

Target Market for our Choice product

The Choice product is suitable for people in the accumulation phase of superannuation and want to make an active choice of their super investment options and are not default members. These consumers may or may not wish to make a choice about the insurance cover.

Objectives, financial situation and needs of consumers in the target market

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

Objectives	<ul style="list-style-type: none">• To meet their retirement savings objectives through strong investment returns while maintaining a minimum level of default insurance cover.• To maximise their investment returns according to their specific circumstances and financial objectives (and which may change over time).• To have a level of flexibility and control over their own investment strategy which can be designed from a range of levels of risk, return targets and investment objectives.• To select a level of default insurance cover to protect the member.
Financial situation	<ul style="list-style-type: none">• It is reasonable to assume that the consumers within the target market would have some level of knowledge of their financial circumstances.• It is reasonable to assume that the consumers within the target market have some awareness of their preferences for financial risk and their needs.• The target market covers different levels of income, savings, employment status and different preferences for investment styles, risk appetite, investment objectives and timeframes.
Needs	<ul style="list-style-type: none">• To make an active choice and exercise a level of control in the construction of their own investment portfolio within their superannuation.• To construct an investment portfolio with a mixture of options that meet their objectives, needs and financial situation.• To tailor to their insurance to their specific financial situation and needs (or a low level of default insurance cover if the consumer does not wish to make an active choice).• Flexibility to change their level of cover at any time as their financial situation and needs change.

This product is not suitable for:

- MySuper members who do not wish to make an active choice about their investment superannuation portfolio.
- Pension members that are in the retirement phase of their life cycle.
- Consumers who want more specified options such as to invest directly with a single investment manager; or individual share selection options; or indexed options or direct term deposit investments as part of their superannuation portfolio.

Key attributes

The Choice Product allows members to select any combination of investment choice from our 11 different options. This caters to members who want to maximise their investment returns according to their specific circumstances and financial objectives. A member can change their mind and make an investment switch free of charge at any time after making the initial choice.

Investment options

To provide members with a level of flexibility and control over their own investment strategy, members can select from a range of the following investment options which are designed for a range of levels of risk, return targets and investment objectives.

Pre-mixed options	
Managed growth	<ul style="list-style-type: none">-For members who seek moderate to high returns over the medium to long term and are prepared to accept a higher level of risk to achieve this.-Invests primarily in growth assets.-Investment timeframe - 10 or more years.
MySuper (Balanced)	<ul style="list-style-type: none">-For members who seek moderate to high returns over the medium to long term and are prepared to accept some fluctuation in returns over the short term.-Invests in a diversified range of investments, a mixture of growth and defensive assets.-Investment timeframe - seven years or longer.
Alternatives	<ul style="list-style-type: none">-For members who seek strong returns over the long term and are prepared to accept a higher level of risk to achieve this.-Invests primarily in unlisted assets.-Investment timeframe -10 or more years.
Conservative	<ul style="list-style-type: none">-For members who seek security over returns.-Invests primarily in defensive assets with the aim of protecting the value of a member's net investment.-Investment timeframe - five or more years.
Income focused	<ul style="list-style-type: none">-For members who seek income supplement over capital growth.-Invests in a diversified range of investments with predominant focus on yield.-Investment timeframe - five or more years.
Sustainable Responsible Investment balanced	<ul style="list-style-type: none">-For members who seek moderate to high returns over the long term and have a strong ethical conviction.-Invests in a cross-section of diversified assets with an emphasis on growth from socially responsible investments over the long term and reduced risk.-Investment timeframe - seven or more years.

Find specific asset allocations for each option on our website

Sector options are for people who want to have direct involvement in their investment choice. They can be selected along with the premixed options described above.

Sector investment options	
Australian shares	<ul style="list-style-type: none"> -For members who seek strong returns over the long term and are prepared to accept a higher level of risk to achieve this. -Invests in Australian listed companies and returns are expected to vary significantly year to year. -Investment timeframe – 10 years or longer.
International shares	<ul style="list-style-type: none"> -For members who seek strong returns over the long term and are prepared to accept a higher level of risk to achieve this. -Invests in international listed companies and returns which are subject to foreign exchange risk, and are expected to vary significantly year to year. -Investment timeframe – 10 or more years.
Property	<ul style="list-style-type: none"> -For members who seek moderate to high returns through investing in property. -Invests in property via listed and unlisted property vehicles. -Investment timeframe – 10 or more years.
Fixed interest	<ul style="list-style-type: none"> -For members who seek moderate returns for a moderate level of risk. -Invests in domestic and international fixed interest securities. Losses may occur over some periods. -Investment timeframe – five or more years.
Cash	<ul style="list-style-type: none"> -Members who place security of their assets over returns. -Invests solely in short-term, low-risk money market securities and is expected to produce returns that are moderately higher than CPI. -Investment timeframe – any time period.

Find specific asset allocations for each option on our website. To select either the Property option or the Alternatives option a member must have more than \$10,000 in their account.

Insurance options

Prime Super's Choice Product allows members to make active decisions about their insurance cover which best suits their individual needs, objectives and financial circumstances. Members have the flexibility to cancel, increase or decrease their level of cover (subject to eligibility and acceptance by the insurer) at any time.

The Choice Product also caters for members who prefer not to make an active decision about their insurance cover by providing a default level of insurance cover. This enables members to maximise their retirement savings while still having a level of insurance protection over their working life given that the target market is within the accumulation phase.

As part of the Choice Product, the following insurance options are offered and can be tailored by the member to suit their individual circumstances and needs:

Prime Super Division – Default insurance cover

If a member has an account balance of at least \$6,000 and is over 25 years old, they are automatically provided with Death and Total and Permanent Disability (TPD) insurance. The level of default insurance cover varies depending on which division a member is allocated to – for more information please refer to the [Product Disclosure Statements \(PDS's\) and Member Guides](#). Members who have an account balance of below \$6,000 or are aged under 25 years old will not automatically receive default insurance cover and must apply in writing to receive default insurance cover.

A member's default insurance cover may be cancelled if the member's account has been inactive for 16 continuous months or more (meaning that there has been no rollovers or contributions during this period). To retain insurance, the member must either contribute or rollover funds into the account before the account becomes inactive for 16 months, or opt to keep their insurance by logging into their MemberOnline account or completing an [Election to Maintain Insurance Form](#).

Insurance options

A member has the option of choosing different types of insurance to suit their specific situation and needs:

Insurance options	Description	Cost
Death only	Provides an insured lump sum if the member dies while they are an insured member of Prime Super. Death only cover is available if the member is ineligible for TPD insurance, or where they choose not to be insured for TPD.	Member can select fixed or unitised insurance cover.
Death and TPD (including Terminal Illness)	<p>Provides an insured lump sum if the member becomes totally and permanently disabled, or dies while they are an insured member of Prime Super. Terminal Illness insurance provides an insured lump sum in place of a death benefit if the member is diagnosed with a Terminal Illness.</p> <p>Member can apply for up to 6 additional units when they become eligible for default insurance cover or within 60 days of the member's insurance confirmation (subject to eligibility).</p>	Member can select fixed or unitised insurance cover.
Income Protection	<p>If applied for and accepted by the insurer, income protection insurance provides a regular income of up to 85% of a member's monthly salary (unless the cover exceeds 75% of a member's salary). Income protection payments can be paid for up to 2 years if a member is unable to work in their usual occupation due to illness or injury for longer than the chosen waiting period.</p> <p>Members can apply for income protection cover of up to \$5,000 per month when they become eligible for default insurance cover or within 60 days of the member's insurance confirmation (subject to eligibility).</p>	Can vary depending on the level of cover, the member's age, gender, occupation category and waiting period. Refer to the Prime Super Member Guide for the Super Division or the Health Division for more detail.

Consistency with objectives, financial situation and needs

The objective of this product is to provide members in the accumulation phase of their retirement savings with a super product that allows them to choose their own investment strategy to suit their specific financial situation and needs and have the flexibility to change and direct their investments from one option to another at any point in time as required.

Our Choice Product's features and attributes are consistent with this objective as it provides the member with a variety of investment options (from which the investor can mix and match) to create their own investment portfolio.

It also provides the consumer with a range of insurance options to tailor to their specific financial situation and needs (or a low level of default insurance cover if the consumer does not wish to make an active choice).

The product enables members to achieve their primary objective of maximising their retirement savings, whilst still maintaining a minimum level of default insurance cover to protect the member or alternatively allowing a member to make active decisions about their insurance cover.

Distribution

Distribution channels

The Choice product is distributed using the following channels:

- Regional Managers meeting face to face or via virtual meetings
- Educational sessions
- Phone calls
- Financial Advisers
- Mailouts, advertisements, member communications, digital campaigns, social media and other promotional activities
- Prime Super website
- Prime Super App
- MemberOnline account
- Default member opt-ins through onboarding
- Ad-hoc requests
- Call to our customer hub.

Distribution conditions

The only conditions or restrictions on the distribution of our Choice product to the target market are the following:

- **Property or Alternatives investment options** – members that wish to invest in the Property or Alternatives investment options must have an account balance greater than \$10,000.
- **Income focused investment option** – the Fund will automatically transfer the member's income earnings into the Cash option after they invest in the Income focused option.
- **Account balance below \$6,000 or aged under 25** – Default insurance is not available to members that have an account balance below \$6,000 and/or are under the age of 25. These members must actively apply in writing to receive default insurance.

Adequacy of distribution conditions and restrictions

The means of distribution identified for this product are adequate and appropriate. The distribution conditions and restrictions identified for this product are aimed at ensuring that consumers who acquire the product are likely to be in the target market for this product. Additional distribution conditions and restrictions are not required given the breadth of the target market.

Review

Review period

This TMD will be reviewed by 5 October 2022.

Reviews will occur every twelve months. The Trustee may undertake a review at any point in time or when a review trigger occurs. (See below for review triggers)

Review triggers

The product will be reviewed when it is considered it is no longer consistent with objectives, financial situation and needs of consumers in the target market.

Events or circumstances that may indicate this are:

- Significant dealings, events or circumstances that change the key attributes of the product which alter its appropriateness for the target market
- Investment option changes such as an event that reduces the liquidity of the product, or the option not achieving its objective over the time horizon or receiving significant complaints about the product.
- Insurance situations such as changes to product ratio claims, the number and nature of claims, average claim duration or the nature and number of complaints and complaint trends.
- Data reporting (including from our distributor) suggests that the product is not being distributed or purchased as intended so that the consumers who acquire the product are not in the target market.

Monitoring and reporting

We will collect and monitor the following information about the Choice product:

- Information about the number (and types) of complaints
- Complaints about a key attribute or aspect of the product, including insurance
- Information that indicates that the product is not being distributed to the target market
- Incident and complaint reporting (including from our distributor, occurring on a monthly basis).

The reporting period of at least half-yearly has been set to reasonably enable the Trustee to assess whether the TMD is still appropriate having regard to the risk of detriment to consumers if the TMD is not promptly reviewed.

Distributors must report a significant dealing in relation to this TMD within 10 business days of becoming aware.

Contact us

We're here to help. If you have any questions get in contact with us.



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Disclaimer

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