



**GARRISON
BRIDGE**

Superannuation Scheme

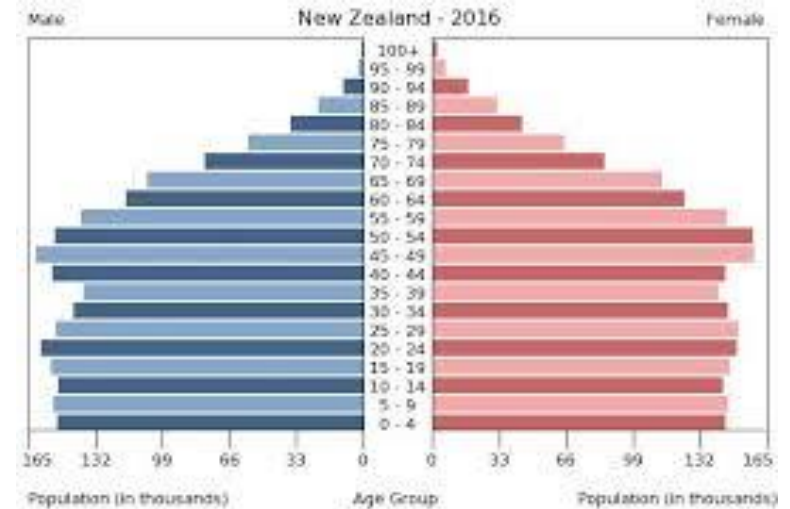
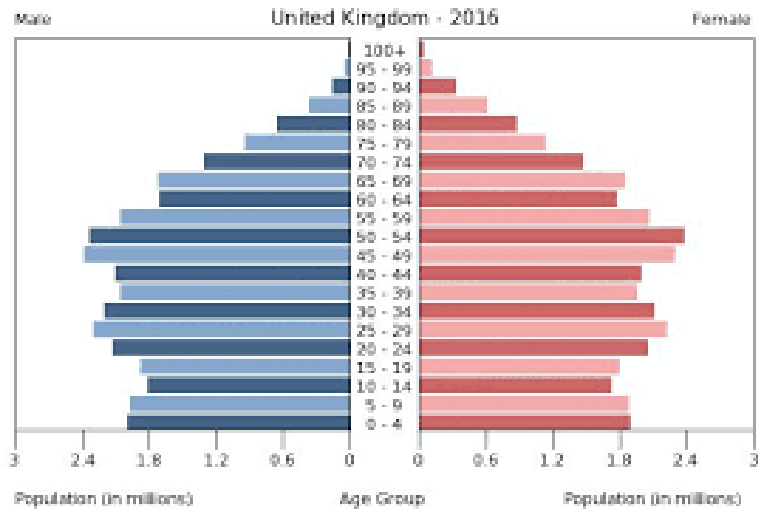
Managing Pension Fund Assets

Ralph Stewart

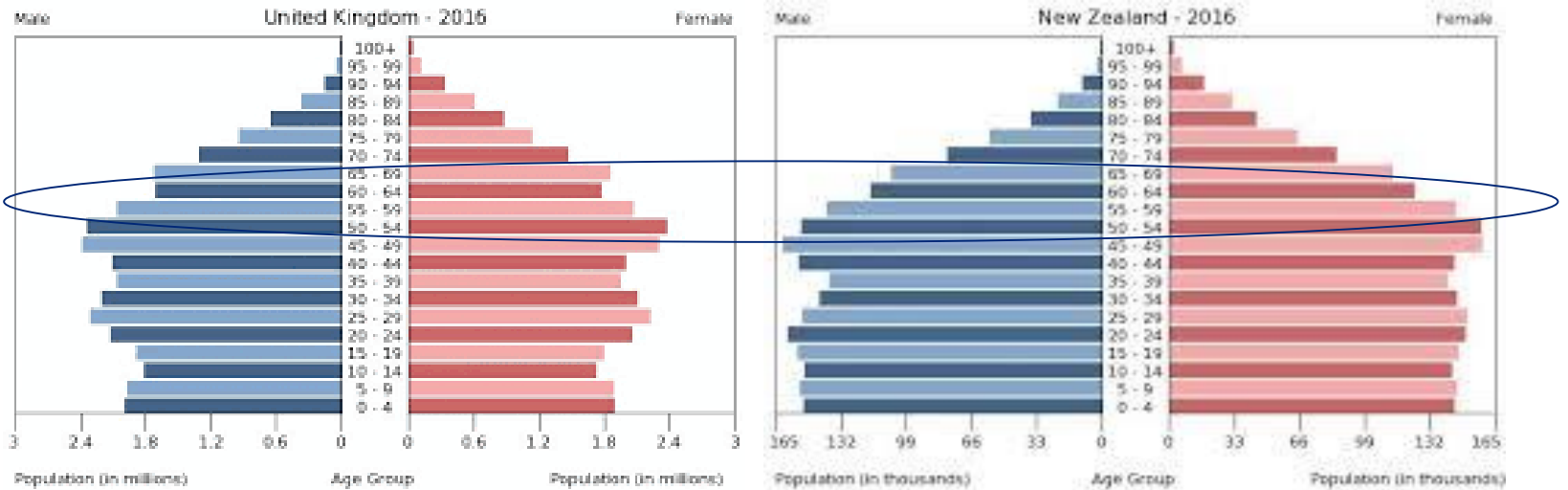
This Session

- QROPS hypothesis
- Multiple views and opinions
- Our position
- Our language
- Our approach
- Our evidence
- Q&A

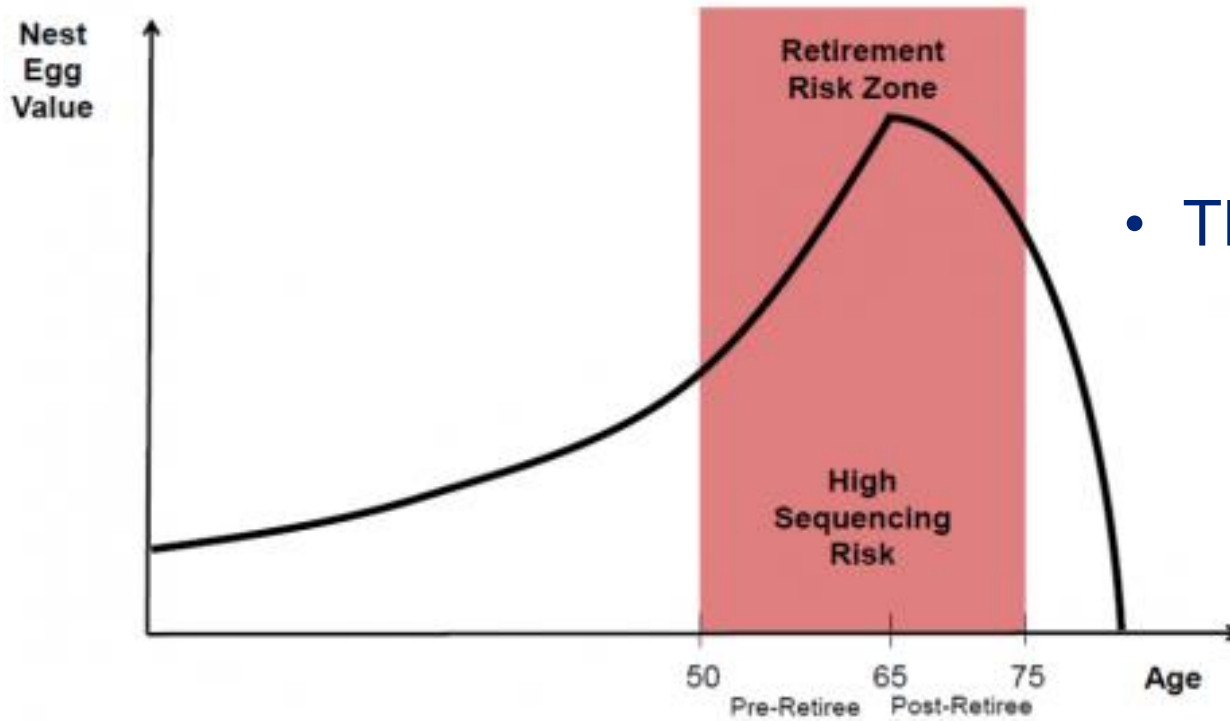
QROPS hypothesis



QROPS hypothesis

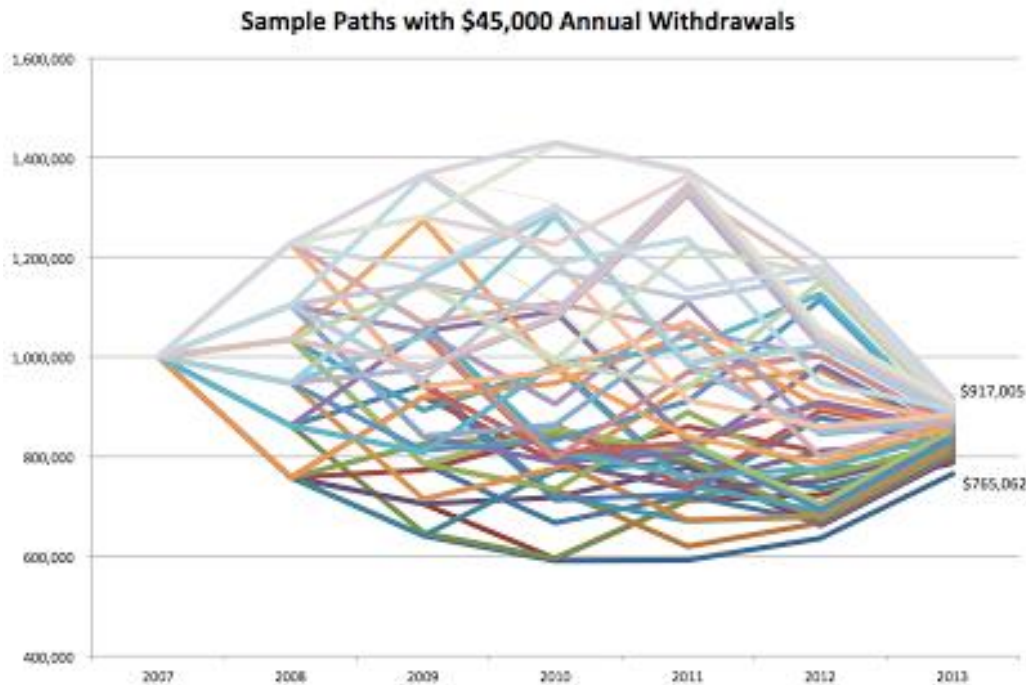


QROPS hypothesis



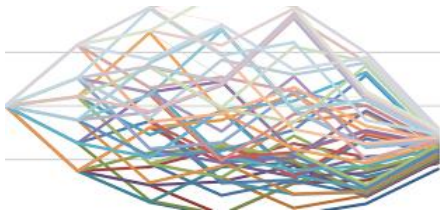
- The Opportunity

Multiple views and opinions



- > Age < Risk
- Target date Funds
- 4% rule
- Flexi draw down
- Annuities
- Combination

Multiple views and opinions



- 6% Rule:
- Inflated 4% Rule:
- Fixed Date Rule:
- Life Expectancy Rule:

Our position



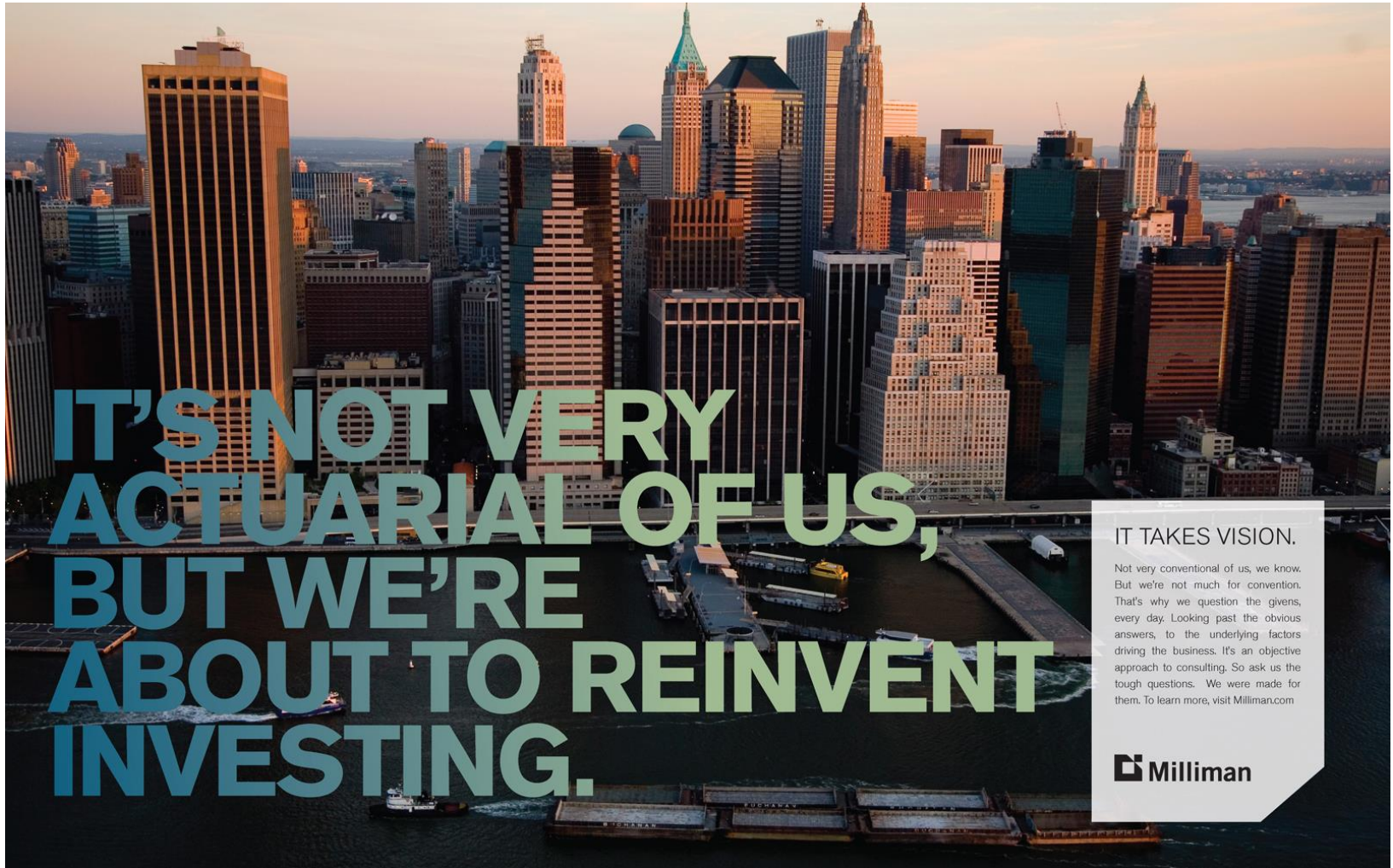
No. 1 rule of investing is "never lose money," followed quickly by his second rule — "Repeat No. 1."

.....But it's OK to bend this rule — ignore it during times when a stock is purchased at a price that may seem high and make a short-term decline more likely...

Our language (video)



Our approach



**IT'S NOT VERY
ACTUARIAL OF US,
BUT WE'RE
ABOUT TO REINVENT
INVESTING.**

IT TAKES VISION.

Not very conventional of us, we know. But we're not much for convention. That's why we question the givens, every day. Looking past the obvious answers, to the underlying factors driving the business. It's an objective approach to consulting. So ask us the tough questions. We were made for them. To learn more, visit Milliman.com



Our approach

14 October 2016



Statement of Investment Policy and Objectives (SIPO)

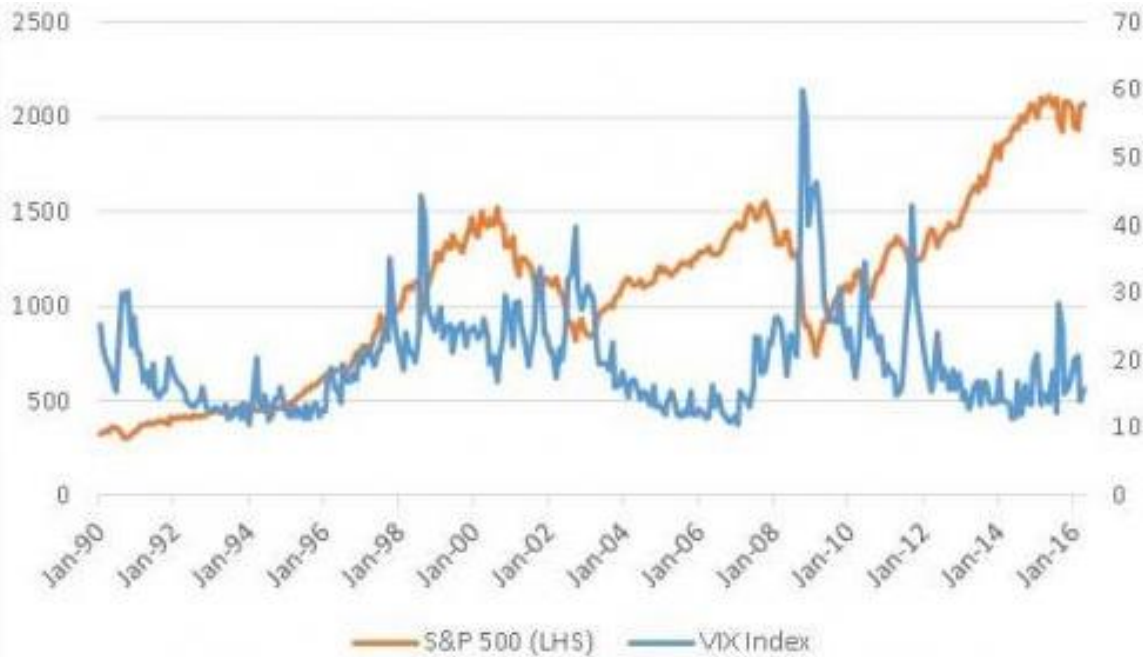
Garrison Bridge Superannuation Scheme

- Australia
- United States
- Europe
- United Kingdom
- Japan



ASX SPI 200 Index Future
E-mini S&P 500 Futures
Eurex Euro STOXX 50 Index
Futures LIFFE FTSE 100 Index Futures
TOPIX Index Futures

Our approach



- ASX SPI 200 Index Future
- E-mini S&P 500 Futures
- Eurex Euro STOXX 50 Index
- LIFFE FTSE 100 Index Futures
- TOPIX Index Futures

Our approach

ASSET

The " Fund "

Short Duration FI
New Zealand Shares
Australian Shares
US Shares
UK Shares
European Shares
Japanese Shares
Other
Cash

	Physical	Volatility Hedge
1.	44,000	
	5,000	
	8,000	8,000
	18,000	18,000
	6,000	6,000
	4,000	4,000
	4,000	4,000
	3,000	
3.	8,000	
	100,000	40,000

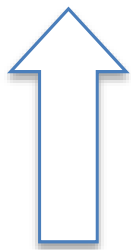
Our approach



- Market Falls

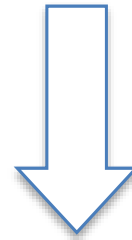
TO	Share Value	100	Contract	100
T1	Share value	90	Contract value	108
T1	Contact gain	8	Contract Gain	8
T1	NAV	98	Contact close	0

Our approach



Australian Shares
 US Shares
 UK shares
 European shares
 Japanese Shares

ASX SPI 200
 S&P Mini
 FTSE 100
 Eurostoxx
 Nikkei futues



- Market Rises

TO	Share Value	100	Contract	100
T1	Share value	110	Contract value	92
T1	Contract loss	-8	Contract loss	-8
T1	NAV	102	Contract close	0

Our approach

• Market Falls



Australian Shares
US Shares
UK shares
European shares
Japanese Shares

ASX SPI 200
S&P Mini
FTSE 100
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Nikkei futues



TO	Share Value	100	Contract	100
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• Market Rises



Australian Shares
US Shares
UK shares
European shares
Japanese Shares

ASX SPI 200
S&P Mini
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Solvency Standard for Variable Annuity Business 2015

Prudential Supervision Department

Issued: April 2015

Ref #5988287 v6.0

Summary

- QROPS business transitioning to retirement income management
- From 55+ sequencing risk is a real and present issue
- Current solutions results in the same outcome, the client pays
- Market risk and life longevity are left to random walk
- Risk and investment solutions are common place in the OECD
- Now Established in NZ – RBNZ acceptance
- **Garrison Bridge, modern, intelligent pension fund management**