

RETIREMENT INCOME STRATEGY

IconiQ Super Wrap (a division of Wrap Super) (Fund) ABN 18 906 079 389 issued by Equity Trustees Superannuation Limited (ETSL or Trustee) ABN 50 055 641 757 AFSL 229757 RSEL L0001458.

PURPOSE

This Retirement Income Strategy (RIS or Strategy) applies to the IconiQ Super Wrap (Division), a Division of WRAP Super ABN 18 906 079 389, a fund issued by Equity Trustees Superannuation Limited (ETSL or Trustee) ABN 50 055 641 757 AFSL 229757.

This document is a summary of the Trustee's RIS for the Division and seeks to provide key principles and set minimum requirements which apply to ensure that the Division continues to meet the retirement income needs of its members, both in and approaching retirement. This document is not a Product Disclosure Statement (PDS), it does not consider an individual's financial objectives, situation and needs and is not financial advice. A consumer should refer to the relevant PDS (including any incorporated information and the Target Market Determination) when deciding if any product is suitable for them. The Trustee will review this RIS each year and update the strategy at least every 3 years.

The Promoter of this Division is Ventura Investment Management Limited (Promoter) ABN 49 092 375 258 AFSL 253 045.

DIVISION OVERVIEW

DIVISION STRATEGY

The Trustee's overall objective for the Division is to make a difference in members' lives by connecting them and their financial advisers to innovative and cost-effective financial solutions within the superannuation environment to promote better retirement outcomes.

DIVISION OFFER

The Division aims to provide a diverse range of members with a quality and value for money superannuation platform providing access to a range of investment options and centralised administration for implementation of their investment strategy. IconiQ Super Wrap offers various retirement solutions for transition to retirement and retirement pension portfolios.

The Division is established for advised clients, where members can exercise investment choice in relation to the various investment options and strategies through their adviser. The products offered within the Division are distributed by financial advisers of approved Australian Financial Services Licensees (AFSL) and the technology platform is key in enabling these users to efficiently provide ongoing services to members.

MEMBERSHIP PROFILE

The Division launches on 1 October 2024 and at that date has no members.

RETIREMENT INCOME STRATEGY

The Retirement Income Covenant requires trustees of superannuation funds to have a strategy for members approaching and in retirement. Overall, the strategy considers the income needs of members and identifies the services and products that the fund is able to offer to its members.



For the purpose of the RIS, the Trustee has determined that age 50 is typically the age that members should start planning for retirement by both taking into account ABS research and recognising that the earliest members can start their account-based pension is when they reach preservation age (currently 55 years of age). Further, the Trustee’s determination extends to members who have attained age 55 fall within the class of beneficiaries of the Division 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 56.3 years¹.

The Trustee has determined 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 old is 85 for males and 87.7 for females. Hence this will typically be a period of at least 20 years.

Therefore, the aim of the strategy is to assist members to achieve and balance three key objectives over the above timeframes:

- **maximise expected retirement income** over the period of retirement;
- **manage the expected risks** to the sustainability and stability of retirement income over the period of retirement, including longevity risks, investment risks, inflation risks and any other relevant risks; and
- **have flexible access** to expected funds over the period of retirement.

This document provides a summary of how we intend to support the Division’s membership base to achieve and balance these objectives.

WHO IS COVERED BY OUR STRATEGY

The Trustee is required to determine the class of members who are retired or approaching retirement for the purposes of the Strategy.

ACCUMULATION	PRE-RETIREMENT	TRANSITION TO RETIREMENT	IN RETIREMENT
<ul style="list-style-type: none"> • Under preservation age, not met a condition of release • Growing their superannuation balance. 	<ul style="list-style-type: none"> • 50 – 60 years • Members in accumulation phase and still contributing to superannuation. • Have commenced planning for retirement or are thinking about it. 	<ul style="list-style-type: none"> • 60 to 75 years • Recently retired or transitioning to retirement. • Members in accumulation phase and may still be contributing to superannuation but potentially with reduced work hours and drawing a transition to retirement pension. 	<ul style="list-style-type: none"> • Members who have reached preservation age or met a condition of release • Members in an account-based pension product

Retirement Income

The Trustee recognises that everyone’s retirement journey is unique and so their income needs may differ depending on their circumstances. Consequently, the Trustee has determined “retirement income” comprises:

- Income received by a member from the member’s superannuation assets within the Division whether received in the form of a pension or lump sum withdrawals;
- 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; or
 - All other income earned by a spouse or partner.

The Age Pension eligibility may be a key consideration of members’ retirement strategy. The table below provides an illustration for potential income sources in retirement based on members’ current financial position, including any age pension entitlements.

¹Australian Bureau of Statistics (Retirement and Retirement Intentions, Australia; 2020-21; released 29 Aug 2023)



ASFA RETIREMENT PROJECTIONS	LOW PROJECTED ACCOUNT BALANCE	MEDIUM PROJECTED ACCOUNT BALANCE	HIGH PROJECTED ACCOUNT BALANCE
Projected Superannuation Assets	Under \$200,000	\$200,000 to \$690,000	Over \$690,000
Potential Age Pension Entitlements	Full	Full / Part	Part / None
Other incomes	Superannuation savings	Superannuation savings and some savings & investments	Superannuation savings and other savings & investments

Retirement Products

The purpose of the Trustee RIS is to provide members with products, tools and resources to assist them in achieving their targeted outcome in retirement.

This section summarises the products available through the Division that may be suitable for members seeking to grow their superannuation savings and an income solution in retirement.

Available in the short term:

- Retirement Pension Product and
- Transition to Retirement Pension Product.

Intends to be available in the longer term:

- Longevity products and annuity options available through the platform.

The Trustee will work with the Promoters of the Division to assess the viability of incorporating lifetime income products (e.g. annuities) within the Division.

It is the intention of the Trustee that all members utilise the services of a financial adviser to assist in selecting appropriate investments and strategies to maximise the chances of meeting the retirement goals and objectives of members. This includes assisting with a Transition to Retirement strategy.

The Trustee does not have access to details relating to the personal circumstances of the members including whether they are members of other funds or have income outside the fund.

Retirement Support

This section summarises the support the Trustee has in place, or intends to implement, to assist members achieve and balance the retirement objectives.

Manage the expected risks

The Trustee will assist members with understanding key risks to the sustainability and stability of their retirement savings and income. Common risks include:

- **Longevity risk** – the risk that a member will outlive their retirement savings;
- **Investment risk** – spanning several risks that may impact a member’s ability to achieve the desired level of retirement income; and
- **Inflation risk** – the risk that a member’s income does not maintain its purchasing power over time.

To assist members in managing these risks, the Trustee has implemented the following assistance measures:

- **Investment choice** – The Trustee provides members with a range of investment options across various asset classes and different risk profiles to support a member’s retirement assets over varying time horizons.
- **Annual performance review** – The Trustee conducts regular performance monitoring programs, including assessing each investment option’s returns against various thresholds and benchmarks. The review highlights investment options that may have experienced a negative return over various time periods regardless of market movement and conditions. This information is available to members through various publications such as Division Report, Annual Statement and member online access (where available).



- **Educational materials** – Expand resources to help members understand more about how to manage some of the key risks associated with the investment of their superannuation savings, including aged based educational communications as members approach retirement.
- **Member communications** – To ensure members are aware of the potential risks to the sustainability and stability of their retirement income, the Trustee provides information through the following:
 - Mandated disclosures, such as Product Disclosure Statements, Target Market Determinations and Division Reports;
 - Factsheets, presentations and marketing materials or
 - Member service centre.

The Trustee will have access to data from the Division to enable communications with both members and financial advisers who have members in the Division. At least annually the Promoter will seek feedback from participating Advice Licensees on the level of support provided to advisers and members. The Promoter may also make links to other websites such as moneysmart.gov.au and Retirement Essentials to assist members exploring retirement outcomes.

Have flexible access to expected funds

The retirement products that the Trustee offers, or intends to offer, to members provide them with full access to their superannuation capital once they have met a condition of release. The Trustee will or is proposing to implement, the following assistance measures:

- **Calculators** – Provide calculators to assist members in understanding the effect of a lump sum withdrawal on their retirement savings and subsequent pension payments.
- **Educational materials** – Provide information on how to withdraw a lump sum from an accumulation or pension account. The Trustee will also develop further resources to help members understand more about alternative sources of funds in retirement.

DISCLAIMER

The information contained in this document is general information only and is not intended to be construed as either 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 (including any incorporated information and the Target Market Determination) for further information on its suitability before making an investment and/or insurance decision.

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