# Investments: a clear view

LifeSight
Willis Towers Watson

RCSI

**Get started!**

# Contents

# Welcome

As a member of LifeSight, you have access to a comprehensive range of investment options. Lifesight is the Willis Towers Watson retirement savings solution which invests your contributions in a personal retirement account with the aim of providing you with an income when you retire. LifeSight can help you plan and save for your future by providing a clear view of your pension savings. You just need to choose the option that you think is best suited to you and your retirement plans.

When saving for your retirement it's not just how much you contribute that helps determine your income in retirement, how your contributions are invested is also very important.

Before making your investment decisions, it is important to think about the following two things:

- the level of risk you feel comfortable taking;
- and how you would like to access your money when you retire.

Making an investment decision to meet your retirement ambitions can feel a little overwhelming, but it does not have to be. This Investment Guide is going to help you choose how to reach your goals and better understand what you are aiming for. You will learn about all the investment options available in LifeSight and we explain each of these in a simple, easy to understand way. Once you have read this Guide you should be in a better place to make informed choices about your LifeSight Account and your future.

While care has been taken in the design of the investment strategies and the selection of the investment managers, neither the Trustee, LifeSight, nor Willis Towers Watson can accept responsibility for any loss, which may incur because of poor performance of the funds. The LifeSight fund returns are monitored on a regular basis and, if the circumstances justify, both existing assets and new contributions may be switched to a new investment manager operating similar funds. If such a change is planned, you will be notified.

**Remember** – if you cannot afford to save as much as you would like to your LifeSight Account, you should save as much as you can and increase your contributions when your circumstances allow. The more you save now, the more options you will have in retirement and because your retirement contributions benefit from tax relief (subject to Revenue limits), saving for your retirement may cost less than you think!


**As a member of LifeSight, you need to:**

- Read this Investment Guide to understand your options
- Make any appropriate changes on your LifeSight Account

# Investment Phases

Set out below are the three phases of your investment journey. We talk about these phases throughout this Guide.

You join LifeSight and decide how to invest your LifeSight Account

10 years before your Normal Retirement Age

Your Normal Retirement Age

## Phase 1 – Grow

Choosing your investment approach during this phase, including the level of risk, is an important decision.

Learn more about risk and investments, go to page 3 in this guide.

## Phase 2 – Prepare

You may need to adjust your investment decisions to better align them with your retirement plans.

Learn more about updating or changing your investment options, go to page 15 of this guide.

## Phase 3 – Spend

Your investment decisions during phases 1 and 2 will have affected how much money you have in your retirement.

Learn more about your options in retirement, go to page 16 of this guide.

# About Risk


## In this section:

- Investment and risk
- Types of investments
- The long-term nature of your investments
- Understanding your attitude to risk

# Investment and risk

It's helpful to understand the relationship between investment risk and growth potential (or return).

Choosing a higher risk investment option may give your savings the biggest potential to grow, but it also means a greater chance of losing money in poor market conditions. Lower risk investment options offer less potential for growth, but more protection against the value of your LifeSight Account decreasing.

Your investment choice will determine how quickly your savings may grow and therefore has an impact on how much pension you receive and the age at which you may be able to afford to retire. You can use the Risk Profile Analyser in the online LifeSight portal to help work out the level of investment risk that you might be comfortable taking. The Pension Calculator tool provides an estimate of possible future benefit levels, but it cannot guarantee actual benefit levels, due to the unpredictable nature of investment markets.

Keep reading to find out more about the different types of investments and the different types of risk you should consider...

# Types of investments

Different types of asset class make up your investment choices.

## Equities

Equities are shares in companies around the world. Equities are expected to generate higher rates of return in the longer term than bonds or cash, but carry a higher investment risk because the value may rise and fall rapidly. Equities are generally considered a good way to invest over longer time-horizons as there is time to ride out the rises and falls of the stock market.

## Diversified Growth

Diversified Growth funds spread investment risk by investing in a wide range of assets including equities, bonds, property, cash and alternatives. They are expected to be generally less volatile (to go up and down less in value) than a pure equity fund but they do also have a lower potential return.

## Bonds

Bonds come in two types: corporate bonds – loans to companies, and government bonds – loans to a government. Investors typically receive a fixed return on their investment or 'interest' on their loan. Bonds typically give lower returns over a longer period than equities, but they are generally less volatile i.e. more predictable.

**Please note:** The primary aim of the '**Euro Government Bond**' is to protect against changes in the price of annuities. The fund uses the same type of investments as described above to do this. This would be useful for members who are considering buying a pension to provide a regular income in retirement (Phase 3) and want a fund that helps them align their investments to their preferred retirement option.

## Property

Property investments mainly consist of commercial property. Investing in property can have risks related to the nature of buying and selling property, including the risk that their value can go up and down.

## Cash

Cash refers to deposits and short-term loans, and is considered better at protecting the capital value of your LifeSight Account in the short term than other types of investments, such as equities. However, cash typically provides lower rates of return in the long term and there is still a risk that cash investments can go down in value from time to time.

# The long-term nature of your investments

Saving for retirement is a long-term strategy which could take place over a period of 40 years. Each investment option has different risk characteristics and volatility, so different investment options have different levels of risk & return. In general, the higher the level of expected investment returns, the greater the risk and the more likely returns will vary from year to year. So it is important that you judge the performance of your fund and pension over time.

It is important to remember that investment performance should not be judged on the basis of a short-term period (less than 3 years). Making a hasty decision and changing your investment option now may do your retirement savings more harm than good.

The value of your LifeSight Account will determine the benefits you receive from the scheme and will depend on two things – the **contributions made to the account** and the **actual investment returns achieved**. Neither of these factors can be accurately predicted in advance. That is why it is important to regularly review your investment choices to make sure your retirement savings are working as hard as they can and you are still on track with your retirement goals.

Take a look at the Glossary section of this guide for more information on the different types of risk.

There are many risks to consider in long-term investing for your retirement. These include fluctuations in the value of your LifeSight Account over time. Importantly, they also include inflation risks and the opportunity cost of not taking enough investment risk over the long term.

Usually the expected return of an investment is not achieved precisely but many factors influence the actual return to be higher or lower than expected. This is also known as the level of “volatility”. Some investors for example, may be happy to accept a 10% drop in their LifeSight Account one year, followed by a 20% increase the next year. Others may prefer a strategy which yields 2.0% each year, but with a much higher degree of certainty. What is the appropriate option for you depends on your age and your attitude to investing – specifically in anticipation of a higher expected return.

## Need help understanding risk and your investment options?

Log on to your online LifeSight Account at **www.lifesight.ie**, and try some of the LifeSight support tools, such as the Pension Calculator or the online Risk Profile Analyser.

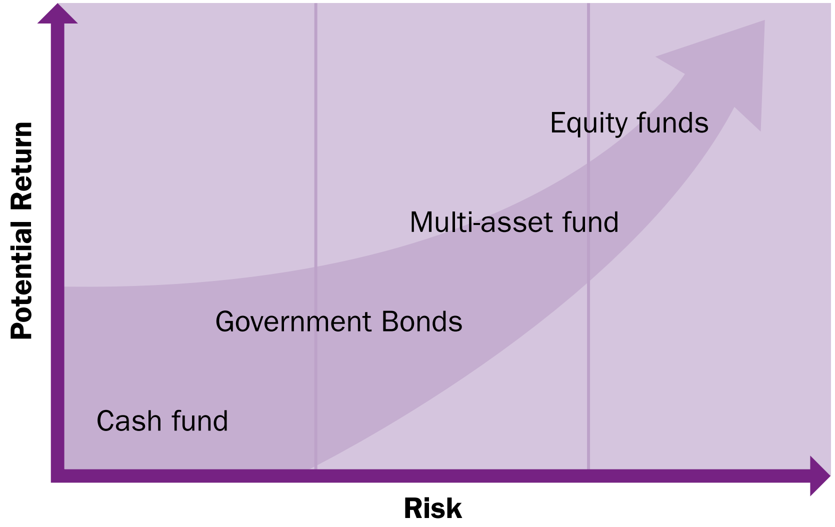
# Understanding your attitude to risk

The below investment risk table shows some circumstances that might indicate whether you have a higher, medium or lower tolerance to take investment risk.

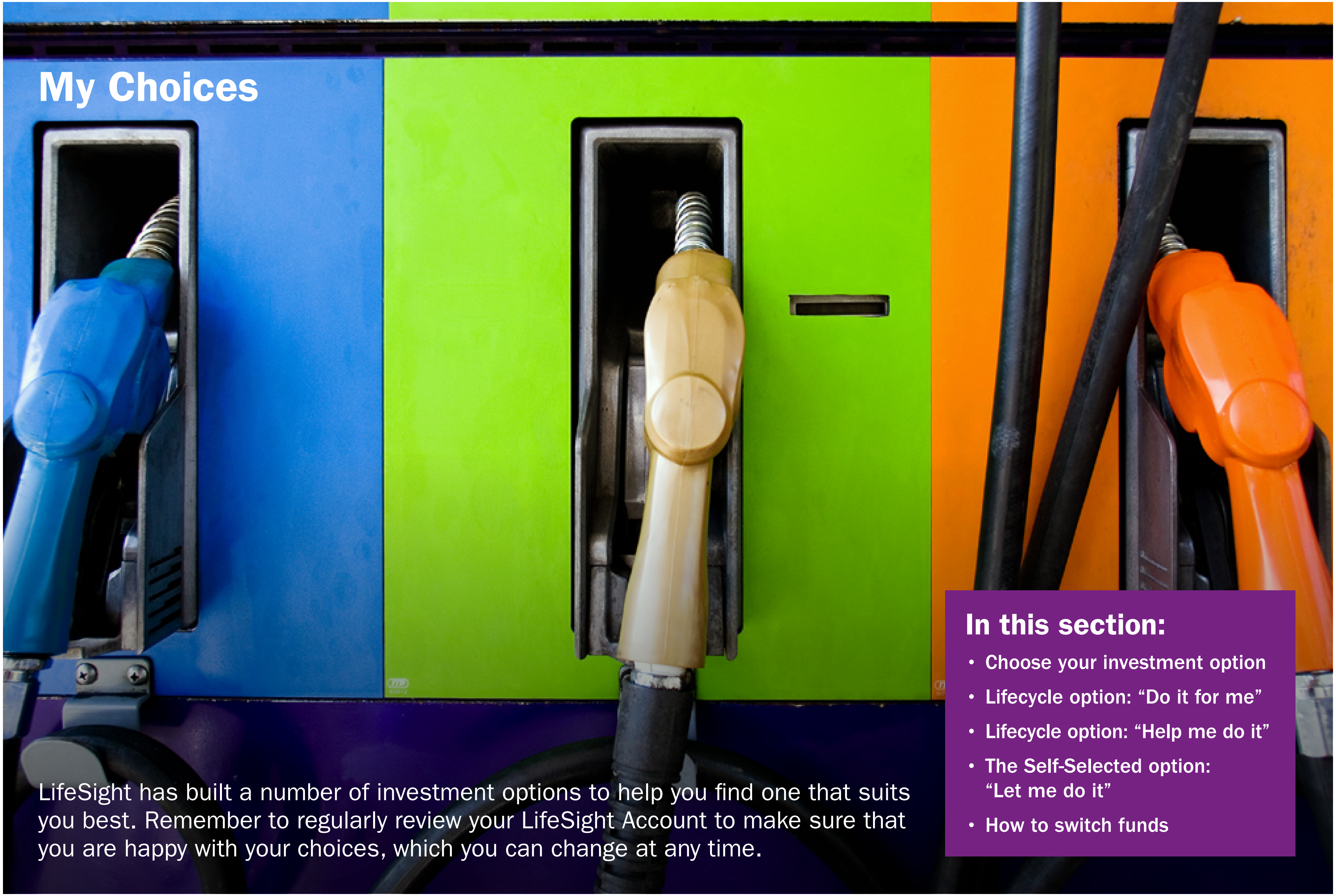
| **Low/Cautious** tolerance to risk | **Medium/Balanced** tolerance to risk | **High/Adventurous** tolerance to risk |
|---|---|---|
| With this attitude to risk, you would be uncomfortable if your LifeSight Account fell materially in value. At the same time, you expect relatively modest increases in the growth of your account over the medium to long term. The value may fluctuate up or down, but you would not want it to vary by more than moderate amounts. | With this attitude to risk, you recognise and accept that there is a fair chance of short-term reductions from time to time in the value of your LifeSight Account. On the whole, however, you would hope for it to grow faster than inflation in the longer term. | With this attitude to risk, you are hoping for a significant increase in your LifeSight Account in the longer term. However, you are also aware, and prepared to accept, that your LifeSight Account may also suffer significant short-term losses from time to time. |

The graph shown gives a brief summary of the types of funds that you can choose from and it also gives you some idea of how 'risky' each type of fund is and the return profile you might expect. Please note this is only a guide and there is a degree of risk with all investments.

The types of funds on the bottom of the graph (Cash funds) are the most stable. However, they might not keep up with inflation over the long term, as some of the other funds with higher equity exposure. They may be more suitable if you are close to retirement, than if you're investing your LifeSight Account for a long time and are looking for substantial growth. Funds such as Equity or multi-asset funds, will likely go up and down in value more but may grow by more in the long term. Further information on each of the fund options is given on pages 12 and 13.




The Cautious, Balanced and Adventurous attitude to risk is intended as a holistic assessment. Therefore, even with a Cautious approach, there will still be fluctuations in the value of your LifeSight Account, but this should be generally less than the Balanced or Adventurous approach.



# My Choices

LifeSight has built a number of investment options to help you find one that suits you best. Remember to regularly review your LifeSight Account to make sure that you are happy with your choices, which you can change at any time.

## In this section:

- Choose your investment option
- Lifecycle option: “Do it for me”
- Lifecycle option: “Help me do it”
- The Self-Selected option: “Let me do it”
- How to switch funds

# Choose your investment option

Now that you understand a bit more about your own attitude to risk and investment types, you need to decide how ‘hands on’ you want to be with your investment selection.

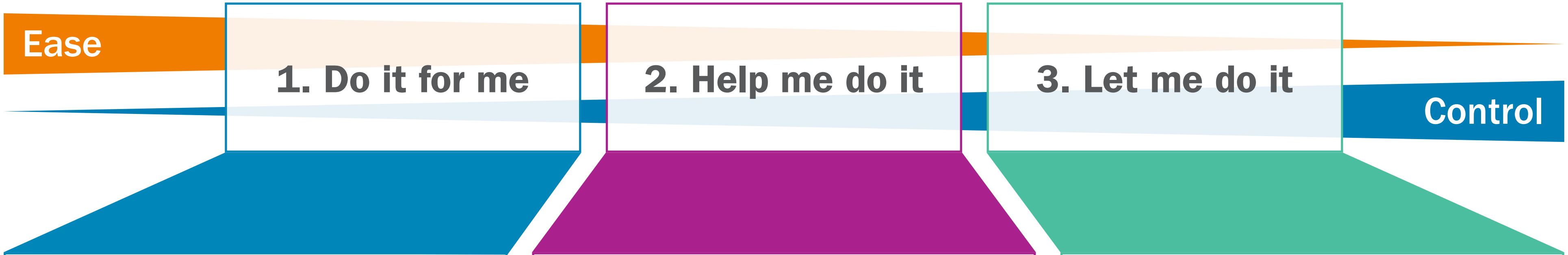
There are three types of investment options available to you:

## The Lifecycle options (“Do it for me” and “Help me do it”)

Makes the investment decisions for you. It is suitable if you do not wish, or feel unable to make a choice from the chosen range of funds made available by the Trustees.

## The Self-Selected option (“Let me do it”)

Suitable if you want to make your own choices regarding the funds available. The Trustees have selected a range of funds. You can invest in any one or a combination of these funds.




**You hand over full control to the Trustee.**

For those who may be less confident investors, LifeSight will pick the risk level and retirement path, so risk is managed for you all the way. This is your default investment option.

**You choose risk level and retirement target; automatic de-risking.**

You choose your risk level and your preferred retirement path. Once you are 10 years out from retirement, automatic de-risking is managed by LifeSight.

**You choose from diversified and risk controlled funds.**

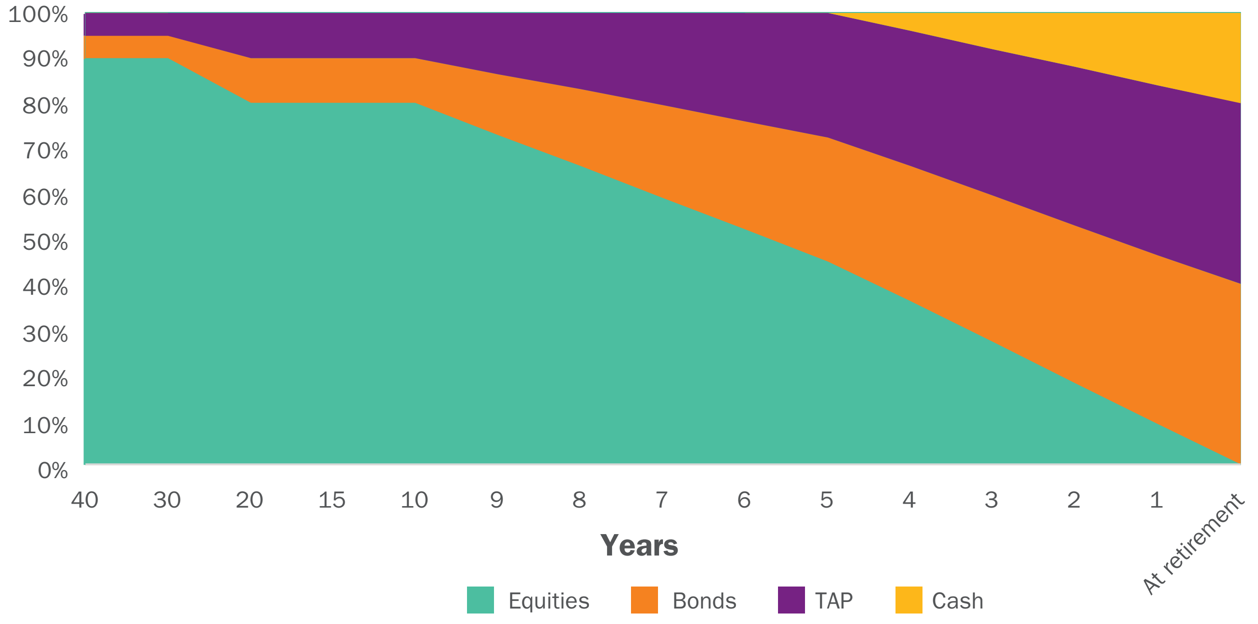
You take control of your retirement funds and pick where you wish to invest based on your own personal risk level. You have control throughout.

# Lifecycle option: "Do it for me" (Your default investment option)

Making an investment decision can feel a little daunting, even to the more experienced investor. To make things simpler, we have a default option.

We understand that for some members making investment decisions is not easy. LifeSight offers you an investment approach called 'Lifecycle', which manages the switching of your investments on your behalf. Its aim is to try to make sure you are invested in the right type of fund at the right time depending on your time to retirement and what you intend to do with your retirement benefits. It means that you do not need to make detailed investment decisions and risk is managed for you along the way.

## Balanced Pension Lifecycle




*"TAP" refers to one of a range of multi asset funds – see page 14 for more details.

### Default investment option

#### Not sure where to start?

If you do not make a choice on where you would like to invest, your contributions will automatically be invested in the default Lifecycle option (Balanced Pension Lifecycle).

# Lifecycle option: "Help me do it"

To help make your investment decision seem less daunting, you only need to decide on two things: your attitude to investment risk and planned retirement outcome. From these two decisions, we've designed nine Lifecycle options. You simply choose the combination that is right for you.

To find out more about the nine Lifecycle options available, take a look at page 23 of this guide.

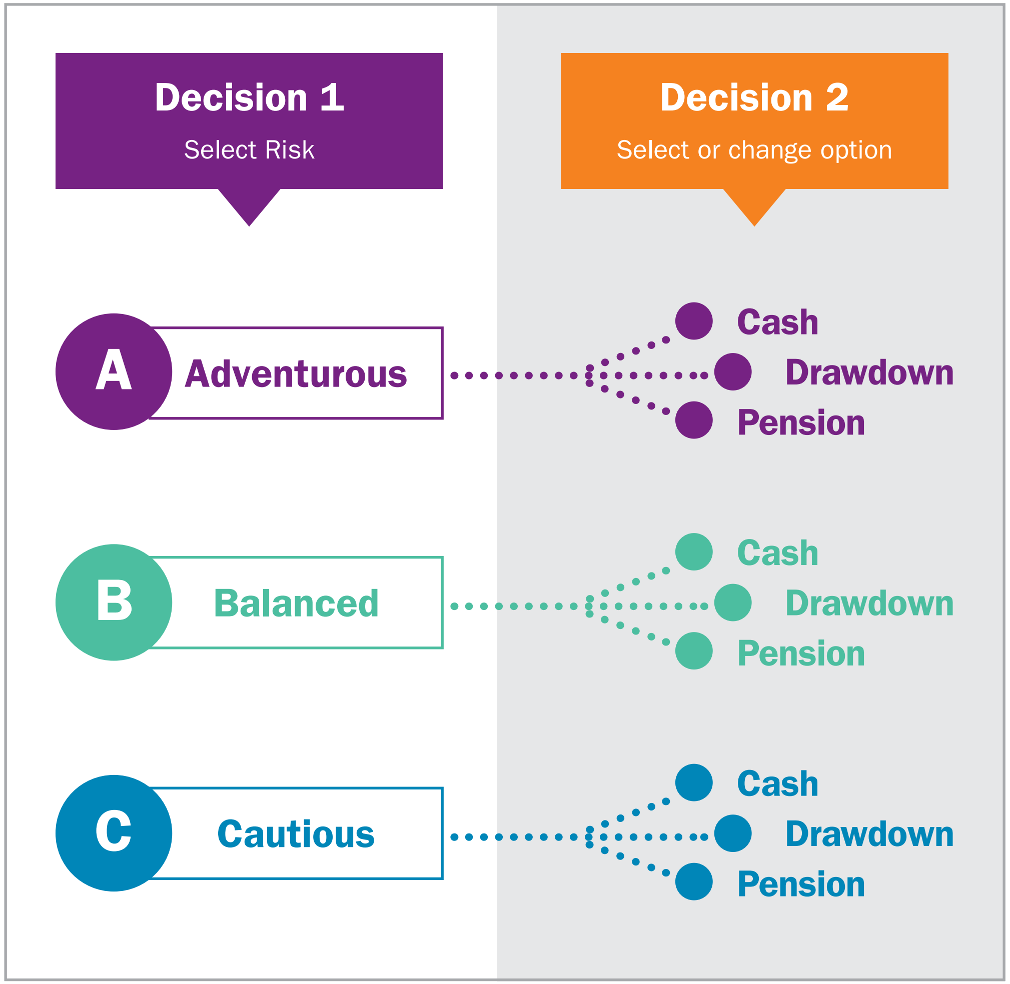
## Two Key Decisions

LifeSight offers nine different Lifecycle options. Your choice will depend on:

1. How much risk you would like to take.
2. How you want to access your savings in the future. This is particularly relevant for members who are within 10 years of accessing their savings

The funds in which your LifeSight Account are invested and the proportion held in each fund will then change automatically over time as you approach retirement, to become more aligned with the retirement option you have chosen.

Each of the Lifecycle options invests in a mix of LifeSight investment funds (see overleaf). Once you have made your choice, we will do the rest and manage the mix of your funds between now and your retirement. Lifecycle begins to switch into funds appropriate for your preferred retirement option i.e. from the 'Grow' phase to the 'Prepare' phase, 10 years before your Normal Retirement Age.




## This may be right for you if you…

- Are happy for LifeSight to manage your investments
- Regularly review the performance of your LifeSight Account
- Are comfortable that your investments automatically change according to both your chosen Lifecycle and how far you are from your Retirement Age

Consider the retirement option that suits you best at least 10 years before you plan to retire and review your situation regularly to make sure your LifeSight Account is still invested in line with your personal circumstances.

# The Self-Selected option: "Let me do it"

If you want to have much more fund choice and also have full control of the funds in which you invest, 'Let me do it' may be right for you. **Remember:** you need to be comfortable regularly monitoring your investments in line with your objectives and making any changes as necessary.

There are 12 funds available. They are grouped below by the type of investment. The name of each fund describes the asset class in which it invests or the principles on which it is based.

**VL** Very Low **L** Low **LM** Low/Medium **M** Medium **MH** Medium/High **H** High **VH** Very High

| Fund name | Investment objective | Risk profile |
|---|---|---|
| **Northern Trust (NT)** | | |
| NT Euro Liquidity Fund | To preserve capital and to maintain a high degree of liquidity by investing in high-quality short-term instruments. | L |
| NT Euro Government Bond Index Fund | To closely match the risk and return characteristics of the Citi Group EMU Government Bond Index. | LM |
| NT Euro Government Inflation Linked Index Fund | To closely match the risk and return characteristics of the Markit iBoxx EUR Sovereigns EUR Inflation-Linked ex-Italy ex-Greece Index (the Index). | LM |
| NT World Custom ESG Equity Index Fund, hedged | The fund seeks to closely match the risk and return characteristics of the MSCI World Custom ESG Index. It is a custom Index calculated and screened by MSCI based on Environmental, Social and Governance (ESG) criteria selected by Northern Trust, which excludes certain companies not considered to meet socially responsible principles. | H |
| NT World Custom ESG Equity Index Fund, unhedged | The fund seeks to closely match the risk and return characteristics of the MSCI World Custom ESG Index. It is a custom Index calculated and screened by MSCI based on Environmental, Social and Governance (ESG) criteria selected by Northern Trust, which excludes certain companies not considered to meet socially responsible principles. | H |

| Fund name | Investment objective | Risk profile |
|---|---|---|
| NT Emerging Markets Custom ESG Equity Index Fund | The fund seeks to closely match the risk and return characteristics of the MSCI Emerging Markets Custom ESG Index. It is a custom Index calculated and screened by MSCI and Institutional Shareholder Services Inc. (ISS) based on Environmental, Social and Governance (ESG) criteria selected by Northern Trust, which excludes certain companies not considered to meet socially responsible principles. | H |
| **Aberdeen Standard Investments (ASI)** | | |
| ASI – Tactical Asset Portfolio – Cautious | To provide a return from a combination of income and capital appreciation over the longer term by investing in a range of actively managed lower risk funds.<br>Volatility Range = 3% to 6% | LM |
| ASI – Tactical Asset Portfolio – Balanced | To provide a return from a combination of income and capital appreciation over the longer term by investing in a range of actively managed higher and lower risk funds.<br>Volatility Range = 6% to 10% | M |
| ASI – Tactical Asset Portfolio – Adventurous | To provide a return from a combination of income and capital appreciation over the longer term by investing in a range of actively managed higher risk funds.<br>Volatility Range = 8% to 12% | MH |
| ASI – Global Corporate Bond Fund | The fund aims to provide long-term growth from capital gains and the reinvestment of income generated by investing primarily in global investment grade bonds. | M |

Please note: Management Charges apply and may change from time to time. Please consult the Charge Sheet for details.

**Remember:** Each investment fund carries a slightly different investment charges. The charges depend on the types of assets the fund invests in and the way in which the investment managers invest. Some of our investment options are made up of multiple funds, which mean that charges will change over time in line with changes to the different types of funds held from time to time. It is important that you are aware of the charges before making your choice. See the Charge Sheet for more information.

## Who manages the investments?

Each of the Lifecycle glide paths is populated using a mixture of low-cost passive index funds and tactical multi-asset funds. The passive index component of the Lifecycle portfolios is managed by Northern Trust Investment Managers. The mandate in respect of each Northern Trust index fund (NT funds), is to track their respective benchmark. For example the mandate for the NT North American Indexed Fund is to track the performance of the MSCI North American Index.

The multi-asset component of the Lifecycle portfolios is managed by Aberdeen Standard Investments. The mandate for each of the tactical multi-asset funds (TAP funds) is set out below:

## Tactical Multi-Asset Funds

The underlying investments in a multi-asset fund will include traditional assets (such as equities and bonds) and investment strategies based on advanced derivative techniques. The Investment Manager can take long and short positions in markets, securities and groups of securities through derivative contracts. They may also invest in transferable securities, money-market instruments, deposits and cash. Due to the diversified nature of these funds, they typically exhibit a lower level of volatility relative to global equity markets.

## Multi-Asset Fund Name

| | |
|---|---|
| **TAP Fund – Adventurous** | The fund aims to achieve an average return of +5% p/a (gross of fees) above Euribor cash rates within an annualised volatility range of 8-12% over a market cycle (typically 5 years). These are targets and not guarantees. |
| **TAP Fund – Balanced** | The fund aims to achieve an average return of +4% p/a (gross of fees) above Euribor cash rates within an annualised volatility range of 6-10% over a market cycle (typically 5 years). These are targets and not guarantees. |
| **TAP Fund – Cautious** | The fund aims to achieve an average return of +3% p/a (gross of fees) above Euribor cash rates within an annualised volatility range of 3-6% over a market cycle (typically 5 years). These are targets and not guarantees. |

# How to switch funds

Investing your LifeSight Account is not a one-off decision. As you go through your working life, your personal circumstances are likely to change. So too will your approach to risk and your retirement plans.

That is why you need to regularly review how your LifeSight Account is invested – we recommend at least once a year, but more so the closer you get to retirement.

You can change your fund choice online anytime at **www.lifesight.ie** using your personal account number and PIN.

To make a switch you should follow the instructions on the web. The Trustees are not liable for poor investment returns.

## It's easy to make changes to your LifeSight Account.

1. Log in to your account using the LifeSight Pension Portal (**www.lifesight.ie**)
2. Click on the 'My Investments' tab
3. Select 'Risk Profile Analyser' if you wish to review your level of risk
4. If you wish to change your level of risk, select 'Change Manually' or complete the online questionnaire
5. If you wish to change your existing or future fund choice ("Let me do it"), please select 'Switch Investments' and follow the instructions on screen


**If you do not wish to change your investment choice online and would rather fill in an investment choice form on paper, please contact the LifeSight team on 01 661 6211.**

**Remember:** Switching funds incurs charges. Additionally, each investment fund carries different investment charges and it is important that you are aware of the charges before making changes to your LifeSight Account. See the Charge Sheet for more information.

# About Retirement

As we outlined in Phase 2, it is important to consider how you plan to access your savings at retirement.

## In this section:

- Counting down to retirement
- Consider your retirement benefit preferences
- Finding out more

# Counting down to retirement

When it comes time to retire, LifeSight has a range of glide path options designed to offer you variety and flexibility with your retirement savings.

An important factor when choosing the right investment option is how you plan to access your savings at retirement. It's recommended that you think about your retirement choices, and how you may wish to access your tax-free cash, before this time.

With personalised glide paths you can tailor your investment strategy to your own retirement goals and personal circumstances.

### Drawdown

If you want to invest in the drawdown option (i.e. investing in an Approved Retirement Fund or ARF), it may be suitable to invest in funds which aim to achieve growth for longer – like equities or diversified growth funds – because the part or all of your money will remain invested after retirement.

### Cash

If you want to take most of your savings as a lump sum, it is usually suitable to invest in cash funds in the last few years as you approach retirement.

### Pension

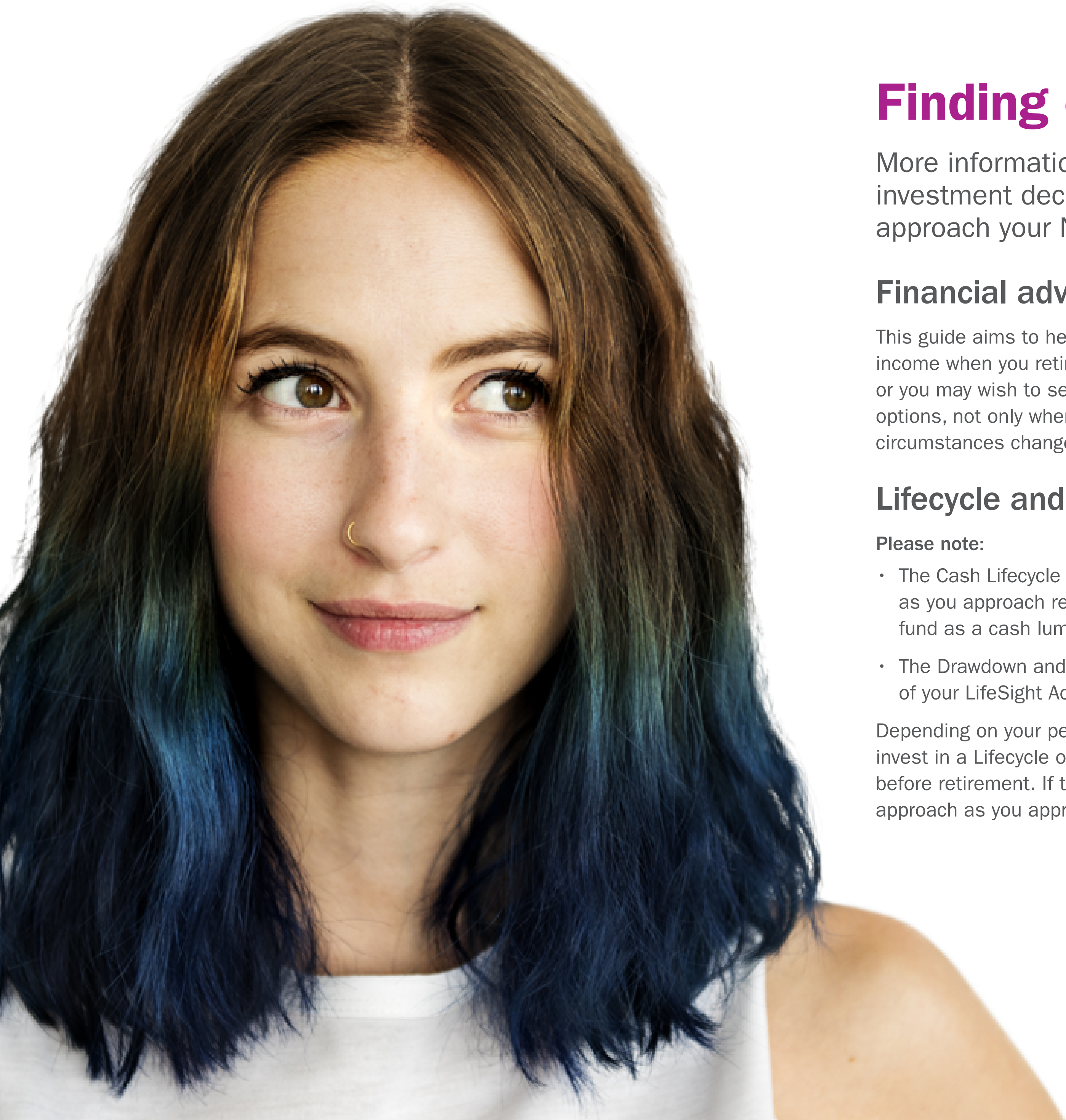
If you want to use your savings to buy a pension, it may be suitable to invest in bonds – and cash if you plan to take part of your pot as a tax-free cash lump sum.

# Consider your retirement benefit preferences

Now that you have chosen your investment risk profile, you will also need to consider what you would like to do with your LifeSight Account when you finish working – whether you would like to take an Approved Retirement Fund (Drawdown), a cash lump sum (Cash) or a pension.

The table below outlines these options and should help you understand which investment option might work best for you.

| Retirement Benefit | What it is: | Suitable for: | Relevant Investment Option |
|---|---|---|---|
| **Drawdown** | A personal post retirement fund where you can keep money invested. You can make your withdrawals when you need, subject to certain Revenue limits and legislative restrictions. | Members who wish to take a cash lump sum at retirement and invest the remainder of their LifeSight Account in an Approved Retirement Fund (ARF) from which you can make withdrawals when you need to, subject to certain Revenue limits and legislative restrictions. | Drawdown Lifecycle |
| **Cash** | A member may wish to use their LifeSight Account as a tax-free cash lump sum on retirement. This is subject to certain Revenue limits and legislative restrictions. | Members who wish to and can take most of their LifeSight Account as a cash lump sum at retirement. | Cash Lifecycle |
| **Pension** | A contract with a life assurance company which makes regular payments for the remaining life of the pension holder. Also known as a pension for life. | Members who want to use their LifeSight Account to purchase a pension and have a guaranteed income for life. | Pension Lifecycle |



# Finding out more

More information about your retirement options and investment decisions will be available to you as you approach your Normal Retirement Age.

## Financial advice

This guide aims to help you make some important decisions, which will affect your income when you retire. You may feel comfortable making these decisions yourself or you may wish to seek independent financial advice about your investment options, not only when you first make investment choices, but whenever your circumstances change.

## Lifecycle and tax-free cash

**Please note:**

- The Cash Lifecycle options simply moves 100% of your Account into the Cash Fund as you approach retirement. Don't forget, most members cannot take their entire fund as a cash lump sum and this option may therefore be inappropriate for you.
- The Drawdown and Pension Lifecycle options assume that you plan to take 25% of your LifeSight Account as a tax-free cash lump sum.

Depending on your personal circumstances, you may find that you do not want to invest in a Lifecycle option that switches some of your investments into cash just before retirement. If this is the case, you may wish to consider the 'Let me do it' approach as you approach retirement (see page 12 for more details).

# Jargon Buster and More Information

# Glossary

**Active management**
A fund manager, who picks particular investments that will outperform the market. There is no guarantee the manager will outperform and may actually underperform. Fees for active managers are typically higher than passive.

**ARF/AMRF**
An Approved Retirement Fund (ARF) and/or an Approved Minimum Retirement Fund. These are a type of personal post-retirement funds where you can keep your money invested as a lump sum. You can make withdrawls when you need to, subject to certain Revenue limits and legislative restrictions.

**Bonds**
Bonds come in two types: corporate bonds – loans to companies, and government bonds – loans to a government. Investors typically receive a fixed return on their investment, or 'interest' on the loan.

These would be useful if you are considering buying a pension to provide a regular income in retirement (Phase 3) and want a fund that helps you align your investments to retirement in preparation.

**Cash**
Cash refers to either a money market type investment or taking a lump sum benefit at retirement (up to Revenue limits).

**Company**
Your employer participating in the Scheme and includes any other associated.

**Drawdown**
Refers to an Approved Retirement Fund (ARF). This is a flexible post-retirement investment fund in your own name which allows you to manage and control your income in retirement.

**Equities**
Shares in a company that are bought and sold on a stock exchange.

**ESG**: Sustainable investing is financial investing to meet present and future needs through management of long-term risks and opportunities, which involves considering ESG (Environmental, Social and Governance) issues and wider societal impacts. Growing public and stakeholder concerns along with EU directives, such as IORP II, means that investment managers have had to consider ESG concerns when building an investment portfolio. As a policy sustainable investing is in its infancy however the limited evidence which is available points towards moderate long-term adjusted return advantage for ESG integration.

**Inflation risk** is the risk that inflation may exceed the return on your investment. This risk can be mitigated by investing in an equity or diversified fund which would be expected to beat inflation over the long term.

**Hedging** against investment risk means strategically using instruments in the market to offset the risk of any adverse price movements. In other words, investors hedge one investment by making another. Technically, to hedge you would invest in two securities with negative correlations.

**Lifecycle options**
You choose from three different strategies with varying levels of risk and LifeSight manages these over time. You will need to review the performance of your LifeSight Account regularly to make sure it is still the best option for you.

**LifeSight Account**
An individual retirement account held by you. Your LifeSight Account can be accessed and managed online.

**Normal Retirement Age**
The age specified in your Benefit Schedule.

**Passive management**
Passive funds try to match the returns of a particular benchmark or index. Passive funds usually have lower investment charges than active funds. The majority of funds available through LifeSight are managed on a passive basis.

**Pension**
A regular income that is paid for a fixed term or until the end of your life. A pension is often bought with an insurance policy and through a specialist pension provider.

**Phase 1: Grow**
The period in which you may look to grow your LifeSight Account through investment returns.

**Phase 2: Prepare**
The period in which you may look to start moving into funds that align with how you want to take your savings at retirement, usually within 10 years or less to retirement.

**Phase 3: Spend**
The period when you access your savings through one of the retirement options available.

**Risk**
All investments carry some level of risk and can rise or fall in value.

**Scheme**
This is the pension plan named in your Benefit Schedule.

**Self-Selected ("Let me do it")**
You choose from one or more of the nine investment funds available. You are responsible for day-to-day management and monitoring of your LifeSight Account in line with your personal circumstances and retirement plans.

**Unhedged:** not protected against risk in the market by a counterbalancing action: an unhedged bet/an unhedged investment.

# Risk

**Market risk relates** to changes in the market as a whole, which may result in a change in the value of your investment. This risk can be somewhat mitigated by diversifying your portfolio, i.e. by holding many different types of assets.

**Inflation risk** is the risk that inflation may exceed the return on your investment. This risk can be mitigated by investing in an equity or diversified fund which would be expected to beat inflation over the long term.

**Annuity risk** relates to the impact that changes in interest rates may have on your investments & the cost of buying your pension at retirement. By holding long term bonds in your portfolio as you approach retirement, you are reducing your annuity risk. This risk is only relevant if you expect to buy an annuity upon retirement.

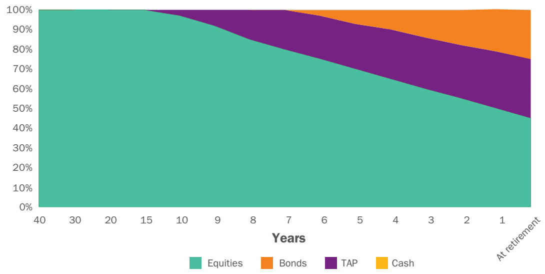
**Specific or individual investment risk**
The risk that a particular asset in which the fund invests in may fall in value due to factors specific to that asset. Specific risk is managed by holding a diversified portfolio of assets across asset classes, i.e. by holding a mixture of equities, bonds, property and cash.

**Liquidity risk:** Liquidity risk is the risk that the investment security cannot be sold or that there may be a penalty for encashing the value of the fund. By ensuring that a sufficient amount of your assets are held in liquid assets (assets that can easily be sold, such as equities and bonds), you are reducing the level of liquidity risk that you hold.

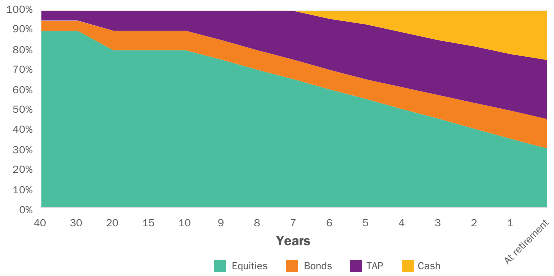
# Lifecycle options in more detail

## Drawdown targeting Lifecycle

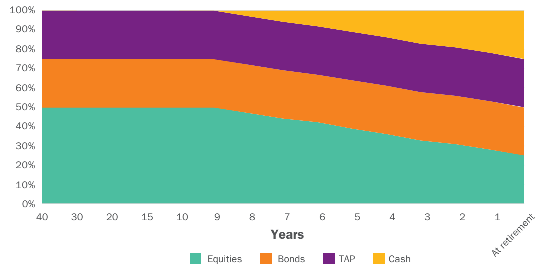
**Drawdown Adventurous**




**Drawdown Balanced**

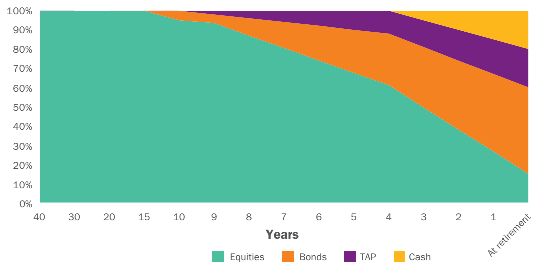



**Drawdown Cautious**

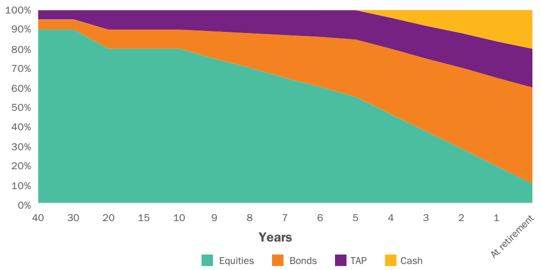



## Pension targeting Lifecycle

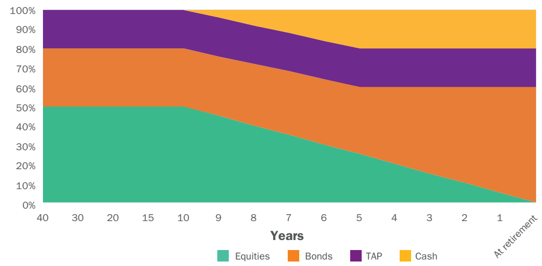
**Pension Adventurous**




**Pension Balanced**

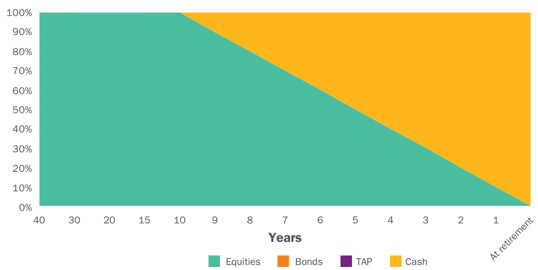



**Pension Cautious**

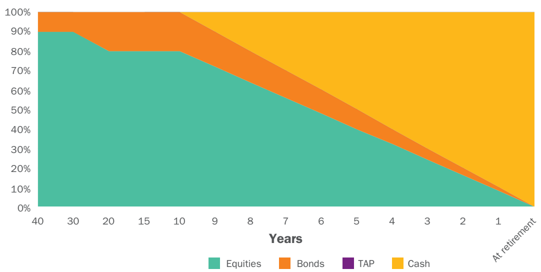



## Cash targeting Lifecycle

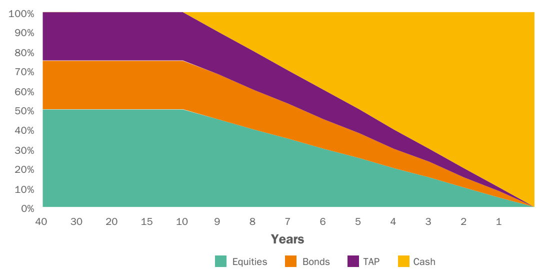
**Cash Adventurous**




**Balanced Cash Risk Profile**




**Cash Cautious**




*”TAP” refers to one of a range of multi asset funds – see page 14 for more details.

## Your 'to do' list:

- [ ] **Activate** your LifeSight Account
- [ ] **Check and Update** your personal information
- [ ] **Explore** your Pension Calculator
- [ ] **Learn** your risk profile
- [ ] **Review** how your savings are invested
- [ ] **Nominate** your beneficiaries
- [ ] **Consider** saving more for your retirement

### Can't get online?

Contact the LifeSight Team at the details on the back of the guide.

**Grow** **Prepare** **Spend**

# Contact us

Full details of your benefits and choices are available in the online LifeSight Pension Portal.

However, if you have a question about your LifeSight Account, contact the LifeSight Team using the following details:

**The LifeSight DC Admin Team**
Willis Towers Watson House
Elm Park, Merrion Road
Dublin 4, D04 P231, Ireland

Phone: **+353 (0) 1 661 6211**
Email: **support@lifesight.ie**

Effective as of 29 July 2019

## WARNING:

**The value of your investment may go down as well as up. These funds may be affected by changes in currency exchange rates. If you invest in these funds you may lose some or all of the money you invest. If you invest in this product you will not have any access to your money until your retirement date.**

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