ASSURED RETIREMENT
HELPING SECURE YOUR FUTURE

Why invest in cash?

1) **Most investors agree that over the medium to long term a balanced portfolio of stock market investments will provide the best investment return.**

   However, investing over a shorter term and adding a requirement for regular income could provide a very different outcome.

2) **The average annual return from the FTSE 100 over the last 20 years, including reinvested dividends, has been 6.69%.**

   But averages are not always helpful and can sometimes be misleading.

3) **On 21.47% of occasions, a FTSE 100 investor would have actually lost money over a five year period.**

   This does not allow for any income withdrawals.

4) **Cash would have out performed the FTSE 100 on 32.94% of occasions over a five year period.**

   This assumes a cash return, net of charges of just 2% per annum.

5) **At very high levels of income withdrawal, for example, £500 per month for a £30,000 investment over a five year period, cash would have out-performed the FTSE 100 on 40.56% of occasions and for 34.35% of occasions, those invested in the FTSE 100 would have exhausted their funds prior to the end of the 5 year period.**

   Regular income causes a shortening of the effective term of the investment but more significantly has the effect of 'pound cost averaging' in reverse. What this means is that the loss through having to sell investments to fund the monthly income during a market low is greater than the gain through selling fewer investments during a market high.

For the medium to long term, equity based investments with their long term potential upside may have clear advantages but the above are strong arguments for securing short term income using a cash based investment.

Assured Retirement offers you the ability to de-risk your short term income requirements or if you have limited funds, protect you from the dangers of short term stock market volatility.

IMPORTANT NOTE

The above calculations are based on the following assumptions: a FTSE 100 net annual dividend of 3.10% after allowing for quarterly dividends and a typical ongoing charge of 0.07% per annum for a low cost index tracking fund; no allowance for stamp duty or dealing charges; assumed zero index tracking error, assumed zero initial charge; no allowance for adviser charges; calculations are based on every 5 year period from 2 January 1995 to 1 April 2016.

This document is intended to contrast the relative performance of cash versus stock market based investments. Share prices and income from those shares may go up or down at any time. Past performance is not necessarily a guide to future performance.

You should not take, or refrain from taking, any action based on this information. This information is not advice and if you are unsure about the suitability of an investment, you should seek Independent Financial Advice.

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