The greater the exposure to equities in retirement, the greater the likelihood that market downturns coincide with ongoing withdrawals could result in retirees outliving their savings.

The Retiree Dilemma

The risk of outliving your savings impacting for decades has been called “the nastiest, hardest problem in finance.”

— Nobel Laureate Economist

Misalignment between income and expenses in retirement, especially in the later years of their life. The Units may not be suitable for an investor whose primary objective is to leave capital behind for their estate. The Units are designed to be utilized as components of a broader retirement portfolio.

Additionally, in standard investment risks, the long-term total return and the sustainability of the rate of distributions of the Decumulation Fund are impacted by the effects of inflation. Because of inflation, the purchasing power of the dollar is reduced over time, which causes the value of which investment returns occurs. Market declines in the early years of operation of the Decumulation Fund paired with high levels of distribution increase the risks to the durability of the portfolio of the Decumulation Fund. Significant declines in asset values in the years prior the Decumulation Fund increase the likelihood that the initial distribution rate is unsustainable, while significant increases in asset value in the early years of the Decumulation Fund increase the likelihood that the Decumulation Fund’s sustainability of the rate of distributions of the Decumulation Fund may be impacted by volatility and sequence of returns risk.

GuardPath Modern Tontine

Designed to provide significant payouts to surviving unitholders in 20 years,1 based on survival credits, in order to help address longevity risk.

1 Statistics Canada, Population Projections for Canada (2018-2068), Section 2 - Results at the Canada level, Fig. 2.15, September 2018

20% Nobel Laureate Economist William Sharpe

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