



Brooks Macdonald Retirement Strategies Review – February 2026

This document provides a comprehensive review of the Brooks Macdonald (BM) Retirement Strategies. This reflects information shared by BM, conversation with Ceri Hill, Head of Decumulation and podcast notes from September 2025.

Retirement Is Not Just Accumulation in Reverse

Retirement today can last 25–35 years.

For many clients, it may be as long as their working life.

As discussed in my conversation with Ceri Hill (Head of Decumulation at Brooks Macdonald), the shift from defined benefit pensions to defined contribution pots has fundamentally changed retirement planning. Most retirees now arrive at retirement with a capital sum not a guaranteed income stream beyond the State Pension.

That changes everything.

In accumulation, volatility is uncomfortable.

In decumulation, it can be permanent.

The three key risks retirees face are:

- **Longevity risk** – running out of money
- **Inflation risk** – erosion of spending power
- **Sequencing risk** – poor early returns damaging sustainability

Sequencing risk, in particular, becomes the defining structural risk once withdrawals begin.

Brooks Macdonald's Retirement Strategies are built explicitly around this reality.

The Core Philosophy: Time, Not Just Risk

Across all three versions of their retirement offering, the philosophy is consistent: Separate short-term income from long-term growth.

This is often described as a bucketing approach, but it is more accurately a time-based investment philosophy.

As outlined in their Modelled Retirement Strategy documentation BM Retirement Strategies, portfolios are divided into:

Short-Term Allocation (0–7 Years)

Designed to manage sequencing risk and provide income visibility.

Long-Term Allocation (7+ Years)

Designed to manage longevity and inflation risk through growth assets.

The emphasis is not simply on volatility bands it is on aligning investments to the timing of withdrawals.

This is a subtle but important distinction.

Why Seven Years?

Seven years is not arbitrary.

The rationale is historical observation: diversified multi-asset portfolios have typically recovered from market downturns within this timeframe.

By insulating the first seven years of income, the long-term growth component is given time to recover before capital is required from it.

It is not market timing.

It is structural sequencing defence.

The Three Implementations

Brooks Macdonald provide three implementations of this philosophy, allowing advisers to align solutions with client complexity and CRP structure.

Modelled Retirement Strategy (Platform MPS)

Minimum investment: Platform dependent (typically £50,000+)

Management fee: 0.35% p.a. (no VAT)

Available on third-party platforms

Short-Term Component

- Cash
- Ladder of fixed maturity bond funds
- One fund maturing annually for up to seven years

Each maturity replenishes income capacity.

Unlike the other versions, this ladder is not indefinitely replenished once the fixed maturities complete, the portfolio transitions fully into a multi-asset fund structure.

Long-Term Component

- Multi-asset fund
- Global equity exposure
- Dynamic equity content management
- Six-monthly rebalance framework

Who it suits:

- Advisers building scalable CRPs
- Platform-based retirement portfolios
- Clients with defined annual withdrawal targets

Tailored Retirement Strategy

Minimum investment: £250,000

Management fee: 0.4% up to £500k, 0.2% thereafter. No VAT applied on the management charge.

Custody: Direct with Brooks Macdonald

Risk levels: Low to Medium / Medium / Medium to High

Short-Term Component

- Cash
- Ladder of structured products (defined return / synthetic zero)
- Maturities every six months for up to seven years

Structured products are typically built with defensive barriers (e.g. 40% index barriers) but carry counterparty and complexity risk.

Long-Term Component

- Single actively managed multi-asset fund (Cornelian RMF or RMP range)
- Rebalanced twice per year

The short-term ladder is replenished via a rules-based framework funded from long-term growth when conditions allow.

Who it suits:

- Clients with stable withdrawal needs
- Single-wrapper retirement portfolios
- Advisers seeking a discretionary overlay

Bespoke Retirement Strategy

Minimum investment: £500,000

This is the most flexible implementation.

Short-Term Component

- Cash
- Structured products and/or gilts
- Fully customised to income profile

Long-Term Component

- Broader discretionary portfolio
- Direct holdings permitted
- Greater tax and wrapper flexibility

This version allows more complexity multiple wrappers, tax sensitivity, estate considerations to be reflected in portfolio design.

The Behavioural Dimension

One of the most important insights from discussions with Ceri was this:

Retirement is as much emotional as it is financial.

Clients only retire once.

Advisers see retirement many times.

The early years of drawdown are psychologically fragile. Market volatility feels different when withdrawals are being made.

A visible short-term income ladder can provide reassurance:

- Income for the next several years is largely insulated.
- Market falls do not immediately threaten spending needs.
- The long-term portfolio can be left to recover.

That reassurance can improve behavioural outcomes which, over a 30-year retirement, may be just as important as tactical asset allocation decisions.

Strengths of the Approach

Explicit sequencing risk focus

This is not an add-on — it is the design driver.

Time-based segmentation

Income matching is aligned to withdrawal capacity.

CRP flexibility

Three implementation levels support segmentation within adviser businesses.

Operational discipline

Six-monthly or annual review points enable structured ladder extension.

Behavioural clarity

Clients can see where income is coming from and why.

Key Risks & Considerations

No strategy is without trade-offs.

Structured Product Risk (Tailored & Bespoke)

- Counterparty exposure
- Barrier conditions
- Product complexity

Opportunity Cost

Higher defensive short-term allocation may underperform in strong bull markets.

Replenishment Timing

Extended weak markets may delay ladder extension.

Not Guaranteed

Unlike annuities, income is not contractually guaranteed.

Comparison to Alternative Retirement Income Approaches

Approach	Strength	Limitation
Capital withdrawals	Flexible	High sequencing exposure
Natural income	Psychologically simple	Income variability, yield concentration
Annuity	Guaranteed	Loss of flexibility
Brooks bucketing	Structured sequencing defence	Complexity in some versions

This sits firmly within managed drawdown but with explicit structural sequencing mitigation.

Where It Fits in a Centralised Retirement Proposition

The FCA thematic review highlighted the need for clear decumulation frameworks. This strategy may serve:

- As a default drawdown solution within a CRP
- As a mid-tier retirement structure
- As a segmentation tool by complexity
- As an alternative to pure natural income models

The consistency of philosophy across the three implementations allows advisers to embed it without rebuilding their process each time.

Money Wise UK View

This is not a return-chasing strategy.

It is a sequencing-aware structure.

The design reflects three realities:

1. Retirement is long.
2. Early losses matter more than late ones.
3. Confidence is part of sustainability.

The time-based bucketing approach is thoughtful and operationally disciplined. The multiple implementation layers make it adaptable to adviser models.

It is not the only way to manage retirement income.

But it is one of the more structurally coherent frameworks currently available. In a world where retirement can last as long as accumulation, structure and discipline matter.

Disclaimer

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