

FACT SHEET

Life Cycle investment option

Q: What is the Life Cycle investment option?

A new investment option that automatically adjusts (downwards) the allocation to growth assets as members get closer to retirement age.

Q: How does the Life Cycle investment option work?

The Life Cycle option uses the three investment options – Growth, Balanced, and Conservative – to transition your savings from predominantly growth assets to predominantly income assets over time.

Up until age 45, members' savings are invested in 85% growth assets and 15% income assets. From then, the percentage of growth assets will reduce gradually to 20% at age 64.

Q: Why has the Trustee decided to introduce this new investment option?

The Trustee seeks to help members invest and retire with more. This new option enables members to set and forget their retirement savings and gradually reduce their exposure to riskier assets automatically, hassle free.

Q: Can I allocate a percentage of my savings into the Life Cycle option?

No. Members must have 100% of their savings invested in the Life Cycle option. You cannot mix and match between the Life Cycle and other investment options.

Q: Can I keep my current savings invested in my current investment options, and direct future contributions into the new Life Cycle option?

No. When you switch to the Life Cycle option, both current savings and future contributions must be in Life Cycle.

Q: Does it cost to switch into this option?

Standard switching fee provisions apply. Please read the [Product Disclosure Statement](#) for the latest information on fees.

Q: How can I switch to the Life Cycle option?

Please log in to www.firesuper.org.nz and click "*Your Investments*". Your first switch in the Scheme's financial year is free. A fee is charged for any subsequent switch as set out in Section 5, 'What are the fees?' in the [Product Disclosure Statement](#).

Q: Can I switch out of the Life Cycle option?

Yes, if you are invested in Life Cycle and choose to switch to another investment option, you are permitted to do so.

Q: What is the investment switch process?

After submitting an investment switch request (online), you will receive a confirmation (receipt) that your request has been received.

If your investment switch request was received before the 20th of the month, the change will be effective from the 1st of the month following.

For example, if you submit a request on 19 September, your switch will be effective from 1 October. If you submit a request on 21 September, your switch will be effective from 1 November.

FireSuper investment switches are processed monthly.

Q: When does the ‘automatic’ investment allocation change?

You will be automatically invested in Growth (100%) until age 44. Each year from 45 to 64 your investment allocation will progressively transition to Conservative (100%). This transition will be effective from 1 February each year, not your birthday or the anniversary of the date you joined the Scheme.

Q: How do I get financial advice about whether switching to the Life Cycle option is right for me?

Visit the Financial Advice page on our Scheme website, www.firesuper.org.nz/financial-advice. Here you will find links to resources available to you, including the Financial Markets Authority, Te Ara Ahunga Ora Retirement Commission, and a free budgeting service, MoneyTalks.

Q: What would the investment mixes look like for those between 45 and 65?

Here are some examples:

Age 49	Invests in a targeted 69:31 split of growth assets (such as shares and property) and income assets (such as fixed income and cash).
Age 54	Invests in a targeted 52:48 split of growth assets (such as shares and property) and income assets (such as fixed income and cash).
Age 59	Invests in a targeted 36:64 split of growth assets (such as shares and property) and income assets (such as fixed income and cash).

Got questions?

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