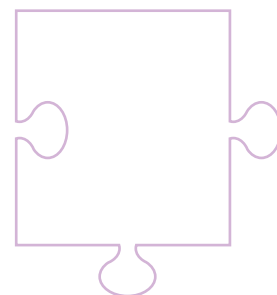
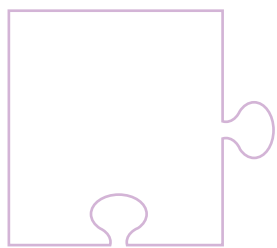


# THE RETIREMENT JIGSAW: A 7-PIECE PUZZLE

Making the pieces fit for your dream retirement



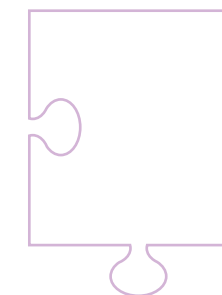
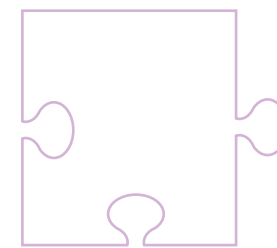
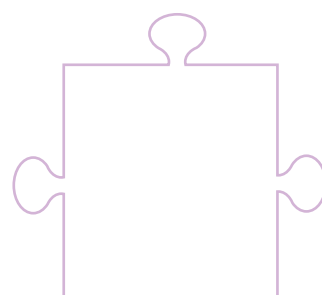
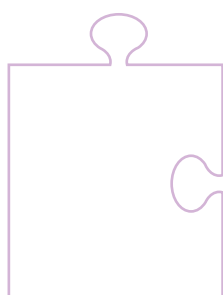
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For most of our lives, retirement seems like a rather abstract concept – something that happens to other people. Even if you talk about your ‘dream’ retirement, it’s hard to see what that might actually look like until you’re closer to the threshold. But when exactly is that?

Well, it could be sooner than you think.

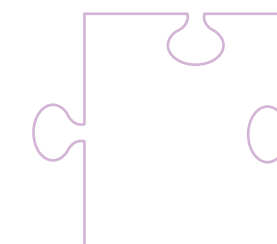
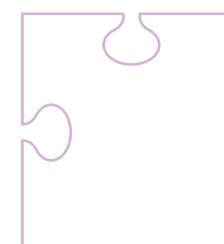
They say that it’s never too early to start planning for a good retirement, and we absolutely agree. It’s only when you start to look at what you want in retirement that you’ll know how – and when – you can get there.



Consider life as a large jigsaw puzzle... to make sense of the big picture, you need to work out which pieces go where. You’ll inevitably put some in the wrong place while you’re figuring it out, but with patience and planning you’ll get there eventually.

When you get to the part that builds your retirement picture, we think there are some key pieces that fit into everyone’s puzzle.

Here are seven things you need to know for a complete and fulfilled retirement.





1.

## YOU HAVE A SHORTAGE OF TIME, NOT MONEY

*How did it get so late so soon? It's night before it's afternoon. December is here before it's June. My goodness how the time has flown. How did it get so late so soon?*

— Dr. Seuss



Let's start with a reality check: time is running out.

It's a hard truth that most people don't want to hear, but you only have a certain amount of energy and health to be able to enjoy life without limitations. In your fifties and sixties, when you're most likely to start your retirement journey, it's on the decline.

Now for the good news.

You probably have enough money already. If you've built up savings and retirement assets over a lifetime of working, it's likely that you'll have enough to look after yourself for the whole of your retirement.

So the main question you need to ask isn't: 'Can I afford to retire?' it's: 'What am I going to do with the time I have?'

The main task ahead of you is squeezing the most life you can into an active retirement. It's what you've worked for, saved for... and deserve. Focus on the decisions you need to make to maximise the returns you make on these years. The money is the easy part. Health is fragile – a good retirement portfolio isn't!

2.

## YOUR PLANS NEED TO BE OBJECTIVE

*“If there is any one secret of success, it lies in the ability to get the other person's point of view and see things from that person's angle as well as from your own.”*

— Henry Ford



When it comes to money, can you step outside of your own emotions? Fear of running out of income increases your dependency on it, especially when you no longer have a regular salary coming in. You only have so many active years. If you don't feel able to spend your money on things you enjoy – so instead you play things too safe – this fear and dependency could mean your active years are restricted.

To make the big financial decisions in life, you need to be able to look at your current and future situation objectively. That's really hard to do yourself. You don't know what you don't know, and you only have your own experiences to draw upon. It becomes even more difficult when you have to reconcile any differences between yourself and your partner or family.

That's why it's invaluable to work with an independent professional when putting your retirement plan together. Talk to a Financial Planner who can step outside your perspective and be a source of real insight by looking at your world objectively. Big decisions need confidence – an objective plan will give you that.

3.

# COLLECTING RETURNS, NOT CHASING PERFORMANCE

*“It's only when the tide goes out that you discover who's been swimming naked.”*  
— Warren Buffet



While your focus should be on maximising the returns on your time, that doesn't mean you shouldn't do the same with your capital. After analysing your situation, needs and goals, your Financial Planner can tell you what returns you need for the lifestyle you want – and where those returns will come from.

Spoiler alert: they don't come from chasing investment performance on the latest hot trend. If there's ever a good time for that sort of speculation, it's in your twenties, when you have less to lose because you don't have much to start with and have time to earn more!

But in your fifties and sixties, you've accumulated your capital over decades. Without time to burn, you can't afford to invest in a way that puts your money at greater risk. Losing capital permanently while in your retirement years is not an option you want to take.

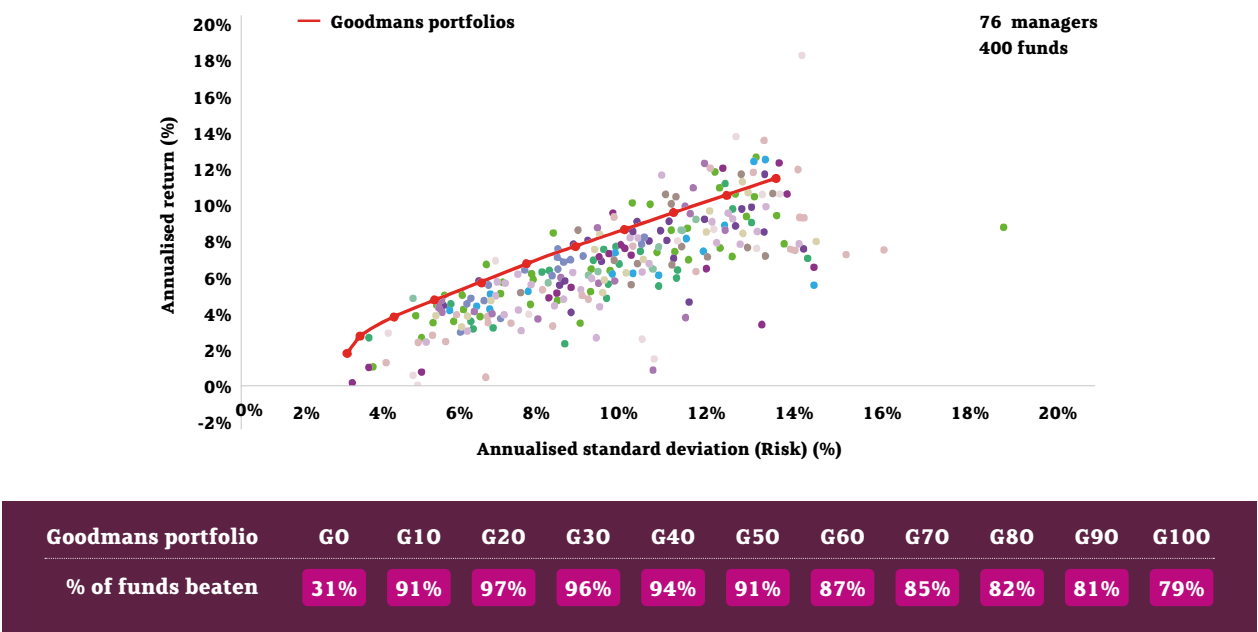
## Why 'boring' is better

At Goodmans, we have a sensible, diversified approach to investing that collects the returns that are available to everybody at low cost. Some might call this boring, we call it effective. We believe it's the cornerstone to a stress-free retirement – where your focus is on your life, not your money.

Does this approach condemn you to low returns? Quite the opposite! You don't get higher returns by paying higher investment fees and chasing the latest trends. Don't just take our word for it. In independent research, shown below, analysing our approach against 400 other funds (under 76 managers), you can see that our portfolios have outperformed the majority of risk-equivalent funds over a nine-year period.

Would you prefer to collect returns or chase them?

Multi-asset fund manager comparison of the Goodmans standard portfolios from February 2012 to June 2021



4.

## YOU'RE SUPPOSED TO SPEND YOUR PENSION CAPITAL

*"Retirement means doing what you have fun doing."*

— Dick Van Dyke



**Preserve your capital and live on the interest and the dividend income. Sounds sensible, doesn't it? Until you see what a meagre retirement it can produce! Add in the fact that you have no control over what you'll get with investments and this is a recipe for stress-filled years of chasing high income.**

Here are two things we absolutely don't believe in:

- x *Your capital must live forever and be preserved.***  
It doesn't! You won't live forever – you'll only ever have the money you meaningfully use in your lifetime. The taxman and your children will have the rest! With good planning, you can still leave a legacy without sacrificing your own quality of life.
- x *You should forego a sensible, diversified investment style for an undiversified high-income-chasing one.***  
This is dangerous and foolhardy – leaving you exposed when markets get rough and storms hit the financial world. You just can't afford to gamble it all in your retirement years – see point 3 for a reminder!

That's why front loading your retirement and enjoying your money in the early years is a sensible approach. A clear, objective retirement plan will show you that you can spend and still have enough to safeguard your independence and security in your later years.

5.

## RECKLESS CAUTION IS A THING

*“There's a time for daring and there's a time for caution, and a wise man understands which is called for.”*

— Robin Williams



Emotional comfort can be very, very expensive. Take this example:

- Retiree A sits in cash with their capital because they know what they have and there's no uncertainty.
- Retiree B has a sensible investment portfolio and enjoys net returns of 6% over the long term. They have to be practical about the fluctuations in the value of their portfolio, but they have a plan and a Financial Planner they trust.

Who's more reckless here? Retiree A is sacrificing 6% of their capital so they can sit squarely within their comfort zone. Would you choose to pay £6,000 a year for every £100,000 you have?

This may be a simplistic example, but it illustrates how reckless caution can be found in the decisions **not** made. Don't let the fear of running out of money stop you from making the most of the time you have left.

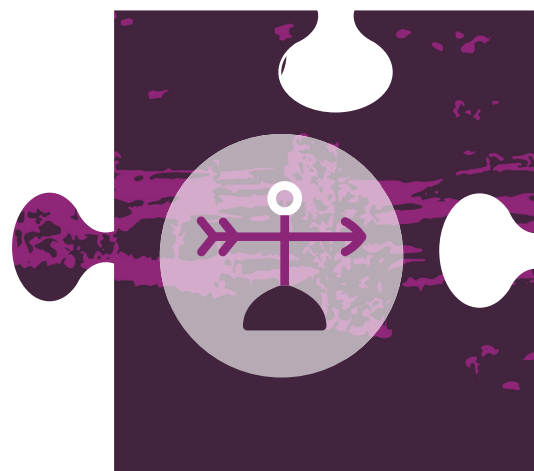
A good Financial Planner can find much more cost-effective ways to produce emotional comfort. With a clear, objective plan, you'll know when you don't need to recklessly hunker down, so you can fill your time with the things and experiences you deserve.



## EVERYTHING WILL CHANGE, SO EXPECT IT

*“Change is the law of life... those who look only to the past or present are certain to miss the future.”*

— John F. Kennedy



More things will change in your own life than they will in your retirement portfolio. Some will be welcome, others will be challenging, some you'll see coming, others will come out of the blue.

There are financial changes you'll have no control over, like those around tax, legislation and the price of the things you buy. Then there are family changes, as children and grandchildren live their lives and move on. Friends change, what you like doing changes. What you *can do* changes!

Consider how different your life and aspirations were ten years ago. Or even pre-pandemic. We need to learn to live with change and prepare for it where we can.

Having an objective retirement plan that can take on new changes – and a trusted Financial Planner who can guide you through it – are essential for your peace of mind. But it's not a set-and-forget exercise – you need to revisit it, at least each year, to make sure everything stays on track. While it's unlikely that things can go drastically wrong financially in a year, five years of heading in the wrong direction could cause real, avoidable problems.

A good Financial Planner is there for you and your family over the long term, making sure your plan continues to meet your goals and is in the best shape for what might be ahead.

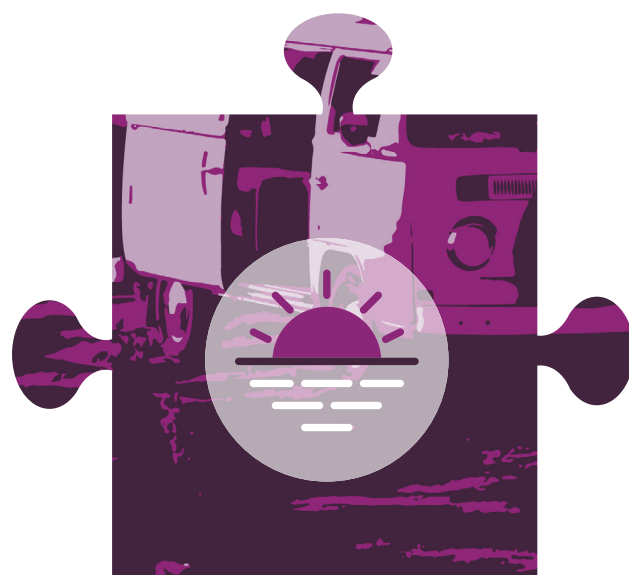


7.

## RELAX, ENJOY THIS TIME AND MAKE THE MOST OF YOUR WEALTH!

*“Life is a great big canvas and you should throw all the paint on it you can.”*

— Danny Kaye



Your retirement years should be the best years of your life. They're the reward for a lifetime of contribution and hard work. You've earned it.

To get the best out of your retirement, find a good Financial Planner that you like, can talk to and work with in building an objective view of your future. They'll unlock the big decisions, reduce the cost of emotional comfort, deal with the complexities and be there when life deals you an unexpected difficulty or even an opportunity.

**All the pieces of the retirement jigsaw, connected to build the retirement you deserve.**

At Goodmans, we've been helping people enjoy financial peace of mind and live the retirement lifestyle they want for over 25 years. We know that accumulating retirement wealth is an achievement, and that enjoying the rewards of that wealth during your lifetime takes a focus on your life, not just your money. We're here to give you the confidence and security to look forward to the future and pursue your passions without financial worries.

# 7 PIECES OF THE RETIREMENT JIGSAW



You have a shortage of time, not money

Your plans need to be objective

Collecting returns, not chasing performance

You're supposed to spend your pension capital

Reckless caution is a thing

Everything will change, so expect it

Relax, enjoy this time and make the most of your wealth!

**GOODMANS**

# **We're ready to piece together your dream retirement – are you?**

**Get in touch with us today to get started.**

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