Meeting the flexible *retirement challenge*

Why income investing is now a popular way to chase returns – and to potentially beat inflation

Welcome

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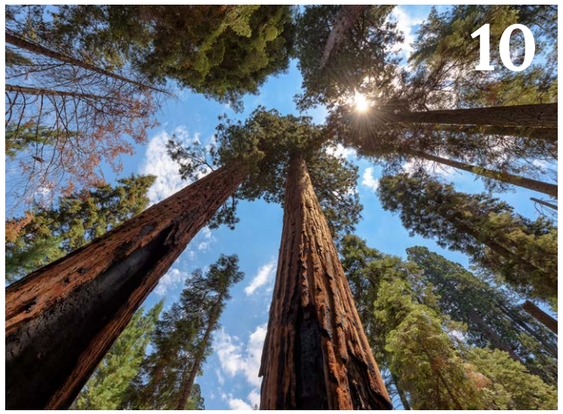


Since 2015 retirement savers have been given a lot of freedom with their pension pot because of government reforms. This has had a massive impact on the choices available.

Now you can:

- Leave your whole pot intact until you decide what's best for you
- Secure a guaranteed income with an annuity
- Flex you options with adjustable income investments to suit your needs
- Transfer out cash in amounts to suit requirements
- Access your whole pension savings in one go with 25% tax free
- Or some or all of the above

These choices can seem a little overwhelming. The good news is that despite the confusion there is a real opportunity to take control of what a retirement could look like. One shape doesn't fit all and the freedoms have given retirees a lot more flexibility.

Planning your spending in retirement is one of the most difficult financial challenges we are likely to face. Just think how long it takes to decide which phone provider you are going to select or what type of pet insurance option you are going to go for. Now think about answering the questions about how much money we will need to live on in 10 years, 20 years or 30 years.

It's important to understand your options. As pension expert Billy Burrows discusses in this guide: your individual retirement strategy will depend on your personal circumstances.

We hope this guide will help you with some of these burning issues.

Sarah Ackland
Head of UK Funds, Architas

THE LANDSCAPE

The rise of multi-asset investing

The rise in demand for multi-asset investing is largely driven by the need for a simple one-stop solution for investors, says Frank Potaczek, head of UK proposition at Architas.

A multi-asset fund allows investors access to a highly diversified portfolio while targeting specific outcomes. Multi-asset funds offer a complicated portfolio presented in a simple-to-understand way.

As the investment world has become more sophisticated the classification of asset classes has expanded greatly. A true multi-asset fund should be crafted to have the ability to access all these areas to help meet the fund objectives and the outcomes needed by clients. And provide much needed diversification.

The investment universe, particularly the fund of funds space, has expanded greatly in recent years, and investors can access global equities, bonds, property and even some more esoteric assets via a host of convenient packaged products. Consequently, there is a tremendous range of investment opportunities available, regardless of risk appetite or investment goals.

However, with a growing range comes growing complexity as providers seek niche areas of the market to set themselves apart from their competitors.

One of the key benefits of using multi-asset funds is the smoother investment journey they should provide and not just the total performance. You need to consider what level of volatility you may be prepared to tolerate in your portfolio? At a time when geo-political concerns are on the rise and volatility has returned to markets, protecting portfolios from large market spikes is possibly more important than ever.

Making and managing a multi-asset fund

You need to look at putting together a whole host of asset classes with as little correlation as possible while fulfilling a specific risk return profile. You are looking to put assets together that have a certain risk profile and certain reward profile. The assets then need to be monitored on an ongoing basis to ensure they are doing what they should and delivering within the risk boundaries set for the fund.

A good multi-asset manager will then look to diversify away other risks within a portfolio such as credit risk, market risk, currency risk and interest rate risk. This is what you the investor should be getting for the fee you pay for a multi-asset fund.

> At a time when volatility has returned to markets, protecting portfolios from large market spikes is possibly more important than ever

INCOME STRATEGIES

The hunt for income in retirement

Invest too aggressively and your pension pot could reduce in value if equity prices fall. But invest too cautiously and your pension will have insufficient growth potential. What is the right balance?

Retirees will need an increasingly large pension pot in retirement, approximately £260,000, for the average UK worker, according to the latest research by insurer Royal London.

Helen Morrissey, personal finance specialist at Royal London says: "If our retirement pot is going to support us through a longer retirement and in an era of lower interest rates, we are going to need to build a much bigger pot than in the past.

"More worrying still, we can no longer assume that we will be mortgage-free homeowners in retirement. For those unable to get on the property ladder during their working life, a large private rental bill needs to be factored in to retirement planning. For all of these reasons, we cannot afford to be complacent about current levels of retirement saving."

Drawdown options

William Burrows, annuity and pension expert says: "At retirement age (55 years old and over), a person should start thinking about the options to convert pension pots into cash and income, and ask themselves the following questions: What is a sustainable level of drawdown income? What is the best way to invest for drawdown and how to decide between cash, annuity or drawdown?"

A person's retirement strategy also depends very much on their personal circumstance: whether they have dependents – wife, children or grandchildren, whether they need a care plan due to poor health or whether they are considering retiring abroad.

Burrows says: "There's another risk that personal circumstances will change, by which I mean family death. And there is the risk of a stock market crash. Suddenly your £100,000 is worth £70,000 or £80,000 and that's quite painful for people.

"You've got to take your health into consideration; and you've got inflation risk. So you can categorise those risks and say: 'What can you do to mitigate against these risks?'

"So again, you mitigate against equity risk by being well diversified. You mitigate against inflation risk by investing in real assets. You mitigate against changes in personal circumstances by having flexibility, and so forth. And that's quite a nice logical way of pulling it all together."

> "You mitigate against inflation risk by investing in real assets. You mitigate against changes in personal circumstances by having flexibility, and so forth

INCOME STRATEGIES

> Sustainable income should be reviewed regularly taking into account factors such as age, health and investment returns

In relation to risk also, what may seem an appropriate level of risk at age 55 may be very different from the appropriate risk at age 65 or 75.

There are a number of ways of investing in order to reduce or eliminate the 'sequence of returns risk' (the risk that investment returns are lower-than-expected or negative in the early stages of a drawdown resulting in capital being eroded quicker than anticipated) these are: paying income out of a cash fund and topping up the cash in good years; investing in 'smoothed returns' funds; using guaranteed funds and structured funds and reducing or stopping drawdown when returns are negative.

In relation to Burrows own personal retirement investment strategy, he invests his drawdown in multi-asset funds, which are core to his holdings, as well as investing cash in some low-risk assets, and the remainder in high-risk assets for growth.

Planning for sustainable income in retirement

With risk being managed effectively as part of a retirement investment strategy, it is also important to produce a sustainable income in retirement i.e. working out how much income can be withdrawn from a drawdown pot each year – not too much or not too little.

It might be tempting for someone to dip into their pension pots when they reach 55, but if this is done without good reason, they will probably not get the best outcome.

Sound financial reasons for taking cash or income include: cash needed for a special purchase or a shortfall between income and expenditure.

There are two parts to achieving a sustainable income: sustainable in terms of not running out of money and sustainable by maintaining spending power i.e. keeping up with inflation.

Research using UK data suggests the safe withdrawal rate is between 2.5% and 3.5% depending on assumptions, in the US there is the 4% rule.

Sustainable income should be reviewed regularly taking into account factors such as age, health and investment returns; income may be increased or decreased each year depending on circumstances and if a high level of income is required it might be better to purchase an annuity.

Burrows says: "There is a place for annuities, especially as people get older. But if an annuity is to be purchased consider hedging against changes in gilt and bond yields in order to maintain the annuity purchasing power."

There is a lot to consider when looking for an income for the long term in retirement, and it is important to seek financial advice before doing this. Invest too aggressively and the pension pot could reduce in value if equity prices fall. Invest too cautiously and the pension fund will have insufficient growth potential.

Are interest rates on the rise?

Central banks use interest rates to keep a lid on inflation and aim for moderate, long-term economic growth. The Bank of England (BoE) has been signalling that one interest rate rise is likely at some point this year even though inflation has been falling and expected UK growth is lower than the global forecast:

1

Interest rate rise predicted for UK in H2 2018

0.5%

Current UK interest rate[1]

2.5%

UK consumer price inflation rate[2]

1.2%

UK annual economic growth rate[3]

3.8%

global growth rate 2018 forecast[4]

WHAT HAPPENS WHEN INTEREST RATES RISE?

- When interest rates increase, the cost of borrowing goes up too. Anyone who wants to borrow money - people, companies and governments - has to pay more in interest in order to do so.
- Savers should benefit from rising interest rates as they can expect to earn some more interest on their savings.
- Higher interest rates have a knock-on effect for a lot of different investments, as they impact the economy and people's monthly income.

> The key word is still diversification to spread the risk of unexpected shocks to asset classes

Sheldon Macdonald,
Deputy Chief Investment Officer, Architas

Source: [1]30 June 2018, [2]ONS 30 May 2018, [3]ONSQ1 2018, [4]30 May 2018 OECD

MONETARY POLICY

What would the implications of interest rates rising be for everyone?

Homeowners

Higher mortgage repayments

With interest rates having been so low for so long even a small increase could potentially have a big impact. Anyone who has a mortgage should be aware of rising interest rates. However, initially any rises in interest rates will be felt by those people on variable rate mortgages – where repayments vary with the Bank of England's base rate. They would see their monthly payments rise.

3.9m

mortgages on variable rate

(2017 UK Finance Regulated Mortgage Survey)

Savers and borrowers

Savers: more interest for savers

People with savings or deposits at the bank should see higher rates of interest being offered, however banks may be in no rush to make changes to the interest rates being paid. Remember any fixed rate savings bonds will continue to pay interest at the starting, agreed rate.

Borrowers: pricier credit card repayments

Lenders, such as banks, use the Bank of England rate when setting credit card and personal loan rates, so the average interest rate should increase.

Investors

Bonds: typically, when interest rates go up, bond prices go down

As the Bank of England base rate rises, the level of income offered by bonds also rises to reward investors for the risks they are taking with their cash. For this to happen, the price of the bond falls.

Equities: outcome is mixed

There is no direct relationship between interest rates and share prices. Rate rises make it more expensive for companies to raise capital and trade but the BoE typically raises rates while the economy is healthy, so good equity performance often coincides with interest rate rises. Companies with high levels of borrowing might become more vulnerable as interest rates rise, their share prices could fall. However, companies can raise their products' prices when inflation increases. They could then pay out higher dividend income. Some companies, such as banks, are able to make more money when interest rates are higher and expected to rise

MARK CARNEY'S INTEREST RATE CONUNDRUM by Sheldon Macdonald, Deputy Chief Investment Officer, Architas

Having all but promised a May rate hike, the Monetary Policy Committee held fire. Members voted 7-2 against, citing disruption to economic growth from the 'Beast from the East'. Bank of England Chairman Mark Carney has been dubbed the 'unreliable boyfriend' by commentators due to past tendencies to not deliver on promises.

However, we believe the decision this time seems sensible.

In the US, the Fed has been able to make changes due to the strong economy. The UK isn't on such stable economic footing, making life more difficult for policy makers. Growth has fallen from 0.4% in Q4 to 0.1% in Q1; the poorest reading since Q4 2012.

Although Mr Carney has stated his rate rise intentions in the past, he has also reiterated his commitment to paying attention to data and being open to altering his opinion accordingly. Some may see this as flip-flopping, but we think it's difficult to make a convincing case for a rate hike given the backdrop.

So it looks like the can is being kicked down the road at the moment. Even if we do see a 0.25% increase later this year, we don't see significant rate changes occurring any time soon.

Managing the threat

We don't see tapering as an immediate threat but are instead more focused on interest rate risk. This is something we are conscious of, mainly for the US. The strength of the US economy has led to fears of inflationary pressure forcing the Fed into increasing interest rates quicker than targeted. This could definitely rock the boat and we had a taste of it in February thanks to unexpectedly strong US jobs data. Our company view is therefore to be slightly underweight exposure to interest rate risk in our bond holdings.

The key word is still diversification to spread the risk of unexpected shocks to asset classes. Although we are wary of interest rate risk, we think it's still beneficial to hold some assets with exposure to this risk. If we see an unexpected increase in equity market volatility, holding a combination of government and corporate bonds should provide protection to portfolios.

Planning retirement

Annuities: potential for higher income

Usually with an interest-rate rise annuity rates (which are linked to movements in interest rates) become cheaper. The predicted rate rises should feed through to higher income for those just about to take out an annuity or for current retirees with variable annuity rates.

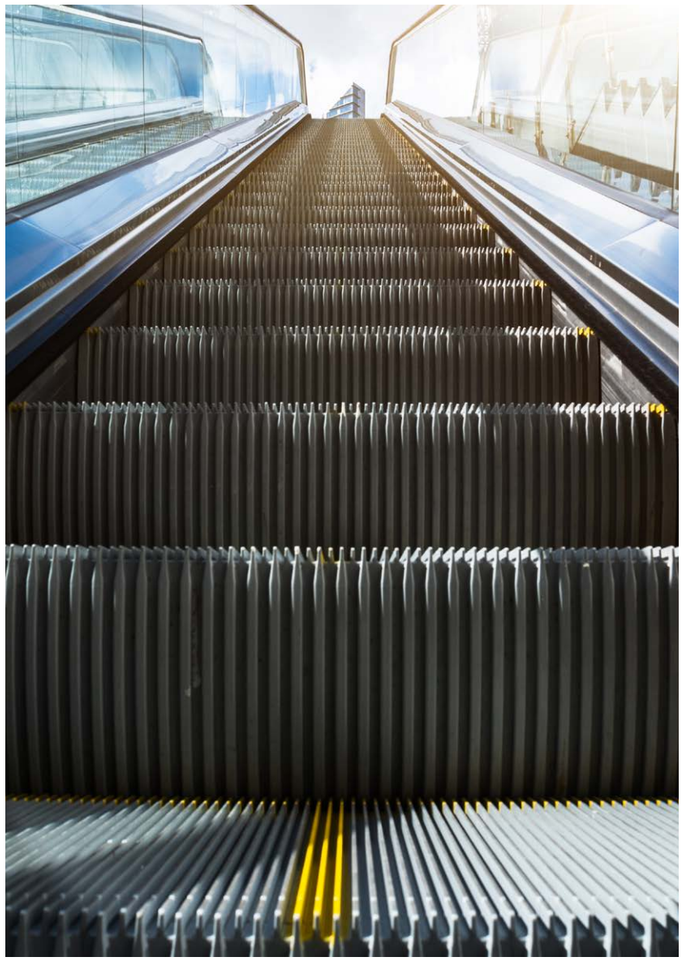
75%

Amount annuity sales have fallen since Pension Freedoms

Investing for income: mixing income assets together

Pension reforms are providing more choice to retirees. If not going down the annuity route, a big question many might ask is - will rising interest rates affect the ability to generate post-retirement income?

Because bonds can often suffer when interest rates rise, it is useful to have a mix of other assets. For example, income generating assets can perform well when the economy is growing like high-dividend equities. Holding infrastructure assets such as wind farms can also be a good portfolio diversifier; classed as alternative assets their returns are typically connected to interest rate levels. These income asset returns can be less sensitive to changes in interest rates than overall asset returns, however rising volatility could affect this outcome and nothing is certain.



Conclusion

After years of record low interest rates, things are set to change, albeit gradually. Rising interest rates are likely to affect you, your bank balance, your investments and pensions in many different ways. These changes should act as a reminder of the importance of diversification and not keeping all of your eggs in one basket.

SPREADING RISK

The benefits of diversification

Many investors know that it rarely makes sense to have all their 'eggs in one basket.' That is why some investors choose to diversify. Jaime Arguello, chief investment officer of multi-manager Architas, explains why

When an investor chooses to diversify, they are investing in a number of asset classes that enables them to spread or reduce risk in the long-term.

By having this level of diversification within a portfolio, an investor can have 'peace of mind.' For example, if something is happening in one market, and the portfolio is diversified, you might be impacted to some extent, but there are many other asset classes that may not have the same market reaction.

So generally speaking, the standard asset classes are equities, fixed income, property, alternatives and cash. Within the equity markets there are different geographic regions: the UK, Europe, the US, Asia and emerging markets. Emerging markets have a different dynamic when compared to domestic or international equities. They are typically a developing country, where investments are riskier but are often accompanied by higher returns. So maintaining some sort of geographic diversification must be considered when investing, and it's important to ensure that risk is spread.

Risk allocation

For example, a holding in emerging markets may see a good long-term performance but it will be accompanied by high levels of market volatility. In this sense 'volatility' is the up-and-down movement of the market and it is often perceived as a measure of risk.

Whereas an investment in the UK or the US may see lower long-term growth, but with a reduced fluctuation in prices.

Risk can also be spread by holding investments across a range of sectors, so companies in different industries will be subject to different performance drivers and economic cycles. For instance, technology companies will not have the same return profile as global mining companies, nor will banks or insurers perform in line with pharmaceutical and healthcare firms.

Overall, diversifying your portfolio can help your investment strategy. By having a diversified portfolio you have the potential to create a scenario which means you can take less risk for the expected return.

> By having a diversified portfolio you can actually create a scenario which means you can take less risk for the expected return

So the UK market may take a tumble but because you have plenty of exposure elsewhere you might be less affected and therefore individual crises and events have a smaller impact. Diversification enables you to focus on the long-term future and not worry as much about short-term issues.

The next asset class is fixed income, which can be broken down further into corporate bonds including investment grade bonds, government bonds, high-yield or low-yield bonds. There is also emerging debt, both of the government and corporate kind.

As a rule, equities and bonds have a low correlation to each other and therefore a blend of the two is required to ensure that, if one is going down, the value of your portfolio is protected to some extent by the other.

Finally, alternative asset classes and property (as an asset class) aim for positive returns in all market conditions over a specified time period. However, both don't necessarily follow a particular market.

Investing for the long term

When you look at what has happened over the first half of 2018 with regards to stock market volatility, including a possible trade war between China and the US, the winding down of quantitative easing, interest rate rises in the UK and US, it is easy to see why having a diversified portfolio makes sense to an investor.

Almost any asset class by itself can be susceptible to volatile returns, which can have a marked impact on an investor's portfolio. So having a range of different income sources by way of multi-asset should mean an investor is better protected if one source dries up – for example, because a company has been forced to cut its dividend.

> Multi-asset can address that longevity risk, with equity exposure helping to grow an investor's income

Diversification is not only beneficial for an investor to ride out short-term volatility, but for the long-term as well. When you are getting close to retirement, one approach could be to invest in a multi-asset portfolio which has a strong focus on fixed income. Investing in bonds carries less risk but stills provide an income.

If an investor has all their money in bonds, however, the chances are they will struggle to grow their income above inflation.

Ultimately, a multi-asset portfolio can address the risk of volatile returns. Having an equity exposure helps grow an investor's income while asset classes such as infrastructure can help protect your portfolio against rising inflation.

At the opposite end of the retirement savings journey, meanwhile, a multi-asset approach can act as a stepping stone, helping younger investors become more familiar with all the different investments available to them.

In addition to the benefits of diversifying across a broad range of markets, a professional will be making all the asset allocation decisions for you; so multi-asset is a relatively easy first step onto the investment ladder.

Planning for retirement

When it comes to retirement planning, start early. And bear in mind that an essential part of any retirement plan is to generate an income ahead of inflation and achieve additional capital growth. »

So where to begin?

- Find out your pension type
- Check how much is in your pension pot
- Check which pensions you've paid into, if you can' remember which pensions you paid into you can find a lost pension through the Pension Tracing Service
- Pension types – defined contribution or defined benefit (final salary) based on your salary and how long you've worked for your employer
- Understand your pension statement. Your statement shows: how much is in your pot, an estimate of how much you might get when you start taking your money, if your pension has any special features, e.g. guaranteed annuity rate, your 'selected retirement age' (the age you agreed with your provider to retire), the 'transfer value' of your pot – the amount you would get if you moved provider or cashed in your whole pot

TYPES OF DEFINED CONTRIBUTION PENSION INCLUDE:

- Executive pension plan
- Group personal pension
- Master trust pension (e.g. NEST, NOW pension, the People's Pension)
- SIPP (Self Invested Personal Pension)
- SSAS (Small Self-Administered Schemes)
- Stakeholder pension

Defined benefit (final salary or career average)

These pensions are sometimes known as 'final salary' or 'career average' pensions. Defined benefit pensions are nearly always workplace pensions arranged by your employer.

How much you get depends on your salary, how long you've worked for your employer and a calculation made under the rules of your pension scheme.

Your provider guarantees a certain amount each year when you retire.

How multi-asset investing can help in retirement

When it comes to investing for retirement there are four principle risks to consider: longevity, inflation, market volatility and behavioural factors.

A multi-asset solution can help minimise volatility in retirement - offering protection on the downside while still affording the opportunity to capture upside.

Multi-asset therefore helps smooth a typical pension pot's trajectory and performance – by spreading risk across asset classes. In so doing, it goes beyond the traditional equity-bond split, as investor can have, for example, commodities, absolute return or commercial property and real assets in their portfolio.

The number of multi-asset funds has grown since 2016, giving more choice to the UK investor, according to research firm Defaqto:

310 multi-manager funds and

$62bn is invested in multi-manager funds

229 multi-asset funds investing directly in securities

£122bn is now invested in multi-asset funds

Coupled with an increase in the number of multi-asset funds, fees on multi-asset and multi-manager portfolios have fallen again in 2018.

> Almost £7 billion flowed into multi-asset investments in the first seven months of 2017, outstripping the £5.2 billion that went into equity funds and the £5 billion that went into bond funds, according to figures from the Investment Association (IA)

FIVE BEST-SELLING IA SECTORS

IA Sector	Net retail sales in November 2017
£ Strategic Bond	£1.5bn
Mixed Investment 20-60% Shares	£305m
Europe excluding UK	£291m
Mixed Investment 40-85% Shares	£255m
Global	£205m

Source: Defaqto/Morningstar

Use of online tools

There are many online tools and resources to help you plan for your retirement. The government website, Pension Wise, offers free and impartial advice about defined contribution pension options.

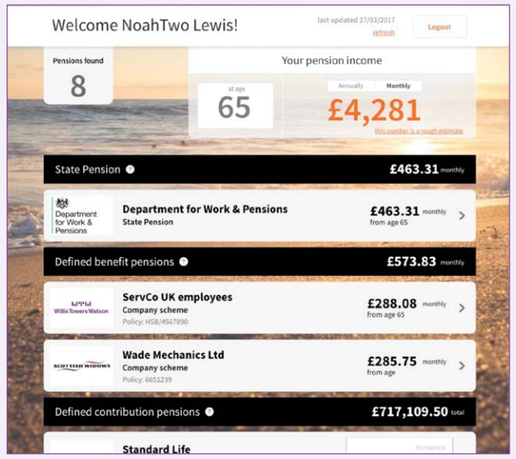
And from 2019, the government will be launching a new tool - the Pensions Dashboard - which will enable savers to see their total annual and monthly future retirement income, followed by a breakdown of what they will get in State Pension and from individual work and personal schemes.

What is the Pensions Dashboard?

The Pensions Dashboard project is led by the Association of British Insurers (ABI). Some 17 pension firms - who have invested £50,000 each in building the prototype - six technology firms, the government and financial regulators are involved.

There is the **Money Advice Service**, a free and impartial service set up by the government. The service, has a Retirement section offering pensions & retirement tools, pensions' calculator, a retirement adviser directory and an annuities comparison table.

And also the **Pensions Advisory Service (TPAS)**, which provides independent and impartial advice, guidance about pensions, free of charge to members of the public. From workplace, personal and stakeholder schemes to the State Pension.



Pension calculator

Find out your future retirement income using a pension calculator, which can provide an estimated retirement income. This will include income from defined benefit and defined contribution schemes, plus the basic State Pension.

There are many other pension calculators available online, apart from those used to calculate a retirement income, including: a pension tax relief calculator, pension lump sum withdrawal tax calculator - calculate how much tax will be paid when a lump sum is withdrawn from your pension, and a State Pension eligibility calculator.

How much do you need for a comfortable retirement?

We are all living longer according to the Office for National Statistics – how can we effectively plan for our financial futures?

Research by Royal London finds that the average UK earner will need a pension pot of £260,000 to maintain their living standards. It's called 'the pension mountain' – the size of funds required by savers to afford a pension that keeps them in similar financial circumstances to their working life. The figure has leaped from £150,000 to £260,000 since 2002.

This figure could actually end up much higher, as younger generations face up to failing to afford to buy a house and then be hit with rental costs into retirement.

The £260,000 figure assumes that a worker on an average wage of £27,000 will draw a state pension of £8,500 a year on retirement and have generally lower travel and mortgage costs in older age. This will mean they require more than £9,000 private pension income to help them match their previous living standards.

Life expectancy

Fifteen years ago, a lower life expectancy and higher interest rates impacted on the pension pot figure.

"If our retirement pot is going to support us through a longer retirement and in an era of lower interest rates, we are going to need to build a much bigger pot than in the past," said Royal London personal finance specialist Helen Morrissey.

"More worrying still, we can no longer assume that we will be mortgage-free homeowners in retirement."

> The average UK earner will need a sizeable pension pot to maintain their living standards. This figure has leaped from £150,000 to £260,000 since 2002

The potential for rent costs to impact on living standards must be factored into people's funding strategy, she added.

"For all of these reasons, we cannot afford to be complacent about current levels of retirement saving."

Government move

While the government's move to create an 8% mandatory pension contribution from a combination of the employer and employee from April 2019 is a "great start", it needs to work more quickly to "nudge people up" to more realistic savings levels.

"Without this, many millions of people will face a sharp drop in living standards," Morrissey concludes.

BE PREPARED (IF YOU ARE PLANNING TO LIVE TO 100)

The prospect of living to 100 is daunting for most people. But with the Office for National Statistics (ONS) predicting the prospect becoming more likely, what can you do financially to plan for living this long?

According to the ONS a man born in 1978 has a 13.6% chance of living to 100 and a woman born in the same year has 19.1% chance of living to 100, this is because of healthcare improvements and lifestyle changes.

If you are on a salary of £45,000 a year, you'll need to start saving around £7,500 a year, or £625 a month.

That could afford you the equivalent of £27,500 net per year in retirement, providing you also receive a full state pension and based on a range of assumptions.

What are the assumptions?

The research has made many assumptions to come up with their calculations from assuming that your starting salary is £45,000 a year and rises in line with inflation of 2.5% per year; there are no bonuses or big pay rises, you have no dependants; 5% of your salary is paid into a company pension, and your company puts in 7% and 12% of your gross salary is paid into a tax efficient investment ISA and so on. Of course also that you will retire at 68, and live until 100.

James Gladstone, head of wealth planning at Cazenove Capital says: "The example we've given here is only theoretical. We wanted to show that in theory, you can still afford the 100-year life, even if you start saving later in your career.

"A primary one is not putting all your eggs in one basket. To that vein, we have made use of pensions and ISAs. Pensions offer greater tax advantages upfront, but you can't touch your savings until the age of 55 under current rules."

Lesley-Ann Morgan, head of retirement at Schroders says: "When pensions where introduced in the early 20th century, a 40-year old could expect to live past retirement age, but only just.

"A century of improving healthcare and working conditions mean the equivalent group today can expect to live well into their 80s or 90s. Government research also expects this trend to continue, with new figures suggesting ten million Britons alive today can expect to reach 100."

Meet the Architas team

Architas help investors meet their investment goals through a range of multi-manager solutions. Meet some of the Architas team who have appeared in this guide.

Sarah Ackland
Head of Architas UK Funds

Sarah has been at Architas since 2014 and was promoted from head of UK proposition to head of Architas UK funds in September 2017. Sarah has responsibility for all commercial aspects of the UK business including distribution, marketing, proposition and business development.

Before joining Architas Sarah spent the previous seven years as a sales director at Thames River Capital and then F&C after its acquisition. Sarah previously worked in an offshore role for Friends Provident International as manager of the funds marketing and research team with responsibility for its international fund range. She has a Bachelor of Arts degree from Liverpool Hope University and holds the Investment Management Certificate.

Sheldon MacDonald, CFA
Deputy Chief Investment Officer

Sheldon co-manages Architas Multi-Asset Blended, Architas Multi-Asset Passive and Elite Fund ranges, as well as the Architas Global Equity Income fund. He oversees fund selection and manages the products' asset allocation and investment strategies. He also leads fund manager research on global equity, UK multi-asset and money market strategies.

Before joining Architas in 2010, Sheldon was a fund of funds manager at Nedgroup Investments, part of Old Mutual Plc. As well as running a variety of long only multi-asset strategies, Sheldon has extensive experience in the hedge fund space and, prior to joining Nedgroup Investments, was Head of Derivative Trading at Old Mutual Asset Managers in South Africa.

Sheldon has a BComm in Financial Accounting and Economics and holds the Investment Management Certificate (IMC) and is a CFA charterholder. He has 23 years of investment experience.

Jaime Arguello
Chief Investment Officer

As Architas' Chief Investment Officer, Jaime is responsible for directing all aspects of the company's investment activity, including responsibility for the structure and control of the investment function. Jaime's role also includes the recommendation of appropriate investment strategies to other areas of the AXA business.

Jaime joined Architas in October 2016 from Barclays where he was Managing Director and Chief Investment Officer for their multi-manager and alternatives business, a role he held for seven years. Prior to Barclays, Jaime spent 10 years at Pictet as Director of third party manager selection and Head of Fixed Income choosing managers across a range of asset classes. Jaime has over 30 years of industry experience covering the full range of asset allocation, fund selection and portfolio management.

Jaime holds an engineering degree from Ecole Nationale des Ponts et Chaussées, Paris.

Frank Potaczek
Head of UK Proposition

Frank is Head of UK Proposition for Architas and oversees the existing fund ranges, together with managing future product and proposition strategies. Experienced in both the buy and sell side, previously he has held senior roles at Defaqto, Intrinsic Financial Services, Close Brothers Asset Management, Legal & General Investments and Threadneedle Investments.

Frank is a Chartered Fellow of the Chartered Institute for Securities and Investment and holds the Chartered Wealth Manager designation.

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