

FUTURE SAFE PRODUCT DISCLOSURE STATEMENT UPDATE INCLUDING COVID-19 RELATED CHANGES

ISSUED 6 MAY 2020

Background

The purpose of this document (**PDS Update**) is to update, and respond to certain impacts of the COVID-19 pandemic, including the impact of the temporary changes to the superannuation minimum drawdown rates on the Future Safe Product Disclosure Statement dated 12 March 2019 (**PDS**) issued by Allianz Australia Life Insurance Limited ABN 27 076 033 782 Australian Financial Services Licence 296559 ('AALIL', 'we', 'us', 'our').

Capitalised terms when used in this PDS Update have the same meaning as those terms are defined in the PDS, unless the context otherwise requires.

Temporarily reducing superannuation minimum drawdown rates

In response to the COVID-19 pandemic, the Australian government is temporarily reducing superannuation minimum drawdown requirements for account-based pensions and similar products (including Future Safe) by 50% for 2019–20 and 2020–21 financial years (**Reduced Rates**).

Partial waiver of the Market Value Adjustment for investors at least age 75

We want you to have access to the same withdrawal amounts without incurring a Market Value Adjustment as was applicable before the introduction of the Reduced Rates. To do this we will partially waive the Market Value Adjustment for investors at least age 75 (**75 Plus Investors**) in relation to the 2019-20 and 2020-21 financial years (**Reduced Rates Period**).

Please note that for investors under the age of 75 years, the Reduced Rates do not adversely impact the calculation of the Free Withdrawal Amount, and therefore no waiver of Market Value Adjustment is necessary.

Application Process

To support an efficient application process where physically signing a printed application form may prove difficult, particularly in the current COVID-19 environment, we may, in our discretion, accept electronic signatures and other application methods referred below.

Update on determining the index level

In response to some recent queries, we take this opportunity to provide further detail and guidance in relation to the determination of the relevant index level for the purposes of calculating the return on Investment Options based on an index, through additional information set out below which is inserted into page 17 of the PDS. This additional information reflects our operations in practice that provide for determinations of index levels to be made on days in which we are open for business in Sydney. This additional information is also to be read together with the second paragraph in section 4 under the heading "Return" in the Policy Document on page 45.

Changes to the PDS

From the date of this document, the following changes are made to the PDS:

1 "Regular Withdrawals", page 23:

- a. At the end of the sentence "The percentage is age based as per the super laws and is set out below", insert "and may change from time to time:"
- b. The table is replaced with the following table:

AGE	MINIMUM ANNUAL REGULAR PAYMENTS – "STANDARD MINIMUM DRAWDOWN RATES" FOR FINANCIAL YEARS NOT APPLICABLE TO THE REDUCED RATES.	MINIMUM ANNUAL REGULAR PAYMENTS – "REDUCED RATES" TEMPORARY REDUCED RATES FOR 2019–20 AND 2020–21 FINANCIAL YEARS
Under 65 years	4%	2.0%
65 to 74 years	5%	2.5%
75 to 79 years	6%	3.0%
80 to 84 years	7%	3.5%
85 to 89 years	9%	4.5%

2 Partial waiver of Market Value Adjustment for 75 Plus Investors

- a. On page 21 after the words:

"Market Value Adjustment (MVA)

Withdrawals greater than the Free Withdrawal Amount will attract an MVA charge."

Insert:

"However if you are at least 75 years old during the 2019-20 and 2020-21 financial years, we will waive the Market Value Adjustment on withdrawals up to the Free Withdrawal Amount calculated using the Standard Minimum Drawdown Rates (Waiver) until your next policy anniversary after 30 June 2021, provided your policy has been issued prior to 1 July 2021."

- b. All references to, and examples in, the PDS based on:
 - (i) the superannuation minimum withdrawal rates must be read as referring to and applying the new temporary Reduced Rates (with associated calculations updated accordingly) until 30 June 2021; and
 - (ii) the Market Value Adjustment applying to 75 Plus Investors must be read as subject to the Waiver (including references at page 46 of the Policy Document) until your next policy anniversary after 30 June 2021 provided your policy has been issued prior to 1 July 2021.

3 Application Process

Under the heading "Important Information" at the beginning of the PDS, **insert the following paragraph after the eighth paragraph:**

"This PDS and the associated application form constitute an offer by you to acquire the Future Safe product and, unless and until we otherwise notify, we may treat the application as valid whether the application form is signed manually, electronically or is not signed where it has been submitted to us by you, your adviser or other person on your behalf."

4 Determining the index level

After the second paragraph under the heading “Annual point-to-point crediting method” on page 17 of the PDS, **insert a new paragraph as follows:**

“For the purposes of the above paragraph, if a “particular day” occurs on a day that is not a Sydney business day, we will deem that “particular day” to have occurred on the previous Sydney business day in order to work out the applicable index level.

For example, if Patricia’s anniversary date (the “particular day”) was a Saturday, then we will deem the “particular day” to be the Friday (being the previous Sydney business day). The S&P/ASX 200 Accumulation Index will be the closing index level on the Friday and the MSCI World Net in AUD Index will be the closing index level for that index on the Thursday (being the previous trading day for that index).”

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). AALIL is the issuer of each policy and has authorised the issue of this PDS Update.

This PDS Update must be read together with the PDS. You should read and consider this PDS Update and the 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. You can obtain a copy of this PDS Update and the PDS free of charge at any time from www.allianzretireplus.com.au, by contacting your financial adviser or by calling us on the number shown below.

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MSCI

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S&P/ASX 200 Accumulation Index

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