

# Target Market Determination

## FutureSaver (USI 53 226 460 365 011)

Effective date 5 October 2021 | Next scheduled review to be completed by 4 October 2022

### 1 About this document

The purpose of a Target Market Determination (TMD) is to give customers, distributors and staff an understanding of the group of customers this product has been designed for, taking into account their objectives, financial situation and needs.

This TMD is not a full summary of the FutureSaver product's terms and conditions and is not intended to provide financial advice. Customers should refer to the *VicSuper: FutureSaver Product Disclosure Statement* (PDS), available at [vicsuper.com.au](http://vicsuper.com.au), and any supplementary documents, when making a decision about this product.

#### Product to which this target market determination applies

This TMD applies to the FutureSaver product referred to in the following PDS:

- **FutureSaver Product Disclosure Statement**

It does not apply to the MySuper product in the FutureSaver product.

### 2 Important dates

Date from which this target market determination is <b>effective</b>	5 October 2021
Date when this target market determination was <b>last reviewed</b>	5 October 2021
Date when this target market determination will be <b>next reviewed</b>	4 October 2022

### 3 Target market for FutureSaver product

The information below summarises the overall class of customers that fall within the target market for the FutureSaver product.

The Product is designed for customers in Australia who are looking for a tax effective investment vehicle to save for their retirement with the option to choose their own investment strategy and the option to apply for insurance cover.

The FutureSaver product is **not** designed for customers who:

- Are not saving for retirement
- Need to access funds before they meet a condition of release e.g. age 65
- Are not receiving superannuation contributions, do not want to make personal contributions and do not have existing funds to rollover
- Are looking for a superannuation product with automatic acceptance insurance
- Are looking for a MySuper or 'life-stage' linked superannuation product

## Profiles of customers for investment options

Investment options with a lower allocation to growth assets are unlikely to provide the growth required for customers to meet their retirement goals over the medium to long-term and as such are not likely to be suitable for many customers saving for retirement. Investment options with a lower allocation to growth assets are likely to be suitable for customers with a short-term investment timeframe, for example, because customers are seeking to better maintain capital in the lead up to retirement. These investment options are:

- Capital Stable
- Capital Secure
- Cash
- Term Deposit.

Accordingly, these investment options are likely to be suitable for customers with a short-term investment timeframe.

Investment options with a higher allocation to growth assets are designed to be invested for the medium to long term and as such are more likely to be suitable for many customers saving for retirement. However, they are unlikely to be suitable for customers with a short-term investment timeframe, such as customers approaching retirement because of their higher volatility. These investment options are:

- Equity Growth
- Growth
- Socially Conscious
- Balanced
- Australian Shares.

Accordingly, these investment options are likely to be suitable for customers with a medium to long term investment timeframe.

## Profiles of customers for insurance options

Personal insurance for death, terminal illness or temporary or total and permanent disability is offered on an opt-in basis and members can specify the type and level of cover they would like to apply for. It is likely to be suitable for customers between the ages of 14 and 65 (in the case of income protection cover or TPD cover) or 70 (in the case of death and terminal illness cover) who are Australian residents and wish to protect themselves and/or dependants from financial hardship associated with the adverse financial risks of death, terminal illness, temporary or total and permanent disability (TPD).

The personal insurance is unlikely to be suitable for customers in the armed forces, customers who are outside of the age ranges specified above or customers that are seeking more than \$5 million in terminal illness or TPD cover or more than \$30,000 per month in Income Protection cover. Further, the income protection cover is unlikely to be suitable for customers employed (including self-employed) on a contract basis for less than 6 months, and both TPD and income protection cover is unlikely to be suitable for customers who have previously received or are entitled to receive a TPD benefit from any policy (including those not offered by us).

## Product description and key attributes

The FutureSaver product is designed for managing and investing a customer's savings until their retirement (or other condition of release). The product is designed to allow customers to select an investment and insurance option that suits them and to adjust their investments and/or insurance as they move through various stages of their life. Customers have access to a range of support services to help them understand the Product and solve any issues that might arise.

The key attributes of this FutureSaver product are:

- An accumulation account in a superannuation fund designed to invest customers' savings until they reach retirement or another condition of release.
- A choice of multiple investment options, including 6 diversified (mix of assets) and 3 single asset class (one asset only) investment options.
- Investment options with a higher allocation to growth and medium to long term investment timeframes as well as those with a lower allocation to growth assets which have short term investment timeframes.
- Death Only (including Terminal Illness), Death & Total Permanent Disability and Income Protection insurance on an opt-in basis, except for those employed in the armed forces.
- Death (including Terminal Illness) insurance is available to members of Aware Super (the Fund) between the ages of 14 and 70 other than those who have, or are entitled to receive, a terminal illness benefit from any policy. The maximum Terminal Illness cover is \$5 million, there is no maximum amount of death cover.
- TPD insurance is available to members of the Fund between the ages of 14 and 65 other than those who have, or are entitled to receive, a TPD benefit from any policy. The maximum TPD cover is \$5 million.
- Income Protection insurance is available to members of the Fund between the ages of 14 and 65 who are employed (including self-employed) other than those employed on a contract basis for less than 6 months, in the armed forces, or who have previously received a TPD benefit from any policy. The maximum Income Protection cover is \$30,000 per month.

## Objectives, financial situation, and needs

The likely objectives, financial situation and needs of customers within the target market for the FutureSaver product are:

<b>Objectives</b>	<ul style="list-style-type: none"><li>• <b>FutureSaver product :</b><ul style="list-style-type: none"><li>- Achieving a relatively consistent return on investments until they are able to access their savings upon reaching a condition of release and holding a superannuation product that provides investment and insurance options.</li></ul></li></ul> <p><b>Investment options:</b></p> <ul style="list-style-type: none"><li>- To have access to investment options which better maintain capital over the short-term whilst still achieving some growth, and investment options which achieve consistent long-term performance to support a lump sum or an income in retirement alongside other savings, the aged pension, and other financial assets and home ownership.</li></ul> <p><b>Insurance:</b></p> <ul style="list-style-type: none"><li>- <b>Death (including terminal illness) &amp; TPD:</b> to protect themselves and their dependants from financial hardship associated with the adverse financial risks of death, terminal illness, and total and permanent disability.</li><li>- <b>Income protection:</b> to enable members to support their lifestyle and their dependant's lifestyle in the event of adverse financial risks of permanent or temporary disability that prevents them from working.</li></ul>
<b>Financial Situation</b>	<ul style="list-style-type: none"><li>• <b>FutureSaver product:</b><ul style="list-style-type: none"><li>- Someone who has been mandated to or has chosen to put a portion of this income into the superannuation environment.</li></ul></li></ul> <p><b>Investment options:</b></p> <ul style="list-style-type: none"><li>- Someone who has been mandated to or has chosen to put savings into the superannuation environment.</li></ul> <p><b>Insurance:</b></p> <ul style="list-style-type: none"><li>- Someone who has determined they can afford to divert some of their savings to insurance whilst still comfortable with the projected retirement outcomes.</li></ul>
<b>Needs</b>	<ul style="list-style-type: none"><li>• <b>FutureSaver product:</b><ul style="list-style-type: none"><li>- Someone who requires a tax effective investment vehicle to support their financial goals for retirement which offers a reasonable range of investment and insurance options.</li></ul></li></ul> <p><b>Investment options:</b></p> <ul style="list-style-type: none"><li>- Someone who requires access to a reasonable range of investment options to meet retirement saving goals.</li></ul> <p><b>Insurance:</b></p> <ul style="list-style-type: none"><li>- Someone who has a need to protect themselves and/or dependants from financial hardship associated with the adverse financial risks of death, terminal illness, temporary or total and permanent disability.</li></ul>

## Consistency between target market and the product

The FutureSaver product is consistent with the objectives, financial situation and needs of the target market based on our understanding of the target market and analysis of the product's key features and attributes.

## 4 How this product is to be distributed

### Distribution channels

The Product is designed to be distributed through the following means:

- The VicSuper Member Service Centre (call centre)
- The Aware Super Client Service Centre (call centre)
- Walk-in Service Centre (in person service)
- Online via the VicSuper Website
- Mail-in Application
- The Aware Super Business Development Team
- External Financial Advisers
- Comparison Sites
- Direct-to-Member Marketing

### Distribution conditions

The FutureSaver product must only be distributed through the above distribution channels. Further, distributors should take reasonable steps not to distribute the FutureSaver product to a person for whom the product is not designed for, except through personal advice.

There are no other restrictions on the distribution of the product.

If it is determined that significant distribution has occurred outside the target market, Aware Super will:

- Review this TMD and amend as necessary, and
- Consider if distribution of the FutureSaver product should cease or be changed.

### Adequacy of distribution conditions and restrictions

The above distribution conditions are adequate as this will control the distribution of the Product to channels known to us in our capacity as issuer. Additional distribution conditions and restrictions are not required given the breadth of the target market and the fact that the FutureSaver product is governed by eligibility and /or regulatory restrictions and otherwise target markets are at an investment option and insurance level.

## 5 Reviewing this target market determination

We will review this target market determination in accordance with the below:

<b>Initial review</b>	4 October 2022
<b>Next periodic review</b>	4 October 2024
<b>Review triggers or events</b>	<p>There are several events/circumstances that could arise and would suggest that the TMD is no longer appropriate. This may include the following review triggers:</p> <ul style="list-style-type: none"><li>• Material changes to the FutureSaver product's design, features or fees</li><li>• The occurrence of a significant dealing in the FutureSaver product outside the target market, including sub-markets</li><li>• A significant number of complaints regarding the design, features, fees or investment performance of the FutureSaver product</li><li>• A material change to product usage having regard to:<ul style="list-style-type: none"><li>- Percentage of total customers who do an external rollover from the product</li><li>- Number of customers acquiring the product</li><li>- Number of insurance claims declined because of ineligibility</li><li>- Number of declined insurance applications</li><li>- Number of insurance covers that lapsed and cancellation rates</li></ul></li><li>• Change to regulation or interpretation of regulation which has a material impact on the FutureSaver product's design, features or fees</li></ul>

### Significant dealings in the product

A significant dealing outside the target market would be considered if:

- For the high growth investment options:
  - a significant portion of older members have a majority of their account invested in high growth options in the medium to long term.
- For the low growth investment options:
  - a significant portion of younger members have a majority of their account invested in low growth options in the medium to long term.
- For insurance:
  - a significant portion of members are declined at claims time for age eligibility, residency status, non-disclosure, because of participation in the armed forces, or because a terminal illness or TPD benefit was previously received or is entitled to be received.
  - a significant portion of members are declined at income protection claims time because the member is employed on a contract basis for less than 6 months.

## 6 Reporting and monitoring this target market determination

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

<b>Complaints</b>	<p>Distributors must report the number of complaints in relation to the FutureSaver product at least quarterly. Reporting is still required if the number of complaints is zero.</p> <p>Complaints information must include the nature of complaints and general feedback from customers relating to the product and its performance.</p>
<b>Significant dealings</b>	<p>Distributors must report if they become aware of a significant dealing in relation to this TMD within 10 business days of becoming aware.</p>

### Contact us

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### Important information

Personal advice requires the provider to act in the client's best interests and take into account the client's circumstances. These rules do not apply to general advice. This communication contains general advice only and no personal advice. We have not taken into consideration any of your objectives, financial situation or needs or any information we hold about you when providing this general advice. Further this communication does not contain, and should not be read as containing, any recommendations to you in relation to your product. Before taking any action, you should consider whether the general advice contained in this communication is appropriate to you having regard to your circumstances and needs, and seek appropriate professional advice if you think you need it. Contact us to make an appointment to see one of our representatives. You should also read our product disclosure statement before making a decision about VicSuper. Call us or visit our website for a copy. Issued by Aware Super Pty Ltd ABN 11 118 202 672, AFSL 293340, the trustee of Aware Super ABN 53 226 460 365. Financial planning services are provided by our wholly owned financial planning business Aware Financial Services Australia Limited, ABN 86 003 742 756, AFSL No. 238430. You should read their Financial Services Guide before making a decision.