

# Aegon Retirement Choices and One Retirement – cash management

This guide details the information you need to be aware of when managing cash, based on the different options available on Aegon Retirement Choices (ARC) and One Retirement.

## Cash management options

There are four main options to manage cash on ARC or One Retirement.

### Auto sell down

If there isn't enough in your client's cash facility to meet payments out, we'll automatically sell investments from the relevant product to top up the cash facility and make sure the payments are met.

### Recurring switch into cash

You can use the recurring switch into cash to switch your client's investments into their cash facility. You can choose the frequency of the switch and your client can use the cash for income and withdrawals or to top up their cash facility.

### Auto rebalance

You can choose for us to automatically rebalance a product back to the chosen asset allocation. We'll auto rebalance the portfolio back to the investment percentages shown in the default investment strategy, on either a quarterly or yearly basis.

### Manual switch

You can switch out of an asset into cash for one-off withdrawals or to pay for fees and charges.

**Take a look at the table below to find out more about these options.**

	Auto sell down	Recurring switch into cash	Auto rebalance	Manual switch
<b>Key dates</b>				
<b>Ongoing adviser charge:</b>				
All products - first working day of the month	First working day of the month, after charges calculated and added to the product(s).	22nd of the month.	N/A	Can be done at any time. Trading time (T) would be T+3 to T+5 depending on funds.
<b>Regular income / withdrawals:</b>				
GIA and ISA* - sixth working day of the month	Second working day of the month, after charges calculated and added to the product(s).	22nd of the previous month.	Quarterly or yearly on 19th of the month. Your client's cash account should include enough cash to cover quarterly or yearly income/withdrawals.	Can be done at any time. Trading time (T) would be T+3 to T+5 depending on funds.
GIA and ISA*, SIPP and One Retirement - 9th of the month	Second working day of the month, after charges calculated and added to the product(s).	22nd of the previous month.		
GIA and ISA*, SIPP and One Retirement - 18th or 27th of the month	Five working days before the income due date.	9th of the same month.		
<b>Key questions</b>				
Do you ring fence cash for fees or regular income / withdrawals?	Yes	No	No	You can select <b>Fees and disbursements</b> from the <b>Purpose</b> dropdown when you switch assets into cash.
How can I set this up?	The sales will happen automatically.	<p>Complete our <a href="#">Recurring switch into cash instruction</a></p> <p>You can choose to use the default investment strategy and we'll sell the funds proportionately across your client's portfolio.</p> <p>If you/the DFM update the model and therefore the default investment strategy, but the product isn't rebalanced in time, the recurring switch could fail.</p>	<ul style="list-style-type: none"> <li>Applying for a new product - online.</li> <li>Adding to an existing product - complete our <a href="#">Rebalancing instruction</a>.</li> <li>Setting up a model portfolio - online.</li> </ul>	Online - complete the Switch into asset journey from the transaction menu.

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How do you sell investments to pay for fees and charges or regular income/withdrawals?	<p>If there isn't enough in your client's cash facility to meet payments out, we'll automatically sell investments from the relevant product to top up the cash facility and make sure the payments are met. How we sell the investments will depend on the value of the payment out. If the amount is:</p> <ul style="list-style-type: none"> <li><b>Less than 0.25% of the current value of the product</b> - we'll sell enough from the the highest value investment in the product to meet the payment out.</li> <li><b>0.25% or more of the current product value</b> - we'll sell investments proportionately from the product to meet the payment out, meaning your client's investment allocation will stay the same. Some investments may be excluded - get in touch with us to find out which ones can't be sold.</li> </ul> <p>Take a look at the examples below to see how this would work in practice: for a client with a product valued at £40,000, split as shown below:</p> <table border="1"> <thead> <tr> <th>Product split</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Fund A</td> <td>£10,100</td> </tr> <tr> <td>Fund B</td> <td>£9,950</td> </tr> <tr> <td>Fund C</td> <td>£9,950</td> </tr> <tr> <td>Fund D</td> <td>£9,900</td> </tr> <tr> <td>Cash facility</td> <td>£100 (minimum cash value of 0.25%)</td> </tr> <tr> <td><b>Total product value</b></td> <td><b>£40,000</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li><b>Highest value investment sale</b> - your client is due a regular income payment of £90, which is less than 0.25% of the total value of their product. As a result, we'll automatically sell £90 from the valued investment in their product - Fund A.</li> <li><b>Proportionate sale</b> - your client is due their regular monthly income payment of £190, which is more than 0.25% of the total value of their product. As a result we'll sell their investments proportionately across their product, as shown below:</li> </ul> <table border="1"> <thead> <tr> <th>Product split</th> <th>Sale value</th> </tr> </thead> <tbody> <tr> <td>Fund A</td> <td>£48.10</td> </tr> <tr> <td>Fund B</td> <td>£47.38</td> </tr> <tr> <td>Fund C</td> <td>£47.38</td> </tr> <tr> <td>Fund D</td> <td>£47.14</td> </tr> </tbody> </table>				Product split	Value	Fund A	£10,100	Fund B	£9,950	Fund C	£9,950	Fund D	£9,900	Cash facility	£100 (minimum cash value of 0.25%)	<b>Total product value</b>	<b>£40,000</b>	Product split	Sale value	Fund A	£48.10	Fund B	£47.38	Fund C	£47.38	Fund D	£47.14
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Are trading times affected by extended bank holidays (for example Easter and Christmas)?	<p>The trading times will be extended - you should add any non-working days to the expected trading time. If your client's regular income/withdrawal date falls on a weekend, or a bank holiday, we'll always attempt to pay the income/withdrawal the working day before.</p>																											

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Are there any reasons my client might not receive a regular income/withdrawal?	<p>Auto sell down can't take place if there are pending trades on the fund(s) being sold. This could delay payment of your client's income/withdrawal.</p> <p>If this happens you can create a manual switch to generate your client's cash.</p>	<ul style="list-style-type: none"> <li>• If a recurring switch from funds to cash is to be taken proportionally across the investment strategy, then there must be enough holdings present in the funds and cash facility to allow the withdrawal.</li> <li>• If the recurring switch is from cash to funds, then an end date must be noted on the instruction. If it isn't, this could result in the cash top-up facility selling down from the highest holding once all the cash has been used.</li> <li>• If there are already pending trades on the product on the date the recurring switch is scheduled for.</li> <li>• If you no longer have the funds listed on the recurring switch instruction.</li> </ul> <p>If your client's recurring switch fails we'll get in touch to let you know. You can then arrange a manual switch or wait for the auto sell down to take place.</p>	<ul style="list-style-type: none"> <li>• Not all funds are available for auto-rebalancing (for example, Investment Trusts and equities).</li> <li>• Rebalancing on a product could sweep up any excess cash back into the funds. This can affect cash for PCLS, income and withdrawals or any cash top up to pay ongoing adviser charge.</li> </ul> <p>To switch rebalancing please contact us. You can find our details at <a href="https://aegon.co.uk/support">aegon.co.uk/support</a></p>	N/A

	Auto sell down	Recurring switch into cash	Auto rebalance	Manual switch
What happens if my client wants to change their investment strategy?	No impact.	If you choose to use your client's default investment strategy in the recurring switch to cash form, we'll sell the funds proportionately across your client's portfolio. If the default investment strategy changes and the product isn't rebalanced in time the recurring switch could potentially fail.	<ul style="list-style-type: none"> <li>If you change your client's default investment strategy we'll automatically cancel their existing rebalance instruction. You can set up a new instruction using the <a href="#">Rebalance instruction form</a>.</li> <li>If you complete a switch request it won't override any existing rebalance instructions on your client's product. If your client has rebalancing set up on the product and want it to reflect the new funds and allocation, you'll need to set up a new rebalancing instruction.</li> </ul>	No impact.

\* GIA and ISA

Sixth working day of the month payment date is only available for Retiready ISA, GIA for Aegon Ireland Bond and existing arrangements with this date already in place. 9th, 18th and 27th of the month payment date is only available for GIA Net, GIA Gross and Stocks and Shares ISA.

If you need more information please get in touch with your usual Aegon contact, or visit [aegon.co.uk/support](https://aegon.co.uk/support)

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