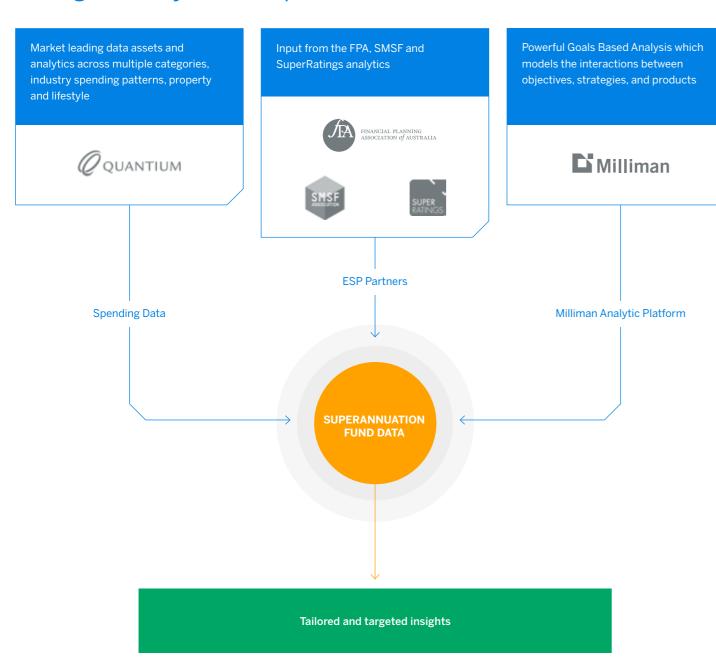
Adding Value beyond the report



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MAY 2017

Milliman Retirement Expectations and Spending Profiles



Retirement ESP

Setting a new standard for understanding the spending patterns of retirees and quantifying the level of savings they need to support their lifestyle.

THIS QUARTERLY PUBLICATION OUTLINES AND CONVEYS:

- The variation in the spending patterns of Australians in retirement across age, wealth cohort, and location.
- The impact these observed differences in spending have on the amount of assets necessary to support spending through retirement.
- Insight into topical issues facing superannuation funds and their members.

Produced working closely and consulting with other respected

industry bodies

- SuperRatings
- The SMSF Association
- The Financial Planning Association of Australia (FPA).

Superior to time-intensive spending surveys and limited best effort assumptions about retirement spending.

Based on robust technology.

What is retirement ESP?

Providing the industry with insight

Relies on Milliman's leading-edge analytic platform to help understand how these differences in spending translate to planning for retirement via superannuation and its interaction with the Government Age Pension.

> Based on data from 300,000-plus retirees, revealing detailed spending breakdowns of Australians across age, geographic location, and discretionary versus essential spending.

> > A quarterly report available to Licensees.

GOAL CALIBRATION AND EXPECTATIONS

- How much will I spend?
- What assets will I need to fund this spending?
- How does spending change over time?
- What are the implications for changing behaviour such as investment strategies or contributions?

PERSONALISATION AND BENCHMARKING PROFILES

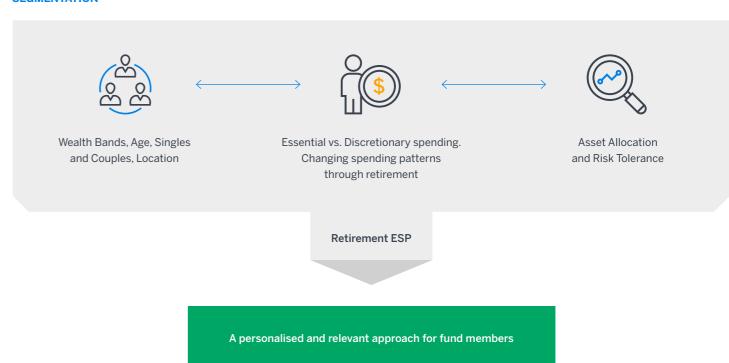
- How are spending profiles unique to a particular superannuation fund's demographics?
- How well prepared are members to meet retirement objectives?
- What degree of uncertainty do individuals face when preparing for retirement?

INSIGHT VIA MILLIMAN'S ANALYTIC PLATFORM

- Holistic personal asset/ liability modelling platform
- Powerful stochastic simulation engine
- Centralised and highly scalable
- Accessed via flexible APIs
- Supports Milliman clients in the development of member engagement and advice tools

How Retirement ESP Adds Value

SEGMENTATION



PRODUCT DEVELOPMENT



MEMBER SERVICES AND ADVICE

Enhances Marketing & Communications teams' ability to tailor and contextualise member and employer engagement

Gives ability to access and utilise consumer insights effectively through Advice channel

Milliman