

## Retirement income should be solved before products are selected

The retirement-income market is moving quickly to offer lifetime income products, digital advice pathways, and packaged retirement solutions. Some of these may help some retirees. But the direction of travel creates a real risk: retirees may be led toward product selection, and potentially be locked in for life, before their own optimal 30-year income pathway has been properly assessed and understood.

The central issue is not whether a product can provide a regular income, longevity pooling, a Centrelink concession, or a sense of confidence. The central issue is whether that product improves the retiree's total real-dollar outcome. That means higher sustainable income, lump sum flexibility, appropriate liquidity, stronger risk management, clear Age Pension integration, and enough flexibility to deal with health, housing, aged care, family, and estate needs.

A retirement-income strategy should not begin with a product menu. It should begin with the retiree's expected income need: a CPI-indexed income stream that should support retirement periods of 30 years or more. Once that pension fund "liability" is defined, the retiree needs to know how their capital should be allocated, how much income can be drawn, how much capital is expected to remain, how the Age Pension contributes, and how the strategy responds when markets or inflation move against them.

This is where many current approaches fall short. They may show product features, broad projections, or probabilities of success, but not the operating course. A retiree cannot manage retirement from a promise, a percentile range, or a marketing illustration. Nor can a financial planner deliver the optimal solution if the tools available do not compare account-based pension strategies, Age Pension effects, product overlays, residual capital, accessible wealth, and asset-class allocations in one integrated real-dollar framework.

MyRI and ABCD IQ are designed to solve that gap. MyRI is the "what": the controlled testing environment that shows which retirement-income pathway is likely to produce the best outcome for the individual retiree. It tests the account-based pension, Age Pension interaction, additional drawdowns, investment choices and annuity or IRIS overlays against long-run empirical investment and inflation history.

ABCD IQ is the "how": the rules-based asset/liability methodology that manages the selected pathway inside an account-based pension. It does not replace fund managers or make day-to-day investment decisions. It determines how the retiree's capital should be allocated across available asset classes to support the income payments. It prepares for sequencing, inflation and market shocks through liquid reserves, growth exposure, and rules for responding to adverse events and rebuilding reserves after recovery.

Apart from the core account-based pension, products should be considered. But they should be tested as overlays, not assumed as starting points. A product should be tested and included only where it improves the retiree's risk, liquidity and wealth position, over targeted time frames of up to 30 years.

**Conclusion:** Retirement income should be solved before products are selected. MyRI identifies the retiree's best course. ABCD IQ manages that course in actual dollars and actual asset classes. The retiree's measurable outcome over their retirement horizon (of up to 30 years) should decide what belongs in the plan.