

Media Contact:

Millie Dravers, PIMCO Australia Media Relations
Millie.dravers@pimco.com | +614 2197 5097

P I M C O

PRESS RELEASE

PIMCO-Allianz Taskforce Tackles the Retirement Income Innovation Barriers in Australia

Taskforce harnesses the joint capabilities of PIMCO and Allianz and is finalising detailed market testing to inform the development of innovative retirement solutions in Australia that target the broad spectrum of risks in retirement.

Sydney, July 25, 2017 – PIMCO, a leading global investment management firm, has established an Australian-based taskforce with Allianz, PIMCO's parent company and one of the world's largest insurers, to offer innovative retirement solutions to the Australian marketplace. The Taskforce is finalising detailed market testing to inform the development of these solutions, and is comprised of subject matter experts derived from around the globe from Munich, Minneapolis and Sydney. Adrian Stewart, Head of PIMCO Australia and New Zealand, oversees the Taskforce, which is sponsored by Günther Thallinger, Member of the Board of Management of Allianz SE, Investment Management.

Analysis by the Taskforce of the Australian market, has concluded that the existing suite of retirement-oriented investment solutions are severely lacking in offering clients and advisers an ability to adequately manage the risks they face when trying to achieve their retirement objectives. One key observation is that existing investment offerings require retirees to choose and accept full market participation or to choose certainty, with lower returns and no market exposure. They believe the next generation of retirement solutions need to consider the ability to mix certainty with market participation.

Günther Thallinger, Member of the Board of Management of Allianz SE, Investment Management, said: "We are very excited to be working in close partnership with our PIMCO colleagues in Australia on this innovative project. The demand for retirement income solutions is not limited to Australia, it is a global phenomenon that we should all be focused on solving. The Taskforce's initial findings are very exciting as we believe we have many of the components that could come together to deliver solutions in the Australian marketplace."

Adrian Stewart, Head of PIMCO Australia and New Zealand said: "The Australian marketplace has a long list of market failures by entrants who have built and launched products in an attempt to solve the retirement dilemma. Our assessment is they've all failed for very different reasons. The barriers to entry to manufacture products in this space are extremely high, for all the right reasons, and there are very few groups that will have the scale, expertise, patience and distribution model to be sustainable over the next 25 plus years."

"I know 25 years is a long time horizon to be framing this segment, but we should be thinking about this as a long-term viable solution. If you're going to be a solutions provider to retirees you have to be thinking in that mindset of 25 to 50 years because these are not short-term commitments."

"In my view, the financial services industry needs to try harder and take a longer-term perspective when building these solutions. The past 25 years have all been about innovation in accumulation, the next 25 is all going to be about decumulation. The industry needs to start talking about risks other than longevity such as sequencing risk and accumulation risk. We have an obligation to find solutions to support Australians at all stages in their retirement. The [PIMCO-Allianz Australian Retirement Income] Taskforce is committed to this challenge. We've examined how we can draw on Allianz's strengths, as well as PIMCO's capabilities, to build innovative retirement income solutions that will meet those unique investment goals."

[ENDS]

Media Contact:

Millie Dravers, PIMCO Australia Media Relations
Millie.dravers@pimco.com | +614 2197 5097

About PIMCO

PIMCO is a leading global investment management firm, with offices in 11 countries throughout North America, Europe and Asia. Founded in 1971, PIMCO offers a wide range of innovative solutions to help millions of investors worldwide meet their needs. Our goal is to provide attractive returns while maintaining a strong culture of risk management and long-term discipline. PIMCO is owned by Allianz S.E., a leading global diversified financial services provider. Asset under management (AUM): PIMCO manages USD\$1.61 trillion as of 30 June 2017.

About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with more than 86 million retail and corporate customers. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing over 650 billion euros on behalf of its insurance customers while our asset managers Allianz Global Investors and PIMCO manage an additional 1.3 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold a leading position in the Dow Jones Sustainability Index. In 2016, over 140,000 employees in more than 70 countries achieved total revenue of 122 billion euros and an operating profit of 11 billion euros for the group.

This publication is intended for general advice only. Retail investors should seek advice from their financial advisers before making an investment decision.

Past performance is not a reliable indicator of future results. Interests in any PIMCO fund mentioned above are issued by PIMCO Australia Management Limited (ABN 37 611 709 507, AFSL 487 505) of which PIMCO Australia Pty Ltd ABN 54 084 280 508, AFSL 246862 is the investment manager (together **PIMCO Australia**). This publication has been prepared without taking into account the objectives, financial situation or needs of investors. Before making an investment decision investors should obtain professional advice and consider whether the information contained herein is appropriate having regard to their objectives, financial situation and needs. Investors should obtain a copy of the Product Disclosure Statement (**PDS**) and consider the PDS before making any decision about whether to acquire an interest in any PIMCO fund mentioned above. The current PDS can be obtained via www.pimco.com.au. This publication may include economic and market commentaries based on proprietary research which are for general information only. PIMCO Australia believes the information contained in this publication to be reliable, however its accuracy, reliability or completeness is not guaranteed. Any opinions or forecasts reflect the judgment and assumptions of PIMCO Australia on the basis of information at the date publication and may later change without notice. These should not be taken as a recommendation of any particular security, strategy or investment product. All investments carry risk and may lose value. To the maximum extent permitted by law, PIMCO Australia and each of their directors, employees, agents, representatives and advisers disclaim all liability to any person for any loss arising, directly or indirectly, from the information in this publication. No part of this publication may be reproduced in any form, or referred to in any other publication, without express written permission of PIMCO Australia. PIMCO is a trademark of Allianz Asset Management of America L.P. in the United States and throughout the world. © PIMCO, 2017