

Target market determination

GUARANTEED LIFETIME INCOME | GUARANTEED FIXED TERM INCOME

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 **Guaranteed Income PDS** available at caresuper.com.au/gipds 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

The Guaranteed Income product offers lifetime or fixed term income options to individuals in the retirement phase seeking to invest all, or part of their superannuation balance, to receive regular and guaranteed payments regardless of market conditions.

Target market

Our two Guaranteed Income account options, our Guaranteed Lifetime Income and Guaranteed Fixed Term Income products have been designed for a narrow target market. Distributors should take note that this product can only be distributed by a financial adviser. We've set out the **target market** (and sub-markets) for below.

TYPICAL CHARACTERISTICS OF THE TARGET MARKET

GUARANTEED LIFETIME INCOME

Likely to be suitable for individuals in the retirement phase who:

- Are over 60 years old
- Have retired from the workforce
- Are seeking a non-account-based pension
- Have a minimum opening account balance of \$10,000 (unrestricted non-preserved superannuation benefit)
- Are seeking regular income payments for the duration of their life with the option of a reversionary spouse pension
- Aren't seeking capital growth on investment or choice of investment options
- Aren't seeking insurance cover
- Understand access to capital investment is subject to terms and conditions
- Understand the risks associated with guaranteed income accounts
- Understand income payments can impact eligibility for Aged Pension.

GUARANTEED FIXED TERM INCOME

Likely to be suitable for individuals in the retirement phase who:

- Are over 60 years old
- Have retired from the workforce
- Have a minimum opening account balance of \$10,000 (unrestricted non-preserved superannuation benefit)
- Are seeking regular income payments for a fixed term of between 1 and 40 years
- Are seeking to nominate their spouse as a reversionary beneficiary
- Aren't seeking capital growth on investment or choice of investment options
- Aren't seeking insurance cover
- Understand access to capital growth on investment or choice of investment options
- Aren't seeking insurance cover
- Understand access to capital investment is subject to terms and conditions
- Understand the risks associated with guaranteed income accounts
- Understand income payment can impact eligibility for Aged Pension.

LIKELY OBJECTIVES, FINANCIAL SITUATION AND NEEDS

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

	Lifetime Income	Term Income
60 years or older and satisfied a condition of release	✓	✓
Seeking to invest all or part of their retirement savings up to the transfer balance cap with protection from market volatility	✓	✓
Seeking to obtain a regular source of income for life	✓	✗
Seeking to obtain a regular source of income for a fixed term between 1 and 40 years	✗	✓
Seeking to index income payments in line with CPI	✓	✓
Seeking to nominate their spouse as a reversionary beneficiary.	✓	✓
Seeking flexibility including the option to cancel the guaranteed income during the designated withdrawal period in return for a lump sum payment	✓	✗
Seeking return of residual capital of a nominated % on expiry of fixed term	✗	✓



NEGATIVE TARGET MARKET

The CareSuper Guaranteed Lifetime Income product is **not** suitable and shouldn't be distributed to an individual who is:

- Under 60 years old, in the accumulation phase and continues to receive contributions
- Seeking an account-based pension with a choice of multi-asset and single asset investment options
- Looking for capital growth or needs ongoing access to the capital invested
- In ill-health or has a terminal illness
- Receiving a full aged pension
- Not prepared to accept a reduction in the withdrawal value from 100% to 0% during the withdrawal period in return for guaranteed income.

The CareSuper Fixed Term Income product is **not** suitable and shouldn't be distributed to an individual who is:

- Under 60 years old, in the accumulation phase and continues to receive contributions
- Seeking an account-based pension with a choice of multi-asset and single asset investment options
- Likely to require access to short-term liquidity or a lump sum payment during the nominated fixed term.

Distribution

DISTRIBUTION CHANNEL

An individual can only become a member of the CareSuper Guaranteed Income product through personal advice provided by an Australian Financial Services Licence (AFSL) holder and financial adviser authorised by CareSuper to distribute the product.

DISTRIBUTION CONDITIONS/RESTRICTIONS

The CareSuper Guaranteed Income Product must only be distributed through the above channel.

The distribution conditions and restrictions we've set out above will make it more likely that an individual who acquires the product are part of the target market as they'll have received personal advice that has considered their individual objectives, financial situation and needs. We'll review these distribution conditions and restrictions if the distribution channel changes.

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 by Challenger Life Company Limited
4. Consideration of our **Member outcomes assessment**, including outcomes which indicate that the product isn't meeting member outcomes
5. Material change in tax treatment of product
6. Unexpected and material uplift in early withdrawals
7. Challenger Life Company Limited capital event where APRA intervenes
8. Use of ASIC's Product Intervention Powers (PIP) requiring CareSuper to cease distribution and/or regulator intervention
9. A significant dealing not otherwise captured by review triggers above.

Distributor requirements

CareSuper regularly monitors the consistency of the distribution of its Guaranteed Income product with the target market on an annual basis.

To help CareSuper identify potential issues with the distribution of our Guaranteed Lifetime Income and Guaranteed Fixed Term Income product, distributors are required to report the information to CareSuper as outlined below to DDO@caresuper.com.au.

Reporting	Format	Frequency
Complaints	Whether any complaints were received by distributors about <i>CareSuper Guaranteed Income</i> where the complaint relates to product design, 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 all sales outside of 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



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.