

# MANAGING CASH IN DRAWDOWN

HARGREAVES  
LANSDOWN

To meet income payments and fees.

If you plan to take an income from your drawdown account, there are two things to remember about managing your cash:

1. **Make sure you have enough available cash in your drawdown account to cover your withdrawal.**
2. **Available cash will always be used to pay outstanding fees first.**

If you don't have enough available cash to cover your full withdrawal, you'll still receive a payment. But it'll be less than you requested, and will be for the amount you have available (as long as this is at least £50).

Beware of fund switching when you're due an income payment. If you give an instruction to sell an investment and reinvest the proceeds at the same time (e.g. a fund switch), and you're expecting a drawdown income payment, you may get less than you expect. This is because we use any available cash to cover the cost of the reinvestment while the sale is being processed. To avoid this, you might want to wait until you receive your income payment before giving an investment instruction of this kind.



## Two ways to make cash available

### MAINTAIN A CASH BALANCE

You could keep an amount of uninvested cash available in your account to cover your future fees and income payments.

How much available cash you leave on your account is up to you, but you could use the **suggested minimum cash balance**. It's based on the fees you can expect to pay over the next few months given the value of your holdings (calculated at the end of each month for each account you hold). This is shown on your quarterly investment reports, and online as below:

HL SIPP Income Drawdown			
Stock value	£98,441.29	Amount available to invest	£1,627.87
Total cash	£1,831.81	Suggested minimum cash balance	£110.00
<b>Total value</b>	<b>£100,273.10</b>	<b>Balance</b>	<b>£1,517.87</b>

But remember this is just a simple guideline. The value of your holdings will fall and rise (therefore so will your fees), and any cash needed to cover withdrawals isn't included in the calculation.

To include the cash you need for withdrawals, you can set up your own minimum cash balance. But remember your fees will change in line with the value of your holdings, so you'll need to factor this in when you do your own calculations. You can request to switch back to the default suggested minimum cash balance at any time.

### SELL INVESTMENTS

To create available cash, you might decide to sell some of your investments. However selling investments after markets have fallen, and then taking the proceeds out for income or using it to cover fees, could significantly damage your portfolio's ability to recover any loss. Doing this regularly will quickly reduce the value of any capital you have left.

If you're selling investments to meet an income payment, remember to consider the time it'll take for the sale to complete and cash to become available (including trade and settlement periods).

**DRAWDOWN INCOME  
PAYMENT CALENDAR**

on the next page...

## DRAWDOWN INCOME PAYMENT CALENDAR

MONTH	CUT-OFF FOR SELLING INVESTMENTS	DATE YOU'LL RECEIVE PAYMENT
January 2024	17 January 2024	28 January 2024
February 2024	19 February 2024	28 February 2024
March 2024	19 March 2024	28 March 2024
April 2024	17 April 2024	28 April 2024
May 2024	16 May 2024	28 May 2024
June 2024	19 June 2024	28 June 2024
July 2024	17 July 2024	28 July 2024
August 2024	16 August 2024	28 August 2024
September 2024	18 September 2024	28 September 2024
October 2024	17 October 2024	28 October 2024
November 2024	19 November 2024	28 November 2024
December 2024	16 December 2024	28 December 2024

The dates by which you'll need to sell an investment to fund an income payment will vary each month and are shown in the table. The cut-off dates for selling investments are based on a typical investment fund (unit trust/OEIC) which normally takes around five working days to complete after a sale's been placed (trade), and for cash to become available (settlement). Other investments might take a longer or shorter time to complete, so you might want to place investment sales sooner than the dates shown on the table.

Don't forget, you can choose to have income from investments (like dividends) deposited as cash rather than reinvested, which can help meet your income payments and fees – you can set your preferences for this online or by calling us on **0117 980 9926**.

### HOW TO START OR CHANGE WITHDRAWALS

If you want to start taking an income or make any changes to the amount you're already taking, you can let us know by calling **0117 980 9926**, sending us a secure message (if you've registered for online access), or sending us a signed letter. One-off income withdrawals can also be requested through your online account.

**All withdrawal requests must be received by the 17th of the month in which the request should take effect (except for December due to the Bank Holidays).**

You should receive requested income payments in your bank account on the 28th of the month (or the previous working day if this isn't a working day).

### TOP TIPS:

Go to **[www.hl.co.uk/drawdown-resources](https://www.hl.co.uk/drawdown-resources)** for a full list of all our drawdown tools which you might find useful, including:

- ✓ Drawdown calculator
- ✓ Investment ideas
- ✓ Tax calculators