

# Cash flow in retirement:

## What characteristics are most important?

The low interest rate environment which prevails today is likely to persist for a number of years so the question many retirees are asking is – where will my cash flow in retirement come from? It's highly likely that strategies focussed on cash and term deposits, will not succeed in funding retirees' essential needs, let alone provide for other lifestyle choices. So it is apparent that retirees need to accept market risk in order to improve the likelihood of funding their key goals in retirement, but there are a range of investment solutions out there each with their pros and cons. This document looks at some of the investment solutions available to investors.

Annuities		Account based pensions		
Cash flow characteristics	Fixed term annuity	Traditional balanced portfolio	MyNorth Retirement Fund/Core Retirement Fund	Future cash flow range
I want regular cash flow to suit my budget and I want it to grow with the cost of living	Yes	No	Yes – if used with the MyNorth Pension Payment planner or as part of an Account based pension	Yes – part of design
I want to be able to withdraw my money to deal with changed circumstances	Yes – but incur a fee	Yes – daily liquidity	Yes – daily liquidity	Yes – daily liquidity
I want to know how long it will last	Fixed timeframe	Timeframe not managed	Fixed timeframe if used with the MyNorth Pension Payment planner	Managed timeframe with continuous communication and updates
I want upside potential for additional cash flows	No	Moderate exposure to growth assets	Moderate exposure to growth assets	Moderate exposure to growth assets
I want a solution that focuses on limiting capital loss	N/A	No	Yes	Yes
I want a solution where the underlying investments are managed to meet the needs of retirees	No	No	Yes	Yes
	<b>Guaranteed</b>	<b>No guarantee</b>	<b>No guarantee</b>	<b>No guarantee</b>

**Important note:** The Future Cash Flow Range is not an annuity product which means it is not guaranteed and any guidance on how long an investor's funds may be expected to last is an estimate only. It is a managed fund that is designed to drawdown on client capital in an orderly way. The portfolio manager is responsible for ensuring the monthly cash flows last to the estimated life of the Funds. There is an end date for the life of the Fund.

## Contact details

If you would like to know more about how AMP can help you, please visit [amp.com.au/investments](https://amp.com.au/investments)

### What you need to know

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