

# Unlock Your Ideal Retirement: Is the Default Investment Strategy Right for You?



When it comes to managing your pension, many providers offer default investment strategies to take the hassle out of deciding where to allocate your contributions.

## Default Investment Strategies: A Closer Look



Most pension providers offer default investment strategies, making it easy for you to invest your hard-earned pension contributions without the need for active decision-making. However, there's a catch – these default strategies often assume that you'll choose an annuity, providing a guaranteed income for life. But times have changed.

## Changing Pension Landscape

Recent pension legislation changes have given you more flexibility in accessing your pension savings. As a result, many people no longer opt for annuities, making the default strategy potentially unsuitable for your needs. This is where the challenge arises.

## The Hidden Challenge

Approaching retirement, you may have noticed your pension fund's value decreasing. Why? The default approach tends to move your investments into funds designed to maintain the purchasing power of your fund for annuity purchases. These funds often heavily invest in government bonds. While this seems secure, government bonds typically lose value as interest rates rise.

But here's the twist: annuity rates actually increase with rising interest rates, meaning you could potentially secure a similar income. The problem is that many individuals only see the falling fund value and miss the connection to the rising annuity rates.

## Is the Default Strategy Right for You?

Given that annuities are becoming less popular and no one wants to see their pension fund decline as retirement approaches, it's time to ask yourself if the default strategy aligns with your goals. We recommend a thorough review of your pension investments to ensure they match your retirement aspirations.

## Expert Guidance at Your Fingertips

While alternative funds are available for self-selection, it's understandable that most people might feel overwhelmed when choosing the right option. If you find yourself in this situation, it's wise to seek independent financial advice from a professional who can guide you toward the best retirement solutions.

An independent financial advisor can offer personalised guidance, recommend the most appropriate fund selections, and explore alternative options tailored to your specific circumstances. They will also review all your pension funds for a comprehensive perspective.

## Corpad Employee Benefits: Your Trusted Partner

At Corpad Employee Benefits, we're here to support you every step of the way. **If you're unsure about your pension investment strategy or are seeking guidance on alternative options, don't hesitate to reach out to our team on e-mail [ceb@corpad.co.uk](mailto:ceb@corpad.co.uk) or contact us on 0113 387 0112**



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