

# EQT SAF RETIREMENT INCOME STRATEGY

Equity Trustees Superannuation Limited RSE L0001458 (ETSL)

## 1. ABOUT THIS DOCUMENT

This Retirement Income Strategy (**RIS**) applies collectively to all EQT SAF Small APRA Funds (**SAFs**) for which Equity Trustees Superannuation Limited (**Trustee**) ABN 50 055 641 757 AFSL 229757 acts as trustee. It sets out how the Trustee will assist SAF members achieve their retirement income objectives and is supported in this regard by the Trustee's overall Retirement Income Strategy dated 7 December 2023.

This document is not a Product Disclosure Statement (**PDS**); it does not consider a member's financial objectives, situation and needs; and is not financial advice.

A member should refer to the EQT SAF PDS (including any incorporated information and the Target Market Determination) when deciding whether any product mentioned in this RIS is suitable for them. Please visit the Resources page at <https://eqt.com.au/EQTSAF> to view these documents.

The Trustee will review this RIS each year and update the document at least once every 3 years.

## 2. EQT SAF OVERVIEW

EQT SAF offers a Small APRA Fund administration, custody and trustee service that can be tailored by members and their financial advisers to meet a member's financial objectives. The Trustee performs all regulatory and compliance obligations of the SAF on behalf of the members, offers a wide range of accessible investments, provides access to retail insurance cover where premiums can be paid by the SAF, and provides accumulation and pension accounts.

## 3. APPLICATION

The Trustee has determined that this RIS applies to members who have reached 50 years of age; who the Trustee believes should start planning for retirement. The Trustee has made this determination on the basis that:

- the average age people intend to retire is 65.5 years, while the average age at retirement (of all retirees) is 56.3 years;<sup>1</sup>
- 54% of SAF members have reached 50 years of age, while 31% have reached 65 years of age and 15% have reached 75 years of age; and
- 55% of SAF accounts are pension accounts, held by members who are already in retirement phase.

## 4. RETIREMENT INCOME

Subject to the riders below, the Trustee has determined that retirement income comprises:

- income received by a member from the member's assets within the SAF, whether received in the form of a pension or lump sum withdrawals (see Rider A);
- Age Pension payments received by the member (see Rider B);
- a share of any income earned by a spouse or partner; and

---

<sup>1</sup> Australian Bureau of Statistics (Retirement and Retirement Intentions, Australia; reference period FY21; released 29 August 2023).



- all other income that the member may receive in retirement including (see Rider B):
  - income from other superannuation funds; and
  - non-superannuation income.

## Rider A

A trustee has a duty to act in the best financial interests of members and to optimise member outcomes, which include the income received by a member from their superannuation assets. However, in the SAF environment member outcomes are largely determined by the investment and insurance choices made by the member and their financial adviser.

## Rider B

Any Age Pension entitlements and other income a member may receive in retirement are also a matter for the member and their financial adviser, if applicable.

## 5. PERIOD OF RETIREMENT

The Trustee has determined that the period of retirement for a SAF member to be the period from when the member selects to invest in a retirement income product until their death. Given that life expectancy for a 65 year old person<sup>2</sup> is 85 years of age for males and 87.7 years of age for females, a SAF member will typically be retired for a period of at least 20 years.

## 6. RETIREMENT INCOME STRATEGY

EQT SAF allows a member and their financial adviser to manage the member's retirement savings in the following manner.

### Accumulation phase

EQT SAF accepts all contribution types, which enables a member to grow their retirement savings. It also offers a range of investment strategies and accessible investments with differing risk and return profiles, which allow a member and their financial adviser to tailor the member's portfolio to their individual circumstances and objectives.

### Retirement phase

EQT SAF provides an account-based pension and a transition to retirement pension (collectively, **Pension Products**) which allow a member and their financial adviser to balance the retirement objectives noted below.

### Financial advice

A financial adviser can assist a member to understand, plan for and implement strategies to meet their retirement needs based on an understanding of a member's objectives, financial situation and needs. Under the SAF Target Market Determination, all members are required to be advised unless otherwise approved by the Trustee.

---

<sup>2</sup> Australian Bureau of Statistics 2020.



## Balancing retirement objectives with a Pension Product

### Maximising retirement income

- EQT SAF offer Pension Products, where a member and their financial adviser decide the payment amount subject to a statutory age-based minimum.

### Longevity risk

- Income payments from a Pension Product end when the balance reaches zero. A member and their financial adviser can customise the member's investment strategy and adjust the payment amount to manage longevity risk. Accessible investments that are designed to manage longevity risk may also be made available on the investment menu from time-to-time by the Trustee.

### Investment Risk

- The value of a member's investments may fall or not achieve desired returns. Investing in a diversified portfolio of assets can reduce the volatility of investment returns.

### Inflation Risk

- A member and their financial adviser can increase the payments from the a Pension Product in line with inflation.

### Having access to your funds

- Subject to satisfying a Condition of Release, a member can withdraw all or part of their balance at any time.

## 7. STEPS TAKEN TO GATHER INFORMATION

In formulating this RIS, the Trustee has relied primarily on information it already possesses about the EQT SAF (including information gathered for the purposes of the Target Market Determination) and on information about the industry more generally that it possesses as a result of acting as a trustee of a large number of superannuation funds.

To the extent necessary, the Trustee accessed publicly available information including information available from the Australian Bureau of Statistics.

The Trustee determined that any additional information that could be obtained from members would be irrelevant and that the cost of obtaining such information is inconsistent with the EQT SAF's objectives and its Target Market Determination. This is because the Trustee believes that retirement products depend on the specific circumstances of each member that are most appropriately addressed through personal financial advice (which the Trustee is not authorised to provide) that enables members to choose the most appropriate retirement income product.

## DISCLAIMER

The information contained in this document is general information only and is not intended to be construed as general or personal advice, or a product recommendation.

You should make your own enquiries as to the suitability of a product for your personal financial needs and circumstances and obtain and read a copy of the relevant PDS for further information on its suitability before making an investment and/or insurance decision.