

# Super Savings Accumulation account

## Target Market Determination

# 1. About this document

This *Target Market Determination (TMD)* seeks to provide consumers, Australian Retirement Trust staff and distributors with an understanding of the class of consumers for which this product has been designed (the target market), having regard to their likely objectives, financial situation and needs.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumers must refer to the *Product Disclosure Statement (PDS)* and any supplementary documents when making a decision about this product, and to seek financial advice if appropriate.

## Product Disclosure Statement to which this *Target Market Determination* applies

This *TMD* applies to the *Super Savings Accumulation account* referred to in the *Super Savings Product Disclosure Statement*.

# 2. Class of consumers that fall within this target market

A *Super Savings Accumulation account* is a simple accumulation style superannuation product that only allows withdrawals in limited circumstances as permitted by superannuation law. The following table describes the overall class of consumers the product is designed for.

Consumer class	Accumulating wealth	Transitioning to retirement or Early retirement	Retired or Working past retirement age
Typical age range <sup>1</sup>	Up to preservation age <sup>2</sup> or age 60	From preservation age <sup>2</sup> to age 65	Over 65 <sup>3</sup>
Employment status	<ul style="list-style-type: none"><li>Employed</li><li>Not employed</li></ul>	<ul style="list-style-type: none"><li>Employed</li><li>Not employed</li><li>Retired</li></ul>	<ul style="list-style-type: none"><li>Employed</li><li>Retired</li></ul>
Likely objectives	Tax effective saving for retirement over the long term	Tax effective saving for retirement over the medium term	Tax effective saving for retirement or preserving retirement savings over the short to medium term
Likely needs	<ul style="list-style-type: none"><li>Ability to make all contributions permitted by superannuation law.</li><li>Ability to leverage scale and group purchasing power for competitive administration and investment fees and costs to help grow super and preserve savings in retirement.</li><li>Consolidation of multiple super accounts to save on fees and costs and maximise retirement savings.</li><li>Ability to select from a wide range of investment options to suit personal risk/return profile and investment objectives.</li><li>Access to affordable and flexible insurance options that provide protection against financial loss due to death, or being permanently or temporarily incapable of working, and can be tailored to suit personal needs and circumstances.</li><li>Assistance for vulnerable consumers.</li><li>Ability to access super on meeting a condition of release.</li></ul>		

<sup>1</sup> Typical age range represents the likely ages that an individual may trigger a 'retirement' condition of release, resulting in a change in the likely objectives, financial situation and needs of consumers as they approach or transition to retirement and beyond.

<sup>2</sup> "Preservation age" is the Government-specified age at which an individual can access superannuation benefits, provided they have permanently retired from the workforce, or take a transition to retirement income stream. Preservation age varies between 58 and 60 according to date of birth.

<sup>3</sup> Government regulations permit individuals to access their super if they have reached the age of 65, regardless of their employment status.

## Product description and key attributes

The key eligibility requirements and product attributes include:

### Investment options

Consumers can choose a mix of investment options that include:

- The Lifecycle Investment Strategy;
- Actively managed and index investment options;
- Diversified (multi-asset class) and single asset class options; and
- Hedged and unhedged options.

Consumers have the ability to apply an investment strategy for their current account balance, and a different investment strategy for future contributions.

### Insurance options

Consumers can choose insurance cover to suit their needs, including:

- Standard Death and Total & Permanent Disability Assist cover provided automatically to eligible consumers or, on an opt-in basis for eligible consumers under the age of 25 or with a balance of less than \$6,000;
- Opt-In Income Protection cover for those that need income protection at an affordable price;
- White Collar cover and Tailored Death, Total & Permanent Disability/Total & Permanent Disability Assist and Income Protection cover options available to eligible consumers to suit personal circumstances and needs;
- Opting out of some or all insurance cover when opening an account; and
- Cancelling or reducing some or all insurance cover at any time after opening an account.

## Other product features

- Enables access to super after reaching preservation age and still employed via a *Super Savings Transition to retirement income account* or on retirement via a *Super Savings Retirement income account*.
- Simple financial advice to consumers about *Super Savings* accounts at no additional cost.
- Consumers with more complex advice needs, including those looking for a full financial plan may be referred to an accredited external financial adviser. Advice of this nature may incur a fee.<sup>1</sup> Consumers can link a registered financial adviser to their account and request the advice fee relating to their *Super Savings* account(s) to be paid to their financial adviser from their account.
- Ability to nominate beneficiaries for death benefits under a preferred nomination (non-binding) or a binding nomination. Australian Retirement Trust does not offer non-lapsing binding death benefit nominations.
- Access to educational webinars, seminars, podcasts, calculators and tools at no additional cost.
- *Member Online* website and Australian Retirement Trust app to check super balance, update details or manage super and investments at consumers' convenience.
- Ability to access discounts on holidays, experiences, and everyday items through Australian Retirement Trust Rewards.

<sup>1</sup> Australian Retirement Trust employees provide advice as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), wholly owned by the Australian Retirement Trust Superannuation Fund. Australian Retirement Trust has established a panel of accredited external financial advisers who are not employees of Australian Retirement Trust. Australian Retirement Trust is not responsible for the advice provided by these advisers and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.

## Product eligibility criteria

- This product is only available to people receiving it in Australia. Applications from outside Australia may not be accepted.
- There is no minimum balance required to open an account.
- Persons under the age of 15 must be enrolled by their employer or the person's parent/guardian must apply on their behalf. An account can be opened for persons that do not have capacity to make financial decisions by their attorney, guardian or trustee.
- Eligibility criteria for insurance cover options is set out below.

## Objectives, financial situation, and needs

### Investment options

The table below sets out the class of consumers that each **investment option** within the *Super Savings Accumulation account* has been designed for. Consumers can select any option or combination of options to suit their personal objectives and needs.

Consumer class	Accumulating wealth	Transitioning to retirement or Early retirement	Retired or Working past retirement age
<b>Likely investment objectives</b>	Generate wealth over the long term (10+ years)	Generate wealth over the medium (5 years) to long term (10+ years)	Generate wealth over the medium term (5 years)
<b>Investment risk tolerance</b>	Medium-High to High	Medium to High	Low to Medium-High
<b>Investment horizon</b>	10+ years	5 – 10 years	Less than 7 years
<b>Likely suitable diversified investment options</b>	Our diversified investment options are designed to meet the risk/return needs of the vast majority of consumers and those who want to invest in a diversified portfolio of asset classes based on an investment strategy determined by Australian Retirement Trust. The table below assumes the entire account balance is invested in one of these options. Mixing these investment options will produce a different total risk/return profile.		
Lifecycle Investment Strategy	●	●	●
Growth	●	●	●
Balanced	●	●	●
Balanced - Index	●	●	●
Socially Conscious Balanced	●	●	●
Retirement	●	●	●
Conservative	●	●	●
<b>Single asset class options</b>	Our single asset class options are designed for consumers who want to build their own investment portfolio to suit their personal risk/return objectives from a range of asset classes with various investment styles:		
	Shares	Australian Shares	
	Australian Shares - Index	International Shares - Index (hedged)	
	Emerging Markets Shares	International Shares - Index (unhedged)	
	Property	Australian Property - Index	
	Diversified Bonds	Diversified Bonds - Index	
	Cash	Diversified Alternatives	

● Investment option is likely to be suitable for the likely objectives, financial situation and needs of consumers in Consumer Class.

● Investment option is less likely to be suitable for the likely objectives, financial situation and needs of consumers in Consumer Class, except where recommended under a personal financial product advice arrangement that considers the personal investment objectives, risk tolerance and investment horizon of the consumer.

Australian Retirement Trust recommends that consumers seek financial advice when making any investment decision. A *Super Savings Accumulation account* is not designed for consumers who want to select individual assets their super is invested in (e.g. stock selection) or engage in frequent market trading/investment switching.

Refer to the *Super Savings Investment guide* for further information on who the investment options have been designed for, objectives, return targets after fees and costs, strategic asset allocations and risk profiles for all investment options.

## Insurance options

The table below sets out the class of consumers that each **insurance option** within the *Super Savings Accumulation account* has been designed for.

Consumer class	Accumulating wealth	Transitioning to retirement or Early retirement	Retired or Working past retirement age
Age	Up to preservation age or age 60	From preservation age to age 65	Over 65
Likely insurance needs	<p>The amount and type of insurance cover needed by a consumer depends on a combination of factors such as their assets, liabilities, ongoing expenses, number of dependents and standard of living.</p> <p>Our insurance cover options are designed to help consumers safeguard their and their family's financial future, while providing a basic default level of death and total and permanent disability insurance.</p> <p>Insurance cover needs generally decline as consumers approach age 65 and financial commitments and obligations reduce.</p>		Insurance cover needs are generally low from age 65 onward.
Available insurance cover types and options			
Death and Total & Permanent Disability cover	<p>Death and Total and Permanent Disability (TPD) cover is available for consumers as Standard cover or Tailored cover:</p> <ul style="list-style-type: none"> <li><i>Standard cover</i> is designed for members who want death and total and permanent disability cover that balances their needs for cover and premium affordability. Standard cover is provided automatically to eligible consumers, or on an opt-in basis for eligible consumers under the age of 25 or with a balance of less than \$6,000.</li> <li><i>Standard cover</i> is not designed for members who are self-employed, not employed, or have previously received or are eligible to receive a benefit as a result of Permanent Incapacity or Terminal Medical Condition from a superannuation fund or insurer.</li> <li><i>Tailored cover</i> is designed for consumers who want a more customised insurance offering tailored to their own personal needs.</li> </ul>		
Income Protection cover	<p>Income Protection cover is available for consumers as Opt-In cover or Tailored cover:</p> <ul style="list-style-type: none"> <li><i>Opt-In cover</i> is designed for consumers who are actively employed on a permanent basis working at least 15 hours per week and is only available on first joining the Fund.</li> <li><i>Opt-In cover</i> is not designed for consumers who are self-employed, not employed, casual or contract employees, working less than 15 hours per week, employed under a work visa, have their financial affairs under supervision of a third party due to a medical condition or incapacity, or have previously received or are eligible to receive a benefit as a result of Permanent Incapacity or Terminal Medical Condition from a superannuation fund or insurer.</li> <li><i>Tailored Income Protection cover</i> is designed for consumers who want a more customised insurance offering tailored to their own personal needs.</li> </ul>		
Important terms and conditions for all insurance cover	<ul style="list-style-type: none"> <li>Death cover ceases at age 70.</li> <li>TPD and TPD Assist cover ceases at age 67.</li> <li>Income Protection cover ceases at age 65.</li> <li>Premiums and cover amount for all cover types vary according to the type of cover, a consumer's age, gender and occupation. Premium loadings or benefit exclusions may be applied for Tailored cover by the Insurer.</li> <li>Consumers can cancel, reduce or apply to increase their cover at any time.</li> <li>Consumers must apply for Tailored cover. Applications are subject to satisfactory evidence of health and acceptance by the Insurer.</li> <li>Cover may cease automatically due to contribution inactivity or insufficient funds.</li> <li>Eligibility to claim against insurance cover is generally not assessed until a claim is made. Consumers should regularly review their insurance cover to ensure they remain eligible to hold and claim on their cover.</li> </ul>		

Refer to the *Super Savings Insurance guide* for full details on our insurance options, including eligibility criteria, insurance premiums, terms, conditions, restrictions and exclusions.

## Consistency between target market and the product

A *Super Savings Accumulation account* that is distributed to a consumer in accordance with the *Distribution conditions* below will likely be consistent with their likely objectives, financial situation or needs for the following reasons:

### Investment options

Our investment goals are to:

- Enable consumers to achieve desired retirement outcomes by offering appropriate investment options for their needs.
- Deliver sustainably high, risk-adjusted net real returns that exceed the objectives set for each investment option.
- Improve the outcome for consumers by obtaining excellent value for money, without compromising the quality of our investment options.
- Perform strongly against our peers through the cycles to help maintain and grow the asset and consumer bases to enable us to continue to efficiently deliver a quality service for consumers.

The diversified multi-asset class options are designed to meet the risk/return needs of the vast majority of consumers. The other options are available for consumers who wish to tailor their asset allocation.

### Insurance cover options

Our insurance design considers the following:

- Premium structure and levels are sustainable, taking into account the impact premiums have on consumers' retirement balances.
- Product and services are designed in our collective members' best interests, are appropriate and affordable for our membership, take into account the views / feedback of members, contain innovation which is valued by a significant portion of our membership base and delivered cost effectively, are continually reviewed and updated, and are viewed as being above the industry benchmark.
- Premium cross subsidies are limited across ages and gender as far as is practicable.
- Consumers can easily tailor their insurance cover to meet their specific needs.

## Other product attributes and features

- Australian Retirement Trust is a profit-for-members fund. Any profits made are directed back to consumers in the form of lower fees and improved services.
- Our fee structure takes into account the demographics of the fund as well as future projections with the aim to balance a low fee proposition and ongoing funding requirements:
  - ✓ Administration fee structure consisting of a weekly dollar-based component and a per annum percentage of account balance component has been developed with consideration of the membership structure and operating cost and results in an equitable spread of costs between lower and higher account balances.
  - ✓ Australian Retirement Trust does not profit from investment fees and costs.
  - ✓ Total fees and costs are capped at 3% of account balance if the total balance of all *Super Savings* accounts held by the consumer is below \$6,000 at the end of the financial year.
  - ✓ No fees charged for buy-sell spreads or investment switching.
  - ✓ No additional fees for intra-fund advice.
  - ✓ Other fees and costs apply to family law splits, insurance premiums and personal advice fees where authorised by consumers.
- Australian Retirement Trust offers assistance for vulnerable consumers through translation services, phone assistance, National Relay Service (NRS), physical offices at various locations in Australia, and specialised training for Australian Retirement Trust staff.

### 3. How this product is to be distributed

#### Distribution channels

This product is designed to be distributed through the following means.

Consumers can open a *Super Savings Accumulation account*:

- By personally completing a membership application either:
  - ✓ Online at [australianretirementtrust.com.au/join](https://australianretirementtrust.com.au/join); or
  - ✓ Using the *Membership application* form at the back of the *Super Savings PDS* and either giving it to their employer (if your employer supplied the *PDS*), or upload the completed document on our website [australianretirementtrust.com.au/contact-us](https://australianretirementtrust.com.au/contact-us)
  - ✓ Using a third party software solution to choose Australian Retirement Trust as their chosen super fund.

This includes those implementing a personal financial product advice recommendation from a suitably qualified and accredited financial adviser.

- Via an application by the consumer's employer who is a standard employer-sponsor in order for the employer to satisfy its superannuation obligations to the consumer under the *Superannuation Guarantee (Administration) Act 1992*.
- Via an application completed with the consumer's Financial Adviser via Australian Retirement Trust's *Adviser Online* portal under a personal financial product advice arrangement.
- Via application by a parent/guardian for a consumer under 15.
- Via application by an authorised attorney, guardian or trustee to consumers that do not have capacity to make financial decisions.
- By issue directly from Australian Retirement Trust to non-member spouses as a result of a family law split.
- By issue to consumers acquiring an interest in Australian Retirement Trust due to a successor fund transfer.

Consumers can choose options on their account personally via *Member Online*, the Australian Retirement Trust app, over the phone with a Australian Retirement Trust representative or by submitting the relevant form to Australian Retirement Trust. Registered Financial Advisers may be able to transact on a consumer's account via Australian Retirement Trust's *Adviser Online* portal. Not all choices are able to be made via every channel.

#### Distribution conditions

This product should only be distributed under the following circumstances:

- *Super Savings Accumulation accounts* must only be issued via the *Distribution channels* stipulated above.
- This product offer is available only to people receiving it in Australia. Applications from outside Australia may not be accepted.
- Persons under the age of 15 may be enrolled by their employer. Otherwise, the person's parent/guardian must apply on their behalf by using the *Membership application* form at the back of the *PDS*.
- An account can be opened for consumers that do not have capacity to make financial decisions by their appointed attorney, guardian or trustee by using the *Membership application* form at the back of the *PDS* and supplying suitable evidence of their appointment as attorney, guardian or trustee.
- The product should not be distributed to a consumer who is not in the target market outlined above, unless under a personal financial product advice arrangement where the consumer's personal objectives, financial situation and needs have been taken into account and the best interest duty applies.

The following distribution conditions apply to key attributes and features within the product:

- Consumers are limited to selecting up to 10 investment options for either current assets or future contribution directions. Investment switching may be suspended or restricted in some unfavourable market conditions or where consumers engage in frequent switching activity.
- Standard insurance cover is provided automatically to consumers that meet the eligibility criteria, however eligibility for automatic cover is not validated by Australian Retirement Trust unless a claim is lodged and assessed. Standard cover does not start until a Superannuation Guarantee contribution is received into the consumer's account.
- Tailored insurance cover requires consumers to submit an application which is subject to acceptance by the Insurer. Consumers are required to accept any special terms, conditions, exclusions or premium loadings before Tailored cover will start.
- Consumers should regularly review their insurance cover to ensure they remain eligible to maintain and claim on their cover as their life changes.
- Registered Financial Advisers can transact on a consumer's account via Australian Retirement Trust's *Adviser Online* portal only where explicitly authorised by the consumer.

## Adequacy of distribution conditions and restrictions

Australian Retirement Trust has determined that the distribution conditions and restrictions outlined above are appropriate, will make it likely that consumers who acquire a *Super Savings Accumulation accounts* are in the target market for which it has been designed, and will assist distribution of the product being directed towards the target market for the following reasons:

- The product's eligibility criteria and permitted distribution channels restrict access to the product and make it likely that the product will be distributed to consumers in the target market for which this product is designed;
- The distribution conditions and restrictions applicable to investment, insurance and other product options make it likely that the product's key attributes are consistent with the likely objectives, financial situation and needs of the consumers within the target market, and reduces the risks of potential harm to consumers exercising those options and the product being distributed to consumers outside the target market; and
- Distribution of the product to a consumer outside the target market for this product under a personal financial product advice arrangement is permitted as the financial adviser is required to take into account the personal objectives, financial situation and needs of the consumer.

## 4. Reporting and monitoring this Target Market Determination

We may collect the following information from our distributors in relation to this *TMD*.

### Complaints

Distributors must report all complaints received in relation to the product(s) covered by this *TMD* on a quarterly basis.

This will include the substance of complaints and general feedback relating to the product and its performance.

Distributors must report complaints information within 10 business days after the end of the relevant quarter.

### Significant dealings inconsistent with this *TMD*

Distributors must report if they become aware of a significant dealing in the product that is inconsistent with this *TMD* within 10 business days.

A significant dealing may include:

- A significant proportion of consumers who have acquired the product but are not in the target market, including consumers who have been specifically excluded from the target market.
- The actual or potential harm and financial loss to consumers that have acquired the product but are not in the target market.
- The nature and extent of any inconsistency of product distribution with this *TMD*.
- A significant amount of superannuation contributions paid, or funds transferred to the product from consumers outside the target market.

## 5. Reviewing this *Target Market Determination*

This *Target Market Determination* is **effective from 28 February 2022**. We will review this *Target Market Determination* in accordance with the below:

<b>Initial review</b>	By 5 October 2023
<b>Periodic reviews</b>	Within 24 months of last review
<b>Review triggers or events</b>	<p>Any event or circumstances arise that would suggest the <i>TMD</i> is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"><li>• A material change to the design or distribution of the product, including related documentation;</li><li>• Occurrence of an ASIC reportable significant dealing;</li><li>• Distribution conditions found to be inadequate;</li><li>• External events such as persistent and materially adverse media coverage or regulatory attention;</li><li>• Significant changes in metrics, including, but not limited to:<ul style="list-style-type: none"><li>✓ increase in investment option switching;</li><li>✓ increase in consumers exiting the product;</li><li>✓ increase in proportion of insurance cancellation rates;</li><li>✓ increase in proportion of insurance claims being denied or withdrawn;</li><li>✓ increase or persistent consumer complaints about investment options, insurance arrangements or the product in general; and</li><li>✓ persistent underperformance of the product or its key attributes against objectives and benchmarks.</li></ul></li><li>• External events or a change in the underlying assets of the investment options for this product impacts their investment objectives;</li><li>• A change has occurred that effects the likely objectives, financial situation or needs of the target market;</li><li>• Use of Product Intervention Powers, regulator orders or directions in relation to the distribution of this product by ASIC;</li><li>• Significant breach event relating to the design or distribution of this product; and</li><li>• Australian Retirement Trust makes a determination for purposes of s52(9) of <i>Superannuation Industry (Supervision) Act 1993</i> that the financial interests of the consumers who hold this product are not being promoted.</li></ul>

Where a review trigger has occurred, this *Target Market Determination* will be reviewed within 10 business days.

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