

Retirement income strategy

Smart Future Trust

Effective date: 1 July 2022

1. About this document

This Retirement Income Strategy (RIS) applies to the Smart Future Trust (Fund) ABN 68 964 712 340 AFSL 236667 issued by Equity Trustees Superannuation Limited (ETSL or Trustee) ABN 50 055 641 757 AFSL 229757. It seeks to provide members and their beneficiaries with an understanding of the Trustee's strategy for assisting members make retirement decisions.

This document is not a Product Disclosure Statement (PDS), it does not consider any person's individual financial objectives, situation and needs and is not intended to be considered as financial advice.

A consumer should refer to the relevant PDS (including any incorporated information and Target Market Determination) when deciding if a product is suitable for them.

The Trustee will review the outcomes of this RIS each year and update the strategy at least every 3 years.

2. Fund overview

The Trustee's overall objective is to support members to meet their financial goals by focusing on smart, easy actions to contribute to the long-term growth of their superannuation savings. The Fund offers members a retirement income solution through an account-based pension product.

For the purpose of the RIS, the Trustee has determined that members who have attained age 55 fall within the class of beneficiaries of the Fund who are either retired or are approaching retirement. The Trustee has made this determination on the basis that the average age people intend to retire is 65.5 years, whilst the average age of all retirees is 55.4 years¹.

As at 31 March 2022, approximately 6% of wealth members were aged over 65 and just under 23% fell within the class of beneficiaries of the Fund who are either retired or are approaching retirement (i.e. 55 years or more):

Age group	Number of members	Account balances (\$m)
Under age 55	43,014	3,246
Aged 55 - 64	9,154	1,516
Over age 65	3,439	615
Total	55,607	5,376

¹ Australian Bureau of Statistics (Retirement and Retirement Intentions, Australia; released 8 May 2020)

3. Retirement income

The Trustee considers retirement income as comprising:

- Income received by a member from superannuation assets within the Fund, whether received in the form of a pension or lump sum withdrawals; and
- Age Pension payments received by the member; and
- All other income that the member may receive in retirement including:
 - ▮ Income from other superannuation funds;
 - ▮ Non-superannuation income;
 - ▮ All other income earned by a spouse or partner.

The Trustee is responsible for the outcomes of the superannuation assets under trusteeship.

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

The Trustee considers the period of retirement for a member to be the period from when a member selects to invest in a retirement income product, such as an account-based pension, until death. Life expectancy for a 65 year old² is 85 for males and 87.7 for females. Hence this will typically be a period of at least 20 years.

4. Retirement income strategy

The Fund offers a Retirement Pension product and a Transition to Retirement Pension product. The Trustee considers that these products are appropriate and, as reflected in the most recent member outcomes assessments for these products, they promote the financial interests of those members who are either retired or are approaching retirement.

The Trustee considers that members are most appropriately assisted by providing access to relevant information and to encourage them to obtain personal advice.

The Trustee notes that most members in the Fund have a financial adviser.

The Trustee only has access to a member's age and account balance (and insurance for some members) in the Fund. The Trustee does not have details of a member's personal circumstances, other income outside of the Fund (which may include other superannuation assets) or details on income from a spouse or partner.

The Trustee does not provide retirement planning advice to members. To assist members in making retirement decisions the Trustee will recommend to members that they:

- speak to their financial adviser or seek one; and
- undertake their own research to understand their options; and
- consider what retirement products are available to them.

² Australian Bureau of Statistics (Retirement and Retirement Intentions, Australia; released 8 May 2020)

To assist with these decisions, the Trustee may provide links to relevant sources of information, including (but not limited to) the Government's:

- Financial Information Service at servicesaustralia.gov.au/financial-information-service,
- Moneysmart website at moneysmart.gov.au,
- Australian Taxation Office website at ato.gov.au.

The Trustee is open to considering additional retirement product solutions that may be proposed by smartMonday Solutions Limited ABN 48 002 288 646, AFSL 236667 (smartMonday) subject to being in the best interests of members.

The Trustee will also engage in targeted communications with those members who fall within the class of beneficiaries of the Fund who are either retired or are approaching retirement and who do not, as far as the Trustee is aware, have a financial planner. These targeted communications will encourage and remind these members to take appropriate steps in relation to their retirement income planning.

5. Steps taken to gather information

In formulating this RIS, the Trustee has relied primarily on information it already possesses as trustee of the Fund (including information gathered for the purposes of the Member Outcomes Assessment and 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 to the Trustee's strategy and that the cost of obtaining such information is inconsistent with the Fund's objective and its Target Market Determination. This is because of the Trustee's strongly held view that retirement products depend on the specific circumstances of each member that are most appropriately addressed through personal advice (which the Trustee does not provide) that enables members to choose the most appropriate retirement income product available in the market.

The information in this document is general in nature and should not be relied upon as personal advice as your personal needs, objectives and financial situation have not been considered. Before making a decision about this product, you should obtain and read a copy of the relevant PDS, consider whether it suits your particular circumstances and, where appropriate, you may wish to seek financial advice specific to your needs.

smartMonday is a registered trading name of smartMonday Solutions Limited ABN 48 002 288 646 AFSL 236667 (smartMonday), the sponsor of the Smart Future Trust ABN 68 964 712 340 (the Fund). smartMonday products are part of the Fund. The Trustee of the fund and issuer of this document is Equity Trustees Superannuation Limited ABN 50 055 641 757 AFSL 229757 RSE Licence L0001458. References in this document to 'we', 'us', and 'our' are references to the Trustee.