

# Personal Lifestyle Strategy (PLS) Personal Retirement Bonds (PRB)



The Personal Lifestyle Strategy (PLS) is an exciting and innovative investment solution for PRB holders.

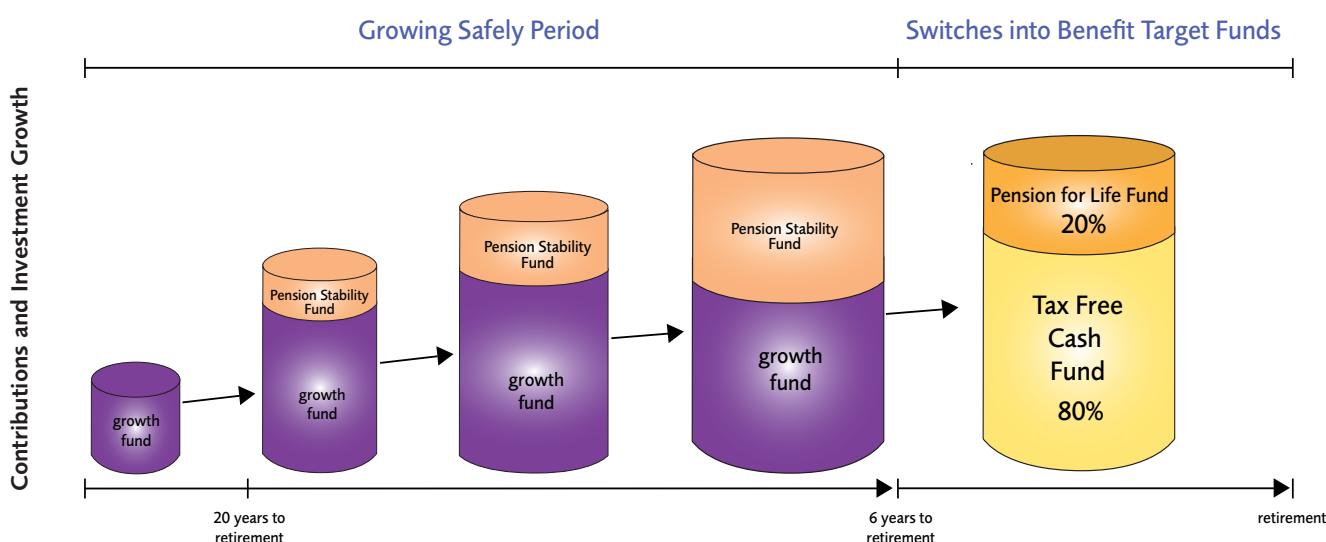
PLS is designed to meet two very important needs for PRB holders:

- It helps protect your PRB 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.

**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 PRB investment. 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 risks.

Initially you will be completely invested in a growth fund, typically the Consensus Fund.

With 20 years to retirement we start to move parts of your fund into the Pension Stability Fund (previously called Safe Pension Fund). This helps to protect your PRB fund against volatile markets.



### PHASE 2 Switches into Benefit Target Fund

Phase 2 gradually moves your PRB fund into funds that will be suitable for how you will use your PRB savings upon reaching retirement.

Typically a PRB holder will use 80% of their fund for a Tax Free lump sum with the remainder used as an annuity.

With 1 year to retirement you will be 80% invested in the Tax Free Cash Fund and 20% in the Pension for Life Fund.

## Which investment funds are used?

|   |                                  |
|---|----------------------------------|
| The <b>Consensus Fund</b> invests mainly in international equities with some holdings in bonds, cash and property. It aims to achieve returns that are consistently in line with the average of all pension managed funds in the Irish marketplace. | Risk Rating<br><b>5</b><br>●●●●● |
| The <b>Pension Stability Fund</b> (previously called the Safe Pension 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<br><b>2</b><br>●●●●● |
| The <b>Tax Free Cash Fund</b> is a low risk fund which invests in bank deposits. It will be used for your likely tax free cash benefit.   | Risk Rating<br><b>1</b><br>●●●●● |
| The <b>Pension for Life Fund</b> invests in government and corporate bonds. It is designed for the portion of your fund that may be used to purchase an annuity.  | Risk Rating<br><b>3</b><br>●●●●● |

Details of these funds are available on our website [www.irishlife.ie/corporatebusiness](http://www.irishlife.ie/corporatebusiness)

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

## How does PLS work in detail for an individual PRB holder?

If your retirement age is 65 you are 100% invested in a growth fund, typically the Consensus 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 each year. The switches take place on a monthly basis. When you reach age 59 and you are 6 years away from retirement, 60% of your PRB will be invested in the Consensus Fund and 40% in the Pension Stability Fund. If you are targetting a different retirement age then the switching will start 20 years from that expected retirement date.

During the 6 years before your retirement, your fund is then directed into target funds to match your likely retirement benefits. For PRB savings, this is 80% Tax Free Cash Fund and 20% Pension for Life Fund. With 1 year to your retirement date you will be 80% invested in the Tax Free Cash Fund and 20% in the Pension for Life Fund.

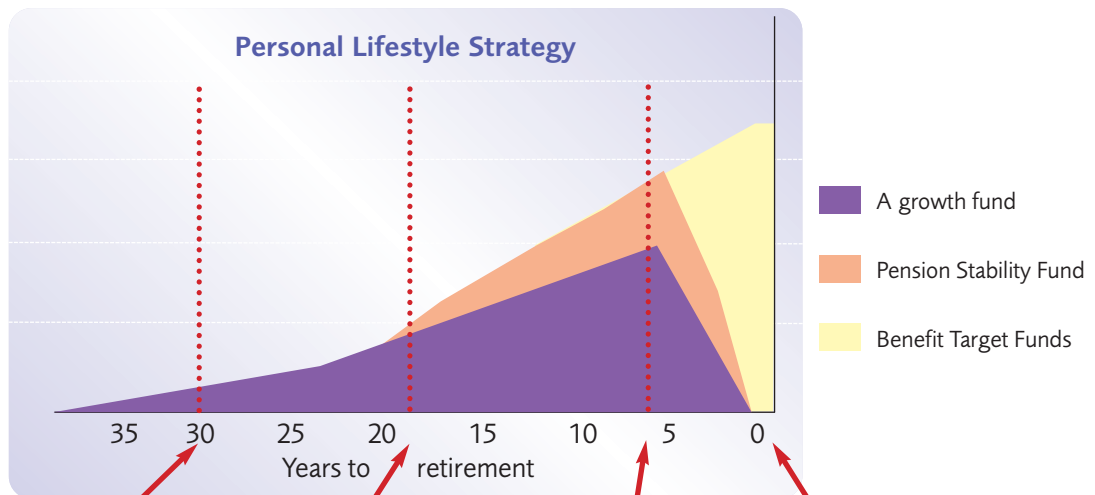
The following table gives an overview of the funds you will be invested in over the years of your PRB saving and the next graph looks at some sample members at different ages.

|   | Years to Retirement | a growth fund (e.g. Consensus Fund) | Pension Stability Fund | Tax Free Cash Fund | Pension for Life Fund |
|---|---------------------|-------------------------------------|------------------------|--------------------|-----------------------|
| <b>Growing Safely Phase</b>             | Up to 20            | 100%                                | 0%                     | 0%                 | 0%                    |
|   | 6                   | 60%                                 | 40%                    | 0%                 | 0%                    |
| <b>Switches into Tax Free Cash Fund</b> | 5                   | 48%                                 | 32%                    | 16%                | 4%                    |
|   | 4                   | 36%                                 | 24%                    | 32%                | 8%                    |
|   | 3                   | 24%                                 | 16%                    | 48%                | 12%                   |
|   | 2                   | 12%                                 | 8%                     | 64%                | 16%                   |
|   | 1                   | 0%                                  | 0%                     | 80%                | 20%                   |
|   | 0                   | 0%                                  | 0%                     | 80%                | 20%                   |



Not only does the Personal Lifestyle Strategy help to protect a PRB fund value against market movements but it also ensures that your investment is in appropriate funds for the retirement benefits that you are likely to take.

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



### Some samples:

**John** is age 35 and has 30 years until retirement. He has €10,000 saved in his PRB fund.

At this stage all the money will be invested in a growth fund.

**Jane** is age 46, with 19 years before retirement and has €30,000 saved in her PRB fund.

At this stage she will have €29,100 (97%) invested in a growth fund and €900 (3%) invested in the Pension Stability Fund.

**Mark** is age 59 with 6 years until retirement and has €50,000 in his PRB fund.

He will have €30,000 invested in a growth fund and €20,000 in the Pension Stability Fund.

**Mary** is age 64 and retiring in a year. She has €70,000 in her PRB fund.

80% of her money will be invested in the Tax Free Cash Fund and 20% will be invested in the Pension for Life Fund.

## Keeping PLS up to date

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 review will cover such areas as

- Future regulatory changes.
- Review asset splits of the funds used with PLS.
- Review fund splits at different ages.
- Review the funds used with the Growing Safely period and the switching into Benefit Target Fund periods.

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

- Switches into the PLS and switches as part of PLS are free of charge.

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

- You should inform us if you wish to target a different retirement date.

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These funds may engage in securities lending to earn returns.

**Please Note:** Every effort has been made to ensure that the information in this publication is accurate at the time of going to press. Irish Life Assurance plc accepts no responsibility for any liability incurred or loss suffered as a consequence of relying on any matter published in or omitted from this publication. Readers are recommended to take qualified advice before acting on any of the matters covered.

For more information and if you wish to use the Personal Lifestyle Strategy please contact your Financial Adviser.

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