

Retirement Planning Starts Now



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How Australia Retires Report by Vanguard



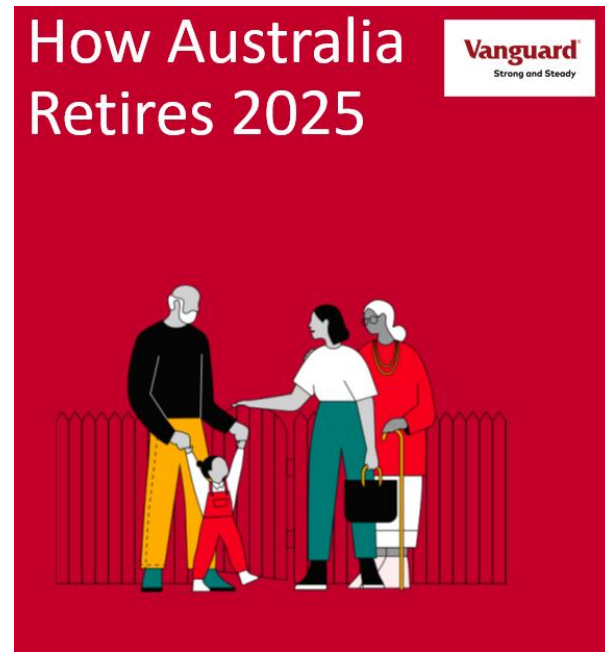
Younger Australians now expect to need roughly **A\$100,000** a year in retirement, almost **double** current retiree spending.

One in three Millennials and **one in four Baby Boomers** expect to carry **mortgage debt** into retirement. Many intend to pay off their mortgage or make repayments using super.

78% of Australians are not considering alternative housing options other than the family home

Only **43%** of working-age Australians report **positive sentiment** about retirement.

Nearly 1 in 2 (48%) working Australians have no plan for how they'll retire.



5 key steps Australian's can take to double their confidence about retirement



1. Have a solid retirement plan
2. Boost financial literacy
3. Become familiar with the retirement system
4. Make voluntary super contributions
5. Engage with your super provider at least twice per year.

What's required for a *comfortable* lifestyle in retirement?

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The ASFA Comfortable Standard

health, vitality and connection in retirement

The minimum annual cost of a comfortable retirement.



Singles
\$53,289*



Couples
\$75,319*



Daily essentials

Housing

- Council rates
- Water, electricity, gas
- Insurance
- Fast reliable NBN
- Home repairs and maintenance – fix leaking roof/repair plumbing
- Replace broken household appliances
- Run air conditioner or heater

Groceries

- Fresh food
- Pantry staples
- Toiletries

Transport

- Bus/train tickets
- Petrol
- Car ownership, insurance and maintenance/repairs

Clothing and footwear

- Replace worn-out items
- Modest wardrobe updates

Staying fit and healthy

- Health insurance
- Pharmacy
- Doctor/specialist visits
- Exercise
(e.g. aqua aerobics, yoga, bowls, dance class)



Staying socially engaged

- Movies
- Streaming services
- Day tours – galleries/exhibitions
- Attending sports games
- Visit to local club
- Haircuts



Connecting with family

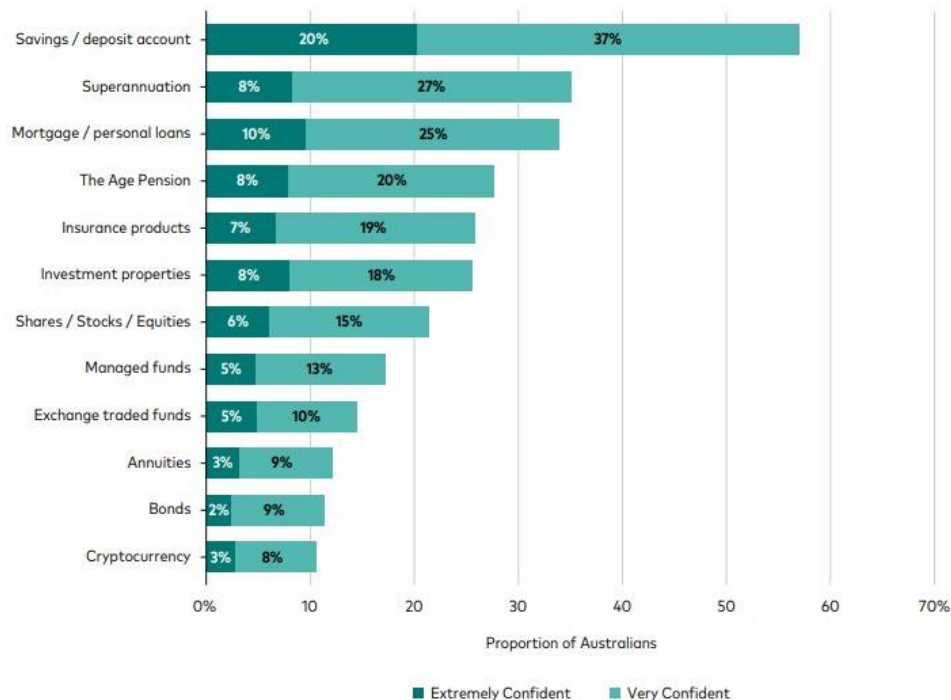
- Computer
- iPhone with good data allowance
- One domestic flight per year
- One international flight every seven years

Australia's trusted retirement savings companion since 2004

*For retirees aged 65-84 who own their own home.

June quarter 2025

Australians' confidence managing financial products and services



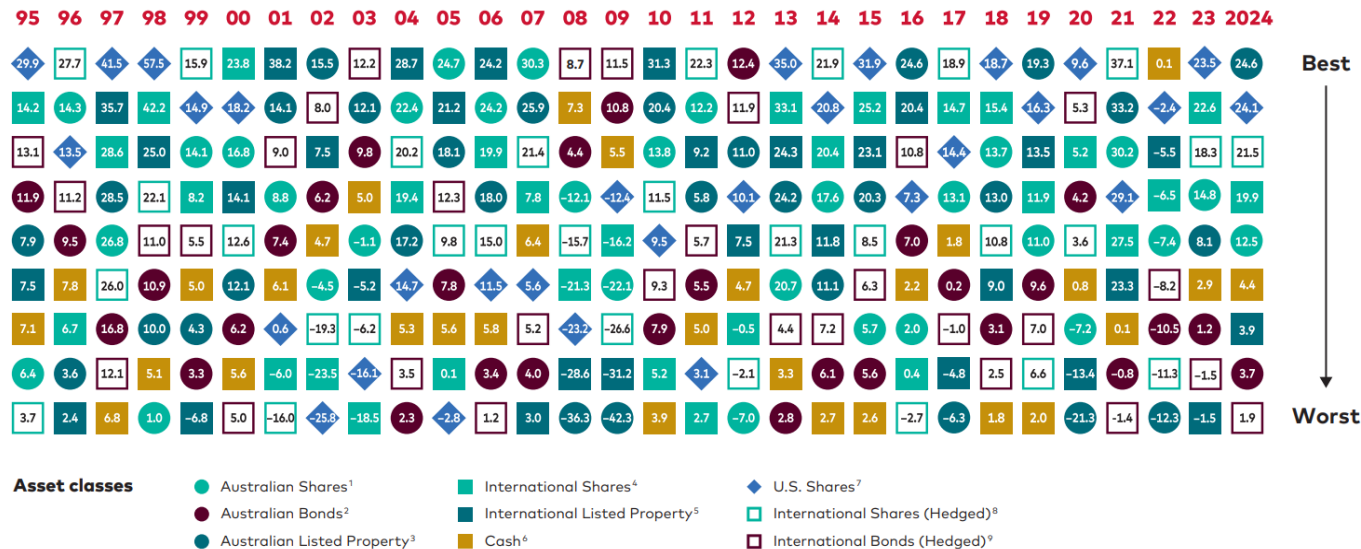
Note: Respondents were asked "How confident do you feel in your understanding of the following financial products and services?" and had to select from "not at all confident", "slightly confident", "moderately confident", "very confident" and "extremely confident."

Source: Vanguard – How Australia Retires Report

The importance of diversification

Total returns (%) for the major asset classes for financial years ending between 1995 to 2024.

The illustration below shows the performance of various asset classes over the past 30 years ranked from best to worst. When deciding where to invest, it is important investors understand that the best and worst performing asset classes will often vary from one year to the next. Having a diversified mix of investments across multiple asset classes can help smooth out returns over time.

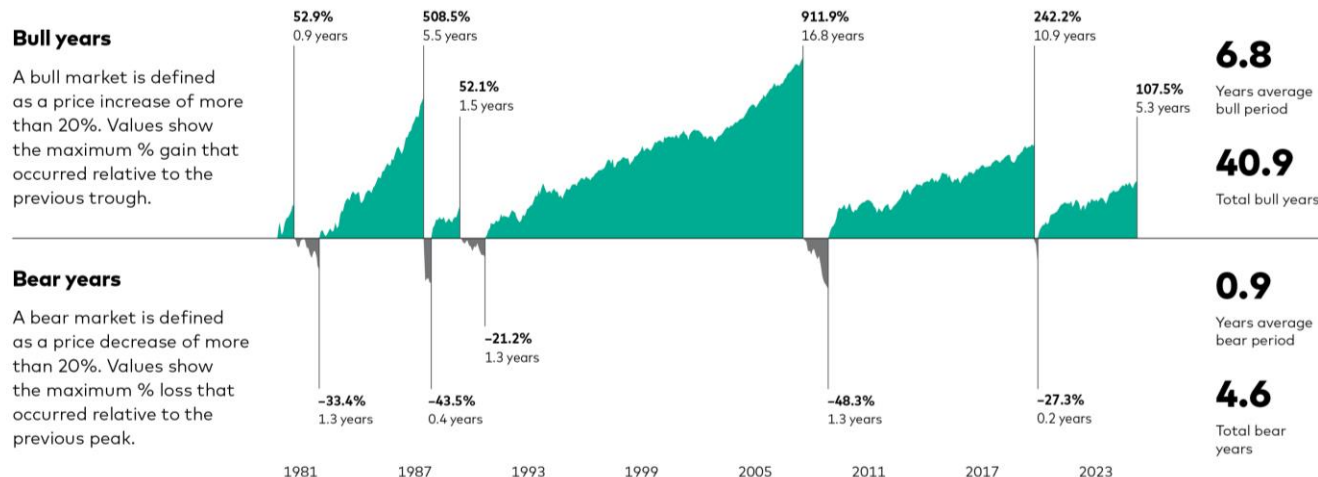


Source: Anindex Charts Pty Ltd, June 2024. **Notes:** 1. S&P/ASX All Ordinaries Total Return Index. 2. Bloomberg AusBond Composite 0+ Yr Index. 3. S&P/ASX 200 A-REIT Total Return Index. 4. MSCI World ex-Australia Net Total Return Index AUD Index. 5. Prior to 1 May 2013, index is the UBS Global Real Estate Investors Index ex-Australia with net dividends reinvested. From 1 May 2013 the index is the FTSE EPRA/NAREIT Developed ex-Australia Rental Index with net dividends reinvested. 6. Bloomberg AusBond Bank Bill Index. 7. S&P 500 Total Return Index (in AUD). 8. MSCI World ex-Australia Net Total Return Index (local currency) - represents a continuously hedged portfolio without any impact from foreign exchange fluctuations. 9. Index prior to 30 June 2008 is the Citigroup World Government Bond Index AUD hedged, from 30 June 2008 the index is the Bloomberg Global Treasury Index in AUD (Hedged).

REFLECTING ON THE PAST

A timeline of bull and bear markets

How bull and bear markets have impacted returns over the past 50+ years.



Notes Calculations are based on S&P/ASX All Ordinaries Total Return Index. A bear (bull) market is defined as a price decrease (increase) of more than 20%. The plotted areas depict the losses / gains ranging from the minimum following a 20% loss to the respective maximum following a 20% appreciation in the underlying index. Time period: 31/12/1979 to 30/06/2025. Calculations based on monthly data. Logarithmic scale on y axis.

Sources Vanguard, Global Financial Data, Refinitiv.



Thank you

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The ASX logo is centered on a dark blue background. It consists of the letters 'A', 'S', and 'X' in a bold, white, sans-serif font. The 'X' is stylized with a thick, white, chevron-like shape pointing to the right, which overlaps the right side of the 'S'. The entire logo is framed by a white border that has a unique, angular, and symmetrical design, resembling a stylized 'M' or a series of connected chevrons.

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