

# Target market determination

## FULL PENSION | TRANSITION TO RETIREMENT PENSION

### Purpose

This target market determination (TMD) seeks to provide consumers, members, distributors and staff with an understanding of the individuals for which this product has been designed, having regard to the likely objectives, financial situation and needs of the target market.

This TMD is a publicly available document required under section 994B of the *Corporations Act 2001* (Cth). It sets out the target market for the product, distribution conditions, reporting obligations and triggers to review the target market. It forms part of CareSuper's design and distribution framework for the product.

This document is not a product disclosure statement (PDS) and is not a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the **Pension Guide PDS** available at [caresuper.com.au/pensionguide](https://caresuper.com.au/pensionguide) and consider obtaining financial advice before making a decision whether to acquire this product.

### CONSISTENCY BETWEEN THE TARGET MARKET AND PRODUCT

The target market and product attributes are likely to be consistent with the likely objectives, financial situation and needs of individuals as set out in this TMD based on our product design and development practices.

### PRODUCT DESCRIPTION

Our pension products offer a full pension to individuals in the retirement phase seeking to draw a regular income and a transition to retirement (TTR) pension for individuals in the accumulation phase seeking to transition to retirement or supplement their income while still working.

You can find more detailed information about our pension and TTR products, including eligibility criteria in our Pension Guide PDS.

# Target market

Our Full Pension and TTR Pension products have access to investment options, enabling members to tailor the product to match their objectives, financial situation and needs. Distributors should take note of the separately identified sub-markets for the various investment options. We've set out the target markets for the Full Pension and TTR Pension below.

## TYPICAL CHARACTERISTICS OF THE TARGET MARKET

### FULL PENSION

Likely to be suitable for individuals who:

- Have a minimum superannuation account balance of \$10,000
- Have reached their preservation age and permanently retired
- Have ceased working for an employer since turning 60
- Are 65 or older
- Want to receive regular income drawn down from an account-based pension
- Satisfy an eligible condition for early release (details provided below) or are an eligible dependent of a deceased member
- Understand pension payments are subject to minimum draw down rates established by the government
- Want to receive investment earnings in a tax-free environment
- Understand that drawing down an income stream may reduce/cease or make them ineligible for Aged Pension
- Understand amounts transferred into the retirement phase are subject to the transfer balance cap
- Are seeking to establish a reversionary pension for their spouse in the event of their death.

### TTR PENSION

Likely to be suitable for individuals who:

- Have a minimum account balance of \$10,000
- Have reached their preservation age but are under 65
- Are in the accumulation phase
- Plan to access up to 10% of their retirement savings annually
- Want to establish a TTR income strategy to take advantage of concessional tax rates on personal contributions
- Want to establish a TTR strategy to supplement their income while transitioning to retirement or working reduced hours
- Understand drawing down a TTR income can impact retirement savings.

## LIKELY OBJECTIVES, FINANCIAL SITUATION AND NEEDS

The likely objectives, financial situation and needs of the target market is an individual who is:

	Employee Plan	Personal Plan
60 or older, still working and seeking additional income	⊗	✓
60 or older and retired	✓	⊗
65 or older even if still employed	✓	⊗
Seeking to obtain a regular source of income while working reduced hours as they approach retirement	⊗	✓
Retired and seeking a regular income stream.	✓	⊗

## NEGATIVE TARGET MARKET

The Full Pension is **not** suitable for an individual who:

- Is 59 or younger (excluding individuals who have satisfied a condition for early release)
- Wants to apply for death cover, total and permanent disablement (TPD) cover or income protection insurance and doesn't hold a life insurance policy elsewhere
- Will continue to work and want to maintain an account in the accumulation phase and continue saving for retirement
- Doesn't intend on drawing down an income stream

The TTR Pension is **not** suitable for an individual who:

- Is saving for retirement and doesn't intend to draw down an income stream
- Has fully retired
- Is under 60 and seeking a tax-free income stream
- Wants to apply for death cover, total and permanent disablement (TPD) cover or income protection insurance and don't hold a life insurance policy elsewhere

## INVESTMENT OPTIONS

We've defined the sub-markets for each investment option within the Full Pension and TTR Pension products in the table below.

### Investment option

#### Direct Investment option

##### Term deposits and cash hub

This option is designed for individuals who:

- Wish to take an active role in the investment of their super via direct investments and have sufficient funds to do so
- Have a minimum investment timeframe of 1 year or less
- Have a very low risk tolerance
- Can't withstand a potential negative return over rolling 20-year periods.

##### Securities that form part of the S&P/ASX 300 Index, ETFs and LICs

This option is designed for individuals who:

- Are comfortable taking an active role in the investment of their super via direct investments and have sufficient funds to do so
- Have a minimum investment timeframe of 7 to 10 years
- Have a high risk tolerance
- Can withstand potential negative returns for 5.7 years over rolling 20-year periods.

#### Managed options

##### Balanced

This option is designed for individuals who:

- Are seeking annual returns of at least 3% above the rate of inflation over rolling 10-year periods, after tax and fees
- Have a minimum investment timeframe of 5 years or more
- Have a medium to high risk tolerance
- Can withstand negative returns for 3.8 years over rolling 20-year periods.

##### Growth

This option is designed for individuals who:

- Are seeking annual returns of at least 4% above the rate of inflation over rolling 10-year periods, after tax and fees
- Have a minimum investment timeframe of 7 to 10-years
- Have a high risk tolerance
- Can withstand potential negative returns for 4.5 years over rolling 20-year periods.

##### Alternative Growth

This option is designed for individuals who:

- Are seeking annual returns of at least 3.5% above the rate of inflation over rolling 10-year periods, after tax and fees
- Have a minimum investment timeframe of 7 to 10 years
- Have a medium to high risk tolerance
- Can withstand potential negative returns for 3.7 years over rolling 20-year periods.

##### Sustainable Balanced

This option is designed for individuals who:

- Are seeking annual returns of at least 3% above the rate of inflation over rolling 10-year periods, after tax and fees
- Have a minimum investment timeframe of 5 years or more
- Have a medium to high risk tolerance
- Prefer to be invested in environmentally and socially friendly industries and companies
- Can withstand potential negative returns for 3.8 years over rolling 20-year periods.

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## Investment option

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<b>Conservative Balanced</b>	<p>This option is designed for individuals who:</p> <ul style="list-style-type: none"><li>• Are seeking annual returns of at least 2% above the rate of inflation over rolling 10-year periods, after tax and fees</li><li>• Are seeking less volatility than the Balanced option</li><li>• Have a minimum investment timeframe of 3 to 5 years</li><li>• Have a medium to high risk tolerance</li><li>• Can withstand potential negative returns for 3.3 years over rolling 20-year periods.</li></ul>
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<b>Capital Stable</b>	<p>This option is designed for individuals who:</p> <ul style="list-style-type: none"><li>• Are seeking annual returns of at least 1.5% above the rate of inflation over rolling 10-year periods, after tax and fees</li><li>• Are seeking long-term capital security</li><li>• Have a minimum investment timeframe of 3 years or more</li><li>• Have a medium risk tolerance</li><li>• Can withstand potential negative returns for at least 2.3 years over rolling 20-year periods.</li></ul>
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## Investment option

### Asset class options

<b>Overseas Shares</b>	<p>This option is designed for individuals who:</p> <ul style="list-style-type: none"><li>• Are seeking potentially higher long-term returns from a portfolio of global shares</li><li>• Are willing to accept a higher level of volatility compared to other options</li><li>• Have a minimum investment timeframe of 7 to 10 years</li><li>• Have a high risk tolerance</li><li>• Can withstand potential negative returns for at least 5.5 years over rolling 20-year periods.</li></ul>
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<b>Australian Shares</b>	<p>This option is designed for individuals who:</p> <ul style="list-style-type: none"><li>• Are seeking potentially higher long-term returns from a portfolio of Australian shares</li><li>• Are willing to accept a higher level of volatility compared to other options</li><li>• Have a minimum investment timeframe of 7 to 10 years</li><li>• Have a very high risk tolerance</li><li>• Can withstand potential negative returns for at least 6 years over rolling 20-year periods.</li></ul>
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<b>Direct Property</b>	<p>This option is designed for individuals who:</p> <ul style="list-style-type: none"><li>• Are seeking to generate investment returns by investing in property</li><li>• Are comfortable with a higher level of risk compared to other options</li><li>• Have an investment timeframe of at least 5 years or more</li><li>• Have a medium to high risk tolerance</li><li>• Can withstand potential negative returns for at least 4 years over rolling 20-year periods.</li></ul>
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<b>Fixed Interest</b>	<p>This option is designed for individuals who:</p> <ul style="list-style-type: none"><li>• Are seeking long-term capital security</li><li>• Have an investment timeframe of at least 3 years or more</li><li>• Have a medium risk tolerance</li><li>• Can withstand potential negative returns for at least 2.2 years over rolling 20-year periods.</li></ul>
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<b>Cash</b>	<p>This option is designed for individuals who:</p> <ul style="list-style-type: none"><li>• Are seeking to maintain their investment capital value</li><li>• Are seeking nil to very minimal volatility</li><li>• Have an investment timeframe of less than 1 year</li><li>• Have a very low risk tolerance</li><li>• Can't withstand potential negative return over rolling 20-year periods.</li></ul>
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<b>Capital Guaranteed</b>	<p>This option is designed for individuals who:</p> <ul style="list-style-type: none"><li>• Are seeking to maintain the value of their invested capital</li><li>• Have a minimum investment timeframe of 1 to 2 years</li><li>• Have a very low risk tolerance</li><li>• Can't withstand a negative return over rolling 20-year periods.</li></ul>
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You can find more detailed information about our investment options including fees, objectives, asset classes and risk levels in our **Pension Guide PDS** and **Investment Guide**.

# Distribution

We've set out the permitted distribution channels and associated distribution conditions and restrictions for our Full Pension and CareSuper TTR Pension products below.

## DISTRIBUTION CHANNELS

- Direct channels through CareSuper
- Through personal advice provided by a holder of an Australian Financial Services Licence (AFSL)
- Through authorised representatives of CareSuper by general/intra-fund advice
- Third-party referrals (subject to any conditions laid out in the relevant distribution agreements).

## DISTRIBUTION CONDITIONS/RESTRICTIONS

### CARESUPER FULL PENSION

- Not for distribution outside Australia
- Individual must satisfy a relevant condition of release
- Requires a minimum opening account balance of \$10,000
- Individual is aware of transfer balance cap on transfers to retirement phase
- Individual does not intend to receive contributions or rollovers into pension account
- Individual does not intend on acquiring insurance in pension account

### CARESUPER TTR PENSION

- Not for distribution outside Australia
- Individual must have reached preservation age
- Requires a minimum opening account balance of \$10,000
- Accumulation account to remain open to continue receiving contributions and maintain insurance (if applicable)

We'll review the distribution conditions above if the distribution channels change.

## APPROPRIATENESS OF DISTRIBUTION CONDITIONS AND RESTRICTIONS

The Trustee has determined that the distribution channels combined with the distribution conditions and restrictions make it likely that the product will be distributed to the target market.

# Review process

We'll review this TMD annually from the effective date. There are several events or circumstances which will trigger an out of cycle review to determine if this TMD is no longer appropriate. These review triggers are as follows:

1. Material or unexpectedly high number of complaints (as defined in s944A(1) of the Act) in relation to the product design, features, availability or distribution of the product received in a year
2. Material changes to the key attributes of the product design, features or availability
3. Material changes made under the annual investment strategy review
4. Consideration of our annual **Member Outcomes Assessment**, including outcomes which indicate that the product isn't meeting member outcomes
5. Use of ASIC's Product Intervention Powers (PIP) requiring CareSuper to cease distribution and/or regulator intervention
6. A significant dealing not otherwise captured by review triggers above

# Distributor requirements

CareSuper monitors the consistency of the distribution of our Full Pension and TTR Pension products with the target market on an annual basis.

To help CareSuper identify potential issues with the distribution of our Full Pension and TTR Pension product, distributors are required to report the information to CareSuper as outlined below to [DDO@caresuper.com.au](mailto:DDO@caresuper.com.au).

Note that these requirements do not apply to employers.

Reporting	Format	Frequency
Complaints	Whether any complaints were received by distributors about <i>CareSuper Full Pension</i> and <i>TTR Pension</i> where the complaint relates to product design, insurance, and product distribution conditions. The distributor should provide all of the complaint details where appropriate.	Quarterly
Distribution outside of TMD	Distributors should report distribution outside the target market. This should include an indicator as to why the distribution is outside of the target market and if it was under the provision of personal advice.	Quarterly
Significant dealings	Distributors should advise of any significant dealings outside of the target market.	As soon as possible. No later than 10 business days after the distributor becomes aware of the significant dealing.

 1300 360 149

 [caresuper.com.au](http://caresuper.com.au)

 [DDO@caresuper.com.au](mailto:DDO@caresuper.com.au)

**Disclaimer:** The information provided in this document is general advice only and has been prepared without taking into account your particular financial needs, circumstances or objectives. You should consider your own investment objectives, financial situation and needs and read the appropriate product disclosure statement before making an investment decision. You may also wish to consult a licensed financial adviser. Past performance is not a reliable indicator of future performance and you should consider other factors before choosing a fund or changing your investments.