FUTURE SAFE

PRODUCT DISCLOSURE STATEMENT

ISSUED 12 MARCH 2019

Allianz Retire+
POWERED BY PIMCO

Allianz

FUTURE SAFE PRODUCT DISCLOSURE STATEMENT

ISSUED 12 MARCH 2019

CONTACT DETAILS

1300 371 136 between 8.30am and 5.30pm (AET), Monday to Friday

GPO Box 4181, Sydney, NSW 2001

help@allianzretireplus.com.au

Important Information

Allianz Retire+ is a business name of Allianz Australia Life Insurance Limited, ABN 27 076 033 782, Australian Financial Services Licence (AFSL) 296559 ('AALIL', 'we', 'us', 'our').

AALIL is the issuer of each policy and has authorised the issue of this Product Disclosure Statement (PDS).

AALIL's ultimate parent company is Allianz SE, a global insurance and asset management business headquartered in Munich, Germany with operations in more than 70 countries around the world. Neither Allianz SE nor any of its subsidiaries (Allianz Group) guarantees the performance of AALIL or its obligations to AALIL's customers or benefits under Future Safe.

PIMCO Australia Pty Ltd, ABN 54 084 280 508, AFSL 246862 (PIMCO Australia) provides investment management and other support services to AALIL and may receive fees or other benefits from AALIL for the services it provides. Neither PIMCO Australia, nor any other member of the PIMCO group of companies (PIMCO Group), is the issuer or promoter of Future Safe or is liable to any investor in, or any other beneficiary of a policy. No member of the PIMCO Group, including PIMCO Australia, guarantees the performance of Future Safe, or any withdrawal or other payment, including the repayment of capital invested and the return of income, from it. PIMCO Group is majority owned by Allianz SE.

You should read and consider this PDS carefully before deciding whether or not to invest in Future Safe. The information contained in this document is general information only. It does not take into account your individual objectives, financial situation or needs. You should consider the appropriateness of Future Safe having regard to your individual objectives, financial situation and needs. We recommend that you seek advice from your licensed financial adviser before investing in Future Safe.

Use of the word "guarantee" in this PDS refers to an assurance that certain conditions will be fulfilled by AALIL, in relation to the product terms.

Information in this document may change from time to time. Where we have indicated in the PDS that we will advise you of changes or where we are required to do so under the law then we will notify you in writing (which may include by email if you have previously provided us with your email address). If there is a change to the information in the PDS that is not materially adverse or significant from the point of view of a reasonable person, we may make such changes by publishing the updated information on www.allianzretireplus.com.au. You can request a paper or electronic copy from us free of charge.

If you would like to invest, you need to complete the application process set out in this PDS, and you must have received this PDS and completed the application form in Australia. Whilst non-resident investors may invest in Future Safe, we will not accept applications from outside Australia.

If you are a trustee of a superannuation fund, including a self-managed superannuation fund (SMSF), you will need to be satisfied that investing in Future Safe is consistent with your obligations as a trustee.

The terms of your Future Safe policy are set out in the current Policy Document which is in section 4 of this PDS. You can obtain a copy of the Policy Document free of charge at any time from www.allianzretireplus.com.au, by contacting your financial adviser or by calling us on 1300 371 136. We will send you your Investor Certificate at the time of the commencement of your policy.

Terminology when reading this PDS

When reading this PDS, please remember that there may be different kinds of policy owners, so you must read it in the context of your particular ownership structure. If the policy is owned by an Australian company or trustee (such as an SMSF), up to two lives insured may be nominated. In this circumstance, a reference to "you" or "your" will refer to the policy owner (or in the relevant context the life insured under the policy).

There is a Glossary section that explains key terms.

CONTENTS

Please note: *This PDS does not contain forms. Please download the full version from the website to view the forms.*

SECTION 1

OVERVIEW

RETIREMENT HAS CHANGED FOR AUSTRALIANS

You don't want to risk the retirement savings you've got. That makes sense. But can you *really* retire if you're not sure your retirement savings will last?

A new investment journey

Living longer means it's harder to achieve your retirement goals if you don't keep investing and growing your savings - even after you retire. While many pre-retirees and retirees know they need to stay invested in the sharemarket, they worry about market performance and the risk of losing their savings.

Helping protect your super when it is most vulnerable

Your super will have probably been invested in the sharemarket for all of your working life. So what's different now? In the 7 or so years before and after you retire, you're in what's known as the 'retirement risk zone'.

This is the time when your savings are most vulnerable to a drop in the sharemarket – a risk known as sequencing risk. Negative sharemarket returns in this period can have a significant impact on your savings. Why? Because in basic terms this is when a market downturn means you are drawing down on your assets at the bottom of the market and don't have the opportunity to recover the fall in value.

Having less money in super could impact your retirement in a number of ways:

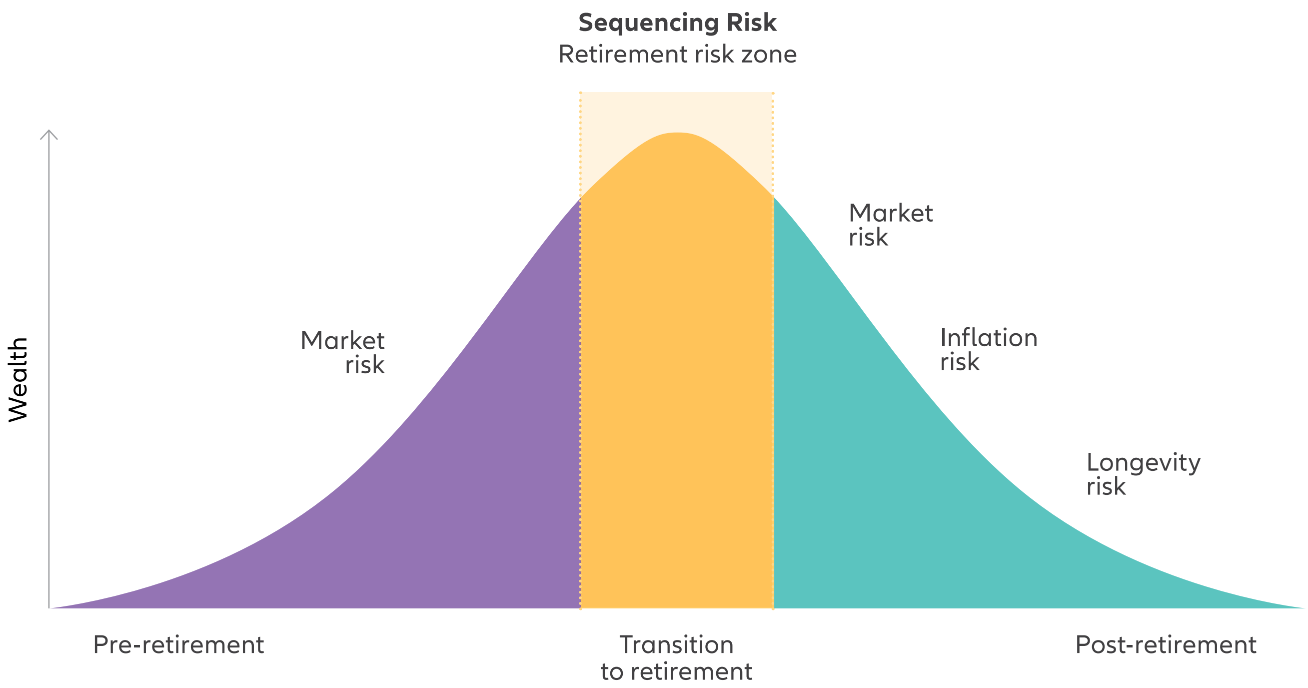
- needing to work for longer or having to return to work
- lack of control over when you can retire
- less time with family and friends
- budget constraints and/or sacrifices to lifestyle
- an increased reliance on the age pension.

Solutions designed for Australian retirement

We're designing retirement solutions specifically to meet the needs of Australian retirees throughout different phases of retirement.

We are proud to present ***Future Safe***. Keep your retirement savings invested with the peace of mind of knowing your range of returns upfront.

The best part, you can get market exposure whilst limiting your losses to 0% (before the annual product fee and taxes) if you want to.



FUTURE SAFE OVERVIEW

What is it?

Future Safe is a 7 year investment product issued by a life insurance company, that gives you a simple way to access the returns of the sharemarket with the certainty of a range of outcomes.

BENEFITS

Security

A range of protection options that enable you to limit or eliminate the impact of a market downturn on your investment.

Growth

Potential to grow the value of your investment over time, subject to an upper limit on the annual investment return.

Income

Ability to generate a regular income stream, which can be paid at regular intervals and may be tax-free for people over 60 years of age who invest with super money.

Flexibility

Flexibility to change your protection and investment options each year. Ability to make withdrawals, subject to certain conditions.

PROTECTION OPTIONS

Future Safe allows you to select a combination of Fixed Rate or market-linked investment and protection options to suit your needs.

You select these at the commencement of your policy and you have the option to change them each year at the anniversary date of your policy.

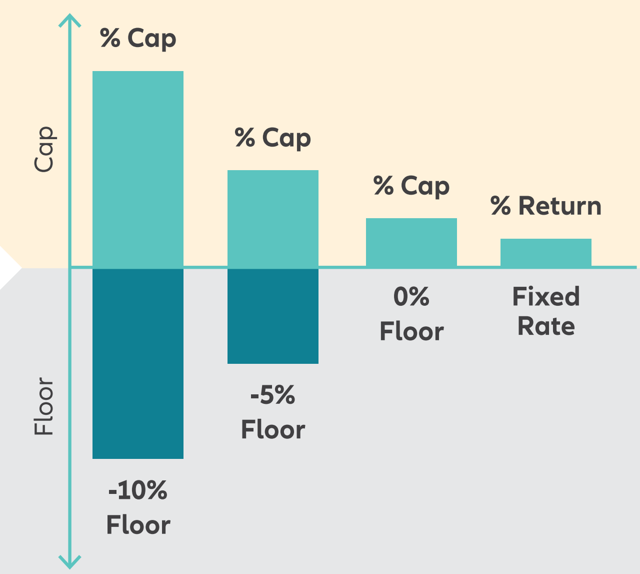
Each market-linked investment option is made up of a '**Floor**' and a '**Cap**'.

The **Floor** is the maximum market loss you could experience in a year.

The **Cap** is the maximum return the investment option can achieve in that year and it is determined by the Floor (the level of protection) that you choose. Each market-linked investment option has its own set of Caps for each Floor. The greater the level of protection, the lower the Cap.

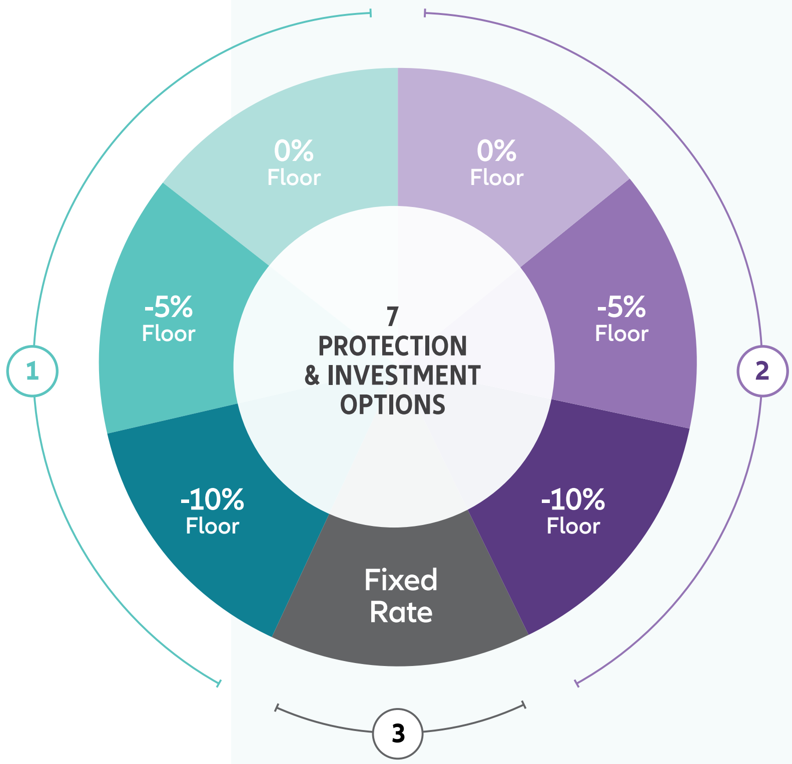
The Fixed Rate option provides a one year fixed rate of return.

More details on Floors and Caps can be found on page 15 and the Fixed Rate on page 16.



The Caps and Floors, and return on the Fixed Rate are expressed before the annual product fee (page 19) and taxes (page 30).

SUMMARY OF OPTIONS AVAILABLE



An opportunity to gain exposure to returns linked to domestic and global equity indices at your chosen level of protection.

You can choose any, some or all of these options and reallocate at each anniversary date.

Your investment options:

1 S&P/ASX 200 Accumulation

2 MSCI World Net in Australian Dollar

3 Fixed Rate

The higher the Floor, the lower the Cap on the investment return.

FEATURES AT A GLANCE

Investment amount

$20,000 – $1.6 million
minimum maximum

Source of funds

Personal savings* or Super**

* Includes policies purchased by a trustee of an SMSF

** Super that is unrestricted non-preserved, Super where you have reached preservation age and are still working

***Unrestricted non-preserved super money, Preservation age**:*
Please refer to the Glossary for the definition.

Additional investment

You cannot add to your policy once it has started, but you can invest in a new policy

Caps and Fixed Rate

Set at commencement;
Reset annually
at anniversary date

Free Withdrawal Amount

Available (up to a limit)

Fees and other costs

0.85% pa (inclusive of GST, if any) deducted annually at your anniversary date (refer to page 19)

Fees may apply if you exceed your Free Withdrawal Amount (refer to page 21)

Retained yield is the amount we may retain on the return generated by the portfolio of assets in the statutory fund. The maximum amount that we will retain in any one year is 1%. The impact of the retained yield is reflected in the Caps and Fixed Rate that we offer to you (refer to page 13)

Fixed term

7 years

Adviser service fee payment facility

Adviser service fees are optional, and if you agree to pay for the services provided by your financial adviser from this product, we can facilitate the payment from your investment, upon your instructions (refer to page 24)

How it works

STEP 1

Understand your retirement goals

Talk to your financial adviser about your objectives and the returns you need to reach your goals, along with your liquidity needs as Future Safe is designed to be held for a 7 year term.

STEP 2

Decide your worst-case scenario and choose a protection option

You decide your Floor for the first year. This is your protection against the impacts of a falling sharemarket. You can't lose more than your Floor (excluding the annual product fee and any applicable taxes) – even if the market falls further (see page 15). Together with your adviser, decide which protection option will best meet your objectives.

STEP 3

Choose an investment option

Choose from domestic and global equities index linked options, a one year Fixed Rate investment, or a combination of these (see page 16). Together with your adviser, decide which investment option or mix of options will best meet your objectives.

STEP 4

Access your money as regular income/lump sum

At the end of each year, your return will be credited to your policy – you can choose to withdraw this or leave it in your policy (see page 20). If you have invested with super money we will pay you at least the minimum requirements under super laws (see page 23). You can choose to make additional withdrawals subject to certain conditions, and in some circumstances fees may apply (see page 21).

STEP 5

Check in each year to review your strategy

Update your protection or investment options each year, to meet your lifestyle needs and broader portfolio objectives (see page 18).

YOUR OPTIONS (Illustrative purposes only)

If you are comfortable with a 10% sharemarket loss in a year	If you are comfortable with a 5% sharemarket loss in a year	If you want to limit any sharemarket losses to 0% in a year	If you need the certainty of a known one year fixed rate of return
YOUR MAXIMUM LOSS (FLOOR)			
-10% If the sharemarket went down 15% you would only **lose 10%**	**-5%** If the sharemarket went down 15% you would only **lose 5%**	**0%** If the sharemarket went down 15% you would **lose 0%**	No loss
YOUR MAXIMUM GAIN (CAP)			
EXAMPLE **+13%*** If the sharemarket went up 15%, you would get a **13% return**	EXAMPLE **+9%*** If the sharemarket went up 15%, you would get a **9% return**	EXAMPLE **+6%*** If the sharemarket went up 15%, you would get a **6% return**	EXAMPLE **3%*** You will receive interest so that you get a **3% return**
FEES AND TAXES			
less annual product fee of 0.85% (inclusive of GST, if any) and any applicable taxes			
INVESTMENT OPTIONS			
Domestic and global equities index linked	Domestic and global equities index linked	Domestic and global equities index linked	One year Fixed Rate

* These Caps and the Fixed Rate are for illustrative purposes only (refer to pages 15 and 16 for further details). The initial Cap for each market-linked investment option is set at the policy commencement date and will remain at that level until the anniversary date of your policy. Each year, the Caps and Fixed Rate may be higher or lower than the Caps and Fixed Rate in the previous year. On each anniversary date we will reset the Caps and the Fixed Rate for the next year and ask you to elect your investment and protection options for that year. For information about the current Caps for each market-linked investment option and Fixed Rate, visit www.allianzretireplus.com.au/future-safe/features.html.

Who can invest

Individuals

A self-managed super fund (SMSF) trustee, and other Australian trustees and companies

Individuals

You can invest in Future Safe if you are aged 18 to 80 and you are:

- Using personal savings
- Rolling over super money that is unrestricted non-preserved to purchase a retirement phase income stream, or
- Rolling over super money, if you are still working and have reached your preservation age to purchase a transition to retirement income stream.

Retirement phase income streams are tax free if you are aged 60 or over.

***Unrestricted non-preserved super money, Preservation age**:*
Please refer to the Glossary for the definition.

Non-resident investors

If you're an overseas resident in Australia, you can invest your personal savings in Future Safe as long as you are aged 18 to 80.

You must receive this PDS and complete the application form while in Australia. The initial investment must be from an Australian bank account in Australian dollars.

Payments out of the policy will be paid in Australian dollars and you will need an Australian bank account in your name to receive the funds. The tax you pay will depend on your country of residence. Any tax information in this PDS relates to the treatment of money in Australia.

Joint investors

You can invest in Future Safe with one other individual investor using personal savings as long as you're both aged 18 to 80. If you're a joint investor, both you and the other investor need to be either residents or non-residents, but you can't be a combination of the two.

From a legal perspective, a joint investment will be held by the policy owners as joint tenants, which means that on the death of one joint investor, the surviving joint investor will receive the deceased's share in the product, meaning they will then become the sole owner of the policy.

SMSF trustees and other Australian trustees and companies

Policies are only owned by a single owner and payments must be paid into an account in the name of the company or trustee.

A policy purchased by a trustee of an SMSF has to be solely to support a retirement phase income stream or an accumulation investment or a transition to retirement investment, but not a combination of any of these. For the purposes of super law, these policies are treated as having been purchased with personal savings.

For the purposes of tax, the tax on earnings held by a trustee of an SMSF will depend upon the nature of the investment:

- Accumulation investment (15%)
- Transition to retirement (15%)
- Retirement phase income stream (tax free)

The nature of the investment may change over the term of your policy if, for example, the member of the SMSF to whom the policy relates retires or turns 65. When this occurs, the applicable tax on earnings will also change. Please refer to page 31 for more details.

How to apply

Directly with us

You must provide us with:

- A completed and signed application form
- The required identity documents
- The funds via:
  - Direct deposit or complete the direct debit authority if investing with non-super money, including personal savings or through an SMSF
  - Superannuation rollover, by completing the Super Rollover Benefit Request form.

More details in section 5.

Through a financial adviser

Speak to your financial adviser to find out more about Future Safe and they can help you with the application process.

If you have any questions about investing in Future Safe you can call us between 8.30am and 5.30pm (AET), Monday to Friday

1300 371 136

HERE'S HOW IT WORKS
(illustrative only)

Ricardo & Laura

We're happy as long as our super doesn't go down.

Ricardo is 64 years old and Laura is 63. They have funds in a self-managed super fund, invested in property, shares and term deposits.

As they approach retirement they're looking forward to spending more time with their family as well as taking some well-deserved overseas holidays.

Work status
Both working full-time.

Concerned about
Their investment going backwards.

While they are keen to enjoy retirement, they also want to make sure their family will be looked after when they die.

Meet with adviser | **Decide how much to invest** | **Lodge an online application** | **Policy commences**

YEAR 1

Deciding phase

STEP 1
Together with their adviser, they identify their retirement goal, which is to make sure their super doesn't go backwards. They have other assets they can access in case of emergency, so they are happy to invest for 7 years.

STEP 2
They choose the 0% Floor option as they can't tolerate any market losses, although they know the annual product fee is charged on top, and that tax may also apply.
PAGE 15

STEP 3
Ricardo and Laura consider the investment options and choose to invest in both domestic and global equity index-linked options.
PAGE 16

STEP 4
At the end of each year, their investment return will be credited to their policy, which they can choose to withdraw or leave in their policy.
PAGE 23

STEP 5
They review their protection and investment choices every year with their adviser to ensure these continue to meet their needs and fits with their broader investment portfolio objectives.
PAGE 18

They benefit from positive returns from their sharemarket linked investment selection, up to their Cap (before the annual product fee and any applicable taxes).

Lump sum withdrawal

Market loss

Market gain

Policy term ends

YEAR 2 — YEAR 3 — YEAR 4 — YEAR 5 — YEAR 6 — YEAR 7

YEAR 2

Both retire

To fund their once in a lifetime European holiday, they withdraw a lump sum from their Future Safe policy at the end of the year, which is paid to their SMSF.

As they withdraw this from their Free Withdrawal Amount there is no market value adjustment.

PAGE 20

As they have retired, 0% tax on Future Safe earnings.

PAGE 30

YEAR 3

A market correction occurs in year 3. However, with the 0% Floor, their investment is protected and they don't suffer any market losses (before the annual product fee and any applicable taxes).

PAGE 17

YEAR 4 – YEAR 6

They benefit from positive returns from their sharemarket linked investment, up to their Cap (before the annual product fee and any applicable taxes).

YEAR 7

Reaching their goal

Their initial investment has increased

They decide to reinvest their money with the 0% Floor option

PAGE 26

EVERY YEAR

Annual election
Maintained protection and investment options to align with objective

PAGE 18

Interest credited
Point-to-point interest is credited annually based on index performance between anniversary dates, up to their Cap, or where the market falls, market losses are limited to the chosen Floor. Taxes will also be deducted where applicable.

PAGE 17

Annual product fee
Fee of 0.85% pa deducted from account annually

PAGE 19

HERE'S HOW IT WORKS
(illustrative only)

Patricia

I need to preserve my super balance and draw an income to supplement part-time earnings.

Patricia is a healthy 60-year old who is single. Although she's reached a stage where she would like to have more leisure time, she enjoys her job and isn't ready to give up working completely.

Work status
Working part-time and enjoying the best of both worlds for now.

Concerned about
Market losses impacting her super balance and needs to grow her retirement funds.

She is looking for a solution that can secure a supplementary income to top-up her part-time earnings now, without risking the super balance she'll need to generate her income when she fully retires.

← YEAR 1

Meets with adviser | Rolls over part of her super | Policy commences | Market gain

YEAR 1 — YEAR 2

Deciding phase

STEP 1
Identifies her retirement objective together with her adviser, which is to supplement her income while limiting the impact of sharemarket losses on her super to protect her current and future income. She also determines the amount of her assets which can be comfortably invested for a 7 year term.

STEP 2
Patricia chooses the -10% Floor option, as she is confident she can tolerate some market losses until she fully retires.
PAGE 15

STEP 3
Chooses to invest in both domestic equity and global equity index linked options.
PAGE 16

STEP 4
As Patricia is over 60 and switching to a part-time income, she'll be making withdrawals at the required rate of 4% of her Future Safe account each year, rising to 5% when she turns 65.
PAGE 23

STEP 5
Reviews options with her adviser each year.
PAGE 18

Year 1

Being age 60+, Patricia receives 4% of her account as income.

She receives a positive market return, up to her Cap (before the annual product fee and any applicable taxes).

Year 2

She receives a positive market return, up to her Cap (before the annual product fee and any applicable taxes).

Market loss — **Maintains Floor after review with adviser** — **Reallocates to -5% Floor** — **Policy term ends**

YEAR 3

A market correction occurs with a fall of 25% in year 3. However with the -10% Floor, her market loss is limited to 10% of her balance (before the annual product fee and any applicable taxes).

YEAR 4

-10% Floor

Following her adviser's advice on a potential market rebound, she maintains her Floor at -10%. This entitles her to the highest Cap to benefit from any market returns.

Market rebounds. She receives a return up to her Cap (before the annual product fee and any applicable taxes).

PAGE 17

YEAR 5

Patricia retires

-5% Floor

Following discussions with her adviser, she chooses a -5% Floor to limit further market losses. Her Cap is also lower.

PAGE 15

0% tax on Future Safe earnings since she has retired.

PAGE 30

Mandatory payment amount rises to 5% of her account in year 6 as she turns 65.

YEAR 6

YEAR 7

Reaching her goal

Patricia's been able to supplement her income over the 7 years. Her initial investment has increased over the period

She chooses to reinvest with the 0% Floor option

PAGE 26

EVERY YEAR

Annual election
Maintained and/ or reallocated options to align with objective

PAGE 18

Interest credited
Point-to-point interest credited annually based on index performance between anniversary dates up to her Cap, or where the market falls, market losses are limited to the chosen Floor. Taxes will also be deducted where applicable.

PAGE 17

Steady income
Ability to access regular income

PAGE 23

Annual product fee
Fee of 0.85% pa deducted from account annually

PAGE 19

ABOUT ALLIANZ RETIRE+

PIMCO refers to PIMCO Australia, which is a member of the PIMCO Group.

Allianz Retire+ brings together one of the world's largest insurance companies with the capabilities of one of the world's largest fund managers.

ALLIANZ GROUP

As at Dec 2018

92M
Customers

142K
Employees in more than 70 countries

PIMCO GROUP

As at Dec 2018

US$1.66T
Assets under management

795+
Investment professionals
255 portfolio managers

Allianz Retire+ is part of Allianz Group, which has more than 92 million customers. Allianz Group customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz Group has over 142,000 employees in more than 70 countries, and insures more than 3 million Australians.

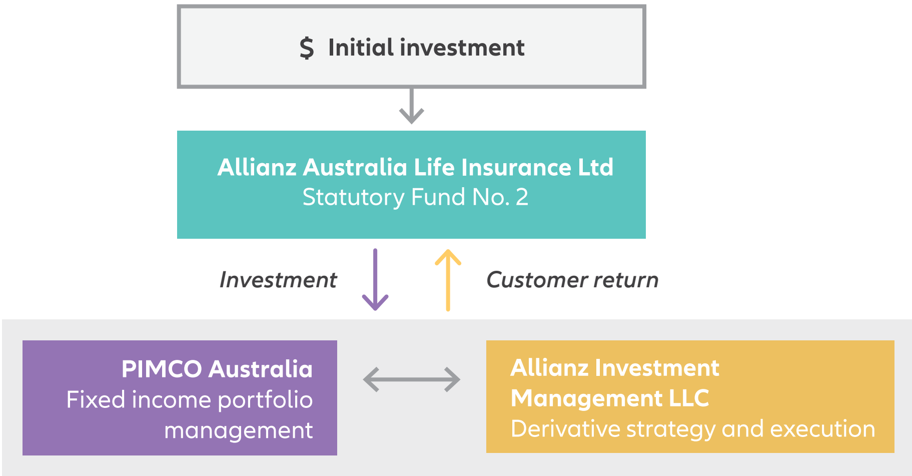
PIMCO Australia is part of PIMCO Group, one of the largest investment managers in the world. Its investment process emphasises well researched fundamental economic and credit analysis to identify value in market sectors and individual securities.

As at 31 December 2018, the PIMCO Group manages more than US$1.66 trillion (including affiliated assets) on behalf of investors around the world. PIMCO Australia provides investment management and other support services to Allianz Retire+. The PIMCO Group is majority owned by Allianz SE.

Allianz Retire+ also draws on the capabilities of Allianz Investment Management LLC, who provide the investment expertise to manage the exposure Future Safe has to sharemarket performance.

In developing Future Safe, Allianz Retire+ has benefited from the expertise and capabilities of Allianz Life Insurance Company of North America, which has had a long history of developing innovative retirement products and solutions to help people address the challenges they face in retirement giving them more control and security over their future.

HOW YOUR MONEY IS INVESTED



APRA regulated life company

Assets in Statutory Fund No. 2

Your initial investment goes into an Allianz Australia Life Insurance Limited (AALIL) statutory fund along with money received from other policy owners. AALIL also adds capital to this statutory fund from its own money and the statutory fund is regulated under the Life Insurance Act 1995 (Cth). The name of the statutory fund that your money will go to when you invest in Future Safe is Statutory Fund No. 2.

Assets of this statutory fund are invested in predominantly fixed income assets. PIMCO Australia manages these assets on behalf of AALIL. The assets of the statutory fund are not invested in the sharemarket or the selected index you have chosen for your investment option. The index participation feature of Future Safe is supported by investing in derivative contracts, predominantly put and call options, which deliver economic returns consistent with the movement of the appropriate index within the boundaries of the appropriate Caps and Floors. The derivatives are actively managed by Allianz Investment Management LLC.

The derivatives strategy entered into by AALIL means that we do not have market exposure beyond the Cap or below the Floor. As a result, we generally do not generate any gains if the underlying indices achieve a higher return than the relevant Cap, nor incur losses if the return of the indices is below the relevant Floors.

We do not generally take into account labour standards or environmental, social, ethical or governance considerations in our investment process, except to the extent that it is considered those matters may affect the value or performance of an underlying investment.

We make all payments to you from the statutory fund. If the assets of the statutory fund fall below the minimum level needed to make all current and future payments, we can be required to top up the assets of the statutory fund with our own money. The Australian Prudential Regulation Authority (APRA) supervises this requirement and has extensive regulation powers to promote stability in the financial system. Where there are amounts in the statutory fund which are in excess of APRA's prudential capital requirements, AALIL may withdraw these surplus funds.

How we make money

We invest the assets of the statutory fund in a portfolio of assets, predominately fixed income assets which are managed by PIMCO Australia. This portfolio generates a return, and this return is either used to support the Fixed Rate we offer, or is used to purchase derivatives, which enable us to provide the Caps that we offer to you. We use the annual product fee deducted from your account to pay our operating expenses and a margin for profit. Where the annual product fee isn't enough to meet our operating costs and profit margin, we will retain a portion of the return generated by the portfolio of the assets in the statutory fund. This is referred to as the 'retained yield'. The maximum amount that we will retain in any one year is 1%. The impact of the retained yield is reflected in the Fixed Rate and Caps that we offer to you (refer to page 33 under "Cap and rate management risk" for more details). We will notify you each year of any amount that we have withheld. Also, if you make a withdrawal in excess of your Free Withdrawal Amount, we will charge a Market Value Adjustment and we will retain the early withdrawal fee component (refer to page 21 for more details).

SECTION 2

IN DEPTH

HOW FUTURE SAFE WORKS

Future Safe gives you the opportunity to grow your investment through market linked returns with inbuilt protection or gives you access to a fixed return. This combination means you can be sure of the range of possible outcomes you will get.

Protection options

The protection benefits can limit or even eliminate losses that would otherwise result from falls in the sharemarket. This creates a trade-off where each protection option (or Floor) has an associated ceiling (or Cap) on the potential return that can be achieved.

Once you have decided your retirement goals, liquidity and cash flow needs over the 7 year term, and determined how much you can afford to lose in a market downturn, you can elect the level of protection that is right for you. You set this at the commencement date and at each anniversary date.

Floors

There are three levels of sharemarket protection you can choose: -10%, -5% and 0% Floors, as shown below.

In the case of a market downturn, your annual market return in that year will never be lower than the Floor (before the annual product fee and any applicable taxes) that you chose, even if the performance of your selected investment index is worse.

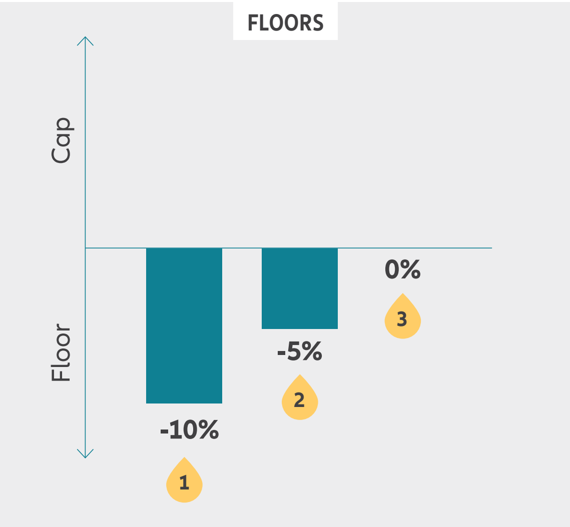
Caps

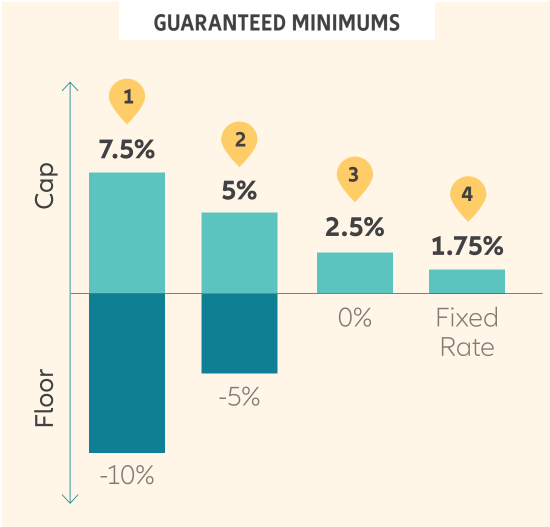
Each protection option has its own set of Caps for the different investment options. Caps limit the potential returns that you may make from growth in the index. The greater the level of protection, the lower the Cap.

The initial Cap for each protection and investment option is set at the policy commencement date and will remain at that level until the anniversary date of your policy. On each anniversary date, we reset the Caps for the next year. These new Caps may be higher or lower than the Caps set in the previous year.

To give you greater certainty for the term of your policy, Caps will never be lower than the minimums shown below.

The Caps for each investment option are calculated independently of each other. There are a variety of factors that influence Caps, including the price of derivative instruments relating to the indices, the returns from our fixed income assets and the operating costs of our business.





There are 3 levels of protection

Caps may change every year

Minimum Caps and Fixed Rate apply for the term of your policy

Caps and Floors are expressed before the annual product fee and applicable taxes.

For information on current Caps for each of the investment options, visit our website www.allianzretireplus.com.au/future-safe/features.html, contact your financial adviser, or call us on 1300 371 136.

Be aware that Caps that will apply to your policy are the relevant Caps at the date of commencement of your policy or the most recent anniversary date (whichever is later). These may be different to the Caps that were relevant at the time you submitted your application.

Investment options

Future Safe offers a number of investment options to choose from. It gives you the opportunity to gain exposure to domestic equities, global equities or earn a steady fixed return.

1 S&P/ASX 200 Accumulation Index

(Bloomberg code: **ASA51**)

Represents the top 200 ASX listed companies by way of free float-adjusted market capitalisation and assuming all cash dividends are reinvested. Note that the use of this index does not give rise to franking credits.

2 MSCI World Net in Australian Dollar Index

(Bloomberg code: **MMWO**)

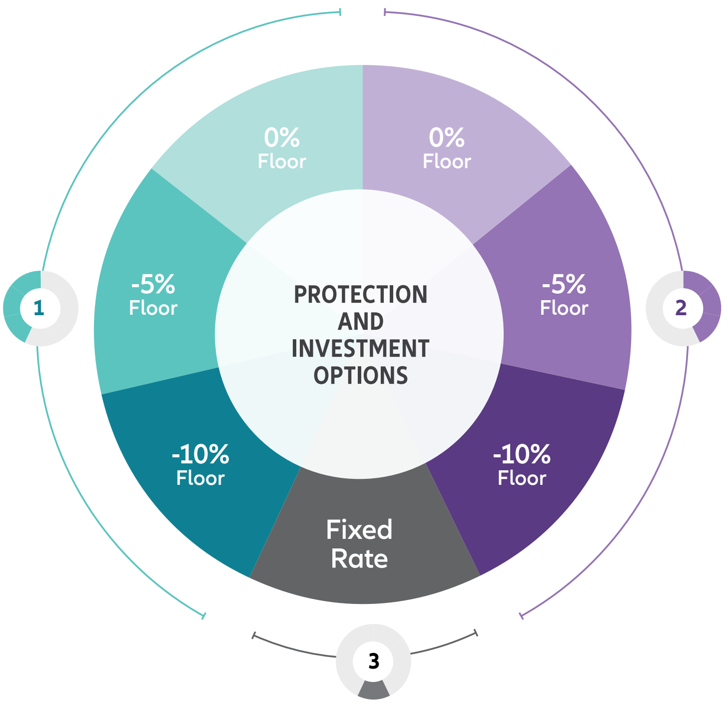
Represents large and mid-cap sized companies across 23 developed countries. The index covers approximately 85% of the free float-adjusted market capitalisation in each country, and assuming net dividends are reinvested.

Returns from this index may be impacted by foreign currency fluctuations.

3 Fixed Rate

This option offers you a one year fixed interest rate. The rate will be the declared rate that applies at the commencement date or most recent anniversary date.

The rate for this option is reset annually on your anniversary date. While the rate may vary each year, for the term of your policy it will never be less than **1.75% pa** (before the annual product fee and any applicable taxes).



While your funds are not invested in the actual market indices, these are used to determine the returns on your investment.

You can choose a single investment option or a combination of options. At each policy anniversary date you can choose to reallocate your funds among these protection and investment options (see Annual election process on page 18).

Like the Caps, the Fixed Rate offered may vary between the date of application and the date of the commencement of your policy.

For information on current Caps and Fixed Rate, visit our website www.allianzretireplus.com.au/future-safe/features.html, contact your financial adviser, or call us on 1300 371 136, and we can send you a copy free of charge on request.

How the Caps and Floors affect the value of your investment

At each anniversary date of your policy, we will credit interest to your account. The amount we credit will depend on the Cap and Floor for your investment option and the performance of that investment option. Your interest may be positive, negative or nil. The annual product fee is also deducted and tax is applied at the relevant rate.

If the annual index return is positive on the anniversary date, your interest will be positive and up to a maximum limit based on the applicable Cap.

If the annual index return is negative on the anniversary date, your interest will be negative, but limited to the Floor you have selected.

If the annual index return on the anniversary date is flat or negative, and you have selected a 0% Floor option, your interest will be nil.

The value of your investment is likely to change from year to year. The Caps and Floors together allow you to benefit from market growth up to your Cap while limiting losses resulting from market falls.

Annual point-to-point crediting method

We use an annual point-to-point crediting method to determine how much interest we credit to your account at each anniversary date. This means that we look at the overall change in the index between two points in time and not the index movements that occur during the year. The graph below shows how we determine the annual index return from your commencement/anniversary date to the next anniversary date.

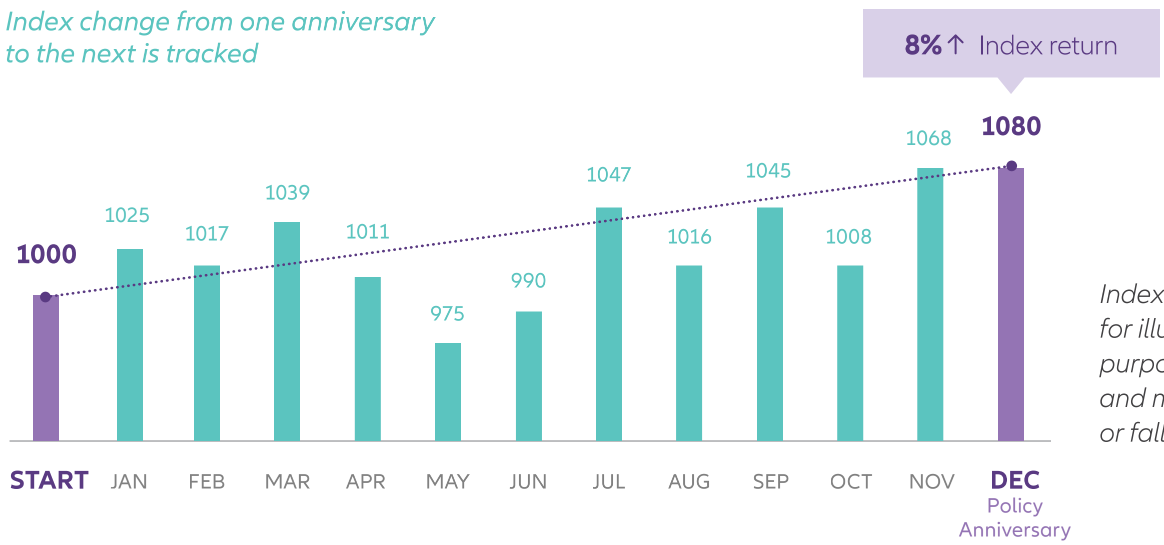
The index level on a particular day will be for the S&P/ASX 200 Accumulation Index, the index level at the close of trading for the Australian Securities Exchange on that particular day, and for the MSCI World Net in AUD Index, the closing value from the previous trading day. If that day is a non-trading day for a particular index, the closing value of the index on the previous trading day will apply.

The interest rate that is used will depend on the annual percentage change of the index and the Cap and Floor you have chosen, and is applied to your Asset Value at the anniversary date.

Annual point-to-point crediting
Refer to Glossary for definition

POINT-TO-POINT CREDITING

Index change from one anniversary to the next is tracked



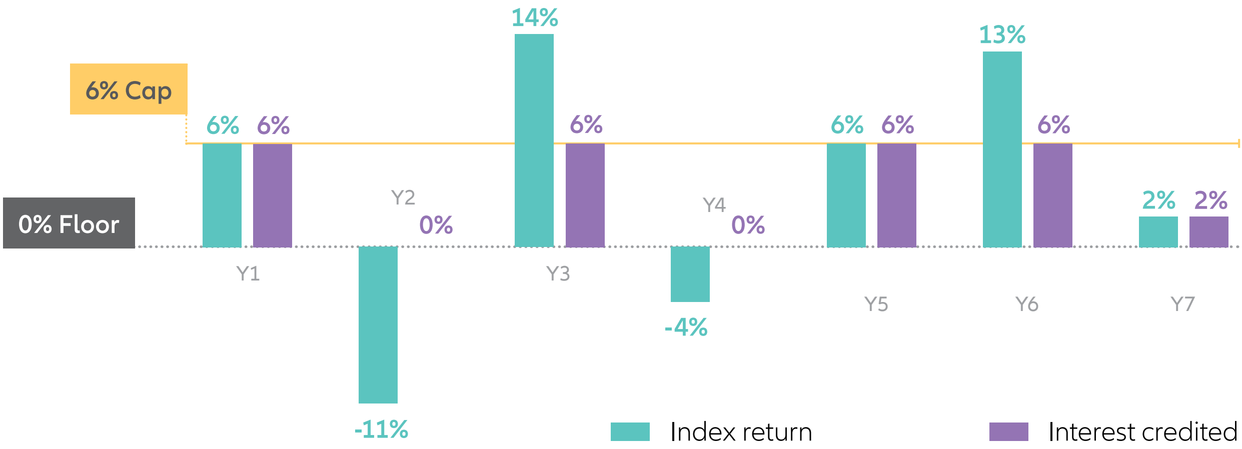
Index levels are for illustrative purposes only, and may rise or fall

HOW CAPS & FLOORS WORK

If index return is greater than Cap	Cap is applied
If index return is between Cap & Floor	Actual index return is applied
If index return is lower than Floor	Floor is applied

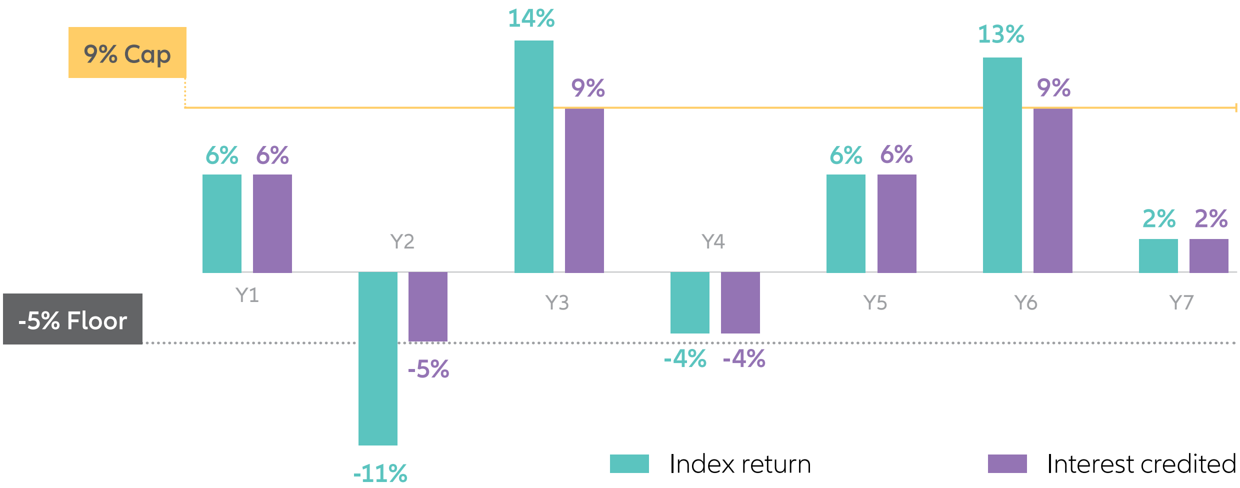
EXAMPLE 1

0% Floor *(Caps are illustrative only and will change over the term of your policy)*



EXAMPLE 2

-5% Floor *(Caps are illustrative only and will change over the term of your policy)*



Index levels are for illustrative purposes only and will change over the term of your policy. Interest credited to your account is before the deduction of the annual product fee and any applicable taxes.

How the Fixed Rate affects the value of your investment

At each anniversary date we will credit interest to your account. If you have selected the Fixed Rate option we will apply the relevant rate to your Asset Value to determine the interest to credit.

Annual election process

You can only make changes to your investment and protection options at each annual anniversary date of your policy.

We will contact you approximately 45 days before each anniversary date to outline your options. You should check the relevant Caps for each investment option and the Fixed Rate to determine which protection and investment options are right for you. If you would like to change your investment and/or protection options, you should discuss this with your financial adviser.

The relevant Caps and Fixed Rate that will be applied to your policy at your anniversary date will be the Caps and Fixed Rate at that date, and may be different to the Caps and Fixed Rate that were applicable prior to your anniversary date.

You can notify us of your changes by calling us, or completing the Anniversary Election form and sending it to us.

We will need to receive your instructions by 3pm on the last Sydney business day before your anniversary date for the changes to take effect.

If you do not make an election in any one year, your investment and protection elections will revert to your most recent election and the relevant Caps and Fixed Rate will be applied to your investment and protection options for the next year.

For information on the Caps for each of the investment options and the Fixed Rate visit www.allianzretireplus.com.au/future-safe/features.html, or call us or your financial adviser.

Every year until end of 7 year term

Receive a notification approximately 45 days prior to anniversary date → Review the Caps and Fixed Rate on our website → Reallocate and notify us of your changes before the anniversary date OR Maintain your most recent allocation

SUMMARY OF FEES AND OTHER COSTS

We wanted to summarise in one place all the actual and potential fees and costs you might incur over the life of your Future Safe policy.

Our fees and costs	Other fees and costs
1. Annual Product Fee This is the amount that is deducted from your account on each anniversary date. It is 0.85% pa (inclusive of GST, if any) and will reduce your Account Balance. See below for more details on how it is calculated.	**1. Adviser services fees** These fees are optional and are payments negotiated between you and your financial adviser for the services they provide to you. Adviser service fees are not our fees, however, we can facilitate the payment to your adviser from your investment where you authorise us to. See page 24 for more details.
2. Fees on withdrawal This is an amount that will be payable ONLY if you withdraw more than your Free Withdrawal Amount in any one year, or if you end your policy before its maturity date. See page 21 for more details on how it is calculated.	
3. Retained yield This is the amount we may retain on the return generated by the portfolio of the assets in the statutory fund, and is not deducted from your account. The maximum amount that we will retain in any one year is 1%. The impact of the retained yield is reflected in the Fixed Rate and Caps that we offer to you. You can find more information on page 13 under the "How we make money" section, and on our website.	**2. Stamp duty**, where applicable. See page 32.

Annual product fee

0.85% pa (inclusive of GST, if any)

HOW THE ANNUAL PRODUCT FEE IS CALCULATED

Ricardo and Laura's opening Account Balance on 1 July 2018 was $250,000. They had no withdrawals or payments made out of their policy during the year.

Their annual product fee would have been (0.85% of the opening balance)
0.85% x $250,000 = **$2,125**

$2,125 will be deducted from their account at the policy anniversary date.

The annual product fee is the same for the different protection and investment options, or any combination of investment and protection options you choose. The fee is calculated daily based on your Asset Value (which includes withdrawals/payments made during the year and any associated interest credited or debited). We deduct the annual product fee at each anniversary date.

Where a full withdrawal is made before the end of the term of your policy or due to death, the annual product fee will be pro-rated based on the proportion of the year that has elapsed up to the date of the withdrawal.

Making withdrawals

You are able to access your funds through regular or ad hoc withdrawals to suit your needs.

Regular withdrawals	Ad hoc withdrawals

If you have rolled over super money,
you are required to withdraw a minimum income stream (refer to page 23).

If you have not rolled over super money,
you do not need to make any withdrawals from your account and can leave the money invested with exposure to the market.

*Future Safe includes a **Free Withdrawal Amount** which sets the amount that can be withdrawn free of charge.*

Amounts above the Free Withdrawal Amount will incur a Market Value Adjustment (MVA) charge.

All withdrawals will be paid out of your chosen investment options in the same proportion that have been invested in them as at your commencement date (in your first year) or most recent anniversary date. Interest will be credited or debited to your account on each withdrawal. Withdrawals will also be taken into account in determining the annual interest credited to or debited from your account.

Types of payments

Free Withdrawal Amount

For a policy bought by an individual with personal savings, or by companies or trusts (including an SMSF) the Free Withdrawal Amount in any one year is:

5% of your Account Balance at commencement[1]	+	Total interest credited to your account during your last policy year (net of any applicable tax), where interest is greater than zero

1. Account Balance at commencement is your initial investment less any applicable taxes, stamp duty and upfront adviser service fee.

For a policy bought by an individual using super, the Free Withdrawal Amount is the greater of:

Minimum payment percentage requirements under superannuation laws[2]

2. Calculated on the commencement date and each anniversary date as an estimate of your minimum annual payment amount to the next anniversary date (see page 23). If your minimum payment amount changes before your next anniversary date, your Free Withdrawal Amount may change when your minimum payment amount changes.

and

5% of your Account Balance at commencement[3]	+	Total interest credited to your account during your last policy year (net of any applicable tax), where interest is greater than zero

3. Account Balance at commencement is your initial investment less any applicable taxes, stamp duty and upfront adviser service fee.

Each time you make a withdrawal (whether a regular payment, ad hoc payment or ongoing adviser service fee), the Free Withdrawal Amount available to you for that year will be reduced by the amount of the payment.

The Free Withdrawal Amount resets on each anniversary date and any unused portion of your Free Withdrawal Amount does not carry forward to the following year.

EXAMPLE

Ricardo and Laura have invested $250,000. They have chosen the 0% Floor option.

	YEAR 2
Index return*	12%
Cap*	7%
Return	7%
Opening balance at year 2	260,944
Interest credited	18,266
Withdrawal at end of year 2	(20,000)
Annual product fee	(2,218)
Closing Account Balance	$256,992

FREE WITHDRAWAL AMOUNT FOR YEAR 3	
Interest credited at end of year 2	18,266
5% of Account Balance at commencement	12,500
Total Free Withdrawal available	**$30,766**

** The Cap and index return are illustrative only and assumes that no taxes were applicable*

In year 1, since they won't have had any interest credited to their account, their Free Withdrawal Amount will be equal to 5% of their Account Balance at commencement.

Note: Some calculations may not be exact due to rounding

Market Value Adjustment (MVA)

Withdrawals greater than the Free Withdrawal Amount will attract an MVA charge. As Future Safe is designed to be held for the full 7 year term, we invest in a range of assets that reflect this duration. Where there are unexpected withdrawals, we may incur a loss in selling some of these assets to fund the withdrawal, and as a result the MVA charge helps to offset these losses. Where the market loss recovery amount (see below) exceeds any losses incurred, these amounts are reinvested to help us offer the Caps and Fixed Rates that we do.

This means that if you decide to make a withdrawal before the end of the term of the policy, the amount that you receive may be less than what you initially invested, even after taking into account payments already received and movements in the indices of the investment options you selected.

We will always ensure the withdrawal value is at least the minimum level prescribed under the Life Insurance Act 1995 (Cth) and APRA requirements.

Daily Value Adjustment (DVA)

If you make withdrawals from your policy between anniversary dates, we need to calculate interest for the period from the commencement date or last anniversary date (whichever is later) to the date of the payment made to you. To work out this interest, we calculate a DVA.

The DVA applies a pro-rata Cap based on the proportion of the year that has passed since the commencement date or your last anniversary date (whichever is later measured in days). If the relevant index has fallen, the full Floor still applies, irrespective of the proportion of the year that has passed.

The table below shows how the DVA impacts your Account Balance. In this example we have assumed a 9% Cap and a -5% Floor.

Tax is applied to a DVA that is debited or credited to your account during the year.

S&P/ASX 200 INDEX YEAR TO DATE PERFORMANCE	NUMBER OF DAYS SINCE LAST ANNIVERSARY	PRO-RATA OF CAP (FULL YEAR CAP 9%)	DVA APPLIED TO BALANCE	BALANCE PRIOR TO DVA	BALANCE AFTER DVA (BEFORE THE PRODUCT FEE AND TAXES)
5%	90	2.22% (9%x90/365)	2.22%	$160,000	**$163,551** ($160,000 x 1.0222)

Note: Some calculations may not be exact due to rounding

CALCULATING YOUR FULL WITHDRAWAL VALUE WITH AN MVA CHARGE

The calculation of the MVA charge can be quite technical, but we have provided the formula and an example if you are interested in the details. The calculation of the MVA charge comprises 2 components:

The MVA charge

Market loss recovery amount to reflect losses that we may incur in having to sell some of the assets that we have invested in to fund the withdrawal.

+

An early withdrawal fee that reduces over time as the policy approaches maturity.

CALCULATED AS

Market loss recovery amount =
Amount withdrawn in excess of Free Withdrawal Amount x Market Recovery Factor (MRF)

Where MRF =

$$\left[1 - \left(\frac{1 + \text{initial reference rate}^1}{1 + \text{current reference rate}^1}\right)^n\right] \times \frac{1}{(1\text{-}t)}$$

n = remaining years to maturity (including partial years)

t = tax rate applicable to your policy[2,3]

The market loss recovery amount can never be less than 0.

+

Early withdrawal fee =

$$6.5\% \times \frac{n}{7} \times \text{Amount withdrawn in excess of Free Withdrawal Amount} \times \frac{1}{(1\text{-}t)}$$

n = remaining years to maturity (including partial years)

t = tax rate applicable to your policy[2,3]

Full withdrawal value = Account Balance – MVA charge

1. The reference rate is the Bloomberg Ausbond Credit 0+ Year Index: Yield
2. See pages 30 and 31 for more information
3. We will credit a tax benefit on the MVA amount at the tax rate applicable to your policy

IMPACT OF MOVEMENT IN THE REFERENCE RATE ON THE WITHDRAWAL VALUE

The table shows how the MVA charge impacts the withdrawal value for $100,000 based on different movements in the reference rate.

The MVA charge reduces over time as you approach the end of the term of your investment.

WITHDRAWAL VALUE BASED ON CHANGES TO REFERENCE RATES SINCE INCEPTION

End of year	Account Balance	-2%	-1%	0%	1%	2%
1	100,000	94,707	94,707	94,707	89,455	84,539
2	100,000	95,589	95,589	95,589	91,192	87,037
3	100,000	96,471	96,471	96,471	92,937	89,565
4	100,000	97,354	97,354	97,354	94,690	92,125
5	100,000	98,236	98,236	98,236	96,452	94,718
6	100,000	99,118	99,118	99,118	98,222	97,342
7	100,000	100,000	100,000	100,000	100,000	100,000

Assumptions: 5% of Account Balance at commencement available as a Free Withdrawal Amount, no interest credited and no payments made, 5% initial reference rate and a tax rate of 0%.

EXAMPLE

Patricia's initial investment was $150,000, and she did not pay any adviser service fees. She retires at the end of year 5 and has an Account Balance of $160,000. As she has retired and is over 60, tax no longer applies.

Full withdrawal

90 days into year 6, she decided to make a full withdrawal. We have assumed that her Free Withdrawal Amount (FWA) at the time of withdrawal is $7,500. Her withdrawal value will be calculated as shown below.

STEP 1

Calculate the DVA at the time of withdrawal.
Her DVA is $3,551 (refer to calculation on page 21). The pro-rated annual product fee that will be deducted is:

$$\mathbf{\$335}\ \left(\$160{,}000 \times 0.85\% \times \frac{90}{365}\right)$$

Her Account Balance used to determine her withdrawal value is **$163,216** ($160,000 + $3,551 - $335)

STEP 2

Calculate the market recovery factor to be applied to the amount in excess of the remaining FWA.

Amount in excess of FWA
$163,216-$7,500 = **$155,716**

Assuming a reference rate at her policy commencement date of 2.75% and a current reference rate of 3.5%:

$$=\$155{,}716 \times \left(1-\left(\frac{1+.0275}{1+.035}\right)^{1.75}\right) \times \frac{1}{(1\text{-}0\%)}$$

= $155,716 x 1.27%

= **$1,973**

The market loss recovery amount is **$1,973**.

STEP 3

Calculate the early withdrawal fee

$$6.5\% \times \frac{1.75}{7} \times \$155{,}716 \times \frac{1}{(1\text{-}0\%)} = \mathbf{\$2{,}530}$$

Her MVA Charge is **$4,503** ($1,973 + $2,530)

Her withdrawal value is **$158,713** ($163,216 - $4,503)

Partial withdrawal

If Patricia requests to withdraw $30,000, including her MVA charge, the calculation is as follows:

$22,500 ($30,000 – $7,500) is subject to a market loss recovery factor:

$$\$22{,}500 \times \left(1-\left(\frac{1+.0275}{1+.035}\right)^{1.75}\right) \times \frac{1}{(1\text{-}0\%)} = \mathbf{\$285}$$

The early withdrawal fee is calculated as follows:

$$6.5\% \times \frac{1.75}{7} \times \$22{,}500 \times \frac{1}{(1\text{-}0\%)} = \mathbf{\$366}$$

Therefore, her MVA charge is **$651** ($285 + $366) and she receives $29,349 ($30,000 - $651).

Patricia has a 0% tax rate so there is no tax benefit available for the MVA charge.

Note: Some calculations may not be exact due to rounding

Regular withdrawals

Invested with individual super money

Future Safe provides an income stream which may be up to the Free Withdrawal Amount. If you are using super money to invest, then under superannuation laws we are required to pay you a minimum annual amount of income. That amount will form part of your Free Withdrawal Amount. This payment may be subject to withholding taxes (if applicable).

Asset Value
Refer to Glossary for definition

The minimum annual payment requirements are based on a percentage of your Account Balance at commencement in the first financial year or Asset Value at each subsequent 1 July. The percentage is age based as per the super laws and is set out below:

AGE	MINIMUM ANNUAL REGULAR PAYMENTS
Under 65 years	**4%**
65 – 74 years	**5%**
75 – 79 years	**6%**
80 – 84 years	**7%**
85 – 89 years	**9%**

If your minimum income stream is less than your Free Withdrawal Amount, you can increase your income stream up to that amount. However, if you have a transition to retirement income stream and your Free Withdrawal Amount exceeds the maximum amount of income stream that you can be paid, you can only increase your income up to that maximum amount. That maximum amount is, in a financial year, 10% of your Asset Value at 1st July of that year (or the commencement date of the policy if the policy commenced in that financial year) unless you have satisfied a condition of release with a nil cashing restriction in which case no maximum amount is applied.

Amounts withdrawn that are above the Free Withdrawal Amount will attract an MVA charge.

You can choose to have these regular withdrawals made:

monthly	quarterly	half-yearly	annually

If you do not make an election, we will pay you annually. All payments will be deducted proportionally from your chosen investment options.

If you have not been paid your minimum payment amount during a financial year (e.g. you have changed your payment frequency), we may make a one-off payment from your policy prior to the end of the financial year to ensure that you have met the superannuation minimum payment requirements. The one-off payment will not attract an MVA charge.

Invested with personal savings or through an SMSF

For investors that have invested with non-superannuation money (such as personal savings), or through an SMSF, you can also choose to set up regular withdrawals and have them paid monthly, quarterly, half-yearly or annually. You can change the frequency of your payments or stop them at any time by notifying us. The Free Withdrawal Amount that will apply is on page 20.

For all payments

If a payment falls due on a weekend or a public holiday, we will make your payment on the next Sydney business day.

Ad hoc lump sum withdrawals

You are able to request a one off ad hoc lump sum payment at any stage, but special rules apply to super money (see below). It will generally be processed in the next 2 Sydney business days.

Any ad hoc payment will first be an income stream payment and use the Free Withdrawal Amount available, and any amount in excess of your Free Withdrawal Amount will be a lump sum payment subject to an MVA charge.

Lump sum withdrawals and super

There are special rules under superannuation laws that apply when you wish to make a lump sum withdrawal.

Retirement income stream

If you have invested with unrestricted, non-preserved superannuation money to purchase Future Safe, this cannot be commuted for a lump sum payment unless at least one of the following conditions apply:

- you (or your reversionary beneficiary) die
- the sole purpose of the commutation is:

- to pay a superannuation surcharge
- to give effect to an entitlement of a spouse under a family law splitting order or agreement
- to satisfy our obligations if you have exercised your cooling-off rights

Account Balance
Refer to Glossary for definition

- for a partial withdrawal – the Account Balance immediately after the commutation is at least the amount required to satisfy any remaining minimum payment required under super laws to be paid in that financial year. We may make an additional income payment to ensure the minimum payment has been paid before a partial lump sum withdrawal.
- for a full withdrawal – you have been paid at least the minimum payment required under super laws (calculated on a pro-rata basis) for that financial year. We will ensure we make this payment to you before any lump sum withdrawal is processed.

Transition to retirement income stream

If you have invested superannuation money and are still working (i.e. you are being paid a transition to retirement income stream) certain conditions apply to lump sum withdrawals.

You cannot make a lump sum withdrawal unless at least one of the following conditions apply:

- you have satisfied a condition of release with a nil cashing restriction (see below)
- it is to pay a superannuation surcharge
- it is to give effect to an entitlement of a spouse under a family law splitting order or agreement
- it is to give effect to certain release authorities given by the Australian Taxation Office (ATO).

These conditions of release with a nil cashing restriction are:

- reaching the age of 65
- retirement
- death
- suffering from a terminal medical condition or permanent incapacity.

See the definition for condition of release in the Glossary for the meaning of:

- *retirement*
- *terminal medical condition*
- *permanent incapacity*

Requesting a withdrawal

If you would like to make a withdrawal or obtain a withdrawal value quote, contact your financial adviser or call us on 1300 371 136, between 8.30am and 5.30pm (AET), Monday to Friday. You can also request a one off withdrawal by completing a Withdrawal Form. Generally, we will process your request in the next 2 Sydney business days.

Adviser Service Fees

You may agree with your financial adviser that you will pay them for the services they have provided to you. This is known as an adviser service fee (ASF).

The ASF is optional and is negotiated by you and your financial adviser. It is not our fee. We will only pay the ASF where you direct and authorise us to make the payment. Your financial adviser is responsible for ensuring that they are able to set up an ASF with you.

There are two types of ASFs:

Upfront ASF | **Ongoing ASF**

All upfront and ongoing ASFs are paid to the Australian financial services licensee that has authorised your financial adviser to provide the financial advice to you in accordance with the arrangements you have with that licensee.

Upfront ASF

This is a one-off amount that can be paid as a flat dollar figure or percentage of the initial investment.

Paid when

It is deducted from your investment amount at the commencement of your policy. It will therefore reduce your Account Balance at commencement, which is used to calculate your Free Withdrawal Amount and super minimum payments (where relevant).

It will not count towards your super minimum payments nor is it counted towards your Free Withdrawal Amount.

Changes to the fees

Generally this fee is non-refundable after the end of the cooling off period.

Example

Investment: $100,000
Upfront ASF: 1%

The ASF will be calculated as
= 1% x $100,000
= $1,000
Opening balance is $99,000

Ongoing ASF

This is an ongoing fee that can be paid as a flat dollar figure or percentage of your Account Balance at the commencement or most recent anniversary date (whichever is later).

Paid when

It is deducted from your account on a quarterly basis and acts like any other payment. The payment will be net of any withholding tax (if applicable). It will reduce the Free Withdrawal Amount available to you and will attract the MVA charge if it exceeds the Free Withdrawal Amount. It does count towards your super minimum payments.

Changes to the fees

At each anniversary date, we will require you to provide us with the authority to deduct the ongoing ASF. If you do not provide that authority or we do not hear from you, we will cease the payment of the ongoing ASF. You can also start, cancel or change the amount of the ongoing ASF at any time. The fee will cease to be paid, for example, if the ownership changes (e.g. where there is a death), or if there are insufficient funds to cover it. We will notify you if this occurs.

For a joint policy, where one person dies and there is a surviving joint policy owner, the ongoing ASF will continue unless we are advised otherwise.

Example

Investment: $100,000
Ongoing ASF: 1% pa
Assuming no other withdrawals or payments

In year 1, $250 is deducted each quarter
(1% x $100,000) / 4

At the end of year 1, if your Account Balance is $110,000, then in year 2, $275 is deducted each quarter
(1% x $110,000) / 4

Any ongoing ASF counts towards the super minimum payments that we may need to pay to you as shown in the example below.

EXAMPLE

Patricia has invested using her super of $150,000.
She has negotiated with her adviser an upfront ASF of $5,000, and an ongoing ASF of $2,000 pa.

She sets up a regular payment of $4,000 pa. Under superannuation laws, the minimum payment requirements are 4% of her Account Balance at commencement.

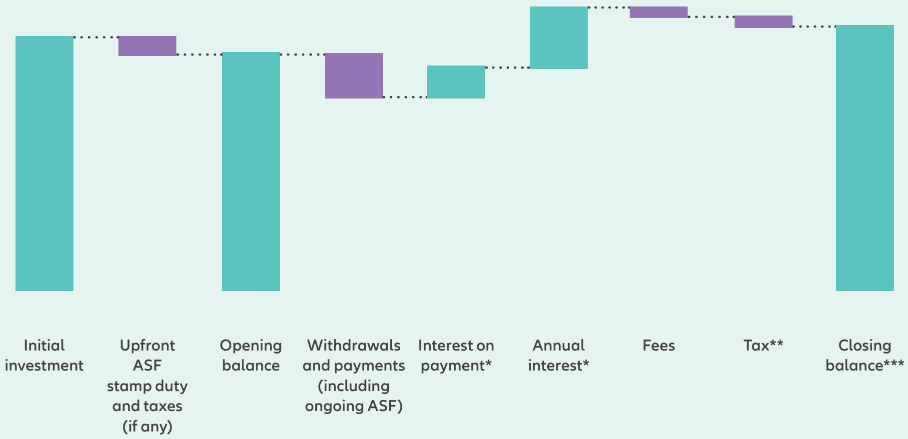
Her Account Balance at commencement is $145,000 (i.e. $150,000 – $5,000)

In year 1, her minimum payment requirement is
= 4% x $145,000
= $5,800

As Patricia will receive a payment of $4,000 from her investment, together with the ongoing ASF payment of $2,000 paid to her adviser (i.e. a total of $6,000), she will have met the minimum payment requirements.

How your Account Balance moves

These levels are for illustrative purposes only



* Interest may also be negative, except for the Fixed Rate option or if a 0% Floor applies.
** Tax may also be positive if investment earnings are negative.
*** Closing balance may be lower than the opening balance.

Each year your account will:
- Reduce by any withdrawals you make (including ongoing ASF) throughout the year
- Increase/reduce by any interest credited/debited on withdrawals.

On your anniversary date your account will:
- Increase/reduce by any interest earned/deducted
- Reduce by any tax payable on interest credited, net of fees, during the year
- Reduce by the annual product fee.

What happens at maturity

Your policy has a fixed term of 7 years. Approximately 45 days prior to the maturity of your policy, we will advise you of your options.

You will generally have these main options:

Reinvest
all or part of your investment to commence a new policy

Withdraw
all or part of your investment and be paid out as a lump sum

Rollover
all or part of your investment (if investing with super) into another super product

When we contact you, we will provide you with a Maturity Instruction Form so that you can tell us how you would like to proceed.

If you choose to reinvest with us
and we receive your instructions and any other required documentation before the maturity date, your new policy will commence on the first day after the maturity date of your original investment. Your new policy will be subject to the terms that apply at the time you reinvest.

If you decide to be paid out as a lump sum
we will process your payment on the first Sydney business day after the maturity date.

If we don't receive your instructions
before the maturity date and you have invested with non-super money, we will pay out your investment in the same way as your regular payments, or to your bank account that you have previously provided to us. This will be processed on the first Sydney business day after the maturity date.

If you have invested with super money and we don't receive your instructions before the maturity date, we may delay processing your lump sum pay out by up to 28 days to give you extra time to provide instructions. After this time, we will pay your investment into the bank account that you have previously provided to us. If we pay your super money into a bank account, your funds will have left the super system, and therefore will lose the tax benefits associated with super. We recommend that you seek specific advice if you are unsure of the consequences of this.

IN CASE OF DEATH

You can choose who will receive the remaining benefits of your policy if you die during the investment term.

Electing beneficiaries and lives insured

Individuals and joint policy owners

If you purchase the policy as an individual or as joint owners, you can elect a beneficiary who will receive the remaining benefits of your policy if you, or the last surviving joint owner, die during the investment term.

There are 2 types of beneficiaries – reversionary and nominated. Superannuation policies can have either a nominated beneficiary or a reversionary beneficiary, but not both.

	Reversionary beneficiary	Nominated beneficiary
Source of investment	Super only	Super or personal savings
Applies to Investor type	Individual	Individual or Joint
How many beneficiaries can be elected	One When investing with super the person must be a dependant at the time of death, otherwise a lump sum payment will be made to the legal personal representative of the deceased	Multiple When investing with super the person/s must be a dependant at the time of death, otherwise the beneficiary share will be paid to the legal personal representative of the deceased
Updating beneficiaries	You can elect one at the commencement of policy After the policy has commenced, you can remove a beneficiary but cannot change or add a beneficiary	You can add, change or remove beneficiaries at any time during the term of the policy

Companies and trustees

Companies and trustees do not have the option of electing a beneficiary on their policy. However, they may select up to two lives insured so that a death benefit may be payable on the death of the last surviving life insured.

Applies to Investor type	Company, self-managed super fund, unregulated trust
How many lives insured can be elected	Up to two, aged 18 to 80 years of age
Updating lives insured	After the policy has commenced, a company or trustee can remove a life insured but cannot add or change a life insured

How an investment is treated after the death of a policy owner depends on a few factors

In case of death during policy term

Individuals and joint policy owners

How an investment is treated after the death of a policy owner depends on:
- the type of owner
- whether your investment was purchased with personal savings or super money
- the type of beneficiary (if applicable)

The table below outlines the various options on death of an individual or joint policy owner.

	Super money	Personal savings
Surviving joint policy owner	Not applicable	Ownership transfers fully to the surviving joint owner. If there is no surviving joint owner, ownership transfers to either the: • **Nominated beneficiary** who can choose to continue with the policy or receive a lump sum; or • **Legal personal representative** of the last surviving joint owner (in the absence of a nominated beneficiary) who receives a lump sum.
Nominated beneficiary	Can choose to continue with the policy or receive a lump sum. Where there are multiple beneficiaries, each beneficiary will receive their proportion of the original policy as specified by the deceased policy owner and they can either elect to continue with the relevant percentage of the policy or receive a lump sum pay out. If the policy is continued: • the terms of the policy will be as if it is a continuation of the deceased's policy (e.g. the term will be the remaining term of the policy at the time of the deceased's death); and • on the death of the nominated beneficiary a lump sum will be paid to the legal personal representative of the nominated beneficiary.	Can choose to continue with the policy or receive a lump sum. Where there are multiple beneficiaries, each beneficiary will receive their proportion of the original policy as specified by the deceased policy owner and they can either elect to continue with the relevant percentage of the policy or receive a lump sum pay out. If the policy is continued: • the terms of the policy will be as if it is a continuation of the deceased's policy (e.g. the term will be the remaining term of the policy at the time of the deceased's death); and • on the death of the nominated beneficiary a lump sum will be paid to the legal personal representative of the nominated beneficiary.

	Super money	Personal savings
Reversionary beneficiary	Can choose to continue with the policy or receive a lump sum. If the policy is continued, on the death of the reversionary beneficiary the lump sum will be paid to the legal personal representative of the reversionary beneficiary.	Not applicable
Legal personal representative	Receives a lump sum	Receives a lump sum

Beneficiaries and super

Special rules apply to beneficiaries for policies purchased with superannuation money.

The beneficiary can choose to continue with the policy or receive a lump sum should you die during the term of your policy, provided they are a dependant at the time of your death unless they are a child of the deceased.

Only a dependant can be a beneficiary. A dependant has a specific meaning for legal purposes, and includes:

- your spouse (including de facto or same sex spouse)
- someone who is financially dependent on you
- someone who is in an interdependency relationship with you
- your child (including an adopted child, step child or a child of your spouse).

If the beneficiary is not a dependant at the time of death, then their designated share will be paid as a lump sum to the legal personal representative of the deceased policy owner.

Your children irrespective of age will be required to take a lump sum.

Children under 18

Children under 18 will be required to take a lump sum paid to their parent/guardian for their benefit or into a trust for them.

Companies and trustees

For companies and trustees, the policy owner can elect to receive a lump sum or continue with the policy on the death of the life insured under the policy or where there are two lives insured, the last surviving life insured.

Calculating the withdrawal value on death

If you die during the term of the policy and a lump sum is paid, we will pay the Account Balance, without applying any MVA charge.

TAX & SOCIAL SECURITY

The tax and social security information contained in this PDS sets out our understanding of the current tax legislation as at the date of this document.

The tax legislation and its interpretation could change in future and this information can be complex and technical. The tax information set out below is only intended to be general in nature and does not constitute tax advice. We recommend that you seek specific tax advice on your personal circumstances from a qualified tax adviser before investing.

Tax paid investment

AALIL pays the income tax on the investment earnings net of fees within the policy. The rate of tax paid by AALIL depends on the type of policy owner. Any returns credited to you will be net of tax at the relevant rate. In relation to the policy owner, whilst returns are credited to you over the term of the policy, no further income tax may be payable by you until there is a withdrawal or payment from your policy.

Switches between investment options within the policy do not trigger a tax liability for investors.

Depending upon the circumstances of the policy owner, a policy owner may receive a tax rebate for the tax paid by AALIL on the assessable income component of the amount paid to you. Where your account has experienced negative investment earnings, a corresponding tax benefit may be credited to your account. The rate of this benefit will generally be consistent with the rate applicable to gains, however may be lower where the full benefit may not be able to be realised by AALIL.

Individual policies bought with super

Generally, there should be no tax payable when you purchase the policy using your rollover superannuation benefits. However, if there is any untaxed component of the taxable element of the money you rollover to us, we will deduct 15% tax and send it to the ATO. If you are using your rollover superannuation benefits, you must purchase Future Safe as a transition to retirement income stream or a retirement phase superannuation income stream (depending on your circumstances).

Earnings net of fees are taxed at 15% within a transition to retirement income stream policy, and 0% once the owner retires or reaches age 65.

Please notify us if you retire before reaching age 65. Where the policy has been purchased as a retirement phase superannuation income stream earnings are taxed at 0%.

Depending on your age, superannuation income stream benefit payments may be subject to tax. Where tax is payable we will deduct withholding tax and send this to the ATO. The requirements for taxing superannuation income streams are as follows:

- if you are over 60 any payments are tax free
- if you are under 60:
  - the tax free component will be tax free
  - the taxed taxable component will be taxed at your marginal rates plus Medicare Levy, but, if you have reached preservation age or receive a disability superannuation income stream you will be eligible for a 15% tax offset.

Preservation age
Refer to Glossary for definition

Disability superannuation income stream
Refer to Glossary for definition

Superannuation lump sum payments from the policy may also be taxed depending on your age. Where tax is payable we will deduct withholding tax and send this to the ATO. The requirements for taxing superannuation lump sum payments are as follows:

- if you are over 60 any payments are tax free
- if you are under 60:
  - the tax free component will be tax free
  - if you are under the preservation age, any taxed taxable component will be taxed and you will be able to claim a tax offset to ensure that the rate of tax does not exceed 20% plus Medicare Levy
  - if you are over the preservation age, any taxed taxable component will be taxed and you will be able to claim a tax offset to ensure that the rate of tax does not exceed 0% up to the low rate cap and 15% plus Medicare Levy on the excess (if any).

TFN and super

It is not an offence to not quote your TFN. If you choose not to give us your TFN or a TFN exemption, we will be required to deduct withholding tax at the top marginal tax rate (including any applicable levies and charges) from the taxable component.

For more information, please refer to the ATO website at www.ato.gov.au.

Policies bought by an SMSF trustee

Tax on earnings for a policy held by a trustee of an SMSF will depend on the types of liabilities the assets are supporting. If the assets are supporting:

- accumulation liabilities, earnings net of fees will be taxed at 15%
- transition to retirement income stream liabilities, earnings net of fees will be taxed at 15%
- retirement phase income stream liabilities, earnings will be tax free.

Payments made from the policy during the seven year term or at maturity will not be taxable income for the superannuation fund.

You should notify us if the nature of the liability that the Future Safe policy is supporting changes during the term.

Individuals investing with non-super money, companies and trustees (non SMSF)

Where a policy is held by individuals outside of super, or by a company or trust, earnings net of fees will be taxed at 30% throughout the term of the policy.

Withdrawals made during the term of the policy and at maturity, may include an income component (called a reversionary bonus or assessable profit) and a capital component. Please contact us if you'd like to find out these details prior to any withdrawal.

You will need to include the income component as taxable income in your personal income tax return. You should be able to claim a 30% rebate on any amount assessed. This rebate only has the benefit of reducing tax payable, and is not refundable to the investor to the extent that the rebate is greater than the tax payable. Given this, investors should consider whether they will be able to take full advantage of the rebate when the assessable profit is realised. If the corporate tax rate of AALIL is reduced, the rate of the offset may also reduce. If the investor is a trustee, the 30% rebate may be available to the beneficiaries where there is an assessable amount.

If the investor is a company, there should be no further tax payable due to the impact of the 30% rebate. However, a franking credit will not arise for the investor company for the tax paid by AALIL. This means that subsequent dividends paid to the shareholders of the investor company (referable to the return on the policy) may be unfranked. This should be considered by company investors prior to making the investment.

How death benefits are taxed

Taxes payable in the event of death depend on whether you purchased Future Safe through super or outside super.

Policy bought with super money

Reversionary & nominated beneficiary

A lump sum death benefit paid to a tax dependant is tax free.

Tax dependant
Refer to Glossary for definition

Where a lump sum death benefit is paid to a non tax dependant, there is no tax on the tax free component, the taxable taxed component is assessable, and an offset may apply to ensure that the rate of tax does not exceed 15% plus Medicare Levy.

A superannuation income stream payment to a tax dependant over age 60 is tax free. It will also be tax free where the deceased policy owner was over age 60.

Where a superannuation income stream payment is made to a tax dependant under age 60 (and the policy owner died under age 60) there is no tax on the tax free component and the taxable taxed component is assessable at marginal rates less a 15% offset.

Death benefits can be rolled over to another superannuation fund in certain circumstances, where this occurs tax is not imposed on the rollover.

Legal personal representative of the estate

If the legal personal representative pays the benefits to a tax dependant, the benefits are tax free. If they pay the benefits to a non tax dependant, there is no tax on the tax free component, the taxable taxed component is assessable, and an offset may apply to ensure that the rate of tax does not exceed 15% plus Medicare Levy.

Policy bought with personal savings

The proceeds from a policy purchased with personal savings should be tax free on the death of the policy owner.

Stamp duty

Stamp duty may be payable in some Australian states and territories to establish your policy, which we will deduct from your initial investment. Stamp duty may also be payable if you decide to reinvest to commence a new policy at maturity. Please contact us to confirm the stamp duty that may be payable. We will advise you in your Opening Statement of any stamp duty cost incurred.

Social security

For the purposes of determining your eligibility for the aged pension, generally your Account Balance will be counted as an asset under the assets test, and you will be deemed to receive income at the prescribed deeming rate under the income test. The treatment is set out in the table below. For further information about social security treatment of the policy please consult your financial adviser or the Department of Human Services.

TYPE OF POLICY		INCOME TEST TREATMENT	ASSET TEST TREATMENT
Non-super		Deemed	Account Balance
Super[1]	Retirement phase income stream	Deemed	Account Balance
	Transition to retirement	Deemed	Account Balance
SMSF[2]	Accumulation phase (if the investor has reached pension age)	Deemed	Account Balance
	Accumulation phase (if the investor has not reached pension age)	Not assessed	Not assessed
	Transition to retirement	Deemed	Account Balance
	Retirement phase	Deemed	Account Balance

1. This is an investment of individual superannuation money.

2. This assumes that, other than where a member is in the accumulation phase, the trustee uses the policy to fund the payment of a pension or transition to retirement income stream that complies with requirements under superannuation law.

Account Balance
Refer to Glossary for definition

THINGS YOU SHOULD CONSIDER

As with any investment product, there are some risks you should consider before investing in Future Safe.

Investment risk	If you elect to invest in an option with a market linked index, the value of your investment will rise and fall in line with the change in value of the selected index using point-to-point crediting (see page 17). This means that your investment is exposed to the risks similar to investing in the sharemarket and you may incur a loss. This risk is mitigated through the selection of a Floor appropriate for your risk appetite. Your exposure to the risk of falls in the value of the selected index will not exceed the Floor you have chosen in any given year. In exchange for limiting your exposure to a market downturn, your exposure to increases in the value of the index will be capped. This means that any returns of the index above the selected Cap will not be reflected in the value of your investment.
Early withdrawal risk	We have designed Future Safe to be a long term investment. If you need to access your funds earlier than the investment term, your withdrawal may be subject to an MVA charge which reduces the amount returned to you on withdrawal. This could mean that the amount you get returned is less than the amount you initially invested. We allow for a Free Withdrawal Amount each year and the MVA charge will apply to any amounts above this. See how this works on page 21.
Cap and rate management risk	We reset the Caps and Fixed Rate on each anniversary date of your policy, so these may vary from year to year. This means that the Caps and Fixed Rate on your investment may change over the term of your investment. The options with more protection (e.g. 0% Floor) will see less movement in their Caps than the options with less protection. Our Caps and Fixed Rate setting process works on the basis that the rates we offer are reflective of our opinion of the yield which will be generated by the relevant assets of the statutory fund and which will be available to fund the Caps and Fixed Rate. We will take into account relevant circumstances and conditions affecting the performance of the statutory fund, such as the level of return available from investing the relevant assets of the statutory fund, counterparty defaults, the performance of investment assets and policy owner behaviour relative to expectations, the price and availability of derivative instruments for the relevant indices and the timing of these factors. In exercising our Caps and Fixed Rate setting discretion we have regard to the management of equity between policy owners. The amount of our income is limited to the fees described in "How we make money" at page 13. As noted in that section, we may retain a portion of the return generated by the assets of the statutory fund to meet our operating costs and profit margin and this retained yield is reflected in the Caps and Fixed Rate that we offer. The amount of retained yield varies from year to year and is also determined with reference to a range of factors, including the operating costs of the business, the capital required to be maintained to support the business and a profit margin. The retained yield will never exceed 1% p.a and the amount we have withheld will be disclosed to you. Notwithstanding the wide range of circumstances and conditions, as described above, which impact the Caps and Fixed Rates which we offer to you, the Caps and Fixed Rates are subject to guaranteed minimum levels as outlined on page 15 and will never go below these levels.
Issuer risk	Any investment carries a risk that the product issuer will not have sufficient funds to repay amounts to policy owners as and when they fall due. We are an APRA authorised life insurance company, and the issuer risk associated with your investment in Future Safe is mitigated through a prudential capital regime enforced by our regulator, APRA. This requires that we keep the assets of policy owners in a segregated statutory fund. It also requires that we keep adequate assets in both the life company and the statutory fund to minimise the risk that our assets are insufficient to meet our obligations to policy owners. We hold assets in excess of the minimum amount prescribed by APRA.
Regulatory risk	Government policies and laws may change in the future, which may impact your investment.

SECTION 3

ADDITIONAL INFORMATION

GENERAL INFORMATION

Privacy of your personal information

We give priority to protecting the privacy of your personal information. We do this by handling personal information in a responsible manner and in accordance with the Privacy Act 1988 (Cth).

We usually collect your personal information from you or your financial adviser. We may also collect it from persons acting on your behalf. The collection and verification of information helps to protect against identity theft, money laundering and other illegal activities.

Why we collect it

We collect your personal information to enable us to provide our products and services, including to verify your identity in accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), process and finalise a death claim, make offers of products and services provided by us, our related companies, business partners and others that we have an association with that may interest you, and conduct market or customer research to determine those products or services that may suit you.

You can choose not to receive product or service offerings from us or our related companies by calling us on 1300 371 136, between 8.30am and 5.30pm (AET), Monday to Friday.

If you do not provide the personal information we require, we may not be able to provide you with our products or services. If you provide us with the personal information of a third party (e.g. a nominated beneficiary), you must obtain their consent to do so and have shown them this section "Privacy of your personal information".

The collection of your personal information is required or authorised under the Life Insurance Act 1995 (Cth), Superannuation Industry (Supervision) Act 1993 (Cth), Income Tax Assessment Act 1936 (Cth) and the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).

Who we disclose it to

We may disclose your personal information to our contractors or third party service providers, to your nominated adviser with your consent, to your nominated beneficiaries and to others with whom we have business arrangements for the purposes listed above or to enable them to offer their products and services to you.

Disclosure overseas

Your personal information may be disclosed to other companies in the Allianz Group, business partners and service providers (including providers of administration services) that may be located overseas. The countries this information may be disclosed to will vary from time to time, but may include Canada, Germany, New Zealand, United Kingdom, United States of America and other countries where the Allianz Group has a presence (a list of which is available on the Allianz Group website, www.allianz.com) or engages subcontractors.

We regularly review the security of our systems used for sending personal information overseas. Any information disclosed may only be used for the purposes of collection explained above and for system administration.

Access to your personal information and complaints

You may ask for access to the personal information we hold about you and seek correction by calling 1300 371 136 between 8.30am and 5.30pm (AET), Monday to Friday. Our Privacy Policy contains details about how you may make a complaint about a breach of the privacy principles contained in the Privacy Act 1988 (Cth) and how we deal with complaints. You can access our Privacy Policy at www.allianzretireplus.com.au.

Telephone call recording

We may record incoming and/or outgoing telephone calls for training or verification purposes. Where we have recorded a telephone call, we can provide you with a copy at your request, where it is reasonable to do so.

Your consent

By providing us with personal information, you and any other person you provide personal information for, consent to these uses and disclosures, and this consent continues until you tell us otherwise. If you wish to withdraw your consent, including for things such as receiving information on products and offers by us or persons we have an association with, please contact us.

Complaints

We want to resolve any complaint you have as quickly as possible. If you have an issue you'd like to work out, please call us on 1300 371 136 between 8.30am and 5.30pm (AET), Monday to Friday.

If your complaint is not resolved within 45 days and to your satisfaction, you may also contact the Australian Financial Complaints Authority (AFCA).

A dispute can be referred to AFCA subject to its terms of reference. AFCA provides a free and independent dispute resolution service for consumers who have disputes falling within its terms.

Here are AFCA's details:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
1800 931 678
www.afca.org.au

Commencement date

The commencement date for your policy is the date when all application requirements have been fulfilled, including the receipt of your funds. Any money received before the policy is set up is held in a suspense account in the statutory fund until all requirements are finalised. We may pay interest (net of any applicable taxes) on any money held in suspense, which will be credited to your account at the time your policy commences.

Where all requirements have not been received, we may hold your funds for up to 28 days, after which time if there are still any outstanding requirements, your money may be returned without any interest for the time the money has been held by us and we may keep the interest (if any) that is earned.

Cooling off

After commencing Future Safe and receiving your policy documentation from us, you have 14 calendar days from the earlier of:

- the date that you receive your policy documentation from us; and
- the end of the 5th business day from the commencement date of your policy,

to check that the policy meets your needs. This is known as the 'cooling off period'. During this period you may cancel the policy and request a refund of your investment. If you wish to cancel, please call us or send us your request in writing. You will also need to send us your Investor Certificate.

If you do cancel during the cooling off period, the amount available will be adjusted to take account of any applicable taxes and/or duties.

If you bought Future Safe with money rolled over within the superannuation system, the initial investment (less any applicable taxes) and the upfront adviser service fee will be returned to the rollover institution from where the money was received.

You cannot exercise a cooling off right if you have exercised a right or power under the policy such as taking a payment.

Customer identification program

In accordance with Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) legislation, we need verification of your identity before we can set up your policy. You must provide us with certified copies of your identity verification documents.

If you are investing via a financial adviser, they will be required to obtain identity verification documents from you, prior to submitting your application.

To do this, your financial adviser will need to see originals of your identity verification documents and certify them. Your financial adviser will then send us copies of your identity verification documents together with your application form.

If the application form is signed under power of attorney, we will also need a copy of the power of attorney and a specimen signature of the attorney. If you have not provided identity verification documents to a financial adviser, you will be required to provide certified copies of your identity verification documents directly to us. We will not set up your policy until the required identity documents have been provided. We also reserve the right to terminate your policy, if required, to ensure compliance with AML/CTF legislation.

We may be required to ask you for additional identity verification documentation and/or information about you or anyone acting on your behalf, either when we are processing your application or at some stage after we issue the product. If this is the case, you may not be able to transact on your account until these documents have been provided.

This may include use of government and other information databases to verify your identity and the information you have provided us. We may pass information to the relevant government authority in accordance with the AML/CTF legislation.

Common Reporting Standard (CRS)

CRS is a global standard for the collection and exchange of account information between national tax authorities. From 1 July 2017, the CRS was adopted in Australia. What this means is that we will require you:

- to certify your residence for tax purposes
- for foreign tax residents to supply your tax ID number or equivalent (if you have one)
- for entities (i.e. companies and trusts) to provide information from certain individuals associated with the entity, (referred to as 'controlling persons'), such as owners, trustees and beneficiaries.

After you have established your policy, we may also contact you occasionally to confirm your tax residency and request supporting documentation. You must also provide us with a suitably updated self-certification within 30 days of any change in circumstances which causes any of the information contained in your initial application form (or other self-certification documentation provided in connection with your application) to be inaccurate or incomplete.

Where you are a foreign tax resident, or our records indicate that you may be a foreign tax resident, but you have failed to respond to our requests to confirm this, we are obligated to report your account information annually to the ATO, who will then pass this information to the tax authority of the home country of the foreign tax resident.

FATCA

The Foreign Account Tax Compliance Act (FATCA) is US legislation that requires Reporting Australian Financial Institutions (such as us) to report certain information about US tax residents, US citizens and certain US entities that are established in the US or are controlled by US persons. To enable us to comply with FATCA, and to ensure you do not engage in tax avoidance, all investors have an obligation to understand whether or not they are a US resident, citizen or US entity that is subject to US tax laws. If you are, or become subject to US tax reporting, you must notify us, and complete the relevant reporting information.

The Australian Government has in place an intergovernmental agreement (IGA) with the US Government. Under the terms of the IGA we are required to provide the ATO with specified information, which may be submitted to the **Internal Revenue Service.**

After you have established your policy, we may contact you occasionally to confirm your tax residency and request supporting documentation.

Family law

If you have purchased Future Safe with superannuation money, the following information will apply.

Family law legislation allows for the division of super of married and de facto (including same sex) couples when a relationship breaks down. This legislation does not currently extend to de facto couples in Western Australia, however reforms have been proposed for this to occur.

A written request for information about your super product may be made by you, your spouse (including de facto) or a person intending to enter into a superannuation agreement with you (for example, a pre-nuptial agreement). The request must comply with the requirements of the Family Law Act 1975 (Cth).

The response to an information request will only be issued to the person making the request. If a request is received from your spouse, or intending spouse, the legislation states that you must not be informed of the request.

Splitting instructions

Splitting instructions specify how your policy purchased with super money will be divided. This may be expressed as a dollar amount or as a percentage. These splitting instructions may be made in the form of an agreement between you and your spouse (including de facto) or by a court order.

The provisions of the family law legislation allow for the charging of reasonable fees for the administration of family law requests. We don't currently charge fees but we will notify you if we decide to introduce them in the future.

Transfer balance cap

A limit of $1.6m currently applies to the total amount of superannuation savings that can be invested in retirement phase income stream products, including Future Safe. This limit is known as the "transfer balance cap" and is indexed periodically in $100,000 increments in line with CPI. The ATO may impose a charge on amounts that exceed the transfer balance cap.

If you exceed the transfer balance cap, the ATO may issue us with a Commutation Authority, which will require us to withdraw a specified amount within 60 days of the issue of the Authority.

We will make reasonable efforts to obtain your instructions. If you do not provide us with your instructions within the 60 day period, we will still be required to act on the ATO's Commutation Authority, and this may include paying a lump sum to you equal to the amount specified by the ATO. Where we are required to pay a lump sum to you as a result of a Commutation Authority, a MVA charge may apply.

Special rules apply to income streams payable on death. The rules regarding transfer balance caps are complex. You should seek professional advice if these affect you.

WHAT WE'LL SEND TO YOU

ONCE YOUR POLICY IS SET UP

Welcome letter welcomes you to Future Safe

Investor certificate summarises the key terms and features of your policy

Opening statement summarises your protection and investment options

DURING THE POLICY TERM

Anniversary election letter sent prior to your anniversary date outlining your allocation options

Annual statement summarises transactions over the year and closing balance

Payment summaries may be used to complete your tax return

PRIOR TO THE END OF TERM

Maturity instruction outlines your options at the end of the 7 year term

If you hold the policy as a joint policy owner, we may send communications to both joint owners.

GLOSSARY

A

Account Balance means the value of your policy reflecting any withdrawals you have made, interest (including the DVA) that has been credited or debited to your account, net of any applicable taxes and any fees deducted from or accrued to your policy.

Annual point-to-point crediting means the method used to determine how much interest we add to (or subtract from) your account at each anniversary date. This is based on the movement of the relevant index for each investment option from your commencement/last anniversary date to the next anniversary date.

Asset Value represents your Account Balance at your commencement/ last anniversary date less withdrawals or payments since that date (including any ongoing ASF) plus interest amounts credited (or debited) for the period related to those payments or withdrawals.

C

Cap means the maximum investment return for each market-linked option and is based on the level of protection chosen. Each market-linked investment option has its own set of Caps.

Conditions of release are defined under super laws (and may change from time to time). Under current super law, a condition of release means a circumstance where a person may have their super paid to them, this may occur in the event of

- death
- reaching age 65
- retirement where the conditions below are satisfied
  a) in the case of a person who has reached a preservation age that is less than 60, if an arrangement under which the person was gainfully employed has come to an end and we are reasonably satisfied that the person intends never to become gainfully employed again, either on a full-time or a part-time basis; or
  b) in the case of a person who has attained the age of 60, an arrangement under which the person was gainfully employed has come to an end, and either of the following circumstances apply:
    – the person attained that age on or before the ending of the employment; or
    – we are reasonably satisfied that the person intends never to become gainfully employed again, either on a full-time or a part-time basis;
- a terminal medical condition if at a particular time the following circumstances exist:
  a) two registered medical practitioners have certified, jointly or separately, that the person suffers from an illness, or has incurred an injury, that is likely to result in the death of the person within a period (the certification period) that ends not more than 24 months after the date of the certification;
  b) at least one of the registered medical practitioners is a specialist practicing in an area related to the illness or injury suffered by the person; and
  c) for each of the certificates, the certification period has not ended; and
- permanent incapacity if we are reasonably satisfied that the person's ill-health (whether physical or mental) makes it unlikely that the person will engage in gainful employment for which the person is reasonably qualified by education, training or experience.

D

Daily Value Adjustment (DVA) is the amount of interest that applies if you make a withdrawal from your policy for the period from the commencement date or last anniversary date (whichever is later) to the date of the payment made to you (see page 21 for how this is calculated).

Disability superannuation income stream is where:

- the benefit is paid to a person because he or she suffers from ill health (whether physical or mental); and
- two legally qualified medical practitioners have certified that, because of the ill health, it is unlikely that the person can ever be gainfully employed in a capacity for which he or she is reasonably qualified because of education, experience or training.

F

Fixed Rate is a one year fixed interest rate.

Floor is the protection option available for each market-linked investment option. This is designed to protect against downside market risk.

Free Withdrawal Amount is the amount of withdrawal available to you each policy year at no additional charge (i.e. not subject to an MVA charge).

M

MVA charge is a charge that applies to withdrawals that exceed the Free Withdrawal Amount. Please refer to page 21 for further details.

P

Preservation age is the age at which you can access your super if you are retired (or have started a transition to a retirement income stream). Your preservation age depends on when you were born as shown below.

DATE OF BIRTH	AGE
Before 1 July 1960	**55 yrs**
1 July 1960 – 30 June 1961	**56 yrs**
1 July 1961 – 30 June 1962	**57 yrs**
1 July 1962 – 30 June 1963	**58 yrs**
1 July 1963 – 30 June 1964	**59 yrs**
After 30 June 1964	**60 yrs**

S

Super or super money is superannuation that has been rolled over or transferred within the superannuation system. It does not include money invested by a trustee of a superannuation fund that will be treated as personal savings.

T

Tax dependant is defined as:

- the deceased's spouse or former spouse
- the deceased's child under 18 years of age
- any other person with whom the deceased had an "interdependency relationship" just before he/she died
- any other person who was a dependant (as defined under common law) of the deceased person just before he/she died.

U

Unrestricted non-preserved super money is super money that can be paid on demand but you have decided to keep in a super fund. Your super fund will be able to tell you if your money is unrestricted, non-preserved.

W

Withdrawal value means the amount that is paid back to you when you make a withdrawal, and is calculated in accordance with the formula provided on page 21.

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Consents

Each of Bloomberg, MSCI parties, S&P Dow Jones Indices and PIMCO Australia has consented to the information about (or provided by) it that is in this PDS in the form and context in which it appears and has not withdrawn its consent at the time of preparation of this PDS.

SECTION 4

POLICY DOCUMENT

A Future Safe policy (**Policy**) is a life policy issued by Allianz Australia Life Insurance Limited (**AALIL**, **us** or **we**) to the policy owner stated in an Investor Certificate (**Policy Owner** or **you**). If there are multiple Policy Owners they own the Policy as joint tenants and both must either be residents of Australia or not residents of Australia.

The terms of the Policy are stated in this document (**Policy Document**) at the time you invest, the most recent version of the Policy Owner's Investor Certificate (as a new Investor Certificate may be issued as stated in this Policy) and any other document issued by AALIL confirming changes that have been agreed between AALIL and the Policy Owner or otherwise made in accordance with this Policy. AALIL reserves the right to, at any time, correct administrative errors on an Investor Certificate.

1 Investment

A Policy can be purchased with ordinary money or superannuation money that has been rolled over within the superannuation system (**Super Money**) provided that the Super Money is all unrestricted non-preserved or the Policy Owner has reached their preservation age under the Superannuation Industry (Supervision) Regulations 1994 (Cth) (**SIS Regulations**). An investment made by a superannuation trustee is ordinary money as it is not a rollover within the superannuation system.

Once the Policy has commenced, no further amounts can be added to the Policy.

2 Term of the Policy

Your Policy has a term of 7 years and starts on the commencement date stated in your Investor Certificate (**Commencement Date**) and ends at the maturity date stated in your Investor Certificate (**Maturity Date**). We reserve the right to not issue a new policy to you upon maturity of your Policy for any reason. Any new policy issued will be subject to the terms that apply at the relevant time.

Your Policy will be terminated earlier if the full withdrawal value of your Policy is paid to one or more of you, a reversionary beneficiary or a nominated beneficiary (or a legal personal representative of one of these).

If a nominated beneficiary chooses to continue with the relevant portion of your Policy after your death, a new Policy will be issued to the nominated beneficiary the terms of which are varied so that the Policy issued to the nominated beneficiary is as if your Policy had reverted to the nominated beneficiary. However, on the death of the nominated beneficiary their legal personal representative will be paid the lump sum death benefit that is calculated at the date of the nominated beneficiary's death.

3 Investment choices, floors and caps

A Policy Owner can choose one or more investment options (**Investment Options**) when they apply for the Policy and before 3pm (AET) on the Sydney business day before the anniversary of the Commencement Date of the Policy (**Anniversary Date**). If your Policy is issued on 29 February (in a leap year), it will have a commencement date of 29 February. Anniversary processing will occur on 29 February in future leap years and 1 March for non-leap years. The Investment Options are:

- S&P/ASX 200 Accumulation Index (Bloomberg code: ASA51);
- MSCI World Net in AUD Index (Bloomberg code: MMWO); and
- the interest rate that is stated on www.allianzretireplus.com.au (**Website**) for the one year Fixed Rate Investment Option that will be at least 1.75% per annum (**Fixed Rate Investment Option**).

For the Investment Options based on an index, the Policy Owner must also choose a floor (**Floor**) of:

0%	-5%	-10%

and if the annual index return is less than the Floor, the Floor will apply. Each Floor has a cap (the amount of which is stated on the Website) (**Cap**), and if the annual index return is more than the Cap, then the Cap will apply. The Caps may change and the amount of the Cap that applies will be the amount that is stated on the Website for the relevant Floor at the commencement of the relevant period. The relevant Caps in the first year of the Policy will be those that are applicable at the Commencement Date. The specific Caps that are applied to your Policy will also be noted on your Investor Certificate (relevant for the first year) and annual confirmation letter that you will receive for each subsequent year. The Caps will never be lower than the minimum Caps that are set out below:

Floor	-10%	-5%	0%
Minimum Cap	7.5%	5%	2.5%

If the Policy Owner does not choose any Investment Options (or makes an invalid choice) at the Anniversary Date, the allocation last made by the Policy Owner will continue to apply, but will be based on the applicable rate for the Fixed Rate Investment Option and the Caps for the Investment Options based on an index at the commencement of the new period (i.e. commencing on and from the Anniversary Date).

4 Return

The return on the Investment Options that are based on an index is determined using an annual point-to-point crediting method. This means that the overall annual percentage change in the relevant index between the beginning and the end of the relevant period is applied. If that return is less than the Floor, then the Floor applies, and if the return is greater than the Cap then the Cap applies.

The index level on a particular day will be for the S&P/ASX 200 Accumulation Index (Bloomberg code: ASA51), the index level at the close of trading for the Australian Securities Exchange on that particular day and for the MSCI World Net in AUD Index (Bloomberg code: MMWO), the closing value from the previous day. If that day is not a trading day for the particular index, the index level at the close of trading on the previous trading day will apply.

The return on the Fixed Rate Investment Option is the interest rate that was stated on the Website at the beginning of the relevant period (i.e. the Commencement Date or an Anniversary Date).

Pro-rata interest will be credited to or debited from your account on withdrawals made during the year with the application of a pro-rata Cap based on the proportion of the year that has passed since your last Anniversary Date and the entire Floor. Interest that is calculated on your Anniversary Date, on the full withdrawal of your Policy or due to death will take into account withdrawals made during the year and the interest paid on those amounts.

5 Withdrawals

Subject to the special rules that apply to withdrawals of Super Money (see below), you can request a full or partial withdrawal at any time before the end of the term of the Policy. The withdrawal value of a Policy will always be at least the minimum required under the Life Insurance Act 1995 (Cth) (**Life Act**), and will not be greater than your 'Account Balance'. '**Account Balance**' has the same meaning as in the Product Disclosure Statement (**PDS**).

Any partial withdrawal will be paid out of your chosen Investment Options in the same proportion that has been invested in each of them as at your Commencement Date in your first year or most recent Anniversary Date. Generally AALIL will process a withdrawal request in the next two Sydney business days after receiving the request.

5.1 Special rules for Super Money

For a Policy that is purchased with Super Money, the following special rules apply to withdrawals:

- **Minimum income withdrawals**: The total withdrawals paid as income in a financial year (excluding withdrawals that are commutations, but including withdrawals as a result of a family law split) must be at least the amount that is calculated under clause 1 of Schedule 7 to the SIS Regulations (see the table in the section headed "Regular withdrawals" in the PDS, page 23 for the current minimum income withdrawals). If, in a financial year, a Policy Owner has not withdrawn this minimum amount, AALIL will pay to the Policy Owner an amount as income to ensure that the minimum amount of income has been paid to the Policy Owner for that financial year. If your Free Withdrawal Amount (see below) is greater than the minimum required under superannuation laws, then you may also elect to receive this higher amount as an income stream.
- **Frequency of income withdrawals**: You can choose to have the minimum withdrawals for a financial year paid monthly, quarterly, half-yearly or annually, but in any event the frequency will be at least annually.
- **Commutation withdrawals**: A withdrawal other than as income is a commutation and cannot be paid unless the circumstances in SIS Regulation 1.07D are satisfied. The current commutation restrictions are stated in the section headed "Lump sum withdrawals and super" in the PDS, page 23.

For a Policy that is a transition to retirement income stream, in addition to the special rules stated above, the following additional special rules also apply to withdrawals:

- **Maximum income withdrawals**: The total withdrawals paid as income in a financial year (excluding withdrawals that are commutations, but including withdrawals as a result of a family law split) must not be more than 10% of the 'Asset Value' on 1 July of that financial year (or the Commencement Date of the Policy if the Policy commenced in that financial year) unless the Policy Owner has satisfied a condition of release in respect of which the cashing restriction for preserved benefits and restricted non-preserved benefits is 'Nil' (currently these conditions of release are the circumstances stated in the section headed "Lump sum withdrawals and super" in the PDS, page 23). The '**Asset Value**' is your Account Balance at the Commencement Date (or the last Anniversary Date) whichever is the later, less withdrawals (including any ongoing adviser service fee (see section 6 below)) since that date, plus or minus the return credited (or debited) for the period related to those withdrawals.

- **Commutation withdrawals**: A withdrawal other than as income is a commutation and cannot be paid unless the circumstances in SIS Regulation 6.01AA(1)(c) are satisfied. The current circumstances are stated in the section headed "Lump sum withdrawals and super" in the PDS, page 23.
- **Preservation rules**: The payment of withdrawals must be consistent with SIS Regulation 6.01AA(1)(b) that applies preservation rules to the annuity as if the annuity was a regulated superannuation fund, the Policy Owner was a member of that fund and AALIL was a trustee of that fund.

5.2 Free Withdrawal Amount

For Policies purchased with money that is not Super Money, the Free Withdrawal Amount is:

- the total of any positive return (net of any applicable taxes) that has been credited to your Policy **during the preceding Policy** year that has not been previously paid out to you plus
- 5% of your Account Balance at commencement.

For Policies purchased with Super Money, the Free Withdrawal Amount is the greater of:

- the amount that applies for Policies purchased with money that is not Super Money; and
- the amount we estimate to be your minimum income withdrawals that are stated in section 5.1 from the Commencement Date or the most recent Anniversary Date ("**Calculation Date**") to the next Anniversary Date. Our estimate as at the Calculation Date is based on your Asset Value at the previous 1 July (or Commencement Date in the first year) multiplied by the relevant percentage(s) based on your age at the previous 1 July (or Commencement Date in the first year) for the remainder of the current financial year and your age next 1 July for the period from next 1 July to the next Anniversary Date. If your minimum income withdrawals change before your next Anniversary Date, the Free Withdrawal Amount may change when your minimum income withdrawals change.

5.3 Market Value Adjustment

If you make a full or partial withdrawal before the end of the term of the Policy, a Market Value Adjustment (**MVA**) charge will apply to the portion of a withdrawal that exceeds the Free Withdrawal Amount.

The MVA charge is calculated as:

Market loss recovery amount + early withdrawal fee

The market loss recovery amount =
Amount withdrawn in excess of Free Withdrawal Amount x Market Recovery Factor (MRF)

MRF =

$$\left[1 - \left(\frac{1 + \text{initial reference rate}^{*}}{1 + \text{current reference rate}^{*}}\right)^{n}\right] \times \frac{1}{(1\text{-}t)}$$

n = remaining years to maturity (including partial years)
t = tax rate applicable to your policy**

*The reference rate is the Bloomberg AusBond Credit 0+ Index: Yield (Bloomberg code: BACR0)

The market loss recovery amount can never be less than 0.

The early withdrawal fee =

$$6.5\% \times \frac{n}{7} \times \begin{matrix}\text{Amount withdrawn in excess of}\\ \text{Free Withdrawal Amount}\end{matrix} \times \frac{1}{(1\text{-}t)}$$

n = remaining years to maturity (including partial years)
t = tax rate applicable to your policy**

The withdrawal value of your Policy if you made a full withdrawal is:

Withdrawal value
=
Account Balance – MVA charge

**See pages 30 and 31 of the PDS for more information

To determine the Account Balance at the time of the withdrawal, we will calculate the positive or negative interest that applies to your Policy from the Commencement Date or the last Anniversary Date being a daily value adjustment (DVA). The DVA is calculated using the point-to-point crediting method between the Commencement Date or the last Anniversary Date (whichever is the later) and the date of the withdrawal and applying a pro-rata Cap based on the portion of the year that has passed since your last Anniversary Date and the entire Floor.

6 Adviser Service Fees

If an upfront adviser service fee is stated on the Investor Certificate, then the Policy Owner has directed AALIL to pay that amount out of the statutory fund from the Policy Owner's account before the opening balance is determined, to the Australian financial services licensee of the Policy Owner's financial adviser that was last notified to AALIL. That amount is paid by AALIL on the issue of the Policy.

If an ongoing adviser service fee is stated in the Investor Certificate (and confirmed by the Policy Owner on or before each Anniversary Date), then the Policy Owner has directed AALIL to make a withdrawal of that amount and instead of paying that amount to the Policy Owner, the

Policy Owner has directed AALIL to pay that amount to the Australian financial services licensee of the Policy Owner's financial adviser that was last notified to AALIL. If the Policy Owner has not confirmed payment of the ongoing adviser service fee on or before an Anniversary Date, we will cease payment of that fee. A Policy Owner may also start, cancel or change the amount of the ongoing ASF deducted from your policy by notifying us at any time.

7 Annual product fee

At each Anniversary Date, a fee of 0.85% (inclusive of GST, if any) of your opening balance at the Commencement Date or the last Anniversary Date (whichever is the later) adjusted for any credited or debited interest and withdrawals made during the year will be deducted from your Account Balance. Where a full withdrawal is made before the end of the term of your Policy or due to death, the annual product fee will be deducted from your Account Balance on a pro-rata basis on the proportion of the year that has elapsed up to the date of the withdrawal. This fee will be calculated on a daily basis.

8 Death Benefit

A Policy Owner may nominate:

- one or more nominated beneficiaries; or
- for Policies purchased with Super Money, one reversionary beneficiary,

who will receive the remainder of the benefits of the Policy if the Policy Owner (or in the case of joint Policy Owners, the last surviving joint Policy Owner) dies during the term of the Policy. A nomination will be effective when it is received by AALIL.

If the Policy is purchased with Super Money:

- A nominated beneficiary or reversionary beneficiary must be a dependant (as defined under the Superannuation Industry (Supervision) Act 1993 (Cth) (**SIS Act**) and described in the section headed "Beneficiaries and super" in the PDS, page 29) at the time of the Policy Owner's death and if this is not the case, the portion of the benefits of the Policy that would have been paid to that person will be paid to the legal personal representative of the deceased Policy Owner.
- If the relevant portion of the Policy will continue to be paid to the nominated beneficiary or the reversionary beneficiary the beneficiary must be entitled to be paid those benefits under the SIS Regulations. If this is not the case, a lump sum benefit will be paid.

If the nominated beneficiary or reversionary beneficiary is a child under 18 for personal savings or a child at any age for super money, they cannot continue the Policy and a lump sum death benefit will be paid to their parent or guardian for the benefit of the beneficiary or into a trust for them, if they are under 18, or paid to the child directly if 18 or over.

A Policy Owner that is a company or a trustee of a trust cannot nominate a beneficiary, but can select up to two life insureds in which case a lump sum death benefit is payable on the death of the last surviving life insured. The life insured is stated in the Investor Certificate. A life insured can be removed, but an additional life insured cannot be added after the Commencement Date. In this circumstance, the Policy Owner can elect to continue with the Policy instead of receiving a lump sum death benefit.

On the death of a Policy Owner who is a natural person (or the last surviving joint Policy Owner), the death benefit will be paid as set out below:

- If there is a reversionary beneficiary nominated, on the death of the Policy Owner, subject to the special rules that apply to a Policy that is purchased with Super Money, the reversionary beneficiary can choose to continue with the Policy or receive a lump sum.
- If there are one or more nominated beneficiaries, subject to the special rules that apply to a Policy that is purchased with Super Money, each nominated beneficiary can choose to continue with the relevant portion of the Policy that applies to them or receive a lump sum of the relevant proportion of the death benefit.
- If there are no nominated beneficiaries or reversionary beneficiary, a lump sum death benefit will be paid to the legal personal representative of the Policy Owner (or if there are joint Policy Owners, the last surviving joint Policy Owner).

If the reversionary beneficiary or nominated beneficiary has continued with their relevant portion of the Policy and they die, their legal personal representative will be paid the lump sum death benefit calculated at the date of the beneficiary's death.

If you die during the term of the policy and a lump sum is paid, we will pay the Account Balance, without applying any MVA charge.

9 Communication

The Policy Owner may be sent all correspondence and communications from AALIL electronically including by any electronic address (e.g. email address) that the Policy Owner has provided to AALIL and must notify AALIL of any change to the Policy Owner's electronic addresses that the Policy Owner has provided to AALIL. Any correspondence or communications from AALIL is deemed to have been received by the Policy Owner when it is sent by AALIL to that electronic address.

If AALIL receives communications in relation to the Policy, AALIL will not be liable for any loss that may be suffered by a Policy Owner as a result of a fraudulent communication received by AALIL without the knowledge of the Policy Owner, provided that AALIL has not been negligent or any delay in AALIL acting on a communication if AALIL seeks further information from the Policy Owner about the communication.

10 Tax

AALIL can deduct from the value of a Policy or any withdrawal any tax, stamp duty or other government charge or impost that applies to this Policy, a withdrawal from it or this class of business. Tax on any superannuation rollovers or any amount that is payable by AALIL in relation to a Policy will be deducted from the value of a Policy and may be treated by AALIL as a partial withdrawal.

11 Amendment

If the Policy is amended either by AALIL (as provided for in this Policy Document or the Investor Certificate) or as agreed between AALIL and the Policy Owner, AALIL may issue the Policy Owner with a new Investor Certificate or other correspondence confirming the change. The change is effective from the date that is stated in the Investor Certificate or the date on which AALIL confirms the change, as applicable. AALIL can vary the terms of the Policy without prior written notice to the Policy Owner to comply with any requirements of (or amendments to) any relevant laws, rulings, determinations, standards or guidelines of the Commissioner of Taxation, the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission or any other statutory authority or to avoid a penalty or other disadvantage to AALIL. AALIL may also vary the terms of the Policy if the variation is beneficial to the Policy Owner.

12 Policy

The Policy is referrable to AALIL's Statutory Fund No. 2 and does not participate in distributions of profits or surplus. The Policy and the payments made pursuant to the Policy cannot be used as security for a borrowing. The Policy is governed by the law in force in New South Wales.

13 Transfer

If a Policy is purchased with Super Money, the Policy can only be transferred to another person on the death of the Policy Owner.

14 Interpretation

The Policy is a non-participating investment account contract under the Life Act. If a Policy is purchased with Super Money, it is also an annuity under the SIS Regulations and, if that Super Money was not all unrestricted non-preserved benefits, it is also a transition to retirement income stream under the SIS Regulations.

The terms of the Policy must be interpreted (and terms are to be included, excluded or varied) to the extent that is necessary to ensure that:

- AALIL complies with the law and qualifies for tax and duty treatment as detailed in the PDS in the section headed "Tax and Social Security", page 30; and
- the Policy is an investment account contract and if required also an annuity and also a transition to retirement income stream in circumstances as described above.

In this Policy Document, unless the context otherwise requires:

- the singular includes the plural and the plural includes the singular;
- other parts of speech and grammatical forms of a word or phrase defined in this Policy have a corresponding meaning;
- specifying anything after the words 'include' or 'for example' does not limit what else is included;
- a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- a reference to amounts that are payable or dollars are to amounts that are payable in Australian currency; and
- a reference to an index that, after the Commencement Date is terminated or substantially amended, is to be taken to be a reference to an index that AALIL notifies the Policy Owner will replace the index that has been terminated or substantially amended.

AALIL can apply rounding rules that it determines to the calculations under this Policy.

The terms of this Policy Document are not to be construed against AALIL on the basis that AALIL drafted the terms of the Policy.

SECTION 5

FORMS

HOW TO APPLY

STEP 1 **Read this Product Disclosure Statement carefully**

We recommend speaking with a licensed financial adviser before investing.

STEP 2 **Review applicable Floors, Caps and Fixed Rate**

You should review the applicable Floors, Caps and Fixed Rate currently on offer. These can be found at www.allianzretireplus.com.au/future-safe/features.html where it will also state the period for which they are valid. The Caps and Fixed Rate may change between the time you first review the available Caps and Fixed Rate and the commencement date of your policy. The Caps and Fixed Rate applicable to you during the first year will be the Caps and Fixed Rate on the date of the commencement of your policy.

STEP 3 **Complete the application form**

Complete the form in the back of this PDS or at www.allianzretireplus.com.au.

A valid application must include:

- a completed and signed application form
- identity verification documents
- your initial investment (including any upfront ASF, if applicable)
- Super Rollover Request form if rolling over money in the superannuation system

If you have invested with super money, you may want to complete a TFN Declaration and Withholding Tax form (if applicable).

Regarding processing

If your valid application is received in our Sydney office before 3pm (AET) on a Sydney business day (cut off time), your application will generally be processed on that day. If your application and money are received after the cut off time, or on a non-business day, your application will generally be processed on the next business day.

If your application is not complete we will contact you or your financial adviser to gather the remaining information. In this instance we will hold your money for up to 28 days until we receive the required information. After this period your money may be returned to you. If you have invested with super money, your funds will be returned to the institution from which the money was received. No interest will be paid on funds that have been returned.

STEP 4 Make payment

If investing with super, please complete the Super Rollover Request form which can be found on our website. You can invest using personal savings in one of the following ways:

Direct debit

You can arrange for the money to be debited from your bank account by completing the direct debit authority form, which can be found on our website.

Electronic funds transfer

You can send us your funds electronically. If you are submitting a paper application please include your surname and date of birth in your details. If you are submitting an online application, please include your Application ID in the details. Our bank account details:

Account name: Allianz Australia Life Insurance Limited
BSB: 032 003
Account number: 544069

Deposit at a Westpac branch

You can deposit your funds directly into our Westpac bank account at any Westpac branch. Please include in the description your date of birth and surname e.g. 19121956Smith. Our account details:

Account name: Allianz Australia Life Insurance Limited
BSB: 032 003
Account number: 544069

STEP 5 Send your completed forms and documentation

Email: applications@allianzretireplus.com.au or
Post: Allianz Australia Life Insurance Limited, Reply Paid 89484, Sydney, NSW 2001

Please find these forms over the subsequent pages and complete the one relevant to your investor type

Application form for individual or joint investors

Application form for company, unregulated trust or SMSF

YOU CAN EITHER

Complete the application form on the following pages

— OR —

At our website, which can be retrieved when required

Identity document certification

Please note

- If you are lodging this application through a financial adviser, the financial adviser is required to provide us with copies of the identification documents set out below. If you are not lodging the application through a financial adviser, you are required to provide us with certified copies of identification documents. The certifier must confirm that the photocopy is a true and correct copy of the original ID, followed by their signature, name, qualification and date. If you send us a scanned copy of the certified copy of an identification document, you must have the certifier send the scan, and certify in the email that the scanned attachment is a true and correct copy of the original ID, and their name and qualification. Otherwise you must post us the original certified copy.
- Documents that have an expiry date must not have expired.
- If any document is not in English, then it must be accompanied by an English translation prepared by an accredited translator.
- If any document is in a previous name, then evidence of the change of the name (e.g. a marriage certificate) must be attached.

Who can certify

Please ensure that each page of the relevant document(s) is certified. The person certifying must state their capacity (from the list below) and state on each page that the document is a true and correct copy of the original.

- Justice of the Peace
- Agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public
- Officer with two or more continuous years of service with one or more financial institutions, for the purposes of the Statutory Declaration Regulations 1993
- Finance company officer with two or more continuous years of service with one or more financial companies, for the purposes of the Statutory Declaration Regulations 1993
- Officer with, or authorised representative of, a holder of an Australian financial services licence or Australian credit licence, having two or more continuous years of service with one or more licensees
- Judge of Court or magistrate
- Person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner i.e. an Australian lawyer
- Chief executive officer of a Commonwealth court
- Registrar or deputy registrar of a court
- Australian consular officer or an Australian diplomatic officer
- Member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with two or more years of continuous membership, i.e. an accountant.
- Police officer or notary public

How to certify documents

A certified copy is a document that has been certified as a true copy of an original document. To certify a document, take the original document and a photocopy to one of the people listed in the categories above and ask them to certify that the photocopy is a true and correct copy of the original document. The person will need to print their name, date, and the capacity in which they are signing (e.g. postal agent, Justice of the Peace).

Sample wording

I, ***[full name]***, a ***[category of persons listed above]***, certify that this ***[name of document]*** is a true and correct copy of the original.

[Signature and date]

Documents in a language other than English must be an accompanied by English translation prepared by an accredited translator.

CONTACT DETAILS

Phone Enquiries	1300 371 136 between 8.30am and 5.30pm (AET), Monday to Friday
Postal Address	GPO Box 4181, Sydney, NSW 2001
Email	help@allianzretireplus.com.au
Website	www.allianzretireplus.com.au

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