallised** pension funds.

### De-risk what's needed, not everything

Ring-fencing known, short-term objectives allows the rest of the pension to stay invested for long-term growth potential.

### Known goals need known outcomes

Securing funds for defined retirement objectives reduces uncertainty around key retirement milestones.

### Support steadier decision making

When short-term needs are secured, clients are less likely to react to market volatility with panic decisions.

## Advantages of using Fixed Term Investment

Fixed Term Investment offers seamless implementation and streamlined management on platform and helps clients to meet their objective and realise their investment goals by reducing risk and increasing certainty.



### **Holistic planning:**

Fixed Term Investment can be funded using part of the pension, and is held alongside other assets, enabling simple holistic planning.



### **Flexible structuring:**

Fixed Term Investment income is paid gross into the personal pension cash account, allowing withdrawals to be flexed or reinvested if plans change.



### **Operational simplicity:**

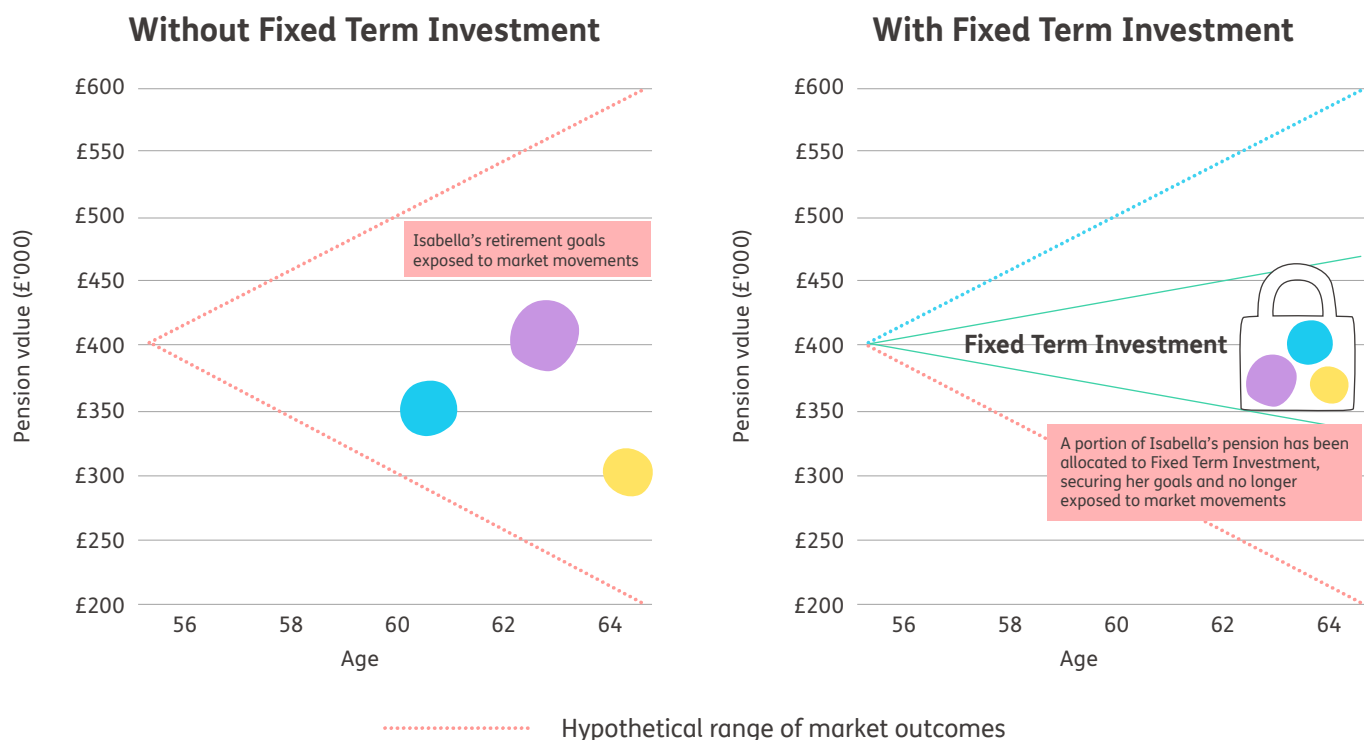
Fixed Term Investment has a value like other investment assets, which supports transparent client reviews, and helps make it easy to administer and align to your chosen remuneration model.

## How Fixed Term Investment supports outcome-based de-risking

Isabella, aged 55, has a £400,000 pension portfolio and wants certainty over a defined near-term retirement objective costing £180,000 at age 67. By allocating £93,561 to Fixed Term Investment, she secures this amount at maturity, allowing the remainder of her portfolio to stay invested to help support longer-term retirement income and longevity needs.\*

This simple visual representation helps illustrate how Fixed Term Investment could change the shape of retirement outcomes.

## Using Fixed Term Investment to secure known retirement goals



**Analysis** Fixed Term Investment can be used to move part of the pension into a de-risked pot, helping provide greater certainty for specific short-term goals.

### Without Fixed Term Investment

The dotted lines show a hypothetical range of market outcomes. Initial retirement goals float within that range. Sometimes the portfolio exceeds them, sometimes it just meets them, sometimes it falls short. The goals are at the mercy of markets.

### With Fixed Term Investment

The same market range still exists for the rest of the portfolio. But here, a portion of the pension has been allocated to Fixed Term Investment. That segment runs straight into the 'de-risked' pot, securing the initial retirement goals. Whatever happens in markets, those goals are now secured at maturity, while the rest of the portfolio stays invested for long-term growth potential.

## With Fixed Term Investment

### To conclude

Fixed Term Investment can help advisers secure specific near-term retirement objectives with increasing certainty, while allowing the remainder of the portfolio to remain invested.

This approach:

- Helps provide reassurance to clients and helps reduce behavioural risks such as panic-selling or hoarding cash unnecessarily
- Helps enhance planning certainty and strengthen advice credibility
- Can be set up to meet individual client goals, term lengths, and retirement timelines
- Helps demonstrate advisers are acting in clients' best interests by addressing sequencing risk and behavioural biases, aligning with regulatory expectations.

Talk to us about demonstrating reliable outcomes in cashflow modelling, supporting planning certainty and strengthening advice credibility. Scan the QR code below.

### \*Notes:

The scenario above is hypothetical and based on assumptions, not indicative of future performance. Provided for illustrative purposes only and should not be the sole basis for investment decisions. Investment returns can fluctuate. Scenario numbers are illustrative only, and correct as at 19 January 2026. If the client dies before the maturity date, Fixed Term Investment may pay a death benefit. Any income payments will stop and no maturity amount will be paid.

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## For more information


Call: **0345 302 2287**


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Or visit our website for further information: **Justadviser.com/FTI**

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