



PERSONAL LIFESTYLE STRATEGY (PLS) ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVC)

FEBRUARY 2015

The Personal Lifestyle Strategy (PLS) is an innovative new pension investment solution for members of Additional Voluntary Contribution (AVC) schemes. PLS is designed to meet two very important needs for pension scheme savers:

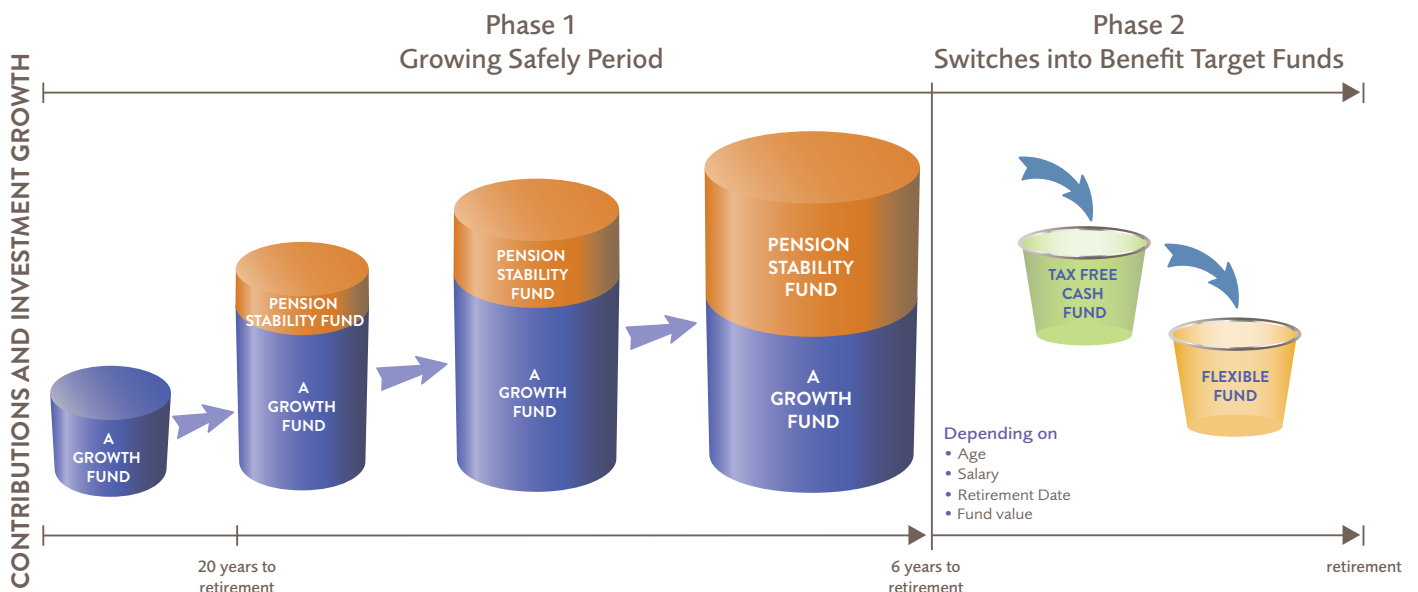
- It helps protect your pension fund value against market fluctuations as you get closer to your retirement date and
- It directs your investment into appropriate funds that best match the benefits that you are likely to take on your retirement.

We are committed to ensuring that PLS stays up to date and relevant. We will review the strategy regularly, so that it will automatically change over time to take account of changes in retirement regulations and investment opportunities. When these reviews are carried out, all customers using PLS automatically benefit from the changes.

Warning: The value of your investment may go down as well as up.

HOW DOES THE PERSONAL LIFESTYLE STRATEGY WORK?

The Personal Lifestyle Strategy consists of two phases which span the years of your pension savings. It starts from the moment you join the strategy up to your retirement date.



PHASE 1 - Growing Safely Period

Phase 1 puts you in funds suitable to achieve investment growth while at the same time balancing investment risk. Initially you will be completely invested in a growth fund, typically the Consensus Plus Fund. With 20 years to retirement we start to gradually move your fund into the Pension Stability Fund. This helps to protect your pension fund against volatile markets.



PHASE 2 - Switches into Benefit Target Funds

Phase 2 gradually moves your AVC fund into funds that will be most suitable for how you will use your AVC savings upon reaching retirement. We expect you will want to take as much of your fund as tax free cash at retirement as Revenue will allow and keep the remainder invested. Depending on your individual circumstances we will switch your savings into investment funds that target the benefits most suitable to you. With 1 year to retirement you will be 100% invested in your target fund(s).

WHICH INVESTMENT FUNDS ARE USED IN PLS?

Risk Rating

1



The **Tax Free Cash Fund** is a low risk fund which invests in bank deposits. It will be used for your likely lump sum benefit.

Risk Rating

2



The **Pension Stability Fund** is mainly invested in bonds, with some investment in cash, equities and alternative assets. It aims to help protect your pension fund against market movements.

Risk Rating

3



The **Flexible Fund** is mainly invested in bonds with some investment in cash, equities and alternative assets. It will be used for the part of the fund that may be transferred to an Approved Retirement Fund (ARF).

Risk Rating

5



The **Consensus Plus Fund** is predominantly invested in international equities with some holdings in bonds, cash and property. The split of these assets is based on the Consensus Fund. In addition to these holdings a number of different asset classes are included in the fund to give greater diversity.

Details of these funds are available on www.irishlifecorporatebusiness.ie

Warning: These funds may be affected by changes in currency exchange rates.

Securities Lending: The assets in these funds (except the Tax Free Cash Fund) may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment return.

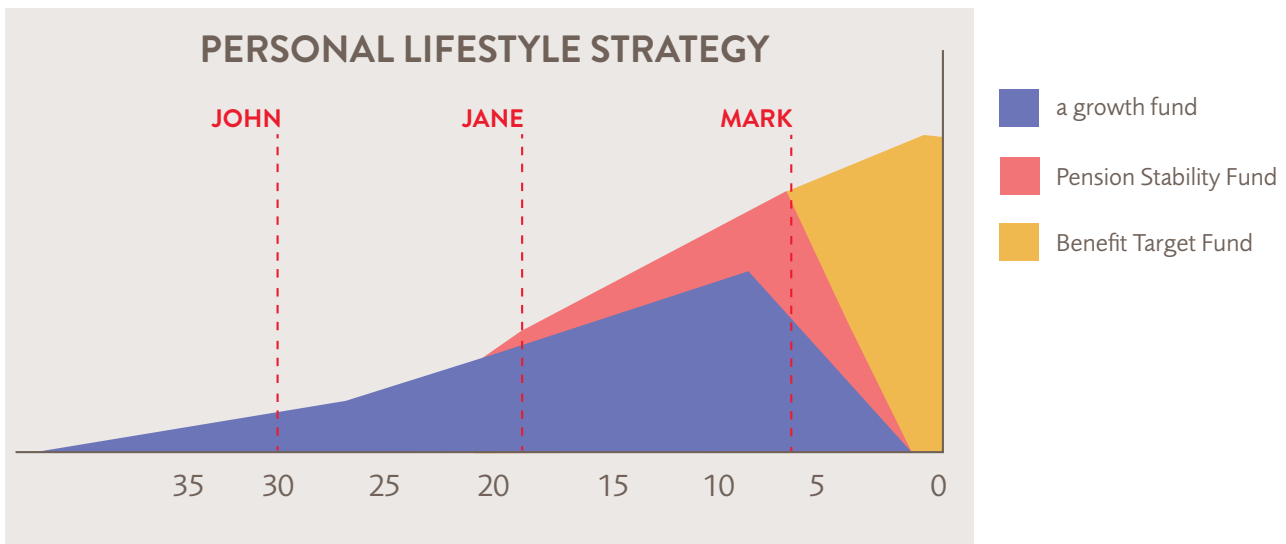
HOW DOES PLS WORK IN DETAIL FOR AN INDIVIDUAL MEMBER?

If your retirement age is 65 you will be 100% invested in a growth fund (e.g. the Consensus Plus Fund) until you reach age 45. From age 45 we will switch a small percentage, about 3% each year, of your accumulated fund into the Pension Stability Fund. The switches take place on a monthly basis. When you reach age 59 and you are 6 years away from retirement, 60% of your pension will be invested in a growth fund and 40% in the Pension Stability Fund. If your pension plan has a different retirement age then the switching will start 20 years from that retirement date.

During the 6 years before your retirement, your fund is then directed into target funds to match your likely retirement benefits. The following table gives an overview of the funds you will be invested in over the years of your pension saving. The graph on the next page looks at some sample members at different ages.

	Years to Retirement	A growth fund Life (e.g. Consensus Plus Fund)	Pension Stability Fund	Benefit Target Fund
Growing Safely Phase	Over 20	100%	0%	0%
	6	60%	40%	0%
Switches into Benefit Target Funds	5	48%	32%	20%
	4	36%	24%	40%
	3	24%	16%	60%
	2	12%	8%	80%
	1	0%	0%	100%
	0	0%	0%	100%

This graph shows the funds a member may be invested in throughout their time saving for retirement.



PHASE 1 - Growing Safely Period

John is age 35 and has 30 years until retirement. He has €10,000 saved in his pension fund. At this stage all the pension will be invested in a growth fund.



Jane is age 46, with 19 years before retirement and has €50,000 saved in her pension fund. At this stage she will have €48,500 (97%) invested in a growth fund and €1,500 (3%) invested in the Pension Stability Fund.



Mark is age 59 with 6 years until retirement and has €300,000 saved in his pension fund. He will have €180,000 invested in a growth fund and €120,000 in the Pension Stability Fund.



Phase 2 is the phase when PLS really matches your personal circumstances!

PLS recognises that everyone is unique and will retire on a different salary, service length, fund size.

Based on your personal details submitted to us, over the last six years prior to your retirement PLS will switch your pension savings into one, two or three different funds that best fit how you are likely to take your benefits at retirement.

PHASE 2 - Switches into Benefit Target Funds

John retires at age 65 with a fund size of €80,000. He may be able to use all of this to purchase a tax-free lump sum. He will be switched into 1 fund only.



Jane retires at age 65 with a fund of €150,000. She may be able to purchase a tax free lump sum and the balance may be invested in an ARF for future flexible income. She will be switched into 2 funds:



Mark retires at age 65 with a fund of €250,000. He may be able to purchase a tax free lump sum and the balance may be invested in an ARF for future flexible income. He will be switched into 2 funds:



All the above examples are for illustration purposes only. Revenue limits will apply to all retirement benefits.

KEEPING PLS UP TO DATE

PLS can only work based on the data that we are given. This includes salary, date you joined service, your retirement age and whether you are paying AVCs. We should be informed of any changes as soon as possible.

Irish Life Corporate Business is continuously striving to offer services which are up to date and appropriate. For PLS to work in the best way possible, we will review it on a regular basis to ensure that it is meeting its objectives. The latest review has taken into account the changes in the Finance Act 2014.

Any changes will be communicated to Trustees, Financial Advisers and all our member literature will be updated.

Please note that restrictions may apply to switches out of your existing funds if you join PLS.

For more information and if you wish to use the Personal Lifestyle Strategy please contact your Financial Adviser. All fund flyers are available on www.irishlifecorporatebusiness.ie

Warning: If you invest in these product you may lose some or all of the money you invest.

Warning: The value of your investment may go down as well as up.

Warning: These funds may be affected by changes in currency exchange rates.

Warning: If you invest in this product you will not have any access to your money until you retire.

Securities Lending: The assets in these funds (except the Tax Free Cash Fund) may be used for the purposes of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it also provides an opportunity to increase the investment return.

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Irish Life Assurance is regulated by the Central Bank of Ireland. In the interest of customer service we may record and monitor calls. Irish Life Assurance plc, Registered in Ireland number 152576, Vat number 9F55923G. For more up-to-date information, see www.irishlifecorporatebusiness.ie.



Irish Life

75 Years of Experience