

# Target market determination

## EMPLOYEE PLAN SUPER | PERSONAL PLAN SUPER

### Purpose

This target market determination (TMD) seeks to provide consumers, 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 **Member Guide PDS**, available at [caresuper.com.au/pds](https://caresuper.com.au/pds) 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 situations and needs of individuals as set out in this TMD based on our product design and development practices.

### PRODUCT DESCRIPTION

This accumulation product offers an Employee Plan to individuals seeking a complying MySuper default option and a Personal Plan to individuals who aren't receiving employer contributions and intend on making personal contributions or rollover benefits from another superannuation provider.

# Target market

We've set out the target markets for the Employee Plan and Personal Plan below. Both plans have access to investment and insurance options, enabling members to tailor the product to match their own objectives, financial situations and needs. Distributors should take note of the separately identified sub-markets for the various investment and insurance options.

## TYPICAL CHARACTERISTICS OF THE TARGET MARKET

### EMPLOYEE PLAN

Likely to be suitable for individuals in the accumulation phase seeking a superannuation product to save for retirement within superannuation and who:

- Receive regular employer super contributions, personal contributions and rollovers
- Accumulate or hold retirement savings and investments within a concessional tax environment
- Retain one super account when changing jobs and avoid having multiple super accounts and paying multiple fees
- Have the option to transition from the accumulation phase to the retirement phase within the same superannuation fund
- Choose between a range of multi-asset and single-asset investment options to cater for different risk appetites and investment timeframes
- Receive automatic death cover and total and permanent disablement (TPD) cover (subject to eligibility)
- Apply for death cover, TPD cover or income protection insurance (subject to eligibility) that can be tailored to suit individual needs
- Access the benefits of a MySuper product.

### PERSONAL PLAN

Likely to be suitable for individuals in the accumulation phase seeking a superannuation product to save for retirement within superannuation and who:

- May wish to make regular or irregular personal contributions (while not currently receiving employer contributions)
- Roll over monies from other funds to invest it within one or a combination of CareSuper's options, while not currently receiving employer contributions
- Accumulate or hold retirement savings and investments within a concessional tax environment
- Have the option to transition from the accumulation phase to the retirement phase within the same superannuation fund
- Choose between a range of multi-asset and single-asset investment options to cater for different risk appetites and investment timeframes
- To apply for death cover, TPD cover or income protection insurance (subject to eligibility) that can be tailored to suit individual needs.

## 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
15 or older and seeking a superannuation account	✓	✓
Employed and in the accumulation phase or transitioning to the retirement phase in the future	✓	✗
Self-employed and in the accumulation phase or transitioning to the retirement phase in the future	✗	✓
Seeking access to different investment options catering for varying risk appetites and investment timeframes	✓	✓
Seeking access to death, TPD or income protection cover with fees to be deducted from their superannuation account (subject to eligibility)	✓	✓
Wanting to benefit from concessional taxation of savings	✓	✓
Considering consolidating superannuation accounts from other superannuation providers.	✓	✓

## NEGATIVE TARGET MARKET

The CareSuper Employee Plan is **not** suitable for an individual who:

- Isn't an Australian resident for tax purposes
- Requires access to their investment capital before retirement or another permitted condition of release is met
- Is seeking immediate access to an allocated pension or income stream
- Is self-employed
- Wants to invest in a self-managed super fund (SMSF)
- Is under 15 or over 69 years old seeking to apply for TPD cover or income protection insurance
- Is under 15 or over 74 years old seeking to apply for death cover
- Is working less than 15 hours per week and earning less than \$16,000 per year and seeking to apply for income protection insurance.

The CareSuper Personal Plan is **not** suitable for an individual who:

- Isn't an Australian resident for tax purposes
- Is working as an employee and receiving employer contributions
- Isn't planning on making personal contributions or roll over benefits from another fund
- Requires access to their investment capital before retirement or another permitted condition of release is met
- Wants to invest in an SMSF
- Is under 15 or over 69 years old and seeking to apply for TPD cover or income protection insurance
- Is under 15 or over 74 years old and seeking to apply for death cover
- Is working less than 15 hours per week and earning less than \$16,000 per year and seeking to apply for income protection insurance.

## INVESTMENT OPTIONS

We've defined the sub-markets for each investment option within the Employee Plan and Personal Plan 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 potential 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 3.6 years over rolling 20-year periods.

## Investment option

<b>Sustainable 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 3% above the rate of inflation over rolling 10-year periods, after tax and fees</li><li>• Have a minimum investment timeframe of 5 years or more</li><li>• Have a medium to high risk tolerance</li><li>• Prefer to be invested in environmentally and socially friendly industries and companies</li><li>• Can withstand potential negative returns for 3.8 years over rolling 20-year periods.</li></ul>
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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 risk tolerance</li><li>• Can withstand potential negative returns for 3.0 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 1.0% 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 low to medium risk tolerance</li><li>• Can withstand potential negative returns for at least 1.9 years over rolling 20-year periods.</li></ul>
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### 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 5.8 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 5.7 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 a minimum 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 3.9 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 a minimum 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 2.0 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 a minimum investment timeframe of less than 1 year</li><li>• Have a very low risk tolerance</li><li>• Can't withstand negative returns 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 negative returns 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 **Member Guide PDS** and **Investment Guide**.



## INSURANCE OPTIONS

Our Employee Plan and Personal Plan products offer a variety of insurance options which are key attributes of the product. Eligible Employee Plan members may receive age-based death cover and TPD cover automatically. Personal Plan members will not automatically receive cover. Members can opt in, increase, decrease or cancel their cover. For eligibility requirements, refer to our **Member Guide PDS** and **Insurance Guide**. We've set out the class of members for whom each type of insurance has been designed below.

### DEATH COVER

Likely to be suitable for eligible individuals who:

- Are 15 to 74 years old
- Are seeking a lump sum benefit to help their dependents with financial commitments in the event of their death or if they themselves are diagnosed with a terminal illness
- Want the ability to increase cover up to a maximum of \$10 million (capped at \$3 million for terminal illness)
- Want the option of fixed cover (a set amount of cover with variable fees) or age-based cover (set fees with variable cover based on your age and gender).

### TPD COVER

Likely to be suitable for eligible individuals who:

- Are 15 to 69 years old
- Are seeking a lump sum benefit to help themselves and their dependents with financial commitments if they're unable to work again because of illness or injury
- Want the ability to increase cover up to a maximum of \$3 million
- Want the option of fixed cover (a set amount of cover with variable fees) or aged based cover (set fees with variable cover based on your age and gender).

### INCOME PROTECTION INSURANCE

Likely to be suitable for eligible individuals who:

- Are 15 to 69 years old
- Are seeking temporary income to assist with financial commitments if they're unable to work because of illness or injury (specific conditions apply)
- Want the flexibility of choosing a 30, 60 or 90 day waiting period
- Want the flexibility of choosing a 2-year, 5-year or 'to age 65' benefit period
- Want the flexibility to increase their cover to up to 87% of their income capped at \$40,000 per month for 2 and 5 year benefit periods and \$30,000 per month for 'to age 65' benefit periods.

Insurance cover is subject to the eligibility criteria set out in the insurance policies issued by our insurer and applications may be subject to underwriting. You can find more detailed information on product attributes such as fees and definitions in our **Member Guide PDS** and **Insurance Guide**.



## Distribution

We've set out the permitted distribution channels and associated distribution conditions and restrictions for our Employee Plan and Personal Plan 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
- Default – enrolled via employers
- Third-party referrals (subject to any conditions laid out in the relevant distribution agreements)
- Corporate superannuation tender consultants and successor fund transfers.

### DISTRIBUTION CONDITIONS/RESTRICTIONS

- Not for distribution outside Australia
- An individual must be eligible if applying for insurance cover (see Member Guide PDS and Insurance Guide)
- An individual must be employed if applying for the Employee Plan
- An individual must be self-employed or not currently working if applying for the Personal Plan
- An individual must have a minimum \$10,000 balance if they wish to access the DIO.

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 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. A formal insurance rate review initiated by CareSuper
6. Increase in declined insurance claims above approved tolerance level
7. Use of ASIC's Product Intervention Powers (PIP) requiring CareSuper to cease distribution and/or regulator intervention
8. A significant dealing not otherwise captured by review triggers above

## Distributor requirements

CareSuper monitors the consistency of the distribution of our Employee Plan and Personal Plan product with the target market on an annual basis.

To help CareSuper identify potential issues with the distribution of our Employee Plan and Personal Plan 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 Employee Plan and Personal Plan Super</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
Sales of product 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.