

Transition to Retirement TMD

Effective from 1 November 2024



Purpose

This target market determination (TMD) aims to describe the class of consumers who make up the target market for CareSuper's Transition to Retirement (TTR) Income product, taking into account their likely objectives, financial situations and needs.

It outlines the distribution conditions for the product, reporting requirements and review process. This document is not a summary of our terms and conditions and is not intended to provide financial advice.

Target market

Our TTR Income product is designed for individuals who:

- are 60 or over and 65 and still working
- want to access some of their super savings to:
 - work less and supplement their reduced employment income
 - increase their overall income to support additional spending needs
 - enable them to take advantage of concessional tax salary sacrifice contributions (paid into their super account) to grow their super
- want a regular income payment from their super savings, with flexibility as to the frequency and amount (subject to annual minimum and maximum requirements)
- have at least \$20,000 in super to invest in a TTR Income account
- want flexible investment options that suit their changing needs
- want to invest their retirement savings in a concessional tax environment

This document contains general information only and doesn't take into account your objectives, financial situation or needs. Before making a decision about CareSuper, you should consider if this information is right for you. You may also wish to consult a licensed financial adviser. Consider the PDS and TMD at caresuper.com.au/pds. Any advice provided in this document is provided by CareSuper Advice Pty Ltd (ABN 78 102 167 877, AFSL 284443). A copy of the *Financial services guide* for CareSuper is available at caresuper.com.au/fsg.

All information, rates and/or fees are current at the time of production and are subject to change. Changes to government legislation and super rules made after this time may affect the accuracy of the information provided. You may wish to obtain professional advice before acting on any of the information contained in this document.

Past performance isn't a reliable indicator of future performance. The value of investments can rise or fall, and investment returns can be positive or negative. The trustee doesn't guarantee the investment performance, earnings or return of capital invested in CareSuper. For information about the performance of an investment option, visit caresuper.com.au.

Issuer is CareSuper Pty Ltd ABN 14 008 650 628, AFSL 238718, the trustee of CareSuper ABN 74 559 365 913.

- need easy and convenient ways to manage their account
- want the ability to nominate beneficiaries to receive death benefits

The target market must understand that:

- income payments are subject to minimum and maximum drawdown rates specified by the government
- income payments aren't guaranteed, and may stop or reduce in the future depending on drawdown rates and investment returns

Our TTR Income product is **not** designed for individuals who:

- are under 60
- have less than \$20,000 in super to invest in a TTR Income account
- have satisfied another condition of release to access their super
- don't want to draw an income from their retirement savings
- want to be able to make lump-sum withdrawals from their account
- want to directly invest in assets or trade on stock exchanges. This includes the ability to direct investments towards specific shares or particular investment vehicles including exchange traded funds, term deposits and other investments
- need an account that can accept super contributions or transfers from other super funds
- need insurance cover within this product
- want a guaranteed income stream that will last their lifetime
- want a self-managed super fund

Product features and key attributes

Our TTR Income account has the following key attributes.

- A range of investment options with different levels of expected risk and return, with flexibility to change investments to suit our member's changing needs
- the option to invest your super in one or multiple investment options.

Our TTR Income account has the following features.

- Flexible income payment options.
 - Members can choose how much income to draw each year, within the prescribed minimum and maximum amounts.
 - Payments are available on a fortnightly, monthly, quarterly, twice-yearly or yearly basis.
- Income payments are generally tax free.
- Investment returns are concessional tax.
- It converts to a Flexible Income account when the member turns 65 or when they advise us they've satisfied a condition of release to access their super.
- The ability to make transactions online, over the phone and in writing.
- Online access to keep track and manage super at any time through **Member Online** and the CareSuper app.
- Access to general information, education and personal advice on CareSuper accounts at no extra cost. Go to caresuper.com.au/advice for more details.
- The ability to nominate beneficiaries to receive all or part of their super if they pass away, including through the payment of income to a reversionary beneficiary.
- Competitive fees and charges with a cap on administration fees.

Investment options

Our investment options are a key attribute of our TTR Income product. Our options invest in a wide range of asset classes and assets with varying levels of expected risk, return and investment time frames to suit our broad target market.

Our investment options cater for different risk tolerances, objectives, investment time frames and asset allocation preferences.

Pre-mixed options

Investment option	This option is designed for individuals who:
Balanced	<ul style="list-style-type: none">• 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 time frame of five years or more• have a medium to high risk tolerance• can withstand potential negative returns for 3.5 years over rolling 20-year periods
Growth	<ul style="list-style-type: none">• 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 time frame of seven to 10 years• have a high risk tolerance• can withstand potential negative returns for 4.2 years over rolling 20-year periods
Alternative Growth	<ul style="list-style-type: none">• 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 time frame of five years or more• have a medium to high risk tolerance• can withstand potential negative returns for 3.1 years over rolling 20-year periods
Sustainable Balanced	<ul style="list-style-type: none">• 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 time frame of five years or more• have a medium to high risk tolerance• can withstand potential negative returns for 3.5 years over rolling 20-year periods• would like to exclude direct investments in certain listed companies (through negative screening) from the Australian and overseas shares asset classes, and also consider positive environmental and social themes when selecting certain investments within the Australian and overseas shares asset classes
Conservative Balanced	<ul style="list-style-type: none">• are seeking annual returns of at least 2% above the rate of inflation over rolling 10-year periods, after tax and fees• have a minimum investment time frame of three to five years• have a medium risk tolerance• can withstand potential negative returns for 2.6 years over rolling 20-year periods
Capital Stable	<ul style="list-style-type: none">• are seeking annual returns of at least 1% above the rate of inflation over rolling 10-year periods, after tax and fees• have a minimum investment time frame of three years or more• have a low to medium risk tolerance• can withstand potential negative returns for 1.5 years over rolling 20-year periods

Asset class options

Investment option	This option is designed for individuals who:
Overseas Shares	<ul style="list-style-type: none">• are seeking potentially higher long-term returns from a portfolio of global shares• are willing to accept a higher level of volatility compared to other options• have a minimum investment time frame of seven to 10 years• have a high risk tolerance• can withstand potential negative returns for 5.5 years over rolling 20-year periods
Australian Shares	<ul style="list-style-type: none">• are seeking potentially higher long-term returns from a portfolio of Australian shares• are willing to accept a higher level of volatility compared to other options• have a minimum investment time frame of seven to 10 years• have a high risk tolerance• can withstand potential negative returns for 5.8 years over rolling 20-year periods
Property	<ul style="list-style-type: none">• are seeking to generate returns by investing in property• are comfortable with a higher level of risk compared to other options• have a minimum investment time frame of at least five years or more• have a high risk tolerance• can withstand potential negative returns for 4.1 years over rolling 20-year periods
Fixed Interest	<ul style="list-style-type: none">• are seeking long-term capital security from a portfolio of debt securities• have a minimum investment time frame of three years or more• have a low to medium risk tolerance• can withstand potential negative returns for 1.7 years over rolling 20-year periods
Cash	<ul style="list-style-type: none">• are seeking to maintain the capital value of their investment by investing in a mix of cash and money-market securities• have a minimum investment time frame of one year or less• have a very low risk tolerance• can not withstand negative returns over rolling 20-year periods



Read our *Transition to Retirement PDS* available at caresuper.com.au/pds for more details about our investment options including objectives, asset classes and risk.

Investment return objectives aren't guaranteed. Past performance isn't a reliable indicator of future returns.

Consistency between target market and the product

Our TTR Income account provides members with the ability to access some of their super while under 65 and still working to achieve different objectives, such as reducing working hours, contributing to super in a tax-effective way or paying off debt. The flexibility of the investment options also means members can find an investment option that suits their financial objectives.

This is likely to be consistent with the objectives, financial situation and needs of the product's target market.

Distribution

Channels

Individuals can open a TTR Income account:

- using the *Open a Transition to Retirement Income account* form at the back of the *Transition to Retirement PDS*
- with assistance from a financial adviser
- with support from a CareSuper representative such as a contact centre team member, Superannuation Adviser, Financial Planner, Education Specialist or Employer Relationship Manager

Individuals can become members of CareSuper as a result of successor fund transfers.

Conditions and restrictions

The product should only be distributed to the target market identified in this document.

CareSuper's representatives must have received training about the product before distributing the product.

Financial advisers who distribute the product must be appropriately authorised under an Australian financial services licence and must supply a copy of the *Transition to Retirement PDS* to the individual. Financial advisers may recommend the product to clients outside the target market if personal advice is in the clients' best interests.

Individuals who don't have capacity to make financial decisions may have an account opened (through the above distribution channels) on their behalf by an authorised attorney, guardian or trustee. If an authorised attorney, guardian or trustee opens an account on the behalf of a client who doesn't have capacity to make financial decisions, suitable evidence of the authorisation must be provided when they apply.

Conditions that apply to key attributes of the product

- TTR Income accounts should only be distributed to individuals who meet the eligibility criteria as outlined in the *Transition to Retirement PDS*.
- Investment switching may be restricted or suspended in the event of unfavourable market conditions or extreme volatility, or where members engage in frequent switching activities.

Adequacy of distribution conditions and restrictions

CareSuper has determined that, if distribution occurs in accordance with the distribution channels and conditions, it's likely that individuals who acquire the product will fit the target market.

- Distribution will be directed towards those who are eligible, are aware of the product's objectives and seek a regular income stream from super.
- The product is suitable for a wide range of individuals because it includes different investment options.
- The distribution channels and conditions align with the target market.
- The distribution conditions relevant to the key attributes of the product are consistent with the likely objectives, financial situation and needs of the target market.

The product may be distributed to individuals outside the target market where financial advisers provide personal advice that complies with the best interest duty and considers individuals' personal objectives, financial situations and needs.

Review process

This TMD will be reviewed by **1 November 2025**.

We'll review this TMD at least annually, with a maximum review period of 12 months from the current effective date.

Triggers or events

We'll review this TMD sooner if we believe it may no longer be appropriate. A review may be triggered by any of the following, but isn't limited to:

- a material change to the design or distribution of the product, including changes to the product's investment options or fees and costs.
- changes in member-initiated activities which result in a significant impact* to members, including but not limited to:
 - an increase in members exiting the product
 - an increase in investment option switching
 - an increase in member complaints about the product
- different returns from those expected from the market which result in a significant impact* to members
- a major change in the market resulting in a number of investment options becoming illiquid and not being able to offer withdrawals or income payments
- occurrence of a significant dealing outside the target market
- a significant breach event that relates to the design or distribution of the product
- receipt of an order or notification from the Australian Securities and Investments Commission (ASIC) about concerns relating to the design and/or distribution of the product
- if the trustee makes a determination for the purposes of s52(9) of *Superannuation Industry (Supervision) Act 1993* (*Member Outcomes Assessment*) that the financial interests of members holding the product aren't being promoted

Where a review trigger has occurred, this TMD will be reviewed within 10 business days.

* 'Significant impact' refers to a change that has met (1) the materiality thresholds set by CareSuper and (2) affects a significant number of members (which in turn is defined in CareSuper's Risk Framework as 6% of membership)

Reporting and monitoring this TMD

Distributors are required to provide the following information to ddo@caresuper.com.au.

Complaints

Distributors must report all complaints received in relation to the product covered by this TMD within 10 business days after the end of the relevant quarter – March, June, September and December.

This will include both the number of the complaints received, as well as reasonable details of each complaint including resolution activities if applicable. General feedback relating to the product and its performance may also be provided.

Reporting isn't required if the number of complaints is zero.

Distribution outside of the target market

Distributors must report all instances of distribution outside of the target market in relation to the product covered by this TMD within 10 business days after the end of the relevant quarter – March, June, September and December.

Reports of dealings outside of the target market should include information about why the individual acquiring the product is considered outside of the target market identified for this product, the date the individual acquired the product and any actual or potential harm to the individual as a result of acquiring the product.

Reporting isn't required if the number of individuals outside the target market acquiring the product is zero.

Significant dealings

Distributors must report if they become aware of a significant dealing outside the target market in relation to this TMD within 10 business days.

When determining if a significant dealing has occurred, distributors should consider factors such as:

- Has a significant proportion of individuals outside the target market acquired the product?
- Is there any actual or potential harm (including financial loss) to individuals outside the target market who acquired the product?
- What's the nature and extent of the inconsistency of the product distribution with this TMD?
- Has there been a significant amount of funds transferred to the product from individuals outside the target market?
- When did individuals outside the target market acquire the product?

This list isn't intended to be exhaustive, other considerations may be relevant.

The distributor must provide details of the nature and extent of the significant dealing, including whether there has been any actual or perceived harm to consumers as a result of the dealing.