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Allianz Retire+

CPAL
Virtual Roadshow

Case study outcomes

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Case studies covered today

1. Bob and Barbara – higher spenders
2. Joy – single retiree
3. Nigel & Jocelyn – pre-retirees

Scenario 1: Higher-spending couple

Bob & Barbara

Bob: 67
Barbara: 64

They enjoy good health, with no medical concerns that might affect their longevity.

No debt.

Assets:

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Asset	Value
Home	$1,250,000
Personal effects (for Centrelink purposes)	$10,000
Car	$20,000
Caravan	$35,000
Cash	$25,000
Managed fund	$45,000
Super – Bob	$650,000
Super – Barbara	$215,000
Total	**$2,250,000**

Risk profile:

50% Growth / 50% Defensive
Investment earning rate 5.6% p.a. (7.25%/3.90)

Project income for 20 years

Scenario 1: Bob & Barbara

Objectives and priorities

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Objectives:

1. Achieve combined income in retirement of $80,000

   This is $5k over their $75k objective, to meet priority of maximising income

   CPI at 2.5% pa* (to project in today's dollars)

2. Replace their car in 3 years $35,000^
3. Overseas trip in 2 years $20,000^
4. Downsize in 5 to 7 years (expected replacement cost $900,000^)

Priorities:

Bob and Barbara are happy to run their cash to $0 however, they have the following priorities:

- Maximise income
- Minimise tax
- Minimise volatility
- Have guaranteed income for life

* Refer to assumptions on following slide.
^ In today's dollars.

Scenario 1: Bob & Barbara

Scenario assumptions

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- Use AGILE for lifetime guaranteed income **via super, with a 25% allocation to AGILE** from existing super balances
- **Drawing $80,000 p.a.*** with monthly payments

  ($5k more than initial $75k objective, to meet their priority of maximising income)
- **AGILE Rising income option is selected**, allowing income payments to rise with positive movement in the underlying Australian Equity Index Full Protection investment option

  The AGILE income amount is assumed to have on average increase of 3.9% each year in line with the performance of this allocation (capped on upside with full downside protection)

  Income payments will never decrease unless a lump sum withdrawal is taken
- Bob withdraws $35,000 at age 70 to fund their car purchase
- Barbara withdraws $20,000 at age 66 for their overseas trip

* To account for projecting in today's dollars, the AGILE Retirement Strategy Illustrator tool uses CPI defaulted to a geometric average of 2.5% p.a., being the mid-point of the RBA's annual inflation target of 2% to 3%. The CPI assumption can be changed.

Scenario 1: Bob & Barbara

Scenario assumptions

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- Both make a downsizer contribution of $175,000 per person in 7 years' time (age 74 for Bob, age 71 for Barbara), using net proceeds of sale ($350,000) after $900,000 property purchased as their new principal residence.
- They each invest a portion of their super into an AGILE investment with the following details:

	Bob	Barbara
AGILE allocation	25%	25%
Protected Investment Options during Growth Phase	50% Australian Equity Index – Partial Protection 50% International Equity Index – Partial Protection	50% Australian Equity Index – Partial Protection 50% International Equity Index – Partial Protection
Lifetime Income commencement	Age 72	Age 69
Lifetime Income option chosen	Rising[1]	Rising[1]
Age Pension+[2] option chosen	Yes	Yes
Spouse Insured option chosen	No	No

- Growth asset return (7.25%) and Defensive asset return (3.90%), with a 50/50 asset allocation generating approx. 5.6% pa average return.

Assumes AGILE investment is made when Bob is aged 67 and Barbara is aged 64.

1 Payments can increase with positive movements in the underlying Protected Investment Option (up to a Maximum Return) and do not decline during periods of market volatility.

2 If elected, the withdrawal value and death benefit will be subject to the social security capital access schedule which may be less than the investment value.

Scenario 1: Bob & Barbara

Outcomes of incorporating 25% AGILE allocation

- **Extra $3,374 of annual Age Pension** at age 67
  - $2,297 ABP only
  - $5,671 ABP with AGILE
- **Retirement income confidence level likelihood of success increases by 45%**
  - 43% ABP only
  - 88% ABP with AGILE
- **Withdrawal value and death benefit are both increase by $189,556 at Projection Age***
  - $0 ABP only
  - $189,556 ABP with AGILE

* Projection Age is age 99.

Scenario 1: Bob & Barbara

Income breakdown

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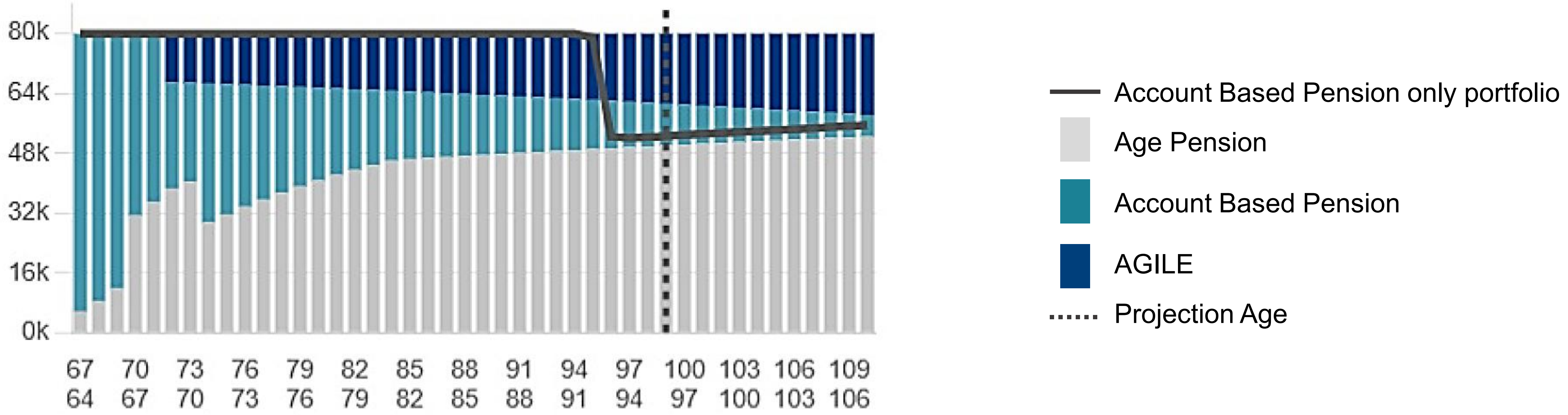
AGILE and ABP – annual income (in today's dollars)



For illustrative purposes only. Assumes Bob (male, age 67) and Barbara (female, age 64), both retired, homeowners, $65,000 non-deemed assets (combined), $70,000 deemed assets (combined), $650,000 super (Bob), $215,000 super (Barbara), $175,000 contribution at age 74 (Bob), $17,500 contribution at age 71 (Barbara), $35,000 super withdrawal at age 70 (Bob), $20,000 super withdrawal at age 66 (Barbara), 50% Defensive/50% Growth asset allocation, $80,000 p.a. combined income target. Bob's AGILE investment is a 25% allocation of current super, Rising option, Age Pension+, income starting at age 72. Barbara's AGILE investment is a 25% allocation of current super, Rising option, Age Pension+, income starting at age 69. Growth asset return assumption (gross) 7.25%. Defensive asset return assumption (gross) 3.9%. Refer to Appendix for more detail.

Scenario 1: Bob & Barbara

Objectives and priorities

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- **Maximise income**
  - **Income target may be increased to $80k** (from $75k) while **also increasing likelihood of meeting that income target for life by 45%**, to an 88% confidence level.
  - Selecting the Age Pension+ option confers **favourable social security asset test assessment** of AGILE, maximising social security entitlements.
  - Rising income option allows **income payments to rise with positive returns** in the underlying Protected Investment Option*, and **payments will never decrease year to year**.
- **Minimise tax**
  - AGILE is an investment option of Bob and Barbara's existing account-based pensions.
  - **Nil tax applies to AGILE earnings during pension phase**. Income from AGILE falls into the super fund cash account and is then drawn out as per usual ABP drawdown.

* Subject to a Maximum Return – currently 6%

Scenario 1: Bob & Barbara

Stochastic projections

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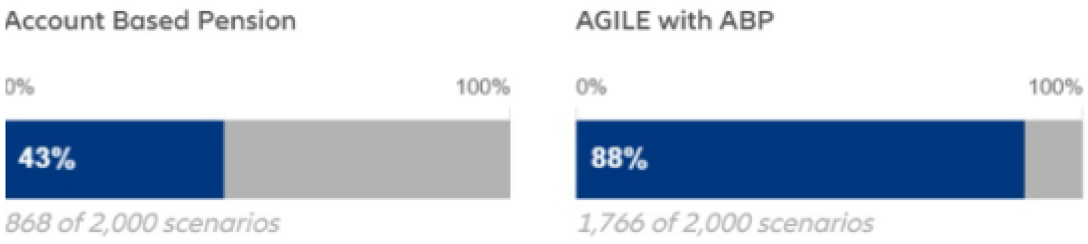
The results below are based on the simulated retirement outcomes across 2,000 market performance and CPI scenarios

Estimated % of times where desired income was met to Projection Age



The likelihood of success increases by

45%

Security of income – improvement in probability

Median estimated level of capital available at Projection Age

Account Based Pension
$4,666

AGILE with ABP
$207,368

The amount of capital available in an AGILE with ABP strategy at age Projection Age is estimated to be higher than an ABP only strategy by

$202,702

Legacy or fund age care – improvement in estimated capital at life expectancy

Scenario 1: Bob & Barbara

Objectives and priorities

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- Minimise volatility
  - The AGILE Protected Investment Options are designed to provide **exposure to equity market growth up to a Maximum Return, whilst eliminating or reducing losses resulting from exposure to market falls[1]**.
  - Guaranteed rate: by locking in a guaranteed income rate card at time of investing, they know the exact rate of income they can receive for life, regardless of when they turn on their income or how markets perform in the future – **eliminating future interest rate risk on their guaranteed income allocation**.

- Guarantee income for life
  - **Bob & Barbara receive a lifetime income guarantee.** Monthly income payments will **never decrease** unless a lump sum withdrawal is made.
  - Clients are rewarded for a longer deferral period. The longer Bob and Barbara defer starting their income (after an initial requisite three-year period), the higher their guaranteed income rate will be.
  - **In AGILE, both the amount of income and the rate of income will never decrease, regardless of the underlying AGILE investment balance.**

1 During Growth Phase, they can change investment and protection options annually at anniversary.
During Lifetime Income Phase, 100% of their AGILE investment is allocated to Australian Equity Index: Total Protection.

Scenario 2: Single retiree

Joy

Joy: 72 years old

Joy is in good health, retired and has
3 adult children, all financially independent.

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Assets:

Asset	Value
Home - apartment	$600,000
Personal effects (for Centrelink purposes)	$10,000
Cars	$30,000
Cash	$50,000
ABP – Joy	$350,000
ABP – Joy (reversionary from late husband)	$200,000
Total	**$1,240,000**

Risk profile:

30% Growth / 70% Defensive
Investment earning rate 4.8% p.a. (7.13% / 3.8%)

Project income to 100

Scenario 2: Joy

Objectives and priorities

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Objectives:

1. Achieve an income in retirement of $60,000 pa for the next 10 years while planning an active lifestyle, then happy to reduce income to $50,000 pa from age 82 (indexed at 3% pa)
2. Flexibility to fund retirement village living/aged care as single and may need support in future
3. Leave a legacy to kids if possible although meeting income needs the priority

Priorities:

- Security of income
- Maximising Government support where available
- Minimise volatility

Scenario 2: Joy

Stochastic projections

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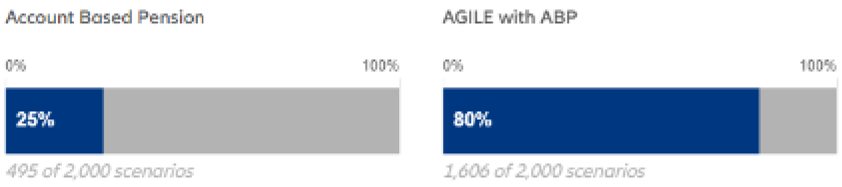
Minimise volatility: downside protected growth, then…

- Fixed Lifetime Income Rate: 8.45% - stable income, payments never decrease
- Rising Lifetime Income Rate: 5.75% - market-linked upside* applies to income, payments never decrease

The results below are based on the simulated retirement outcomes across 2,000 stochastic scenarios for the Rising income option.

Estimated % of times where desired income was met to Projection Age



The likelihood of success increases by

55%

Security of income – improvement in probability

Median estimated level of capital available at Projection Age

Account Based Pension
$0

AGILE with ABP
$70,591

The amount of capital available in an AGILE with ABP strategy at age Projection Age is estimated to be higher than an ABP only strategy by

$70,591

Legacy to kids – improvement in estimated capital at age 100

Stochastic outcome applies for both Rising and Fixed Income options.

* Australian Equity Index: Total Protection. Currently 6% cap on upside, full downside protection. Estimated average increase 3.8% pa.

Scenario 2: Joy

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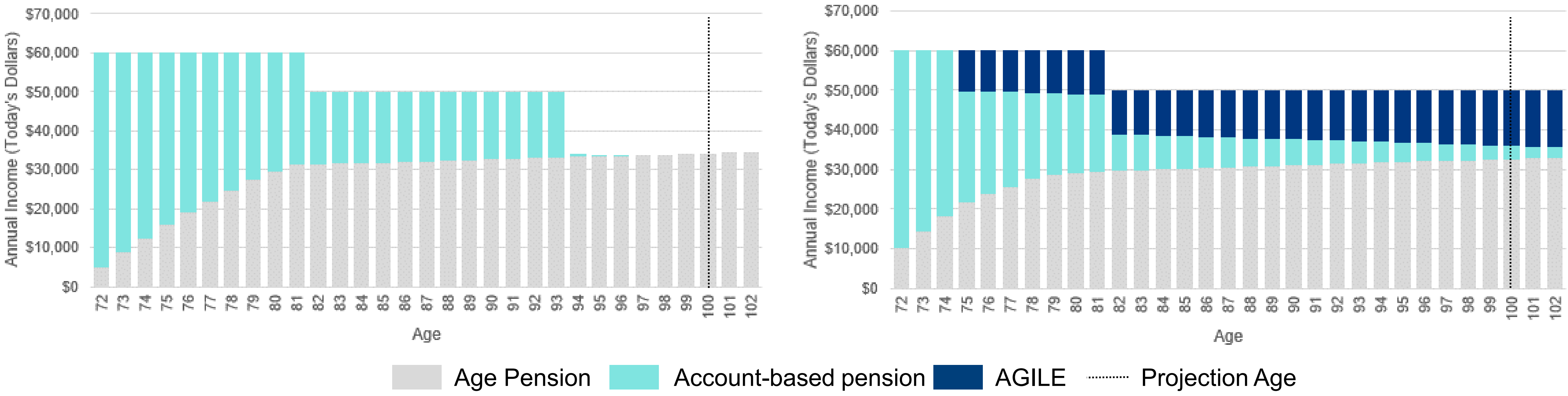
Comparison of outcomes: ABP only vs ABP + 30% allocation to AGILE

ABP only – annual income (in today's dollars)

AGILE and ABP – annual income (in today's dollars)



Maximise Age Pension objective: **$26,014 more in total Age Pension in first 5 years** by including AGILE.

Cumulative value at 100: **$137,095 more by including AGILE**.

For illustrative purposes only. Assumes Joy (female, age 61) and Jocelyn (female, age 72), retired, homeowner, $40,000 non-deemed assets, $50,000 deemed assets, $550,000 super, $60,000 income target to age 81, $50,000 thereafter. AGILE investment is a 30% allocation of current super, Rising option, Age Pension+, income starting at age 75. Growth asset return assumption (gross) 7.13%. Defensive asset return assumption (gross) 3.8%. Refer to Appendix for more detail.

Scenario 3: Pre-retiree couple

Nigel & Jocelyn

Nigel: 61
Jocelyn: 55

Nigel had a health scare last year and, while currently doing well, there is some uncertainty around his life expectancy.

Jocelyn is in good health.

They are both still working full-time and plan to retire in 5 years when Jocelyn turns 60.

Assets:

Asset	Value
Home	$1,000,000
Personal effects (for Centrelink purposes)	$10,000
Cars	$80,000
Cash	$15,000
Australian Shares	$80,000
Holiday Home (debt free)	$850,000
Super – Nigel	$900,000
Super – Jocelyn	$540,000
Total	**$3,475,000**

Risk profile:

70% Growth / 30% Defensive

Investment earning rate 6.2% p.a. (7.20% / 3.85%)

Project income beyond couple life expectancy

Scenario 3: Nigel & Jocelyn

Objectives and priorities

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Objectives:

1. Continue to accumulate retirement savings for next 5 yrs
2. At retirement, sell current home and move to holiday home
3. Achieve an income in retirement of $90,000 indexed at 3% pa (we used CPI at 2.5% for today's dollars)
4. Budget for overseas holiday every 3rd year for first 12 years of retirement ($30,000 each in today's dollars)
5. Flexibility to access funds (at least $500,000) in the event Nigel's health deteriorates suddenly
6. Leave home to kids

Priorities:

- Jocelyn is very concerned about the security of their income and running out of money in retirement, particularly if Nigel dies
- Minimise tax
- Allow for inflation

Workaround utilised in the Allianz Retire+ Retirement Strategy Illustrator involves smoothing the total holiday spend of $30,000 each (today's dollars) over the period and incorporate it into the income target i.e. $60,000/ 12 = $5,000 per year added to $90,000 p.a. income target until 12 years have lapsed and revert to $90,000 p.a. spend thereafter.

Scenario 3: Nigel & Jocelyn

Scenario assumptions

- Budget for overseas holiday and $90,000 p.a. income target.
- At retirement, their current home is sold, and net proceeds are $1m. Nigel (at age 66) and Jocelyn (at age 60) each make:
  - $300,000 downsizer contribution; and
  - $200,000 non-concessional contribution using the bring forward provision.
- Each allocate a portion of their super into an AGILE investment:

	Nigel	**Jocelyn**
AGILE allocation	25%	25%
Protected Investment Options during Growth Phase	50% Australian Equity Index – Partial Protection 50% International Equity Index – Partial Protection	50% Australian Equity Index – Partial Protection 50% International Equity Index – Partial Protection
Lifetime Income commencement	Age 70	Age 65
Lifetime Income option chosen	Fixed	Rising[1]
Age Pension+[2] option chosen	No	No
Spouse Insured option chosen	Yes	No

1 Payments can increase with positive movements in the underlying Protected Investment Option (up to a Maximum Return) and do not decline during periods of market volatility.

2 If elected, the withdrawal value and death benefit will be subject to the social security capital access schedule which may be less than the investment value.

Scenario 3: Nigel & Jocelyn

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Objectives and priorities

- Jocelyn is concerned about the security of their income and running out of money in retirement, particularly if Nigel dies
  - Due to Nigel's health and concern for his life expectancy, the '**Fixed income option' has been elected for his AGILE** investment, giving an income payment that is higher on commencement compared to a Rising income option.
  - With **Spouse Insured on Nigel's AGILE** investment, lifetime income **payments can continue to be paid for Jocelyn's lifetime**.
  - With **Rising income option on Jocelyn's AGILE investment,** the lifetime income **payments she receives can increase** with positive movements in the underlying Protected Investment option[1] and **income does not decline** with market volatility.

- Minimise tax
  - **AGILE is an investment option sitting within Nigel/Jocelyn's existing super**. AGILE earnings during super accumulation phase are subject at up to 15% tax whilst **nil tax applies during super pension phase.**

- Allowing for inflation
  - Rising income option allows income payments to rise with positive movement in the underlying Protected Investment Option[1,2].
  - The **projection tool assumes CPI of 2.5% to account for inflation**[3] **and maintaining purchasing power**, i.e. discounting for today's dollars.

1 Payments can increase with positive movements in the underlying Protected Investment Option (up to a Maximum Return) and do not decline.

2 The average return movements in the underlying Protected Investment option is assumed to be 3.9% during income phase.

3 Inflation assumption can be adjusted in the illustration tool.

Scenario 3: Nigel & Jocelyn

Income breakdown

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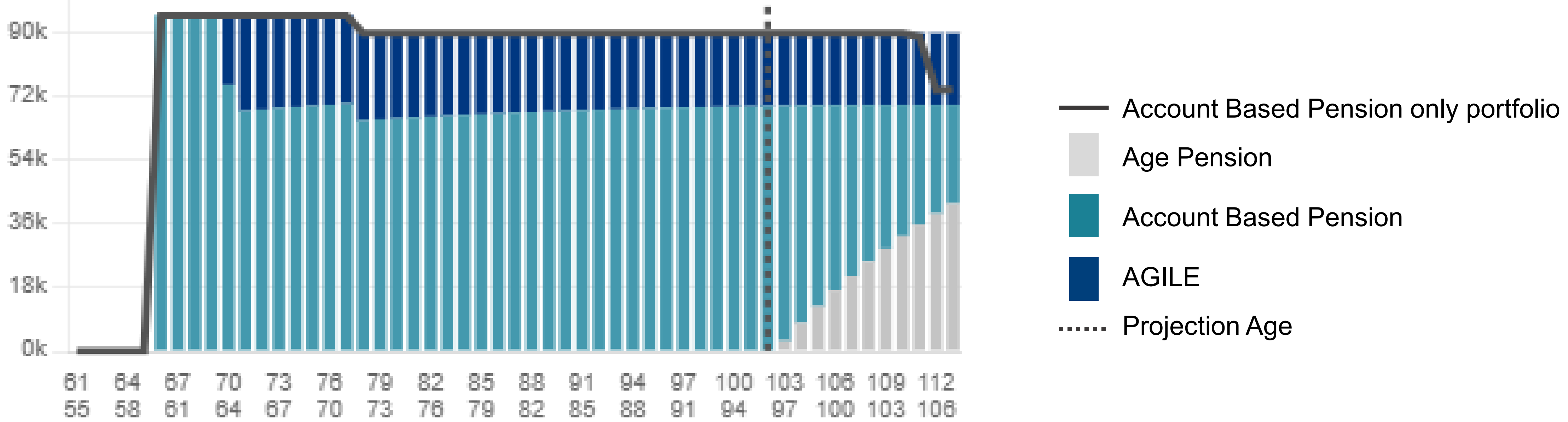
AGILE and ABP – annual income (in today's dollars)



For illustrative purposes only. Assumes Nigel (male, age 61) and Jocelyn (female, age 55), Bob earning $150,000 p.a. retiring at age 66, Barbara earning $150,000 p.a. retiring at age 60, homeowners, $90,000 non-deemed assets (combined), $95,000 deemed assets (combined), $900,000 super (Nigel), $540,000 super (Jocelyn), $500,000 contribution at age 66 (Bob), $500,000 contribution at age 60 (Jocelyn), 30% Defensive/70% Growth asset allocation, $95,000 combined income target to age 77, $90,000 thereafter. Nigel's AGILE investment is a 25% allocation of current super, Fixed option, Spouse Insured, income starting at age 70. Jocelyn's AGILE investment is a 25% allocation of current super, Rising option, income starting at age 65. Growth asset return assumption (gross) 7.2%. Defensive asset return assumption (gross) 3.85%. Refer to Appendix for more detail.

Scenario 3: Nigel & Jocelyn

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Outcomes of incorporating 25% AGILE allocation

- Nigel and Jocelyn remain self-funded retirees
- Retirement income confidence level **likelihood of success increased** to 99% confidence for ABP with AGILE strategy
- **Withdrawal value and death benefit are both estimated to increased by $345,759** at Projection Age[1]
  - $640,394 ABP only
  - $986,153 ABP with AGILE
- This means **Nigel and Jocelyn could increase their retirement spending figure with confidence,** fund aged care or utilise this money for their legacy wishes.

Using 70% Growth/30% Defensive asset allocation generates assumed 6.2% pa average return.

Each earning $150,000 p.a. salary before retirement.

1 Projection Age is age 102, a set period beyond couple life expectancy at the "25% age"

Scenario 3: Nigel & Jocelyn

Objectives and priorities

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- In our projections, **Nigel and Jocelyn may access at least $500k** from the non-AGILE investments in their ABP throughout the projection period.
- **Additional flexible access to AGILE funds** if needed[2]
- The **Age Pension+ election has not been made for Nigel or Jocelyn's AGILE investment** as they are self-funded retirees who would not experience any uplift in their age pension entitlement as a result of the election.
- **Foregoing this election allows them to maximise the available withdrawal value and death benefit** and maintain access to a free withdrawal during Growth Phase.
- Leave home to kids: They may continue to live in the $850,000 property during retirement and leave it to their kids in the event both Nigel and Jocelyn both pass away.

1 No Market Value Adjustment (MVA) applies to these withdrawals.

2 During Growth Phase: they can access a Free Withdrawal Amount (FWA)[1] equal to 5% of the initial investment amount, annually for the first ten years from commencing their AGILE investment. They can also access amounts in excess of the FWA. Withdrawals made within the first 10 years of the commencement date which are greater than the FWA are subject to a Market Value Adjustment (MVA). After the first ten years of being in AGILE all withdrawals are free. No MVA applies to death benefits.

AR+ Retirement Illustrator - Case study assumptions

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Assumptions supporting the illustrative scenarios

The case studies in this presentation, including all numbers, are illustrative only and not exhaustive. Data, assumptions and outcomes shown are hypothetical and designed to illustrate the product concept. They are not reflective of real-life examples and should not be relied on as indicative of any actual product performance, capital or income return.

Assumptions

- In AGILE Growth Phase, in each case, clients allocate 50% of their AGILE investments into each of the Australian Equity Index - Partial Protection: Initial 10% and Global Equity Index - Partial Protection: Initial 10% investment options.
- AGILE Investment Value returns equal to the following, pre fees and premiums:
- Bob & Barbara: Growth return (7.25%) and Defensive return (3.9%)
- Joy: Growth return (7.13%) and Defensive return (3.8%)
- Nigel & Jocelyn: Growth return (7.2%) and Defensive return (3.85%)
- Risk profile as indicated in each case, rebalanced annually
- Age Pension indexation and salary indexation are at 3.00% p.a., where applicable.
- AGILE Product Fee 0.80% pa. Lifetime Income Premium 1.15% pa.
- Product management fee on rest of portfolio 0.95%.
- Earnings prior to retirement age taxed at 15%.
- Nigel & Jocelyn earn $150,000 salary between now and retirement at 66 and 60 respectively and receive SG contributions during this time. Other scenarios are retired clients.
- Bob & Barbara, Joy and Jocelyn select Rising income option. Nigel selects Fixed income option.
- Bob & Barbara, and Joy elect the Age Pension+ Option on their AGILE investments. Nigel & Jocelyn do not.
- Nigel has Spouse Insured Option on his AGILE investment. The others do not.
- Social security rates/thresholds as at 1 July 2025.
- AGILE Age based rates valid 1 September to 30 September 2025.
- Today’s dollar values calculated using a discount rate equal to CPI growth of 2.5% p.a.
- The stochastic projections utilise 2,000 stochastic simulations of investment returns and inflation. Using BlackRock’s Capital Market Assumptions for 30-Year Expected Return and Volatility (as at 31 December 2024).

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The stochastic modelling used projects retirement outcomes across 2,000 investment market simulations, the stochastic projections aim to help users understand the likelihood of success over a range of potential real world market scenarios. These confidence levels showing likelihood of success are estimates only. The results shown will vary depending on the assumptions and inputs. The results of the case study and examples in this document are based on certain assumptions and future projections that are not predictions or guarantees. Actual outcomes may differ materially from the information provided.

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