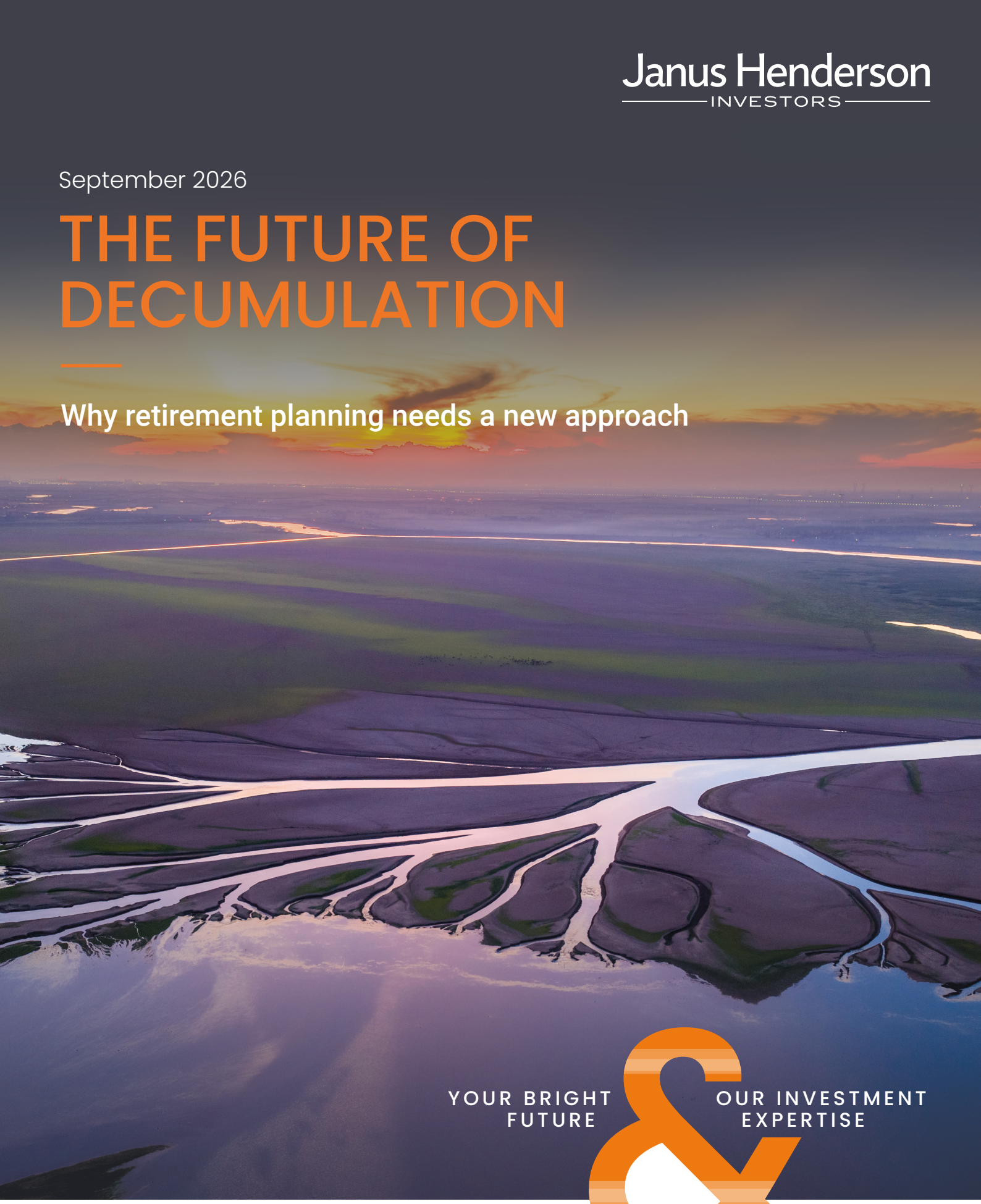
Janus Henderson
INVESTORS

September 2026

THE FUTURE OF DECUMULATION

Why retirement planning needs a new approach



Marketing communication. Outside of the U.S.: For professionals and qualified investors only. Not for onward distribution. Capital at risk.
Past performance does not predict future returns.

EXECUTIVE SUMMARY

AUTHORS



Matt Bullock
Head of Portfolio Construction & Strategy, EMEA & APAC



Ian Warford
Executive Director, Head of Solutions, Client Group UK

For decades, the investment industry has been built around a relatively simple objective: *wealth accumulation*. Portfolio construction, product innovation and distribution have all focused on growing the retirement pot as much as possible.

The more complex phase begins at retirement, when accumulated assets must be converted into sustainable, resilient and personalised income. At that point, success is no longer defined by pot size alone, but by the ability to fund real-life outcomes over an uncertain horizon.

Yet decumulation is still often treated as accumulation with lower risk and withdrawals attached. In reality, it is a fundamentally different problem requiring a different design philosophy.

The opportunity is to move beyond better retirement products and build a reusable architecture that translates each person's objectives, constraints and tolerances into a personalised mix of income, liquidity, growth and protection components.

The problem is not that existing products are poorly designed; many are sensible responses to specific risks. The problem is that retirement is not a single risk. It is a changing set of trade-offs between spending today, preserving flexibility, protecting against adverse markets, maintaining purchasing power and ensuring income lasts for life.

The next generation of decumulation solutions must therefore combine investment design, behavioural support, advice, governance and technology. They need to be robust enough to operate institutionally, but flexible enough to feel personal to the retiree.

Key takeaways:

- Decumulation is fundamentally different from accumulation. Retirement success is no longer about maximising portfolio value, but sustainably funding income, flexibility and spending needs over an uncertain lifetime.
- No single retirement product can solve every challenge. Effective decumulation requires balancing competing objectives such as income, growth, liquidity, longevity protection and personal circumstances as they evolve.
- The future lies in personalised, system-based retirement solutions. AI, governance, advice and modular investment components can work together to deliver scalable, individualised retirement outcomes.

The challenge: a system built for accumulation, not decumulation

Accumulation is, at its core, a single-objective optimisation problem:

- Maximise risk-adjusted returns over time
- Manage volatility within acceptable bounds
- Maintain diversification

Key objective before retirement: maximise the value of the retirement pot

Inputs	Accumulation focus	Outcome
Contributions	Grow assets as much as possible	Larger retirement pot
Time horizon	Manage risk as volatility	More options at retirement
Market exposure	Measure success by pot size	

Retirement changes that objective. Investors no longer measure success purely by portfolio value, but by their ability to fund outcomes across an uncertain life horizon.

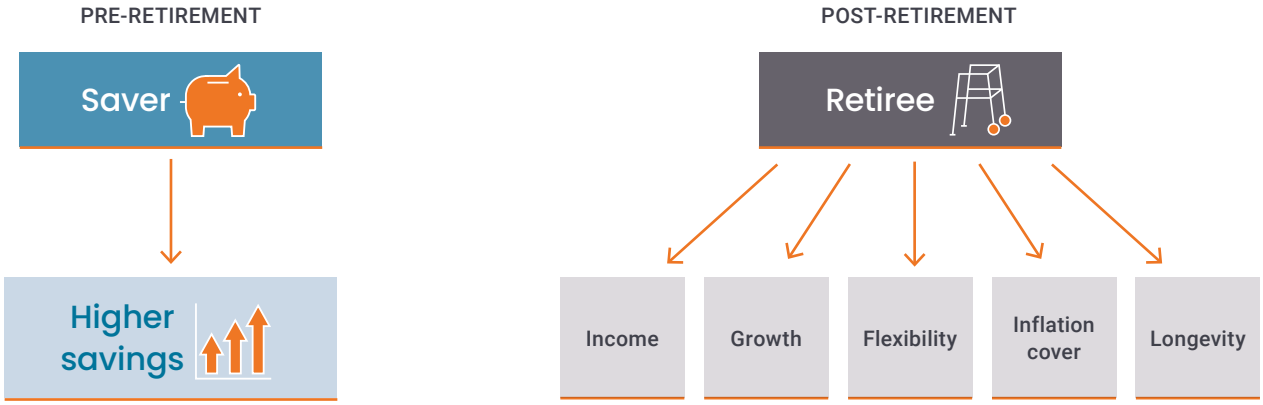
The move from working life into retirement therefore changes the portfolio problem in three ways. First, the investor is drawing from the asset base rather than adding to it. Second, the order of returns matters more because poor markets early in retirement can permanently impair future income. Third, the investor's objectives become more personal: two people with the same pot size may need very different solutions depending on health, spending needs, housing wealth, tax position, family circumstances and tolerance for uncertainty.

Retirees must simultaneously navigate multiple, interacting challenges:

- Generating **consistent and predictable income**
- Maintaining **purchasing power in the face of inflation**
- Managing **sequence risk**
- Retaining **flexibility for evolving life events**
- Ensuring **built-in focus on longevity** - the confidence not to outlive their assets.

One key objective before retirement, many after

Accumulation has a single measure of success; decumulation has several, and they compete



Core objective — measured by portfolio value

5 objectives — competing, with no single measure

At retirement the question shifts from "how big is the pot?" to "how well does it meet several needs at once?"

Source: Janus Henderson Investors. For illustrative purposes only.

Why today's solutions only go part of the way

Most existing solutions solve a specific part of the retirement problem. Annuities provide security, drawdown preserves control, target-date funds simplify the journey. Collective DC (CDC) aims to spread risk. Each has merit, but none fully resolves the trade-offs between income certainty, flexibility, growth, liquidity and longevity protection.

Approach	Longevity protection	Flexibility & capital access	Personalised	Growth	Where it falls short
Target-date glidepath	None	High	Cohort	De-risks	*Optimises accumulation, then stops — exactly where lifetime income is needed.*
Collective DC (CDC)	Pooled	Low	None	Smoothed	*A single smoothed cohort income — no individual pot, control, choice or bequest.*
Managed drawdown (eg. Fix & Flex)	Later-life	Medium	Limited	Yes	*A strong default, but one fund journey for all — not tailored to the individual.*
Deferred annuity & pool	Strong	Low	Low	Limited	*Buys longevity certainty by surrendering flexibility, growth and estate value.*

Source: Janus Henderson Investors. For illustrative purposes only.

The implication is clear: retirement cannot be solved by a single fund, a single product wrapper or a single default pathway.

The more important question is how to balance competing objectives dynamically as markets, needs and personal circumstances change.

From pooled pathways to personalised outcomes

This is why a single pooled solution can be efficient but incomplete. Pooling can reduce cost, simplify governance and make implementation scalable. But when members differ materially, a single average pathway inevitably embeds compromises. It may be too cautious for one retiree, too risky for another, too rigid for someone with irregular spending needs and too generic for someone with other assets or guaranteed income elsewhere.

The central design question is therefore how to retain the strengths of pooling—scale, oversight, repeatability and cost control—while allowing the outcome to vary meaningfully by individual. That is the gap a new decumulation architecture needs to fill.

Rethinking the retirement journey

Retirement should not be viewed as a single, static phase.

Instead, it is more accurately characterised as a **multi-stage journey**, in which:

- Early retirement may emphasise **growth and flexibility**
- Mid-retirement may prioritise **income stability and inflation protection**
- Later stages may focus on **capital preservation and simplicity**

A single portfolio construct is unlikely to remain aligned throughout this journey as priorities, risks and spending needs evolve.

This is why retirement design must be dynamic. The same retiree may initially value flexibility, travel and lifestyle spending; later, stability, healthcare provision and simplicity may become more important. Markets can also force adaptation after poor returns, high inflation or unexpected withdrawals.

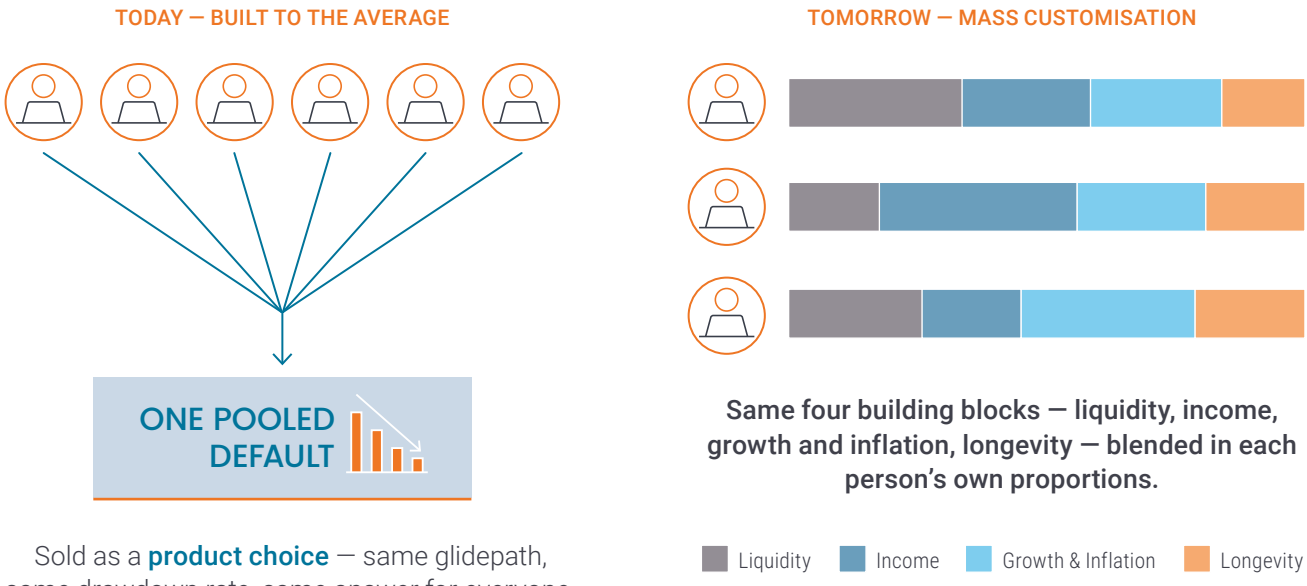
The solution: from products to systems

Once retirement is understood as a changing journey rather than a static product problem, the required shift becomes clear: from **product-led thinking** to **system-level design**.

A product-centric approach asks, "What strategy can deliver retirement income?" A system-oriented approach asks, "How should objectives, risks and time horizons interact to produce the outcomes retirees actually need?"

If the answer to decumulation is simply "the same portfolio, plus withdrawals", the industry is not solving the retirement problem; it is relabelling accumulation. Delivering better outcomes at scale will require advice, governance, technology and risk-sharing to work as one integrated system.

From one pooled average to a portfolio built around each person



Sold as a **product choice** — same glidepath, same drawdown rate, same answer for everyone.

The design question is not how to build a better average, but how to build around the person.

Source: Janus Henderson Investors. For illustrative purposes only.

In practical terms, that system should combine an income engine, liquidity sleeve, growth allocation and protection layer, governed by rules that adapt withdrawals and risk as circumstances change.

The emerging model is closer to a personalised operating system than a single portfolio. A common front end gathers the individual's goals, retirement age, income requirement, other assets, tax position, risk capacity and preferences. A decumulation engine then translates those inputs into a unique mix of sleeves for that person, while still using institutional building blocks, central governance, trade netting and scalable implementation.

Future model: one engine, individual mixes at scale

Client inputs	AI front end	Optimisation engine	Retirement sleeves	Personal outcome
Goals	Guides	Models trade-offs	Liquidity	Different mix for each retiree
Balance	Explains	Sets sleeve weights	Income	Rebalanced over time
Risk appetite	Captures intent	Tests sustainability	Growth	Scalable governance
Other income	Keeps engagement simple	Applies rules	Longevity protection	
Tax / rules				
Life events				

Source: Janus Henderson Investors. For illustrative purposes only.

The important point is that personalisation does not need to mean bespoke portfolio management in the traditional sense. The investment building blocks can remain standardised. The platform can still operate with central controls, approved models, clear guardrails and auditable governance. The personalisation sits in the weighting, sequencing and adjustment of those building blocks around the individual's circumstances.

The missing layer: scaling advice and portfolio construction through AI

A system-based approach to retirement is conceptually compelling—but it introduces a practical challenge: how do we deliver personalised, multi-objective decision-making at scale?

Today, access to ongoing, tailored advice remains limited, leaving many individuals to navigate complex retirement decisions alone. That creates a structural barrier to any model that depends on dynamic trade-offs and continuous adjustment.

This is where technology—and specifically AI—becomes critical.

AI can become the connective layer across that system: helping clients understand trade-offs, supporting advisers with scenario modelling and allowing portfolios to be adjusted more continuously.

In that model, AI is not a replacement for fiduciary oversight or professional advice. Its role is to make the system usable: translating client preferences into structured inputs, explaining trade-offs in plain language, monitoring when circumstances change and helping advisers or providers scale judgement across a much larger population.

This is the distinction between automation and orchestration. Automation makes a task cheaper or faster. Orchestration connects multiple tasks—engagement, advice, portfolio construction, income management, risk control and governance—into one coherent retirement journey.

What needs to change?

- **Stop** treating drawdown as accumulation plus withdrawals.
- **Start** defining success in terms of income resilience and funded outcomes, not just portfolio value.
- **Build** modular components (income, liquidity, growth, protection) with clear roles and explicit trade-offs.
- **Govern** the journey with simple rules and triggers that adapt as life stages and markets change.
- **Measure** outcomes using a small set of client-relevant metrics (income stability, inflation-adjusted spending power, and downside sustainability).

Conclusion: owning the outcome

The industry has spent decades perfecting the machinery of accumulation. The next challenge is to build the machinery of retirement: a system that makes trade-offs transparent, adapts through time and delivers outcomes that feel personal without abandoning scale.

Decumulation cannot be fixed inside the current accumulation architecture. The next phase is to design for outcomes first and invest for them second: portfolios become components, technology becomes the personalisation layer and governance keeps each plan aligned as markets and lives change. That is the shift from manufacturing retirement products to owning retirement outcomes.

There is no assurance that the investment process will consistently lead to successful investing. The above are the team's views and should not be construed as advice and may not reflect other opinions in the organisation. The views are subject to change without notice.

FOR MORE INFORMATION, PLEASE VISIT JANUSHENDERSON.COM

Janus Henderson
INVESTORS

Important information

The views presented are as of the date published. They are for information purposes only and should not be used or construed as investment, legal or tax advice or as an offer to sell, a solicitation of an offer to buy, or a recommendation to buy, sell or hold any security, investment strategy or market sector. Nothing in this material shall be deemed to be a direct or indirect provision of investment management services specific to any client requirements. Opinions and examples are meant as an illustration of broader themes, are not an indication of trading intent, are subject to change and may not reflect the views of others in the organization. It is not intended to indicate or imply that any illustration/example mentioned is now or was ever held in any portfolio. No forecasts can be guaranteed and there is no guarantee that the information supplied is complete or timely, nor are there any warranties with regard to the results obtained from its use. Janus Henderson Investors is the source of data unless otherwise indicated, and has reasonable belief to rely on information and data sourced from third parties. Past performance does not predict future returns. Investing involves risk, including the possible loss of principal and fluctuation of value.

Not all products or services are available in all jurisdictions. This material or information contained in it may be restricted by law, may not be reproduced or referred to without express written permission or used in any jurisdiction or circumstance in which its use would be unlawful. Janus Henderson is not responsible for any unlawful distribution of this material to any third parties, in whole or in part. The contents of this material have not been approved or endorsed by any regulatory agency.

The Central Bank of Bahrain and the Bahrain stock exchange assume no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaim any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this document.

Janus Henderson Investors is the name under which investment products and services are provided by the entities identified in the following jurisdictions: (a) **Europe** by Janus Henderson Investors International Limited (reg no. 3594615), Janus Henderson Investors UK Limited (reg. no. 906355), Janus Henderson Fund Management UK Limited (reg. no. 2678531), Tabula Investment Management Limited (reg. no. 11286661), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority), Janus Henderson Investors Europe S.A. (reg no. B22848 at 78, Avenue de la Liberté, L-1930 Luxembourg, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier) and Rantum Capital Management GmbH (reg no. HRB94787 at Maintor Panorama, Neue Mainzer Ste. 2-4, 60311 Frankfurt, Germany); (b) the **U.S.** by SEC registered investment advisers that are subsidiaries of Janus Henderson Group Ltd.; (c) **Canada** through Janus Henderson Investors US LLC only to institutional investors in certain jurisdictions; (d) **Singapore** by Janus Henderson Investors (Singapore) Limited (Co. registration no. 199700782N). This advertisement or publication has not been reviewed by Monetary Authority of Singapore; (e) **Hong Kong** by Janus Henderson Investors Hong Kong Limited. This material has not been reviewed by the Securities and Futures Commission of Hong Kong; (f) **South Korea** by Janus Henderson Investors (Singapore) Limited only to Qualified Professional Investors (as defined in the Financial Investment Services and Capital Market Act and its sub-regulations); (g) **Japan** by Janus Henderson Investors (Japan) Limited, regulated by Financial Services Agency and registered as a Financial Instruments Firm conducting Investment Management Business, Investment Advisory and Agency Business and Type II Financial Instruments Business; (h) **Australia** and **New Zealand** by Janus Henderson Investors (Australia) Limited (ABN 47 124 279 518) and its related bodies corporate including Janus Henderson Investors (Australia) Institutional Funds Management Limited (ABN 16 165 119 531, AFSL 444266) and Janus Henderson Investors (Australia) Funds Management Limited (ABN 43 164 177 244, AFSL 444268); (i) the **Middle East** by Janus Henderson Investors Middle East Limited (DIFC branch), regulated by the Dubai Financial Services Authority as a Category 4 licensed entity. This document relates to a financial product which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any prospectus or other documents in connection with this financial product. Accordingly, the DFSA has not approved this document or any other associated documents nor taken any steps to verify the information set out in this document, and has no responsibility for it. The financial product to which this document relates may be illiquid and/or subject to restrictions on its resale. Prospective purchasers should conduct their own due diligence on the financial product. If you do not understand the contents of this document you should consult an authorised financial adviser. No transactions will be concluded in the Middle East and any enquiries should be made to Janus Henderson. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

Outside of the U.S., Australia, Singapore, Taiwan, Hong Kong, Europe and UK: For use only by institutional, professional, qualified and sophisticated investors, qualified distributors, wholesale investors and wholesale clients as defined by the applicable jurisdiction. Not for public viewing or distribution. Marketing Communication.

Janus Henderson® and any other trademarks used herein are trademarks of Janus Henderson Group Ltd. or one of its subsidiaries. © Janus Henderson Group Ltd.

400-20-3448800 09-26