

# RETIREMENT STRATEGY

## STRATEGY FACTS

**Fund administrator:**  
Irish Life

**Base Currency:**  
Euro

**Geography of Investment:**  
Global

**Management Style:**  
Active and Passive

**Key Points:**

This is the default investment strategy, which aims to migrate over time from high risk strategies to tailored risk strategies based on the member's profile. A member will be automatically invested in the default strategy if they do not make a decision on which investment strategy they wish to invest in

### Strategy Objective

This strategy is designed to help members invest in strategies that change automatically based on their age.

In the early years, **Phase 1** of this strategy focuses on investment growth. Then in **Phase 2** the strategy focuses on protecting against market fluctuations as the member approaches retirement.

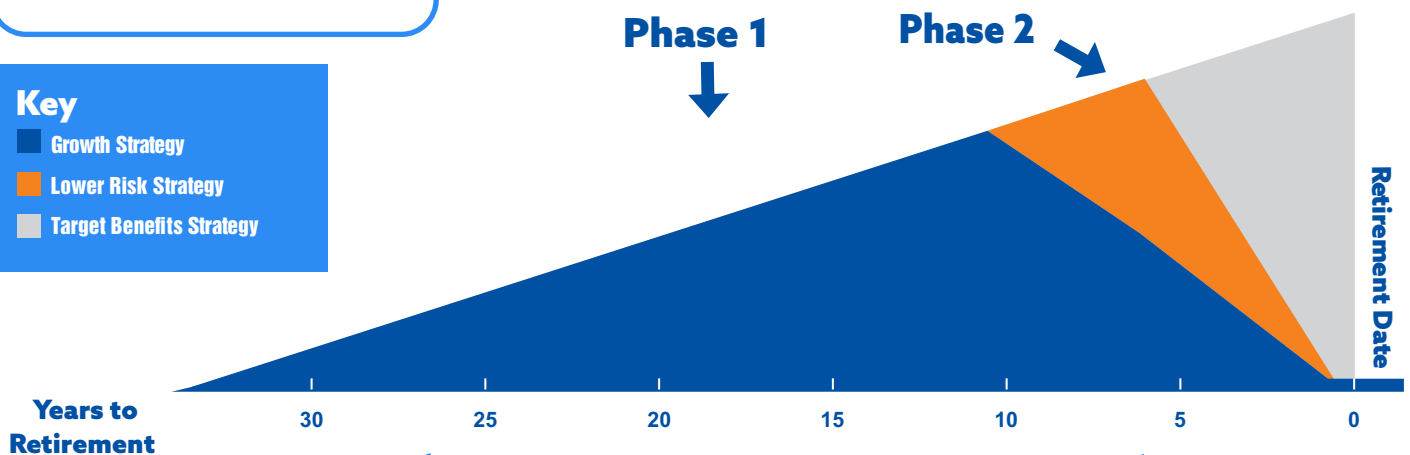
### Phase 1: Focus on investment growth

**Phase 1** puts you in Strategies suitable to achieve investment growth while at the same time balancing investment risk. Initially you will be completely invested in a **Growth Strategy** which aims to maximise your return by holding investments that target high long-term returns.

When you get to 11 years from your retirement, we start to automatically move your Retirement Pot into a wider variety of Strategies. Your Retirement Pot will gradually invest in more diversified investments to reduce the impact of volatile markets as you approach retirement.

### Key

- Growth Strategy
- Lower Risk Strategy
- Target Benefits Strategy



**Eoin** is age 40 and has 25 years until he reaches retirement. He has €10,000 saved in his Retirement Pot.

At this stage it will be 100% invested in the Growth Strategy

**Jason** is age 55, with 10 years before retirement and has €50,000 saved in his Retirement Pot.

At this stage he will have €46,000 (92%) invested in the Growth Strategy and €4,000 (8%) invested in a Lower Risk Strategy

**Eva** is age 59 with 6 years until retirement and has €300,000 saved in her Retirement Pot.

She will have €180,000 (60%) invested in the Growth Strategy and €120,000 (40%) invested in a Lower Risk Strategy

## Phase 2: Focus on retirement

When you are within six years of your Normal Retirement Age, the Strategy will aim to match the benefits you are most likely to take as follows:

### Lump Sum

The Strategy first targets a lump sum of 25% of your Retirement Pot or 1.5 times your salary (assuming 20 years of service), **whichever cash lump sum is greater**. This lump sum will be free of tax subject to current maximum Revenue limits.

If you take a cash lump sum of 25% of your Retirement Pot:

- the balance may be invested in an Approved Retirement Fund (ARF) for future flexible income

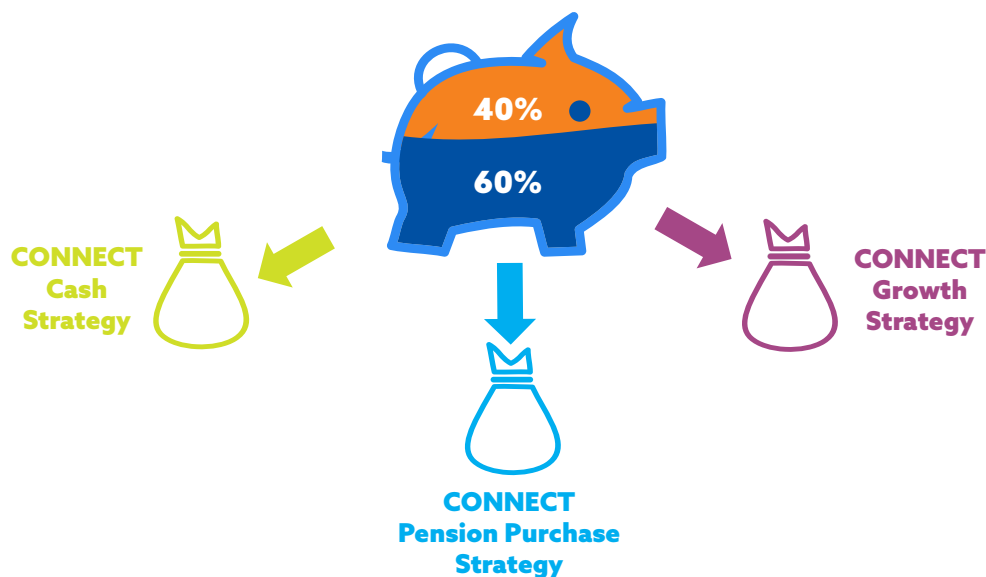
If you take a cash lump sum of 1.5 times your salary (assuming 20 years of service):

- the Strategy then targets an income of 25% of the salary you were earning before retirement
- any further money left over in your Retirement Pot then targets buying an ARF at Normal Retirement Age

In **Phase 2**, the focus is to help protect the amount of your Retirement Pot against market fluctuations as you get closer to your retirement date and to target the benefits that you are most likely to take on retirement. It therefore moves your Retirement Pot into Strategies with lower expected volatility and Strategies most suitable for how you are most likely to use your pension savings upon reaching retirement.

You might, for example, want to use your Retirement Pot to take a lump sum, purchase a pension for life or keep part of your pot for an ARF. Depending on your age, salary and Retirement Pot size, we will switch your Retirement Pot into investment Strategies that match your likely benefits.

**Six years from your retirement date, Phase 2 starts to move 20% of your Retirement Pot every year into Strategies that match your likely benefits when you reach retirement.**



If a member is unsure of which investment strategy to choose, then let the Connect Retirement Strategy do the thinking. This Strategy will help manage your Retirement Pot over time by making the investment decisions for you. However, a member should always look to review their investment strategy on a regular basis.