

Preparing your investments to take you to and through retirement



A new balancing act

As you begin approaching retirement, your investment needs change.

You and your adviser face a balancing act. You'll still need growth, so your money lasts the distance. But you'll also need to get more defensive – making sure you'll be ready to retire when you want and on the terms you want too.

This can present practical and emotional challenges. What happens, for instance, if there is a major market correction between now and when you plan to retire? How can you have the peace of mind to spend in retirement, even if markets are going backwards? Will there be anything left to leave a legacy to loved ones?

● Introducing the Cornerstone Retirement Solution

The Cornerstone Retirement Solution is a purpose-built strategy for your investments to take you to and through retirement.

It is designed to meet the challenges that could directly impact when and how you retire, including market downturns and volatility. Best of all, it is transparent, easy to understand, familiar and cost-effective.



Your carefully considered path to retirement

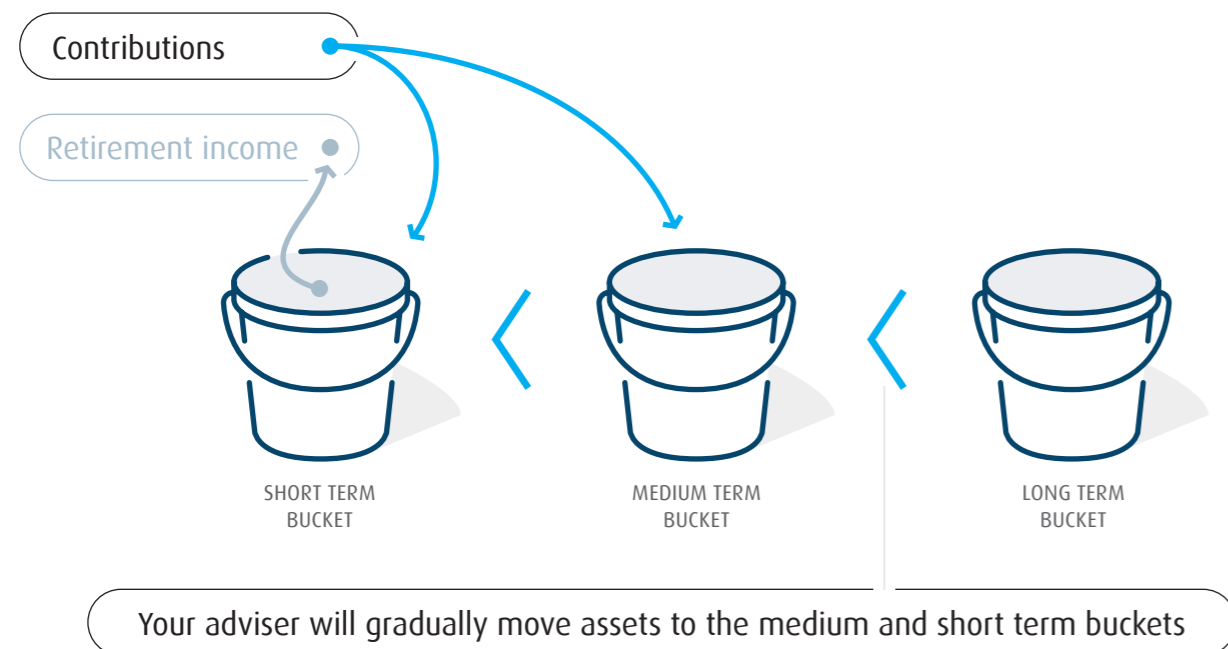
Working with your adviser to reorganise your investments into buckets is a smart way to balance your overall portfolio, get more defensive and prepare for retirement.

But making that change all in one hit can be a major risk to your retirement savings. Shift too late, and a sudden market downturn could cause a major loss to the value of your investments close to retirement. Shift too early and you could miss out on valuable returns when your wealth is near its peak.

To minimise these risks and manage the impact of market volatility, your adviser will gradually begin transitioning your money into your short term and medium term buckets approximately seven years before you retire.

They'll also manage the allocation of money through contributions and income to each of the three buckets each year depending how close you are to retirement.

That way, it will help protect your investments against any short term market downturns or volatility, and you can be confident your short term bucket will be full the day you retire. This strategy moves you seamlessly from growing your wealth into a comprehensive to-and-through retirement strategy.



 **cornerstone**

Already in Cornerstone?

If you're already invested in Cornerstone, this strategy builds on your existing investments. You get to keep your existing investments, which form the basis of your long term bucket. Your adviser then gradually adds two new portfolios – the short and medium term buckets – to your existing investment mix.

This helps you avoid the cost involved with switching products and potential Capital Gains Tax (CGT).

It also gives you the peace of mind of knowing your money will remain in the same leading investments and assets you already know and trust. And you retain the same level of control and flexibility to hold direct investments.

Your plan in retirement: managing market stress

In retirement, your investments have an important job: to pay you an income. Think about this as a regular 'pay cheque' to fund your spending when you are no longer working.

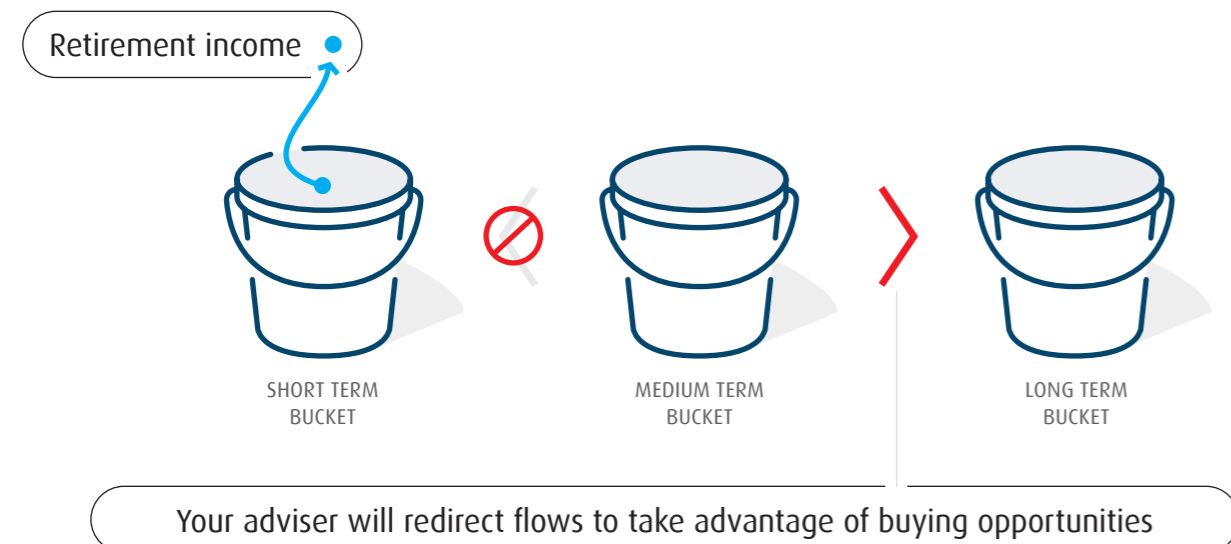
So, it's natural to become worried when markets fluctuate, and your investments lose value. But history shows that downturns and periods of market stress can actually present some of the best opportunities to grow your money over the medium and longer term.

When markets are in stress, this means that assets in your long term bucket are 'cheap'. Which means it's a good time to be buying, and a bad time to be selling. With the help of a world class global asset manager's 'Market Signals' your adviser will optimise the flow of money between your three buckets.

In times of market stress during retirement:

- › you will continue to receive your planned income from your 'short term' spending bucket, regardless of market fluctuations; and
- › your adviser will redirect income and distributions from your medium and long term buckets to take advantage of buying opportunities.

This way you won't just weather downturns; you'll benefit by buying assets while valuations are low.



'Market Signals' From A World Class Global Asset Manager

Many of the world's largest investors rely on Russell Investments for investment advice. A core element of that advice is their proprietary 'Cycle, Valuation, Sentiment' analysis.

- › Cycle: Identifies changes in the economic environment that influence asset classes
- › Valuation: Measures return potential across asset classes
- › Sentiment: Looks at price momentum that signals overbought/oversold conditions

This analysis is distilled into 'Market Signals', clear direction to let your adviser know when market conditions are 'normal' or 'in stress'.

Stressed markets provide opportunities to capitalise on undervalued assets – the same approach used by many of the world's largest investors.



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