Investment Strategy for Retirement

BY **The Sagicor Advisor** Posted **January 22, 2019** In **Investment Strategy for Retirement**

When planning your retirement, it's important to think about your investment strategy. Below is our guide to the key questions your should ask yourself when thinking about a plan that's right for you.

KNOW WHERE YOU ARE NOW

Start planning your future with good information about your own financial situation and a sound knowledge of how your public and company pension plans/investment plans work. Look at your level of savings and calculate your net worth (your assets minus your liabilities).

DECIDE WHERE YOU WANT TO BE

Put some thought into your broad retirement/investment goals. At what age do you want to retire? What level of investments do you want to have 15 years into the future? How much income do you need at retirement?

Much consideration must be given to determine the type of lifestyle you want to enjoy when you retire. Give thought to the level of expenses you expect to have at retirement. These expenses may relate to your mortgage, dependents, medical circumstances, and traveling desires. Expenses are generally estimated to be approximately 65% to 75% of your current income; therefore, careful planning and sound execution will determine whether you live 'well' or 'very well' at retirement.

DETERMINE YOUR RISK TOLERANCE

Can you live with the risk that your investments may temporarily decline in value at some point in time? Your tolerance for risk and volatility are part of your personality. If you are a conservative person or a person with limited funds, you may choose to invest with a different strategy than a person who likes risk or someone who has a lot of excess cash to spend.

PLAN TO REACH YOUR GOALS

How do you expect to fund your desired lifestyle? Social Security may provide benefits for retirement, but is this sufficient revenue to secure your desired lifestyle? Careful attention should be given to any additional sources of income for retirement, including your employer pension, individual life insurance policies, rental property, etc. Estimate the amount of income you expect to derive from these other sources.

Any shortfall between the Social Security benefit and additional sources will have to be supplemented through your savings, and registered retirement savings plan (if any). The shortfall should guide the level of savings necessary to secure your desired lifestyle.

Remember, you must continuously monitor your situation to ensure that you remain on the right path to achieve your desired goal. This journey may seem intimidating, but our team of experts can guide you through the process.

The Sagicor Pension Funds remain our main instrument for investment of funds on behalf of corporate pension plans. The investment policy of the Segregated Funds is based on long-term expected performance of investments. The funds received from institutions represent the total pension contributions on behalf of their employees. Therefore, each and every individual employee within the institution automatically becomes part owner of the segregated fund. Owners of the segregated fund are called "unit holders".

Now that you are ready to discuss your investment strategy, contact a Sagicor team member to help you put together a plan. This plan will take into account your public and company sponsored pensions, as well as your regular savings plan, with an investment strategy to suit your risk tolerance and goals.