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ESTABLISHING RETIREMENT FOUNDATIONS
Importance in using holistic approach to retirement objectives

- Sound financial future (monetary)
- Happy/fulfilled retirement (non financial)

MOST SIGNIFICANT TRANSITION OF YOUR LIFE
How do I know that I am doing the right thing?

- How do I maximise investment returns and ensure savings last?
- How do I optimise security and confidence?
- How do I structure my income?
- What can I afford to spend in retirement?
DESIGNING YOUR FINANCIAL FUTURE

Following factors play significant role in what options will be available when looking at retirement strategies:

- Cash and investment assets
- Superannuation value
- Other income
- Age pension and Aged Care
- Behaviour with money
- Risk Aversion – Fixed or Flexible Income Streams
- Decisions and anxiety
- Beneficiaries

RETIREMENT STANDARD

The Association of Superannuation Funds of Australia

Comparing modest and comfortable retirement lifestyles

<table>
<thead>
<tr>
<th></th>
<th>Modest lifestyle</th>
<th>Comfortable lifestyle</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Single</strong></td>
<td>$27,646 p.a.</td>
<td>$43,255 p.a.</td>
</tr>
<tr>
<td><strong>Couple</strong></td>
<td>$39,848 p.a.</td>
<td>$61,061 p.a.</td>
</tr>
<tr>
<td><strong>Lump sum required</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Single</strong></td>
<td>$545,000</td>
<td></td>
</tr>
<tr>
<td><strong>Couple</strong></td>
<td>$640,000</td>
<td></td>
</tr>
</tbody>
</table>

*Figures assume home ownership and receipt of part age pension.
## GOVERNMENT AGE PENSION

Current qualifying age

<table>
<thead>
<tr>
<th>Date of birth from</th>
<th>To</th>
<th>Qualification Age</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Female</td>
</tr>
<tr>
<td>30 June 1952</td>
<td>Already qualified</td>
<td></td>
</tr>
<tr>
<td>1 July 1952</td>
<td>31 December 1953</td>
<td>65.5</td>
</tr>
<tr>
<td>1 January 1954</td>
<td>30 June 1955</td>
<td>66.0</td>
</tr>
<tr>
<td>1 July 1955</td>
<td>31 December 1956</td>
<td>66.5</td>
</tr>
<tr>
<td>1 January 1957 or later</td>
<td></td>
<td>67.0</td>
</tr>
</tbody>
</table>

## INCOME AND ASSETS_THRESHOLDS

### Full pension

- **($36,301 p.a.)**
- **($24,081 p.a.)**

### Full pension

- **($36,301 p.a.)**
- **($24,081 p.a.)**

### Part pension

- **($258,500)**
- **($172,200)**

### No pension

- **($564,000)**
- **($408,000)**

### No pension

- **($848,000)**
- **($632,000)**

### Income

- **UniSuper**
COMMONWEALTH SENIORS HEALTH CARD (CSHC)

CSHC is granted to those over Age Pension age who do not qualify for an Age Pension due to their income and assets, but income less than the threshold:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$54,929</td>
</tr>
<tr>
<td>Couple</td>
<td>$87,884</td>
</tr>
<tr>
<td>Couple separated by illness</td>
<td>$109,858</td>
</tr>
</tbody>
</table>

Cheaper medicine under the Pharmaceutical Benefits Scheme (PBS)
Bulk billed doctor visits (this is up to your doctor)
A bigger refund for medical costs when you reach the Medical Safety Net

Other benefits may include*
- electricity and gas bills
- property and water rates
- health care costs, including ambulance, dental and eye care
- public transport fare

*concessions depend on your state or territory

WHEN CAN I ACCESS MY SUPERANNUATION?

<table>
<thead>
<tr>
<th>Before 1 July 1961</th>
<th>Age reached</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 July 1961 – 30 June 1962</td>
<td>57</td>
</tr>
<tr>
<td>1 July 1962 – 30 June 1963</td>
<td>58</td>
</tr>
<tr>
<td>1 July 1963 – 30 June 1964</td>
<td>59</td>
</tr>
<tr>
<td>1 July 1964 or after</td>
<td>60</td>
</tr>
</tbody>
</table>

Over preservation age and permanently retired or 60 + and terminated employment

Lump sum: ✔
Income stream: ✔

Between preservation age and 65 and still working

Lump sum: ❌
Income stream: ✔

Only under Transition to Retirement rules. Annual income limited to 10% of account balance.

For complete details and other conditions of release, see unisuper.com.au
SUPER OPTIONS WHEN RETIRING

- Remain in super indefinitely
- Access super as a lump sum
- Use super to setup an income stream
- Combination of some or all options

COMPARING DIFFERENT PENSION PRODUCTS

<table>
<thead>
<tr>
<th></th>
<th>Commercial Rate Indexed Pension / Defined Benefit Indexed Pension*</th>
<th>Flexi Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexibility to change income levels each year</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Flexibility to change payment frequency</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Pension payment for life</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Access to capital (lump sums)</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Loss of capital</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Legacy to non-financial dependents</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*only available to Defined Benefit Division members who joined prior 1st July 1998
The higher the degree of risk associated with an investment, the higher the return that will be required by investors to accept this risk.

Low risk investments, such as cash, offer relatively low returns as a reflection of their greater security, and are better suited to risk averse investors.

All investments carry some form of risk.

Risk and reward are strongly correlated.

The longer your time horizon, the more risk you may wish to take.
One of the most effective means of reducing the different types of risk is to diversify your portfolio.

- No one type of security, asset class or investment manager provides the best performance over all time periods.
- A range of investments should reduce the risk of each of the investments within a portfolio experiencing drops in performance at the same time.
- Diversification can be achieved:
  - Across asset classes
  - Across markets and regions
  - Across investment management styles

**ASSET DIVERSIFICATION**

**BUCKET STRATEGY**

Designed to ensure you have a sufficient Cash balance to meet your pension payments, while allowing the remainder of your account to be invested for longer term growth.

You’ll still have a robust portfolio invested across all the different asset classes to optimise returns according to objectives and cash flow needs.

- Cash allocation
- Income focussed investments
- Growth assets
WHAT ARE MY INVESTMENT OPTIONS?

Pre-mixed versus single sector
- Balanced
- Conservative
- Conservative Balanced
- Sustainable Balanced
- Growth
- High Growth
- Sustainable High Growth
- Cash
- Australian Bond
- Listed Property
- Australian Shares
- International Shares
- Global Environmental Opportunities
- Australian Equity Income
- Global Companies in Asia
- Diversified Credit Income

Considerations
- Objectives (risk/return)
- Timeframe (i.e. long-term versus short-term)
- Attitudes to risk (coping with volatility)

INVESTING OUTSIDE SUPER

Why do we need to consider?

Accessibility
Work test Contribution limits
Transfer Balance Cap
Total Super Balance
Downsizer Contribution rules
INVESTING INSIDE VERSUS OUTSIDE SUPER

Inside super

- Tax on earnings (Accumulation & DBD)*
  - 15%
- Tax on assessable capital gains held for 12 months (Accumulation / DBD / Transition to Retirement Pensions)
  - 10%
- Tax on assessable capital gains held for less than 12 months (Accumulation / DBD / Transition to Retirement Pensions)
  - 15%
- Tax on earnings and assessable capital gains (Allocated Pensions)
  - 0%

Outside super

AT MARGINAL RATE (UP TO 47%**)

* Further reduced by any imputation/franking credits received. **Includes Medicare Levy.

INVESTING INSIDE VERSUS OUTSIDE SUPER

- Contribution incentives
- Access to funds
- Minimum contribution
- Contributions Caps
- Estate Planning
- Access to investments
FRANK & SALLY INCOME OPTIONS

Case study

- Home $750,000
- Home contents, cars $55,000
- Cash and shares $35,000
- Frank’s UniSuper $480,000
- Sally’s super $200,000

FRANK & SALLY’S INCOME OPTIONS

<table>
<thead>
<tr>
<th>Assets</th>
<th>Flexi Pension</th>
<th>Defined Benefit Indexed Pension</th>
<th>50/50 Flexi/DB Indexed</th>
<th>Commercial Rate Indexed Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; shares</td>
<td>$1,500</td>
<td>$1,500</td>
<td>$1,500</td>
<td>$1,500</td>
</tr>
<tr>
<td>Frank’s UniSuper</td>
<td>$24,000</td>
<td>$36,050</td>
<td>$12,000 (F)</td>
<td>$18,025</td>
</tr>
<tr>
<td>Sally’s super</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Centrelink (combined)</td>
<td>$5,822</td>
<td>$20,116</td>
<td>$24,328</td>
<td>$5,822</td>
</tr>
<tr>
<td>Total</td>
<td>$41,322</td>
<td>$67,666</td>
<td>$65,853</td>
<td>$36,147</td>
</tr>
</tbody>
</table>

These figures are an example only. Calculations for DB Indexed Pension will vary for different members.
ESTATE PLANNING

Considerations

- Binding versus preferred death benefit nominations (certainty versus flexibility)
- Lapsing versus non-lapsing (set and forget versus having appropriate nomination due to changes in circumstance)
- Reversionary options for allocated pensions (funds remaining within a pension environment rather than benefit paid as lump sum)
- Dependants versus non-dependants (i.e. tax implications)
- Will for other assets (providing to other family members via other sources)
PERSONAL ACCOUNTS FOR YOUR FAMILY MEMBERS

- Members’ families can now be part of our award winning fund
- Our first fully digital product
- Addresses pain points with current Spouse Account
- Streamlined application process
ABOUT UNISUPER

Providing greater retirement outcomes
Competitive fees
Proven long-term investment performance*
Not-for-profit
Exclusive membership
Quality financial advice -
• 100% fee for service
• Fees may be deductible from your account if super specific advice

AWARDS

*past performance is not an indicator of future performance
ROYAL COMMISSION

Providing greater retirement outcomes

UniSuper advisers are absolutely fee-for-service and don’t receive commissions (and that’s always been the case!)

Our governance model ensures advisers act only in members’ best interests

Our advisers are committed to the highest educational, professional and ethical standards

UNISUPER

More than just super

Education

Personal advice

General advice

Managing Debt | Cash Flow | Wealth Creation | Wealth Protection | Estate Planning | Super Advice | Social Security | Aged Care

UniSuper
UNISUPER ADVICE
It’s a relationship

Learn about you

Review with you

You and/or partner

Present advice to you and implement

Record information

Research and prepare recommendations

WHAT NEXT?
Consider your plan

1. Do you know where you’re heading, and whether you’re on track to reach your destination?

2. Do you understand the risks involved and is there a contingency plan?

3. Are you really taking advantage of all the opportunities available?

4. If you already have a plan in place, when was the last time you reviewed it? Are strategies still relevant?
CONTACT US

Complimentary initial appointment to determine your needs
Advice fee can be deducted from your accumulation or Flexi Pension account (if related to superannuation)

1800 823 842
advice@unisuper.com.au
unisuper.com.au/campusbookings

UniSuper