

Target Market Determination

AvSuper Income Streams

This Target Market Determination (TMD) applies to the following products:

AvSuper Income Stream

About

This TMD is required under section 994B of the *Corporations Act 2001*. The TMD must be in writing and be available free of charge to the public.

This TMD sets out the target market, distribution conditions, review triggers, review period and reporting periods.

This TMD forms part of the required disclosure documents that AvSuper Pty Ltd as trustee of the AvSuper Fund must prepare under the *Corporations Act 2001*.

This TMD is not intended to provide financial product advice. You should refer to the relevant AvSuper Product Disclosure Statement available at <https://www.avsuper.com.au/pdss/> before making a decision about investing in AvSuper.

Issuer

The issuer of this TMD is AvSuper Pty Ltd, ABN 46 050 431 797, AFSL 239078

Date

Date from which this TMD applies is:

31 October 2022

Product description

AvSuper Income Stream is a superannuation product offering the following key features:

- Anyone with unpreserved superannuation monies can purchase the product.
- The product does not accept contributions once an account has been established.
- Ability to change income stream payments*.
- Ability to access lump sum withdrawals*.
- Access to nine (9) investment options, including pre-mixed and single asset class options.
- Access to personalised superannuation advice through a financial adviser.

* conditions apply, refer to the Product Disclosure Statement for more information.

Target market

The following describes the Target Market of the AvSuper Income Stream product.

The AvSuper Income Stream product is designed for individuals who:

- Have saved for their retirement and now wish to withdraw on their superannuation.
- Have reached their preservation age and met a SIS Condition of Release.
- Want to receive regular income stream payments, with the ability to make lump sum withdrawals.
- Want to be able to choose where their investment is invested and make changes at any time they wish.
- Want to have easy and ready access to information on their superannuation investment.
- Have an investment horizon ranging from short term to long term.
- Have a minimum of \$20,000 to invest in their superannuation.

The AvSuper Income Stream product is not designed for individuals who:

- Want to make additional contributions once an account has been established.
- Want to have insurance cover within superannuation.
- Have not reached their preservation age and met a SIS Condition of Release.
- Have less than \$20,000 available to invest in their superannuation.

Distribution channels

The AvSuper Income Stream product is designed to be distributed through the following channels:

- Through the fund administrator via the following:
 - Directly through the fund's website by completing an application form and forwarding it to the fund administrator via mail.
- Via a financial adviser associated with AvSuper.
- Via a contact centre representative of AvSuper.

Distribution conditions

The AvSuper Income Stream product should only be distributed to individuals in the following circumstances:

- Where the individual has met their preservation age and has met a SIS Condition of Release.
- Where the individual has ceased making contributions to their superannuation.

Through an approved distribution process authorised by AvSuper Pty Ltd.

Review dates

Date on which this TMD was last reviewed is:

31 October 2023

Date on which this TMD will next be reviewed is:

31 October 2024

Review period:

This TMD will be reviewed on an annual basis.

Review triggers

The following are events or circumstances which, if they arise, may indicate the TMD is no longer appropriate. These events or circumstances will require a review of the TMD to be conducted.

- A material change to the design of the product (e.g. a change to fees, investment strategy (including investment return objective, strategic asset allocation), minimum account balance).
- Materially incorrect or misleading information is found in a Product Disclosure Statement or Incorporated Information which reasonably suggests the TMD is no longer appropriate.
- A legislative change (e.g. change to SIS conditions of release, eligibility for government social security entitlements) that reasonably suggests the TMD is no longer appropriate.

- A notification (e.g. Failed Performance Test, Stop Order) by a regulator (e.g. APRA, ASIC) in relation to the product.
- AvSuper Pty Ltd makes a determination under the Member Outcomes Assessment that the financial interests of members who hold the product are not being promoted.
- A significant dealing in the product which is not consistent with the TMD.
- Materially high or abnormal levels of complaints about the design of the product (e.g. investment options, fees) within a six month period.
- An investment option has become illiquid (as measured by the fund's liquidity policy).
- 25% increase in investment switching over the two year average within a six month period.
- 15 % increase in individuals exiting the product within a six month period.
- A material deviation from the investment return objective over a sustained period.
- 25% increase in individuals requesting a partial withdrawal from their account.

Where a significant dealing has occurred and AvSuper Pty Ltd is aware that the dealing is not consistent with the TMD, AvSuper Pty Ltd will as soon as practicable and, in any case within 10 business days after becoming aware, notify ASIC in writing.

In respect of the other review triggers, AvSuper Pty Ltd must undertake a review of the TMD.

Significant dealings

The following are determined by AvSuper Pty Ltd to be significant dealings:

- Over a six month period, 5% of individuals who have acquired the product are not in the target market.
- Over a six month period, 5% of individuals who have acquired the product have characteristics that are specifically excluded from the target market.
- The distribution conditions have not been met on a regular basis.

Reporting on the Target Market Determination

AvSuper Pty Ltd will collect the following information from its distributors:

Complaints

Distributors (fund administrator, financial advisers, contact centre) will report the number of complaints received about the product/s on a monthly basis (within 10 business days of the end of the month).

Significant dealings

Distributors (fund administrator, financial advisers, contact centre) will report if they become aware of a significant dealing in relation to this TMD within 10 business days.

Distributors will also be required to report the following information within 10 business days of the end of the month in which they occur:

- The number of investment switches.
- The number of individuals who have exited the product.
- The number of individuals requesting a partial withdrawal from their account.

Review Triggers

These matters are monitored by AvSuper Pty Ltd on a regular basis (either internally or via reporting from the fund administrator).