

# Advice framework & decumulation strategies

3 June 2026



# Agenda

- Introduction
- Advice framework
- Optimizing decumulation strategies
  - Fiscal advantages
  - Risk optimization
- Conclusion

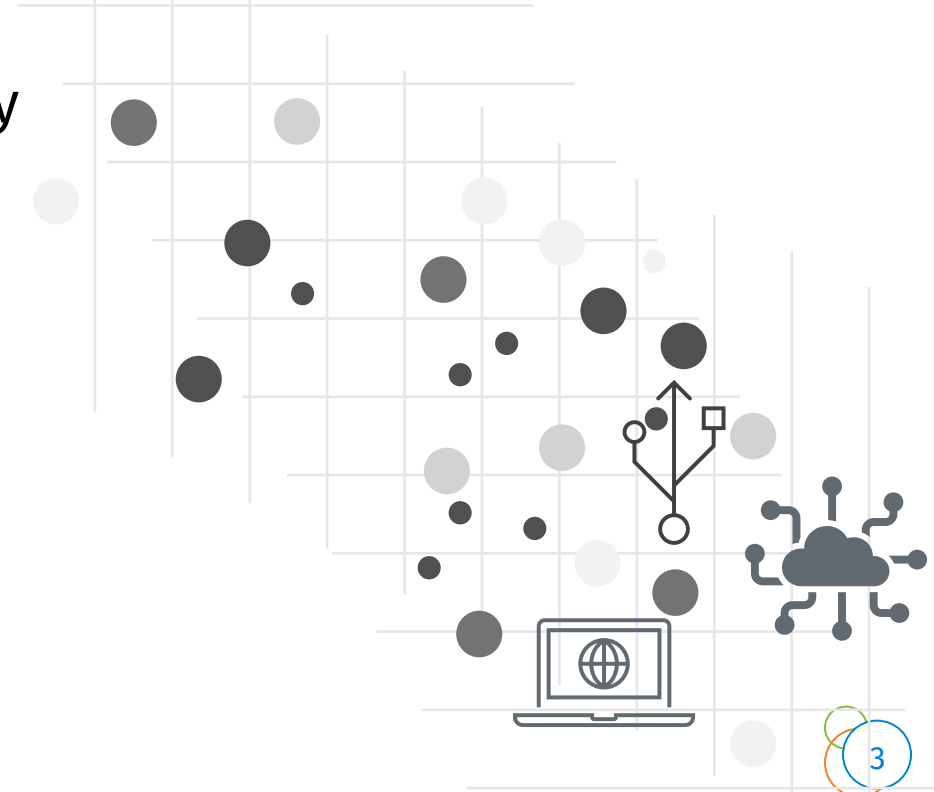


# Navigating the Future of Financial Advice

Developments Advice Policy

Because advice is more and more digital & automated it is important to:

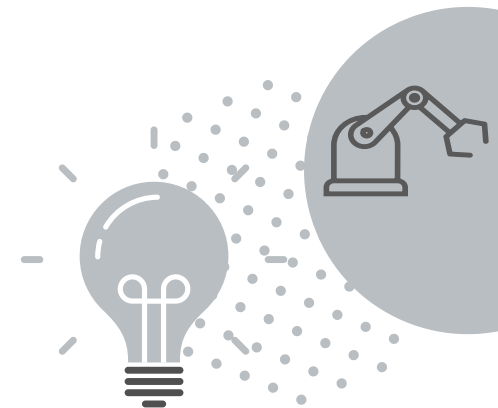
- Define an **advice policy** (important development in the UK)
- Include financial planning & investment suitability
- Include regulations, company guidelines, product offering and restrictions





# Developments Automation of Advice

- Advice policy is input for the automation of advice
- Automated suggestions give more guidance to advisors so they can provide advice efficiently
- Structured implementation to maximize goal feasibility in line with the risk tolerance of the client
- Structured explanation of 'why' it is good advice



# Advice framework

# Advice framework 2.0

Structure available assets and allocate surplus. What is the optimal investment strategy?



## Accumulation

Tax advantage  
Tax-free  
Tax-deferred  
Taxed

Allocate assets for expenses. What is the optimal withdrawal strategy?

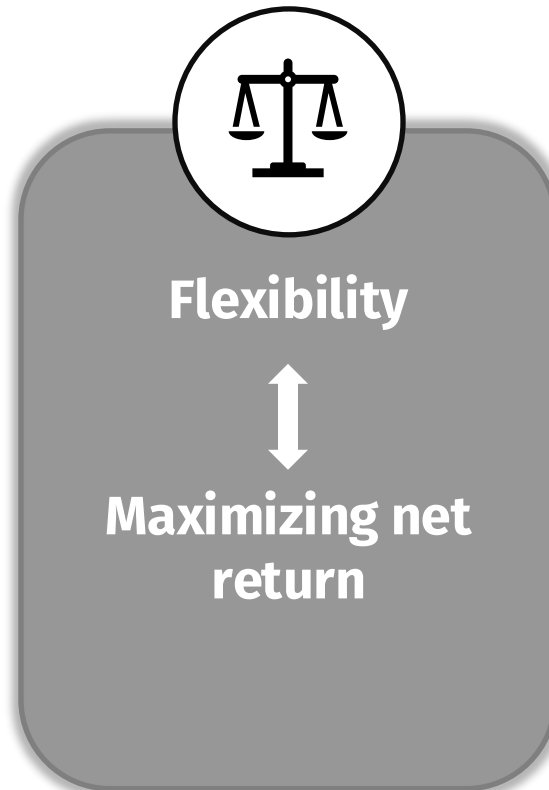


## Decumulation

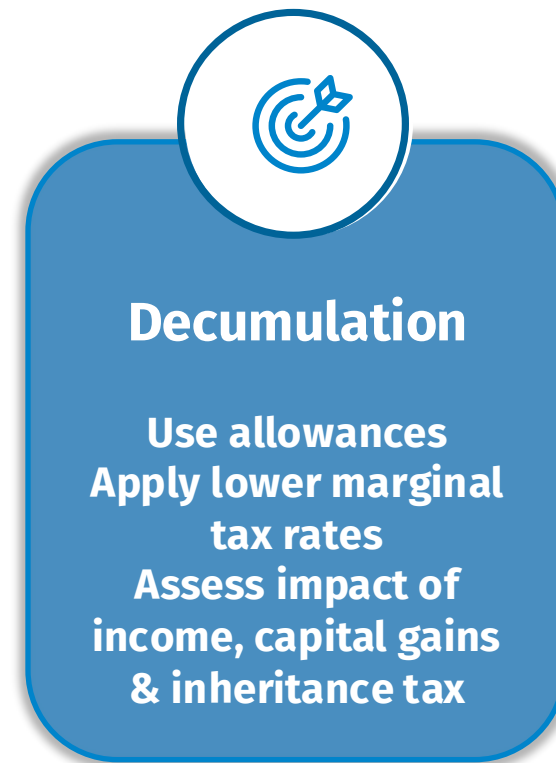
Use allowances  
Apply lower marginal  
tax rates  
Assess impact of  
income, capital gains  
& inheritance tax

# Advice framework 2.0

Structure available assets and allocate surplus. What is the optimal investment strategy?



Allocate assets for expenses. What is the optimal withdrawal strategy?





# Advice Framework based on regulations

Structure of regulations:

- In case of maximum flexibility, higher taxes are applied
- The regulator is focused on supporting people to save for retirement. This is facilitated by giving tax advantages in combination with conditions & restrictions
- Capital below allowances and specific product types are tax free



# Comparison of different marginal tariffs

Deposit gross	Tariff deposit	Deposit net	Investment return	Gross capital (1 year)	Tariff withdrawal	Net withdrawal	Net return	Result
10.000	40%	6.000	10%	11.000	30%	7.700	28%	Fiscal return / Tax advantage

# Comparison of different marginal tariffs

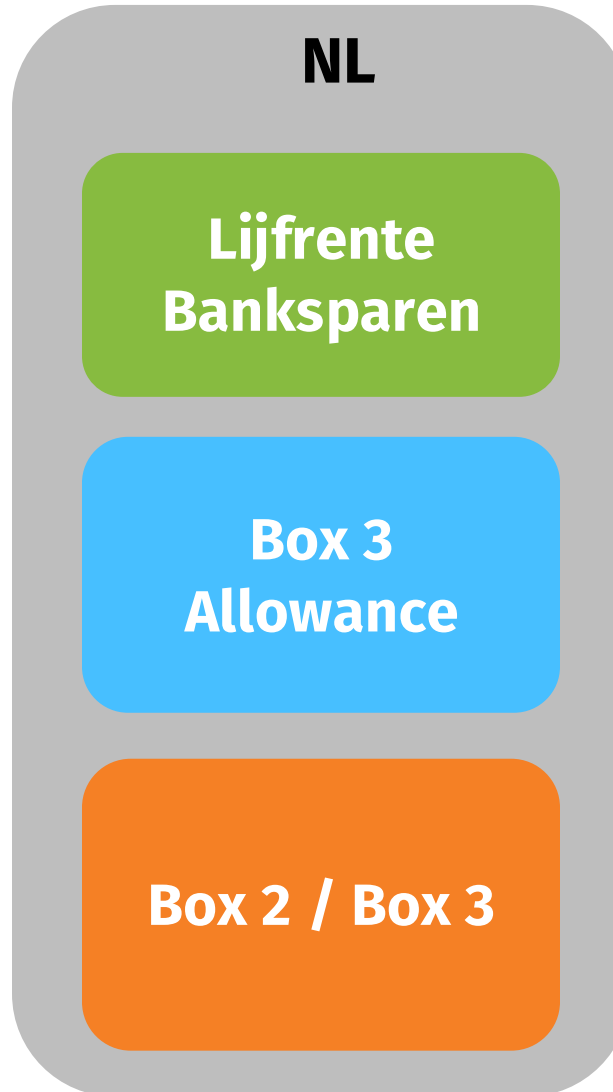
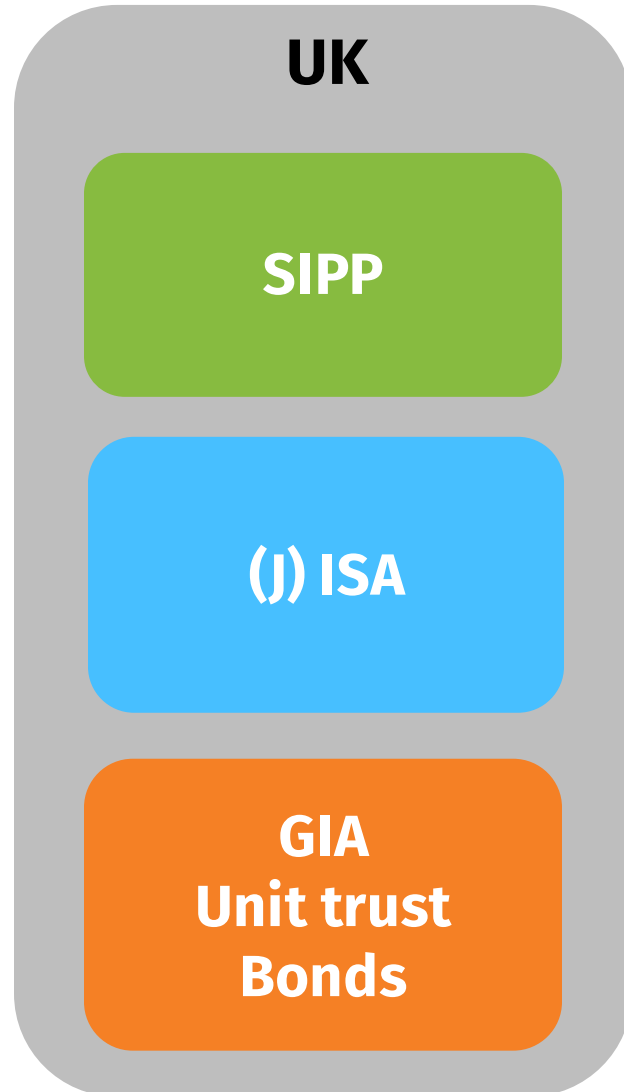
Deposit gross	Tariff deposit	Deposit net	Investment return	Gross capital (1 year)	Tariff withdrawal	Net withdrawal	Net return	Result
10.000	40%	6.000	10%	11.000	30%	7.700	28%	Fiscal return / Tax advantage
10.000	40%	6.000	10%	11.000	40%	6.600	10%	Tax free

# Comparison of different marginal tariffs

Deposit gross	Tariff deposit	Deposit net	Investment return	Gross capital (1 year)	Tariff withdrawal	Net withdrawal	Net return	Result
10.000	40%	6.000	10%	11.000	30%	7.700	28%	Fiscal return / Tax advantage
10.000	40%	6.000	10%	11.000	40%	6.600	10%	Tax free
10.000	30%	7.000	10%	11.000	40%	6.600	-7%	Taxed / Tax disadvantage

Extra fiscal advantage if:  $\text{marginal rate contribution} > \text{marginal rate payment / withdrawal}$

# Ordering tax impact on product types



Tax-efficient pension account with upfront tax relief and taxation at withdrawal, advantage depends on difference between marginal tariffs

**Pension products in the UK offer more flexibility compared to NL**

ISA, max deposit £ 20.000 / year

Taxation depends on product type, capital gain tax, postponed tax, tax on dividend and interest

# Decumulation strategy framework

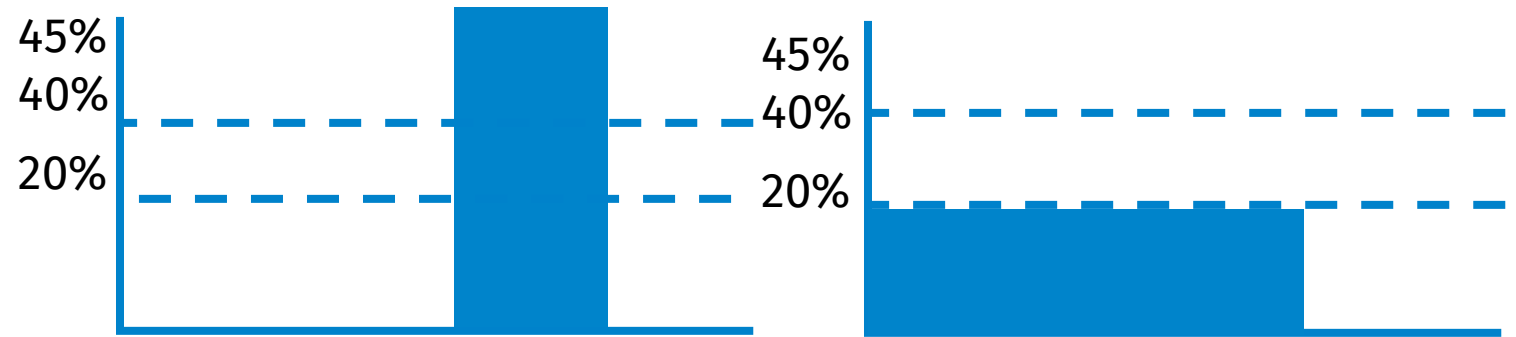
# Drivers of Decumulation strategies

Decumulation optimizing drivers

A. Make use of allowance & marginal income tax rates

B. Withdrawals in order of product types

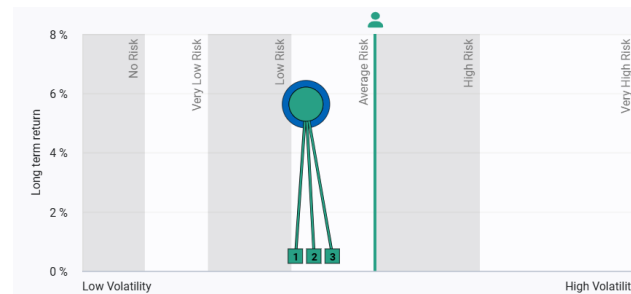
C. Optimize risk of the different assets



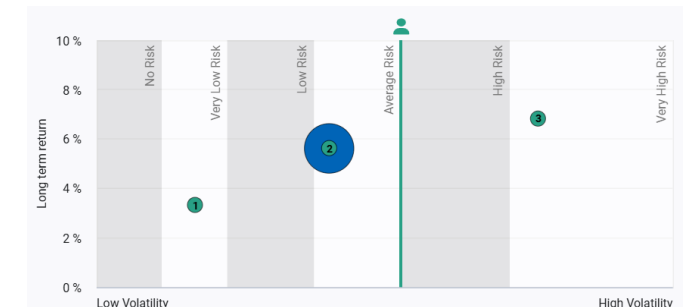
“ISA, GIA, SIPP”  
Tax efficient

or

“GIA, ISA SIPP”? Or another order?  
Max net return



One risk profile



Multiple risk profiles (3 pot)



# Strategy overview: different strategies for different drivers

Generic approach: the drivers of the different decumulation strategies

**A. Use allowances & marginal income tax rates**

**B. Withdrawals by product type order**

**C. Optimize risk across different assets (3 pot strategy)**

# UK results for the 'Family Dean' use case

RISK LEVEL	ISA	Risk	GIA	Risk	SIPP	Risk	EMERGENCY FUND	STATE PENSION	TOTAL ASSETS	SALARY	COST OF LIVING
High Risk	£ 500,000	Balanced	£ 500,000	Balanced	£ 500,000	Balanced	£ 40,000	£ 12,014	£1,552,014	£ 120,000	£ 80,000

GOALS	GOALS
Basic Expenditure	Travelling (5000 Annually)

Use Case	Change	Goal Feasibility	Goal Feasibility	Average Result	Poor Result	Avg result – IHT
<b>Strategy 0</b>	ISA GIA SIPP	63%	64%	£ 885,200	£ 30,207	£ 451,453
<b>Strategy 1</b>	<b>SIPP withdrawal</b> + ISA GIA SIPP	66%	66%	£ 856,701	£ 30,207	£ 480,257
<b>Strategy 2</b>	SIPP withdrawal + <b>GIA ISA SIPP</b>	73%	74%	£ 1,241,305	£ 32,494	£ 691,044
<b>Strategy 3</b>	SIPP withdrawal+ ISA GIA SIPP + <b>Risk</b>	65%	66%	£ 1,027,264	£ 31,164	£ 577,504
<b>Strategy 4</b>	SIPP withdrawal + <b>GIA ISA SIPP</b> + Risk	73%	73%	£ 1,378,467	£ 33,746	£ 758,568

# Overall results (8 different use cases)

Strategy	#Best feasibility	% Best use cases	# Highest Avg Result	% Highest Avg Result	Average result
Strategy 0	0	0.0%	1	12.5%	£ 604.444
Strategy 1	0	0.0%	0	0.0%	£ 582.036
Strategy 2	7	87.5%	2	25.0%	£ 733.090
Strategy 3	0	0.0%	1	12.5%	£ 652.872
Strategy 4	1	12.5%	3	37.5%	£ 780.763

The “best” strategy really depends on the specific client situation.  
Data can indicate which strategy performs best.



# The process to determine a good ‘Decumulation strategy’

**Step 1** Use one of the default strategies (e.g. strategy 2) to determine if retirement expenses are realistic. *Starting point: Risk in line with the risk tolerance*

**FEASIBILITY < 60%**  
**Low feasibility**

Pay close attention to a realistic retirement outcome, capacity for loss and to longevity risk.

**60% < FEASIBILITY < 75%**  
**Moderate feasibility**

Retirement is realistic – discuss and manage capacity for loss.

**FEASIBILITY > 75%**  
**High feasibility**

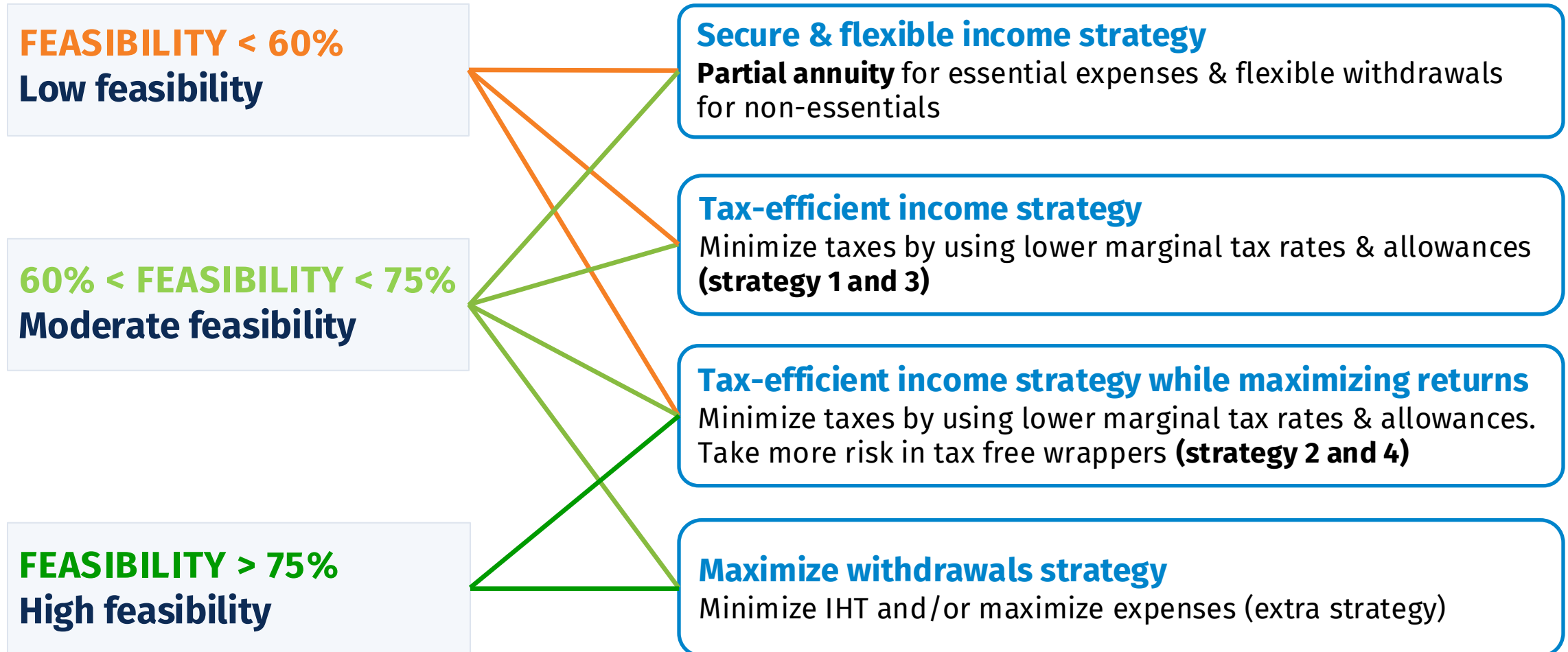
Retirement income is very realistic – opportunity to maximize net capital after IHT or increase expenses.

**Step 2** Optimize the plan based on the feasibility score result by checking with the different strategies.

# Decumulation recommendations

Comparison of more default decumulation strategies:

Decumulation Strategies:





# Strategy comparison & Key insights

No single strategy dominates. Selection depends on client goals, feasibility, and risk preferences.

- **Strategy 2** (lower marginal tax rate + withdrawal order)

- Best for highest feasibility in most cases

- **Strategy 4** (risk optimization)

- Performs strongly in achieving the **highest average capital** in most cases

- Requires portfolio **rebalancing** over time and **monitoring** of aggregated risk



# Recommendations: Decumulation planning

- Strategy & decision making depends on **feasibility of goals**
- Using allowances and marginal tax rates **consistently** improves results
- The best strategy depends on **client-specific** cases and **preferred** measures
- Define different ‘default’ strategies to **compare and select** the most suitable option
- More **real-world** use cases to be tested



# Disclaimer

Ortec Finance would like to emphasize that Ortec Finance is a software provider of technology and IT solutions for risk and return management for institutions and private investors. Please note that this information has been prepared with care using the best available data. This information may contain information provided by third parties or derived from third party data and/or data that may have been categorized or otherwise reported based upon client direction. For this information of third party providers, the following additional terms and conditions regarding the use of their data apply: <https://www.ortecfinance.com/en/legal/disclaimer>.

Ortec Finance and any of its third party providers assume no responsibility for the accuracy, timeliness, or completeness of any such information. Ortec Finance and any of its third party providers accept no liability for the consequences of investment decisions made in relation on this information. All our services and activities are governed by our general terms and conditions which may be consulted on <https://www.ortecfinance.com/> and shall be forwarded free of charge upon request.

Any analysis provided herein is derived from your use of Ortec Finance's software and does not constitute advice as to the value of securities or the advisability of investing in, purchasing, or selling securities. All results and analyses in connection with Ortec Finance's software are based on the inputs provided by you, the client. Ortec Finance is not registered as an investment adviser under the US Investment Advisers Act of 1940, an equivalent act in another country and every successive act or regulation. For the avoidance of doubt, in case terms like "client(s)" and "advisor(s)" are used in communications of Ortec Finance, then these terms are always referred to client(s) of Ortec Finance's contract client and its advisor(s).