Reconstruct your client's retirement investment portfolio

New retiree realities call for new retirement portfolios, especially as investors transition from saving and investing to spending in retirement.

As your clients shift into retirement, their portfolio needs change – and it's not as straightforward as switching from deposits to withdrawals. In the accumulation phase, the primary focus should be long-term goals, diversification and growth. In this stage, your client's portfolio can take on more risk to drive long-term returns. Furthermore, dollar-cost averaging can benefit an investor as they invest at regular intervals (through both up and down markets).

However, when a client's ready to retire, their portfolio needs to be reconstructed to meet their changing needs. In retirement, market volatility can become problematic when clients need to withdraw income from their portfolio. In addition to generating income, longevity becomes a critical issue, as their portfolio must last. A retiree's portfolio needs to be reconstructed to mitigate key risks, such as sequence of returns, longevity and inflation. It needs to be a well-diversified portfolio that provides cash flow, generates some growth and offers stability.

The importance of determining your client's needs in retirement

Each client has unique needs and desired outcomes that will determine the structure of their retirement portfolio. **For example:**

1

Are they seeking to increase wealth to build a larger estate value?

This client would require a portfolio that generates returns beyond their income needs.

2

Are they looking to preserve their nest egg?

This client would need a portfolio return to match their spending.

3

Are they willing to deplete their portfolio over time by accessing both investment return and the principal?

This client is not looking to have a residual estate value and therefore does not require returns beyond their income needs.

Each one of these outcomes needs a different asset mix.

Another way to reconstruct the retirement portfolio is to align your client's asset mix with their time horizon, which is known as a bucket strategy. Near-term needs (up to 24 months) are funded with a cash wedge consisting of cash or liquid short-term fixed income securities, while medium-term needs (two to 10 years) are funded from a balanced mix of income-oriented equites, bonds and alternatives. Finally, longer-term needs (more than 10 years) are structured with a more growth-oriented portfolio with higher exposure to equities and alternatives while maintaining some exposure to fixed income to maintain proper diversification.

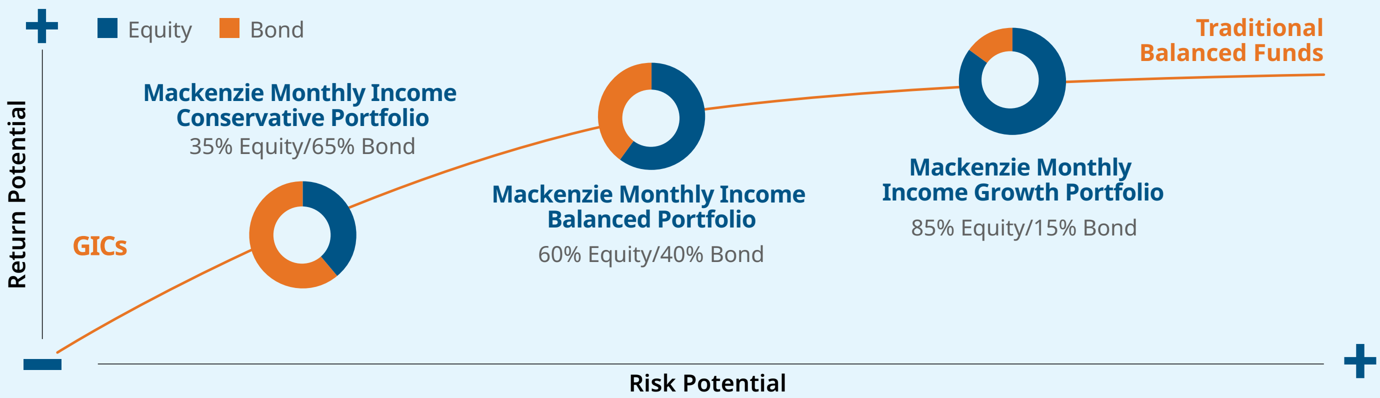
Investment solutions to reconstruct your clients’ portfolios

Mackenzie Monthly Income Portfolios: Income, growth and downside mitigation strategies

Mackenzie Monthly Income Portfolios are globally diversified, multi-asset solutions that pay a predictable monthly distribution and incorporate explicit downside mitigation strategies through derivatives. The Mackenzie Multi-Asset Strategies Team has constructed a carefully balanced allocation to multiple asset classes and strategies that aim to achieve income, growth, and reduce downside risk. For more information, please visit the Mackenzie Monthly Income Portfolios webpage.

Our selection

Discover our suite of funds to meet your investment goals and preferred risk.



These asset allocations represent the Fund’s strategic long term asset mix, however, they may change over time.

Mackenzie Decumulation Model Portfolios: A guide to reconstructing your clients’ portfolios

Working with the Mackenzie Multi-Asset Strategies Team, the decumulation model portfolios are designed as guide for different client circumstances and can be used as a reference for reconstructing your clients’ retirement portfolios. This team employs a systematic decision-making process to help achieve repeatable results and desired outcomes. The primary principle is that diversification across assets classes, geographies and investment styles is at the core of delivering higher risk-adjusted returns.

In addition to using traditional public equities and fixed income, the model portfolios also include alternatives. An allocation to alternative investments allows the investor to tap into assets and strategies that have the potential to improve the overall performance of an investment portfolio. They bring stronger diversification and aim to deliver attractive returns, reduced volatility and capital preservation over the long-term.

ETFs are used for the fixed income allocation of the model portfolios to offer a flexible, low-cost solution.[1]

The portfolio construction process entails:

1. Establishing the desired outcomes of income, growth and stability.
2. Determining a target asset mix for various risk tolerances.
3. Selecting individual components using appropriate Mackenzie Investments mutual funds, ETFs and alternatives, and optimizing return for a given level of risk.

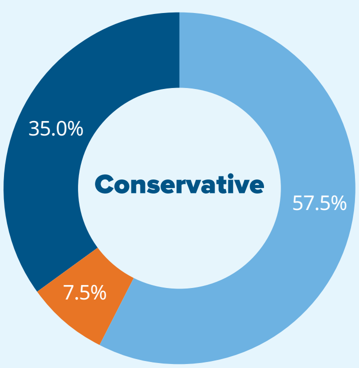
The components of the portfolio work together to provide income, generate growth and manage volatility. For income, the portfolios rely on on a total return approach to support desired withdrawals derived from a combination of bond yields, dividend income, capital gains and return of capital, if needed.

Growth within the portfolio is generated largely from the public equity exposure in the conservative model, and from both public and private equity in the balanced and growth models.

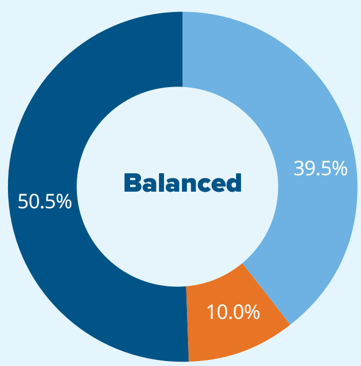
Absent the ability to use derivatives to provide explicit downside protection at the model portfolio level, volatility is instead managed by the Multi-Asset Strategies Team's disciplined approach. Their process sets the appropriate asset mix using select products that provide diversification benefits by asset class, geography and style. For example, the Mackenzie Global Macro Fund is an effective diversifier due to its historically low correlation with equities and bonds. In addition, private asset provide diversification benefits and a potential for higher return relative to public assets to compensate for the additional liquidity risk.

Mackenzie Decumulation Model Portfolios

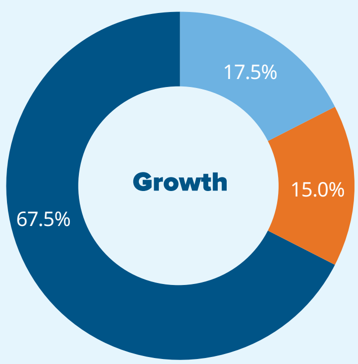
Equity | Alternatives | Fixed income



Mackenzie Core Plus Canadian Fixed Income ETF	50.0%
Mackenzie Global High Yield Fixed Income ETF	7.5%
Mackenzie Global Macro Fund	5.0%
Mackenzie Northleaf Private Credit Fund	2.5%
Mackenzie Canadian Equity Fund	12.0%
Mackenzie Global Dividend Fund	23.0%



Mackenzie Core Plus Canadian Fixed Income ETF	34.5%
Mackenzie Global High Yield Fixed Income ETF	5.0%
Mackenzie Global Macro Fund	5.0%
Mackenzie Northleaf Global Private Equity Fund	5.0%
Mackenzie Canadian Equity Fund	15.5%
Mackenzie US Growth Fund	5.0%
Mackenzie Global Dividend Fund	30.0%



Mackenzie Core Plus Canadian Fixed Income ETF	17.5%
Mackenzie Global Macro Fund	7.5%
Mackenzie Northleaf Global Private Equity Fund	7.5%
Mackenzie Canadian Equity Fund	20.0%
Mackenzie US Growth Fund	10.0%
Mackenzie Global Dividend Fund	31.5%
Mackenzie Emerging Markets Fund	6.0%

Showcase the value of your advice by reconstructing your client's retirement portfolio to generate income and ensure they don't outlive their savings. Mackenzie Investments offers investment solutions to help you meet your clients' unique needs and challenges in retirement.

Contact your Mackenzie sales team to discuss the outcome-oriented solutions available to support you in protecting and growing your business with your retired clients.

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