

## MEDIA RELEASE

### **Asteron innovation in longevity funding crisis further justified by findings of IGR2**

**Sydney, 12 April 2007** – Asteron has reiterated its commitment to new approaches in retirement funding, following the Federal Government's recent confirmation that Australia's ageing crisis will worsen rapidly from 2010.

The findings of the Government's second Intergenerational Report (IGR2) were released last week. While it reduces the 2002 IGR's budget shortfall prediction for 2047, the Treasurer warned that the predicted \$35 billion annual fiscal gap is "still unsustainable and still unfundable."

In August 2006, in response to Australia's looming retirement savings crisis, Asteron launched the Asteron Longevity Income Stream (ALIS). A unique retirement income product, it helps manage the risk of retirees outliving their savings. Asteron dubbed Australians facing this risk as the Longevity Generation, or "Generation L"

IGR2 is a five-year update on the original. Released in the 2002-03 Federal budget, IGR1 quantified the challenge Australia faces in funding its rapidly ageing population and made superannuation central to the Government's policy agenda. IGR2 provides new information for the Government to continue preparing for demographic change.

Following the release of IGR1, Asteron commissioned its own research with the University of New South Wales. Together, the studies showed that many retirees risk outliving their savings, and that Australia faces a massive challenge in funding this shortfall.

"Asteron saw the emerging need for retirement income products to become flexible and innovative in addressing the funding gap problem, and launched ALIS last year specifically for the Generation L group," said Ms Jane Power, Asteron's Head of Product and Marketing.

By 2047, a quarter of the population is expected to be 65 or over – double the current proportion. IGR2 projects life expectancies to increase to 86 for men and 90 for women by 2047 – up from current figures of 79 and 83 respectively.

"IGR2 further confirms the extent of the problem of funding Australia's ageing population, and highlights the importance of Asteron's work in developing solutions to address it," added Ms Power.



AT YOUR FINANCIAL SERVICE®

Mr Graham Burnard, Asteron's Head of Sales said: "As last week's IGR2 announcement reiterates, Australia's ageing population poses nothing less than a funding crisis. Fortunately, with the launch of ALIS, financial advisers can now offer their clients a product that helps manage the huge problem many retirees may otherwise face. And I'm pleased to confirm that while ALIS's maximum qualifying age is normally 65, until 29 August 2007 there is an extension to age 74. This gives many current retirees a chance to ensure they won't outlive their savings."

ALIS complements existing retirement strategies such as allocated pensions. It kicks in when these other strategies may be running out – at around age 85 – and pays clients an income for the rest of their lives, however long they live.

Further details of Asteron and UNSW's retirement funding research are available from Asteron.

—ENDS—

Notes to Editors:

### About Asteron

Asteron is one of Australia's largest financial service providers, with key business activities in life insurance, superannuation, retirement incomes and financial planning. As a member of the Suncorp Group since 20 March 2007, Asteron is part of an entity with over \$600 million of Life Risk in-force premiums and over \$26 billion funds under management.

At the end of December 2006, the life insurance portfolio of Asteron in Australia comprised more than 257,000 policies and \$354 million in in-force premiums. Our customers across Australia and New Zealand entrust Asteron with \$9.8 billion in funds under administration.

Asteron's market-leading suite of financial products is offered through a broad network of financial advisers, including the leading financial planning groups, Guardian Financial Planning and Cameron Walshe.

### Disclaimers

The information contained in this media release is merely an overview of the ALIS, is of a general nature and is not intended to be financial advice. We have not taken into account the objectives, financial situation or needs of any individual. The ALIS is distributed through financial advisers and we strongly recommend that any person considering purchasing the ALIS should obtain advice from their financial adviser and should read the ALIS Product Disclosure Statement (PDS). The PDS is issued by Asteron Portfolio Services Limited (APSL), ABN 61 063 427 958, APSL 237905, RSE Licence No. L0002059.

The obligations of APSL are not guaranteed by any other company in the Suncorp Group. Neither Suncorp Metway Limited ABN 66 010 831 722 nor any company associated with Asteron guarantees ALIS, the investment performance of ALIS or the return of capital invested in ALIS. An investment in ALIS is not a bank deposit or liability and is subject to investment risk including possible delays in repayment and loss of principal and interest invested.

Before making a decision an individual should consider the appropriateness of the advice having regard to their objectives, financial situation and needs.

Asteron Portfolio Services Limited (ABN 61 063 427 958, AFSL 237905, RSE Licence No L0002059) is the issuer of the ALIS.

—ENDS—

### For more information please contact:

Catherine McCormack, Communications Manager, Asteron

T | 02 8275 3327      M | 0417 656 184      E | [catherine\\_mccormack@asteron.com.au](mailto:catherine_mccormack@asteron.com.au)

Alice Bradbury, Communications Consultant, Asteron

T | 02 8275 3114      M | 0410 428 887      E | [alice\\_bradbury@asteron.com.au](mailto:alice_bradbury@asteron.com.au)