

# Introduction to RAPS – The Retirement Analysis and Planning Software Suite for Superannuation Funds

## A suite of calculators that enable you to:

- Better understand your members' needs,
- Compare and contrast the impact of adopting different investment, consumption, and post-retirement product purchase strategies for your members,
- Segment members by their retirement readiness,
- Design and build accredited CIPR products, and
- Monitor the Fund's ability to meet members sustainable income needs in retirement.

## Key features:

- Calculation engine is stored on the cloud. Any changes to social security, taxation, Superannuation etc. are automatically updated on the server. RAPS runs on any modern browser. You can access your calculations from any device, anywhere.
- Written by actuaries and investment experts. We handle all the mathematical complexity to ensure that your internal teams can focus on design and strategy ... rather than number crunching and statistical analysis.
- Lightning fast. RAPS can perform millions of retirement cashflow calculations in less than a second.
- Can be used by your internal product or marketing teams - so there's no need to be overly reliant on your consultant.

## Retirement Cashflow Modelling

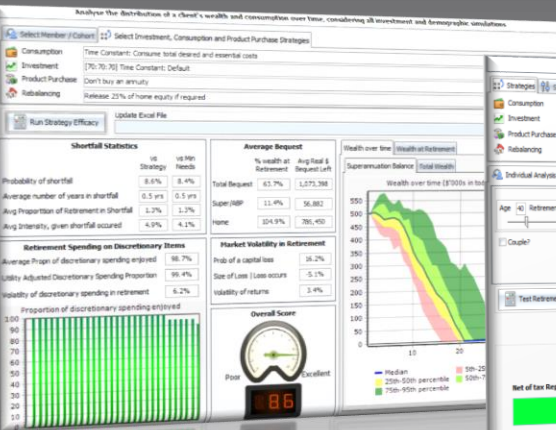
- Select any of the 2,000 investment simulations and 1,000 demographic simulations
- Select a pre-saved member or cohort

Cohort: About To Retire | Wealth: Above | Age: Average | Gender: Male | Couple: Yes | Homeowner: Yes | Health State: Healthy

- Select one of the saved investment, consumption, and product purchase strategies
- Forecast the household balance sheet and whether the member experiences financial difficulties.

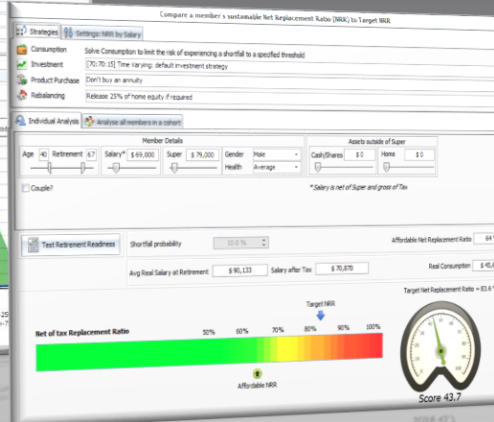


## Strategy Efficacy: Analyse all the results from the 2 million investment and demographic simulations to understand the impact of adopting different investment, consumption, and product purchase strategies.



## Retirement Readiness Calculators: Calculate the probability that different cohorts of members are expected to retire on a reasonable income.

- Solve the sustainable income that members can expect to spend in retirement
- Use these tools to segment members and better target communication materials to members based on their retirement readiness

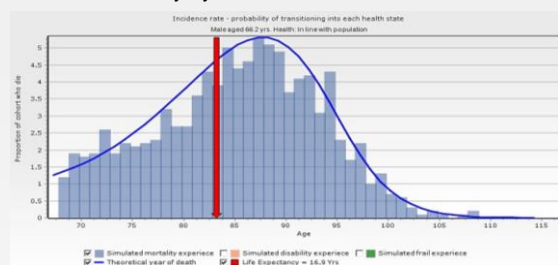


## RAPS can handle real-world complexities:

- A couple retiring at different ages
- With differing savings and work patterns
- Age Pension
- Taxation (both in and outside Super)
- Home equity release strategies
- Assets outside of Super
- \$1.6M Superannuation Cap and \$25,000 SG cap
- CIPRs within Super, and the list goes on...

## Demographic modelling

RAPS employs a powerful multi-state Markov model to project each member's demographic experience. Multiple health states are allowed for, and spending can be set to vary by health state.



Criteria	Score	Overall Weight
Probability of run <= 1.0%	0	0
Probability of run <= 10.0%	-1	30%
Probability of run <= 25.0%	-3	10%
Probability of run <= 50.0%	-6	10%
Probability of run <= 100.0%	-10	10%

Criteria	Score	Overall Weight
Intensity <= 0.0%	0	0
Intensity <= 33.3%	-2	15%
Intensity <= 33.3%	-10	15%
Intensity <= 33.3%	-10	15%

Criteria	Score	Overall Weight
Probability of loss <= 1.0%	3	10%
Probability of loss <= 5.0%	0	10%
Probability of loss <= 10.0%	-2	10%
Probability of loss <= 10.0%	-5	10%

Criteria	Score	Overall Weight
Annual Volatility <= 10.0%	2	10%
Annual Volatility <= 25.0%	-1	10%
Annual Volatility <= 40.0%	-3	10%
Annual Volatility <= 40.0%	-5	10%

## Strategy scoring algorithms:

Design your own scoring algorithm, relevant to your Fund's demographic to compare and rank different investment, consumption, and product purchase strategies

## CIPR: Automatically test whether your CIPR product is expected to be accredited

