

# Allianz Guaranteed Income for Life (AGILE) Target Market Determination

---

## 1. About this document

### When to use this target market determination

This target market determination (TMD) applies to Allianz Guaranteed Income for Life (**AGILE**), which is issued by Allianz Australia Life Insurance Limited (**Allianz Retire+**). It provides information on the class of users and consumers for whom this product has been designed, including the key attributes of the product having regard to the features, benefits and risks of the product.

This document is not a PDS and is not intended to provide financial advice and is not a summary of the product features or terms. Before making any investment decisions, users and consumers should refer to the Product Disclosure Statement (PDS) and any supplementary document(s), which outline the relevant terms and conditions applicable to the product.

### Product Disclosure to which this target market determination applies

This TMD applies to the AGILE product referred to in the following PDS:

- AGILE Product Disclosure Statement dated 24 November 2023

### Date from which this target market determination is effective

24 November 2023

## 2. Product description and key attributes

AGILE is a retirement income solution which is designed to provide both the flexibility of continued access to savings and the financial certainty that comes with guaranteed income for life. AGILE is a long-term retirement solution that enables the growth of retirement savings, while providing control and flexibility over savings, provides a guaranteed regular income for the rest of the consumer's life (and their surviving spouse, upon election), and may qualify the consumer for additional Age Pension, upon election<sup>1</sup>.

AGILE is designed for investment by superannuation trustees (including self-managed superannuation funds), IDPS or other platforms, each in respect of underlying consumers and individuals and other investors using personal savings (including investment by a non-superannuation trustee or company) to whom AGILE (and the AGILE PDS) has been made available.

In this TMD, we refer to individuals and other investors (including superannuation trustees, IDPS or other platforms) as "users", who acquire AGILE in respect of underlying consumers (for example members of superannuation funds). In the case of an individual investor, the individual is both the user and the underlying consumer.

**A user may determine whether or not to offer all available AGILE product features as outlined in the PDS to its underlying consumers.**

AGILE has two phases and the available options vary between them:

- The **Growth Phase** during which the investment will provide Australian or Global equity market-linked returns (up to a Maximum Return) while offering protection against adverse market movements.
- Any time after the third year, users can start the guaranteed lifetime income by commencing the **Lifetime Income Phase**. The guaranteed lifetime income is determined by multiplying their Investment Value on the Lifetime Income Commencement Date by their Lifetime Income Rate. At this time, two elections are available:
  1. a Spouse Insured option – which would mean that, upon death, the Lifetime Income continues to be paid for the lifetime of any surviving spouse<sup>2</sup>; and
  2. a choice of either Lifetime Income Fixed or Rising Income payment options. Income payments will continue to be paid until death, guaranteed by Allianz Retire+ even after the Investment Value falls to zero. During the Lifetime Income Phase, the Australian Equity Index – Total Protection is the only protected investment option available.

On commencing the Lifetime Income Phase or meeting a relevant condition of release<sup>3</sup> whichever comes first, 'Age Pension+' option may be elected which may qualify the consumer for additional Age Pension due to the AGILE investment being subject to a reduced Age Pension assets test treatment for social security purposes (which is subject to the Social Security regulations which may change from time to time). Electing this option will also mean the amount of money that can be accessed as a withdrawal or claim upon death is capped at legislated maximums. Election will also vary the Lifetime Income rates applicable upon commencement of the Lifetime Income Phase.

AGILE has the flexibility for money to be accessed and withdrawn at any time subject to a Free Withdrawal Amount (FWA) which sets the amount that can be withdrawn free of charge each year. Withdrawals greater than the FWA (where applicable) will attract a Market Value Adjustment (MVA). The MVA is only applicable in the first 10 years. Upon death, the Investment Value will be paid with no MVA applicable.

If the Age Pension+ option has been elected, there are additional impacts associated with making withdrawals:

- i. there is no access to a FWA in the Growth Phase; and
- ii. the withdrawal value will be limited to a legislated maximum commonly referred to as the Capital Access Schedule.

<sup>1</sup> Due to AGILE being subject to a reduced Age Pension assets test treatment for social security purposes when the Age Pension+ feature is elected which is subject to Social Security regulations which may change from time to time.

<sup>2</sup> The surviving spouse must be over 50 and under 80 at the time of commencement of the AGILE investment, and election of this option may mean that a different set of age-based rates will apply when converting the Investment Value into a Lifetime Income.

<sup>3</sup> A relevant condition of release means retirement, death, terminal medical condition, permanent incapacity, and attaining the age of 65.

### 3. Class of users that fall within the target market

The table below summarises the class of users that fall within the target market for AGILE.

Allianz Guaranteed Income for Life ("AGILE")	
<b>Class of consumers</b>	<p>AGILE is designed for users who are:</p> <ul style="list-style-type: none"> <li>• Superannuation trustees, and platform entities, in respect of underlying consumers to whom AGILE (and the AGILE PDS) has been made available;</li> <li>• Superannuation trustees (including SMSF trustees); and</li> <li>• Individuals and other investors using personal savings,</li> </ul> <p>that want a guaranteed lifetime income in relation to the relevant consumer who is either in the pre or post retirement stage (and their surviving spouse, upon election).</p> <p>Users in the target market want, or have underlying consumers who want, the flexibility to decide when to start a guaranteed lifetime income whilst still retaining access to their Investment Value throughout retirement<sup>4</sup>. AGILE is designed to offer exposure to market linked returns (up to a maximum return), with exposure to a lower level of volatility than other types of equity style investment products throughout the course of the lifetime investment. AGILE is a long term investment that is designed to be held for life.</p>
<b>Needs and objectives</b>	<p>AGILE is designed for users who, or who have underlying consumers who:</p> <ul style="list-style-type: none"> <li>• Are aged 50 to 80 years; and</li> <li>• Want to secure a guaranteed lifetime income (for themselves, and surviving spouse<sup>5</sup> upon election); and</li> <li>• Want flexibility to access money or alternatively, are seeking to qualify for additional Age Pension entitlements (through election of the Age Pension+ feature) and therefore willing to have access to capital capped at legislated maximums; and</li> <li>• Have one or more of the following investment objectives: <ul style="list-style-type: none"> <li>– Capital growth or Portfolio preservation with medium volatility;</li> <li>– Capital protected or Portfolio preservation with low volatility.</li> </ul> </li> </ul> <p><b>See Section 7 for further details</b></p>
<b>Financial situation</b>	<p>AGILE is relevant for users who, or who have underlying consumers who:</p> <ul style="list-style-type: none"> <li>• Seek to convert a lump sum investment into a Guaranteed Lifetime Income stream which they may commence any time after a minimum period of 3 years; and</li> <li>• May wish to ensure a Guaranteed Lifetime Income stream is payable for the duration of the life of their eligible surviving spouse in the event of death in retirement where relevant; and</li> <li>• Have access to additional capital and other sources of income outside of the AGILE investment, as AGILE is not designed to be a whole of portfolio solution; and</li> <li>• Are comfortable that withdrawals in excess of the Free Withdrawal Amount (where applicable<sup>6</sup>) within the first 10 years are possible but will be subject to a Market Value Adjustment.</li> </ul>

AGILE is unlikely to be suitable for users who, or underlying consumers who:

- Do not align with the relevant situations outlined above;
- Are not between age 50 and 80 at commencement of the AGILE investment;
- Do not wish to invest between \$20,000 and \$5 million in AGILE; or
- For any reason do not require or value a guaranteed lifetime income.

<sup>4</sup> Subject to legislated maximums commonly referred to as the Capital Access Schedule if the Age Pension+ option is elected.

<sup>5</sup> The Spouse must be over age 50 and under age 80 at the time of commencement of the AGILE investment.

<sup>6</sup> During the Growth phase after making an Age Pension+ election, there is no access to a Free Withdrawal Amount, and all withdrawals will be subject to a Maximum Withdrawal Amount.

## Appropriateness of target market

AGILE is likely to be consistent with the likely objectives, financial situation and needs of the class of users in the target market. This is because the objectives, financial situation and needs of the target market have been defined in a way that aligns with the key objectives, terms, features and attributes of AGILE.

## 4. How this product is to be distributed

Permitted distribution channel	Distribution description
<b>Licensed financial advisers who have been authorised by Allianz Retire+ to distribute AGILE</b>	The user has been provided with personal advice in relation to AGILE from a licensed financial adviser who has been authorised by Allianz Retire+ to distribute AGILE.
<b>Select superannuation funds or platforms with distribution arrangements in place</b>	Distribution of AGILE via a superannuation fund or platform if the superannuation fund or platform provider has a formal arrangement with Allianz Retire+ governing their relationship, with appropriate obligations in respect of distribution of AGILE to the target market.
<b>Direct (non-advised) retail (i.e. the Allianz Retire+ website)</b>	Direct non-advised users must complete the suitability questions on the application form.

## Adequacy of distribution conditions and restrictions

Allianz Retire+ has determined that the distribution conditions and restrictions will make it likely that users who purchase AGILE are in the target market because:

- Allianz Retire+ has implemented relevant criteria for determining when to approve a relevant financial adviser, superannuation fund or platform to distribute AGILE and has therefore considered whether the financial adviser, superannuation fund or platform is suitable to distribute AGILE;
- The Allianz Retire+ website contains clear information about the key features of AGILE and suitability questions, such that users who apply for AGILE via the Allianz Retire+ website are likely to be within the target market; and
- For a user to access AGILE they must read and accept the PDS.

Allianz Retire+ considers that the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the target market for whom AGILE has been designed.

## 5. Reviewing this target market determination

Allianz Retire+ will review this TMD in accordance with the below:

<b>Initial review</b>	Within 1 year of the effective date.
<b>Periodic reviews</b>	At least every 2 years from the previous review.
<b>Review triggers or events</b>	<p>Any of the following events or circumstances to the extent that they reasonably suggest to Allianz Retire+ that the TMD is no longer appropriate:</p> <ul style="list-style-type: none"> <li>• A material change to the design, distribution, objective or purpose of AGILE, including related documentation;</li> <li>• The commencement of significant changes in legislation or regulatory requirements that affect AGILE or the distribution of AGILE;</li> <li>• External events such as materially adverse national or international media coverage or regulatory attention relating to AGILE's design or distribution (e.g. defective PDS or product stop orders);</li> <li>• Significant dealings outside of the TMD;</li> <li>• Significant changes in metrics which indicate that the TMD may no longer be appropriate, including unusually high number of complaints (as defined in Section 994A(1) of the Corporations Act relating to AGILE's design or distribution), sales volumes, Guaranteed Lifetime Income activation rates, Market Value Adjustment (MVA) activation rates and policy cancellations.</li> </ul> <p>In addition to the review triggers above, Allianz Retire+ will also review this TMD if any other events or circumstances occur which would reasonably suggest to Allianz Retire+ that the TMD is no longer appropriate.</p>

Where a review trigger has occurred, this TMD will be reviewed within 10 business days.

## 6. Distribution reporting requirements and monitoring of this target market determination

Allianz Retire+ requires the following information from all the distributors of AGILE in relation to this TMD. All distributors are required to report this information to Allianz Retire+ by the times specified below.

Reporting requirement	Reporting frequency
<p><b>Complaints</b></p> <p>Complaints as defined in Section 994A(1) of the Corporations Act in relation to AGILE.</p> <p>This includes:</p> <ul style="list-style-type: none"> <li>• The substance of each complaint; and</li> <li>• The total number of complaints received in relation to AGILE.</li> </ul>	<p>Within 10 business days following the end of each calendar quarter.</p>
<p><b>Dealings outside the target market</b></p> <p>Any dealing that is inconsistent with the target market, including reason why dealing is inconsistent with the target market, and whether the dealing occurred under personal advice.</p>	<p>As soon as practicable, and in any case within 10 business days after the distributor becomes aware of the dealing.</p>
<p><b>Regulatory contact</b></p> <p>Any direct communication from ASIC which relates to AGILE.</p>	<p>As soon as practicable, and in any case within 10 business days after the communication is received.</p>

In addition to the reporting information in the table above, Allianz Retire+ will also consider sales metrics relating to AGILE, including sales volumes, Guaranteed Lifetime Income activation rates, Market Value Adjustment (MVA) activation rates and policy lapses. Distributors will not be required to report this information to Allianz Retire+, as Allianz Retire+ will have access to this information automatically as the product issuer.

## 7. Key concepts

The following section describes how the investment objectives and key terms relate to the various AGILE protected investment options.

**Volatility** is a statistical measure of the dispersion of returns for a given security or market index over a given period of time. Different ranges of volatility (low and medium) can be related to the various protected investment options within the AGILE product, offering different ranges of returns.

AGILE Protected Investment Option	Related Investment Objective
<p><b>Partial Protection: Initial 10%</b> (Only available in Growth Phase)</p> <p>The user is willing to accept annual returns which are subject to a maximum return and the first 10% of any market losses will be protected, but losses beyond 10% will be reflected (i.e. if the market return is -15%, the annual return will be -5%).</p>	Capital growth or Portfolio preservation with medium volatility.
<p><b>Total Protection</b> (Available in Growth and Lifetime Income Phase)</p> <p>The user is willing to accept annual returns between 0% and the respective maximum return.</p>	Capital protected or Portfolio preservation with low volatility.

This material is issued by Allianz Australia Life Insurance Limited, ABN 27 076 033 782, AFSL 296559 (trading as Allianz Retire+). Allianz Retire+ is a registered business name of Allianz Australia Life Insurance Limited.

This information is current as at 24 November 2023 unless otherwise specified and is for general information purposes only. It is not comprehensive or intended to give financial product advice. Any advice provided in this material does not take into account your objectives, financial situation or needs. Before acting on anything contained in this material, you should speak to your financial adviser and consider the appropriateness of the information received, having regard to your objectives, financial situation and needs.

Allianz Retire+ and its related entities, agents or employees do not accept any liability for any loss arising whether directly or indirectly from any use of this material. Allianz Retire+ does not authorise any additions or modifications to this material. Past performance is not a reliable indicator of future performance.

Use of the word "guarantee" in relation to the Allianz Guaranteed Income for Life (AGILE) refers to an assurance that certain conditions or contractual promises will be fulfilled by Allianz Retire+ from the available assets of its Statutory Fund No.2, noting that Allianz Retire+ may terminate the product in certain limited circumstances as outlined in the Product Disclosure Statement referred to below.

Allianz Australia Life Insurance Limited is the issuer of AGILE. Prior to making an investment decision, users should consider the relevant Product Disclosure Statement (PDS) which is available on our website ([www.allianzretireplus.com.au](http://www.allianzretireplus.com.au)).

PIMCO provides investment management and other support services to Allianz Retire+ but is not responsible for the performance of any Allianz Retire+ product, or any other product or service promoted or supplied by Allianz. Use of the POWERED BY PIMCO trademark, or any other use of the PIMCO name, is not a recommendation of any particular security, strategy or investment product. AR2023-11\_JGTM-C7968-T