Lifestage investment approaches

AVIVA

In a nutshell, a lifestage investment approach is a pre-determined investment path on which, at various stages, we'll automatically move your money between carefully chosen funds. In other words, its a way of investing for your retirement without having to be too hands-on in managing your pension plan.

How does a lifestage investment approach work?

Growth in the early years

Typically, in the early years (normally more than 5 or 10 years before your chosen retirement age) your money is invested in one or more funds that aim to grow your pension pot over the long term.

Focus on your retirement plans in later years

As you get closer to your chosen retirement age, we will automatically and gradually move your money into different types of funds which are designed to prepare your pension pot for how you intend to take your retirement benefits.

Managing your exposure to risk

Lifestage approaches also benefit from a feature called 'automatic rebalancing'. This is where we automatically adjust how your entire pot of money is split between funds, at regular, set intervals. We do this to make sure you're not exposed to a different level of investment risk than you wanted to be.

We rebalance your funds automatically on set dates, so there's a chance we may move your money at a time that wouldn't offer you the best returns on your investment. You should also bear in mind that fund values can go down as well as up and are not guaranteed - you might get back less than the amount paid in.

For information about the specific lifestage investment approach you are invested in please refer to your lifestage investment approach brochure included in your member pack.

Things to consider

- A lifestage investment approach is a pre-determined investment path on which we'll automatically move your money between carefully chosen funds as you get closer to your chosen retirement age – you don't make any of these investment decisions.
- We will automatically move your money/rebalance your fund on set dates, regardless of market performance and economic conditions at that time. As a result, it may not move at a time that gives you the best return on your investment.
- These investment approaches work based on the age you've told us you want to retire at. If you decide to take your retirement benefits from your pension pot earlier or later than your chosen retirement age, it may be worth reviewing how your money is invested.
- If you intend to change the way you take your retirement benefits or how you invest your money, we recommend you speak to a financial adviser to go over your investment choices.
- If you're close to your chosen retirement age, there may be less chance for investment growth because you have less time to invest.
- Because we invest your money for growth in the early years, and aim to prepare for your retirement in later years, you could receive a lower return from the funds we move your money into than from the funds you were previously invested in. There's also a greater possibility that the investment returns on the funds we move your money to may not cover your charges.
- Please remember, the value of your pension pot can go down as well as up, and is not guaranteed - you might get back less than the amount paid in.
- Whether a lifestage investment approach is right for you will depend on your individual circumstances, so we recommend you speak to a financial adviser.
- If you're choosing a new investment option, make sure it's suitable for your circumstances and the level of risk you're comfortable with.

SP98058 03/2017