

How the **Lifestage strategy** works



There are two phases to a lifestage investment strategy, the growth phase and the pre-retirement or you might know it as the derisking phase.

Growth Phase: the time when you are contributing to your retirement savings. Your money is invested to give it the best chance of growing.

Pre-retirement phase - the time when you will start preparing for retirement.

You need to grow your retirement money as much as possible for retirement but with that growth comes investment risk. As you get closer to retirement you might need to take less investment risk to protect the money you have already saved.



When you are 5 years from retirement, small amounts of your money will regularly be switched from the growth portfolio into your pre-retirement portfolio.

When you are close to your normal retirement age all your retirement savings will be invested in your pre-retirement portfolio. The Lifestage strategy is designed to try and match your pre-retirement investment risk with the type of annuity you buy when you retire.