FI

THE 15-MINUTE RETIREMENT PLAN

Fisher Investments®

Important Disclosures

Fisher Investments Australasia Pty Ltd, an Australian company (ABN 86 159 670 667) licensed in Australia (AFSL 433312) to provide services to wholesale clients only, uses the trade mark Fisher Investments® and, in New Zealand, operates as an overseas company (NZBN 9429052507656) using the trading name Fisher Investments New Zealand to provide services to wholesale investors only. Fisher Investments Australasia Pty Ltd outsources portfolio management to its parent company, Fisher Asset Management, LLC (AR 001292046), which is established in the US and regulated by the US Securities and Exchange Commission. Investing in equities and other financial products involves the risk of loss. Past performance is not indicative of future performance.

This document constitutes the general views of Fisher Investments Australasia Pty Ltd as of the date of this document and does not relate to a particular financial product. These views do not take into account individual financial situations, needs or objectives and should not be regarded as personal investment advice. No assurances are made we will continue to hold these views, which may change at any time based on new information, analysis or reconsideration. In addition, no assurances are made regarding the accuracy of any forecast or other forward looking statement made herein. Forecasts are based on current expectations and beliefs involving risks, uncertainties, assumptions, and judgments that are difficult to accurately predict and may prove inaccurate. Forecasts and any past performance information are not an indicator of future performance and should not be relied upon. Actual outcomes may be materially different. There can be no assurances that investment returns from a particular strategy or allocation will exceed returns from another strategy or allocation. Individual financial products, including fixed interest products and derivatives, and investing in different markets, carry unique risks. Any references to a particular tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

One of the biggest risks an investor faces is running out of money in retirement.

This can be a personal tragedy. People may work their whole lives to accumulate enough wealth for a comfortable retirement only to find they've come up short. To help minimise this risk, we recommend keeping the following key questions in mind when planning your retirement:

1. How Long Will Your Portfolio Need to Provide for You?

2. How Can Cash Distributions and Inflation Impact Your Portfolio?

3. How Do You Establish a Primary Investment Objective?

4. What Are Important Trade-Offs You May Need to Make?

1. How Long Will Your Portfolio Need to Provide for You?

The graph below shows an approximation for total life expectancies based on current age. We believe these projections likely underestimate how long people will actually live given ongoing medical advancements. And don't forget these are projections of *average* life expectancy—planning for the average is not sufficient since about half of the people in each bracket are expected to live even longer. Factors such as current health and heredity can also cause individual life expectancies to vary widely.

The bottom line? Your time horizon may be much longer than you realise. Prepare to live a long time and make sure you have enough money to maintain your lifestyle.

Average Life Expectancy*

Current Age	Life Expectancy	Current Age	Life Expectancy	Current Age	Life Expectancy	Current Age	Life Expectancy
51	85	61	86	71	88	81	90
52	85	62	86	72	88	82	91
53	85	63	86	73	88	83	91
54	85	64	87	74	88	84	92
55	85	65	87	75	89	85	92
56	86	66	87	76	89	86	93
57	86	67	87	77	89	87	93
58	86	68	87	78	89	88	94
59	86	69	87	79	90	89	94
60	86	70	88	80	90	90	95

**Source: Australian Bureau of Statistics (ABS), as of 07/06/2023. Life tables of the resident population of Australia, 2019 – 2021. Life expectancy rounded to the nearest year.*

2. How Can Cash Distributions and Inflation Impact Your Portfolio?

As you anticipate your investment time horizon, it's also critical to understand how withdrawals will impact your portfolio. Like many investors, you may have unrealistic expectations of how much money you'll be able to safely withdraw each year during retirement.

A common—but incorrect—assumption is that since equities have historically delivered about 10% annualised average return over the long term,* it must be safe to withdraw 10% a year without drawing down the principal.

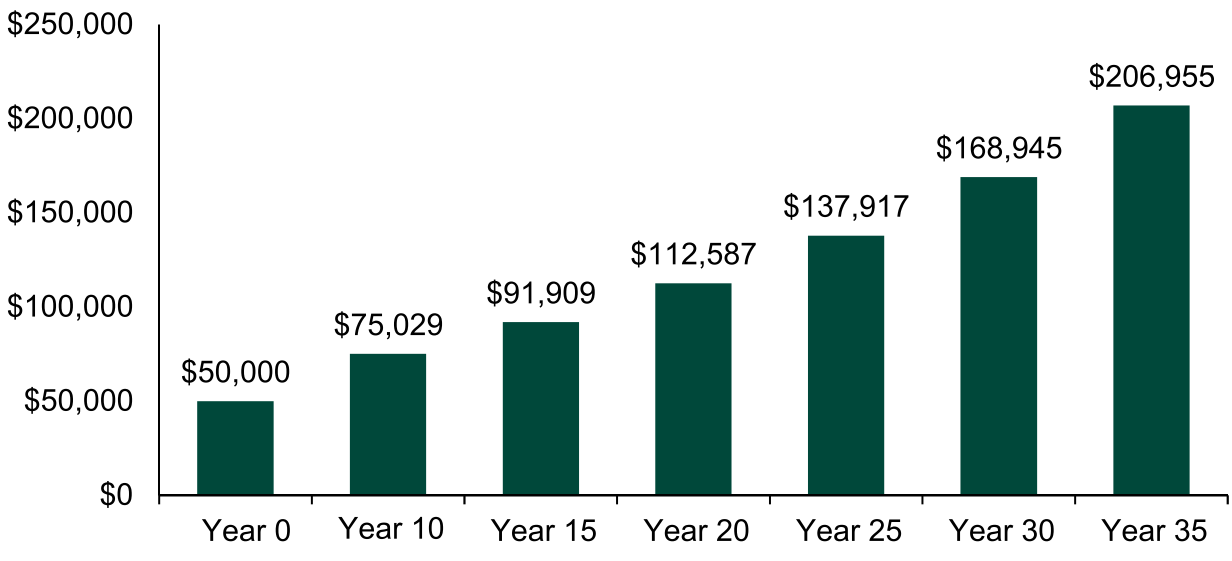
Nothing could be further from the truth. Though markets may annualise about 10% over time, returns vary greatly from year to year. Miscalculating withdrawals during market downturns can substantially decrease the probability of maintaining your principal. For example, if your portfolio is down 20% and you take a 10% distribution, you will need about a 39% gain just to get back to the initial value.

Another important portfolio factor to consider is inflation. Inflation is insidious. It decreases purchasing power over time and erodes real savings and investment returns. Many investors fail to realise how much impact inflation can have.

Since 1925, inflation has averaged approximately 4% a year in Australia.** If that average inflation rate continues in the future, a person who currently requires $50,000 to cover annual living expenses would need over $112,000 in 20 years and almost $169,000 in 30 years *just to maintain the same purchasing power.*

Similarly, if you placed $1,000,000 under your mattress today, in 30 years that money would only be worth around $300,000 in today's dollars.

Maintaining Purchasing Power***



**Source: Finaeon, Inc., as of 23/01/2023 Annualised return of the MSCI World Total Return Index from 1970 – 2022 is 9.6%. Presented in Australian dollars.*
***Source: Finaeon, Inc., as of 28/02/2023. Australia Consumer Price Index, 1925 – 2022.*
****Estimate based on a 4.14% rate of inflation.*

3. How Do You Establish a Primary Investment Objective?

Time horizon, cash-flow needs and inflation are all key factors to consider in your retirement planning. Another cornerstone is establishing a primary objective for your portfolio.

A precise way to determine your portfolio's objective is to define your "growth objective"—the amount of money you plan to have at the end of your portfolio's time horizon. Possible growth objectives include:

- **Portfolio growth:** You want to increase the purchasing power of your assets as much as possible across your time horizon.
- **Maintaining the value of the portfolio in real terms:** You aim to maintain your present purchasing power at the end of your time horizon.
- **Depleting assets:** You have no desire to leave any assets behind.
- **Targeting a specific ending value:** You desire a specific ending value, perhaps for making a donation to charity.

4. What Are Important Trade-Offs You May Need to Make?

Like many investors, you may plan to draw from your portfolio during retirement. The level of cash flow you require, combined with your growth objective, may require some trade-offs to minimise the risk of running out of money. For example, you may need to increase your exposure to investments with higher returns—and be willing to tolerate the greater volatility associated with them.

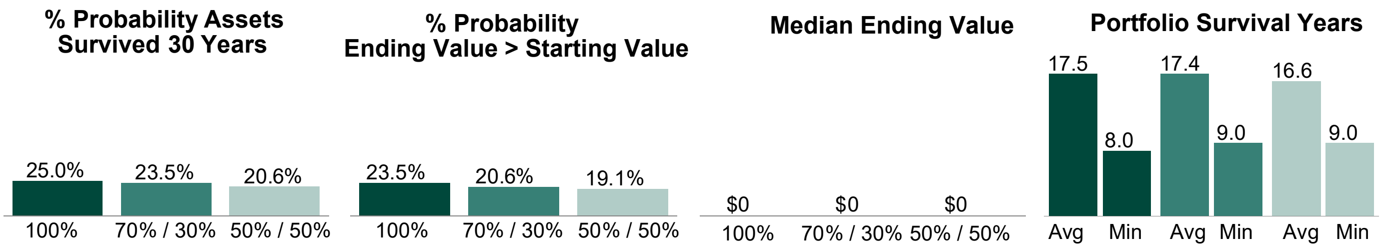
Understanding the trade-offs of different strategies is crucial. The scenarios on pages 6 and 7 show the impact of four different rates of withdrawal on a $1,000,000 portfolio under different asset allocations, plus one showing no withdrawals. The four withdrawal rates are: 10%, or $100,000 per year; 7%, or $70,000 per year; 5%, or $50,000 per year; and 3%, or $30,000 per year. These scenarios analysed 30-year rolling periods based on market returns starting in 1950. All withdrawal amounts are adjusted for inflation to maintain original purchasing power.*

Note that no asset allocation has a high probability of survival over a 30-year time horizon when taking 10% or 7% withdrawals. However, limiting distributions to 5% or less materially improves the likelihood of portfolio survival and growth over that time frame.

**The analysis uses equity returns based on Finaeon, Inc.'s Developed World Return Index. Fixed interest returns based on Finaeon, Inc.'s Australia 10-year Government Bond Index to project the ending value in the future or cash-flow availability. This analysis calculates hypothetical portfolios over 30-year annual rolling periods factoring cash flows and historical market returns. Cash flows are adjusted by 3% annually to account for inflation.*

No assurance can be given that these returns will be achieved. This analysis is for informational purposes only. It has been formulated with data provided to Fisher Asset Management, LLC ("FAM") and is assumed to be reliable. FAM makes no claim to its accuracy. Investing in securities involves the risk of loss. Past performance is no guarantee of future returns.

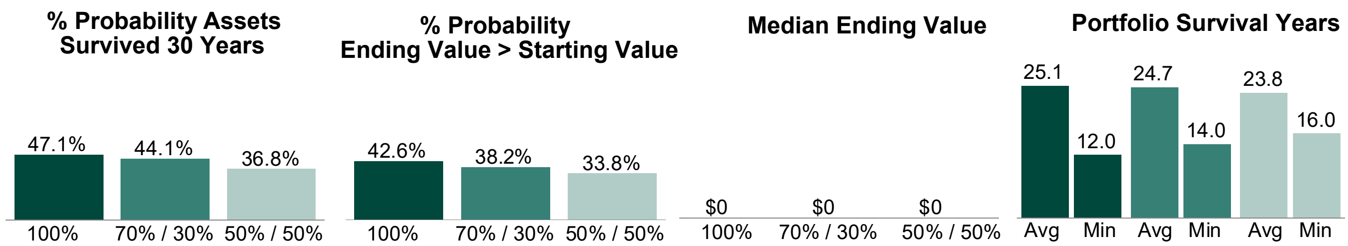
Scenario #1: In this scenario, we simulate the results of an investor taking annual withdrawals of $100,000 (10%) from a $1,000,000 portfolio (starting value) over a hypothetical 30-year investing time horizon.



Scenario #1 shows the probability of this portfolio lasting for 30 years—let alone growing—is very low.

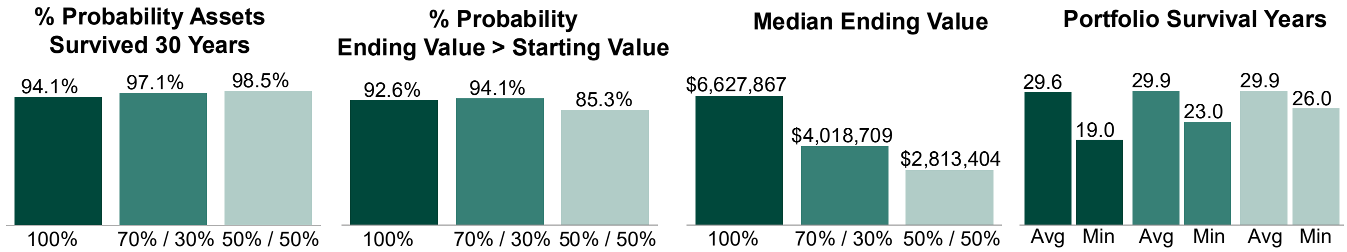
Unfortunately, this is true for all three asset allocations in this example (100% equities, 70% equities/30% fixed interest and 50% equities/50% fixed interest). Though the portfolio comprising 100% equities produces the highest probability of asset survival, a 25% chance of not running out of money in retirement is hardly comforting.

Scenario #2: In this scenario, we simulate the results of an investor taking annual withdrawals of $70,000 (7%) from a $1,000,000 portfolio over 30 years.



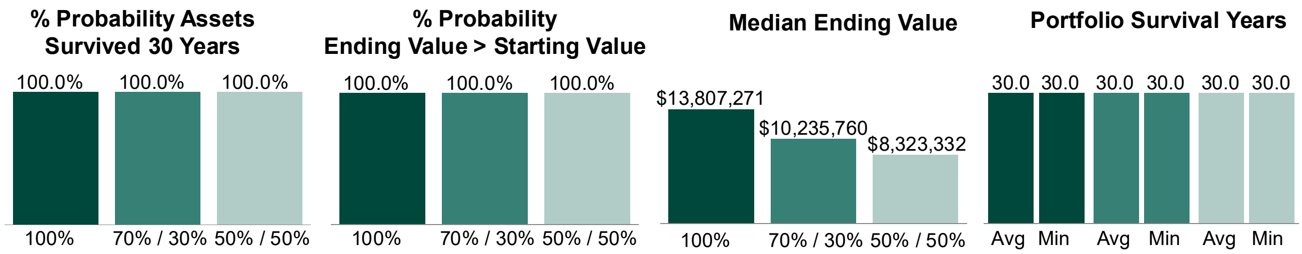
Scenario #2 shows the probability of asset survival and growth improves by reducing withdrawals. But even with 100% equity allocation, the likelihood of not running out of money is still only about 47%.

Scenario #3: In this scenario, we simulate the results of an investor taking annual withdrawals of $50,000 (5%) from a $1,000,000 portfolio over 30 years.



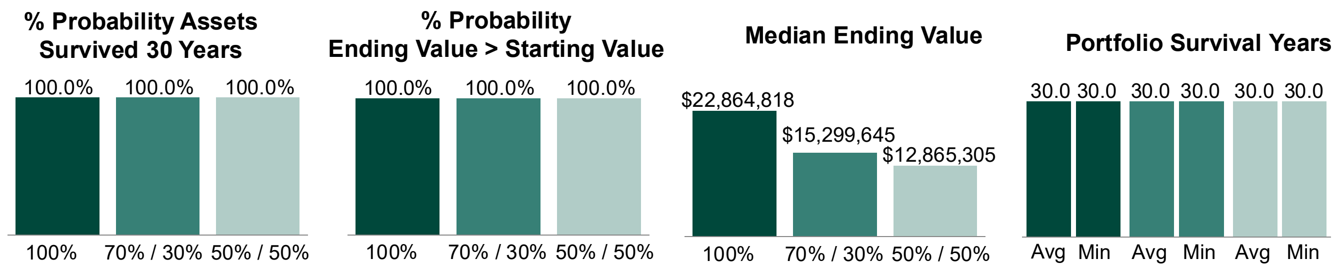
Scenario #3 shows reducing withdrawals to 5% of a portfolio greatly improves the probability of both asset survival and growth across all three asset allocations.

Scenario #4: In this scenario, we simulate the results of an investor taking annual withdrawals of $30,000 (3%) from a $1,000,000 portfolio over 30 years.



Scenario #4 shows materially better probabilities of both asset survival and growth. Using all three asset allocation scenarios, median ending value is higher than the starting value, though 100% equities shows the best median portfolio growth.

Scenario #5: In this scenario, we simulate the results of an investor taking no annual withdrawals.



For investors with no annual cash-flow needs, the probability of asset survival is excellent in all three asset allocation scenarios. However, as many may expect, a simulation of 100% equities resulted in the highest median portfolio terminal value.

Which scenario and asset allocation make you most comfortable?

There is no one right answer—only the answer that's right for you. If portfolio growth is your primary objective, a portfolio with 100% equities might make the most sense.

However, if you want to maintain purchasing power with less volatility, then a 70% equities and 30% fixed interest allocation may be more appropriate. Determining your primary objective can help you decide which asset allocation is best for your needs.

Planning Your Retirement With Fisher Investments

Still have questions? Not sure what's best for you? Need help getting started? We've helped thousands of investors—each with unique goals and objectives—plan for retirement. Call Fisher Investments at **1800 316 398** to find out how we can help you achieve the comfortable retirement you've been working and saving for.

FROM THE MOMENT YOU BECOME A CLIENT, WE PUT YOU FIRST

We are dedicated to helping investors like you reach their long-term financial goals and live comfortably in retirement. As a fiduciary, we are obligated to put our clients' interests first, but our values, structure and focus on you go even further:

FEES ALIGNED WITH YOUR INTERESTS

Our fee structure is transparent and helps tie our incentives directly to your success. We charge a simple fee based on the assets we manage for you. We do not make money on trading commissions—common conflicts of interest in much of the financial services industry.

A TAILORED APPROACH

We create a personalised portfolio tailored to your unique situation: your financial goals, wants, needs, health, family and lifestyle. And on an ongoing basis, we work with you to understand changes in your life or financial situation that may impact your investment plan.

UNPARALLELED SERVICE

Your dedicated Investment Counsellor is here to serve you, not sell to you. Your Investment Counsellor is well versed in your financial goals and helps you stay on track with your investment plan. She or he calls you to make sure you understand what we're doing in your portfolio and why. Our financial planning, educational resources and client events also help you understand challenging and often unpredictable markets.

ABOUT THE GLOBAL FISHER GROUP

Fisher Investments is a part of the global Fisher group of companies. Since 1979, the Fisher group has helped investors achieve their financial goals with a tailored approach, transparent fees and dedicated service. Today, our US-based parent company, Fisher Asset Management, LLC ("FAM"), and its affiliates manage over A$565 billion* in assets globally. FAM's Investment Policy Committee—the 5-member team that makes all strategic investment decisions for client portfolios—has 175+ combined years of industry experience.

Start investing in your successful future today. Call **1800 316 398** to speak with an experienced representative.

**As of 31/03/2026. Includes FAM and its affiliates.*

Fisher Investments®

Trade mark of Fisher Investments Australasia Pty Ltd (ABN 86 159 670 667, AFSL 433312)

Level 12, 20 Martin Place,
Sydney, NSW 2000, Australia

1800 316 398

www.fisherinvestments.au

AU.01.290-Q2260701