

Target market determination for our Choice products

Effective date 1 August 2023

Next scheduled review to be completed by 30 September 2024

This target market determination (TMD) relates to the 11 different investment options offered by Prime Super (Choice products). The TMD provides some information about who these products have been designed for and are therefore likely to be appropriate for, having regard to the likely objectives, financial situation and needs of the target market. It also provides other related information. This document is not a product disclosure statement (PDS) and is not a summary of all of the products' features or terms. It also does not take into account any person's individual objectives, financial situation or needs. It is important that members and prospective members read the PDS and supporting Member Guide for detailed information.

The Choice products, overall, are suitable for people in the accumulation phase of superannuation, who want to make an active choice in relation to their super investment options. These consumers also may or may not wish to make a choice about insurance cover.

Important information about Prime Super

Trustee of the superannuation fund: Prime Super Pty Ltd ABN 81 067 241 016, AFSL 219723

Fund name: Prime Super

Fund Australian business number (ABN): 60 562 335 823

Unique superannuation identifier (USI): 6056 2335 82 3001

PDS to which this TMD applies

This TMD applies to the Prime Super superannuation products referred to in the following documents:

- [Product Disclosure Statement – Super Division](#)
- [Product Disclosure Statement – Health Division](#)
- [Product Disclosure Statement – Education Division](#)
- [Member Guide](#)

Target market for the Choice products

The following describes the overall class of consumers within the target market for the Choice products, based upon their likely objectives, financial situation and needs. Then, under "Investment options" later in this TMD, more information is provided in relation to the type of consumer each investment option has been designed for.

Likely objectives

- To meet their retirement savings objectives, through competitive investment returns.
- To achieve investment returns over time 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.
- To select a level of insurance cover that meets their personal requirements.

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Prime Super

Likely financial situation

- It is likely consumers within the target market have a reasonable level of knowledge of their financial circumstances.
- It is likely consumers within the target market have awareness of their preferences for financial risk and their needs.
- Receiving superannuation contributions from employment in the accumulation phase of superannuation.
- The target market covers different levels of income and savings, different employment statuses and different preferences for investment styles, risk appetite, investment objectives and timeframes.

Likely needs

- To save for retirement, over time.
- To make an active choice and exercise a level of control in the construction of their own investment portfolio within their superannuation account.
- To construct an investment portfolio with a mixture of options that meet their objectives, needs and financial situation.
- To tailor their insurance to their 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 insurance cover anytime as their financial situation and needs change.

These products are **not** suitable for:

- MySuper members who do not wish to make an active choice about their superannuation investment portfolio.
- Pension members that are in the retirement phase and are no longer in paid employment.
- Consumers who want more specified options, such as to invest directly with a single investment manager; or in individual share-selection options; or indexed options or direct term deposit investments as part of their superannuation portfolio.

Product description & key attributes

Prime Super is an accumulation superannuation product designed to allow members to save for their retirement. The Choice products allow members to select any combination of investment choices from 11 different options. This caters to members who have the aim, over time, of achieving 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 their initial choice. Members may elect to tailor their insurance cover to suit their personal needs, subject to availability and their eligibility for the insurance they require. Members have the flexibility to amend and change their cover at any time.

Investment options
















To have 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 risk levels, investment-return targets and investment objectives.

In the tables of investment options, age-based traffic lights have been used to show the age range of consumers likely to be in the target market for each option (provided the consumers also seek the other features specified for that option in the table).

- Green means this option is likely to suit members in this age range (who seek the other features specified for the option)
- Amber means this option is less likely to suit members in this age range, however, this option may still be suitable for an individual based on their personal objectives and outlook. Obtaining personal financial advice is appropriate if considering this option.
















Pre-mixed options

Managed Growth	Wealth Accumulation Ages 15-55	Pre-retirement Ages 55-65	Working past retirement age
	●	●	●
	<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. – Risk level – High. Likelihood of negative returns four times to less than six times in 20 years. – Investment timeframe – 10 or more years. 		

Pre-mixed options			
MySuper (Balanced)	Wealth Accumulation Ages 15-55	Pre-retirement Ages 55-65	Working past retirement age
			
<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. – Risk level – High. Likelihood of negative returns four times to less than six times in 20 years. – Investment timeframe – 10 or more years. 			
Alternatives	Wealth Accumulation Ages 15-55	Pre-retirement Ages 55-65	Working past retirement age
			
<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. – Risk level – Medium to High. Likelihood of negative returns three times to less than four times in 20 years. – Investment timeframe – 10 or more years. 			
Conservative	Wealth Accumulation Ages 15-55	Pre-retirement Ages 55-65	Working past retirement age
			
<ul style="list-style-type: none"> – For members who seek more consistent returns. – Invests primarily in defensive assets with the aim of protecting the value of a member's net investment. – Risk level – Low to Medium. Likelihood of negative returns one time to less than two times in 20 years. – Investment timeframe – five or more years. 			
Income Focused	Wealth Accumulation Ages 15-55	Pre-retirement Ages 55-65	Working past retirement age
			
<ul style="list-style-type: none"> – For members who seek income supplementation over capital growth. – Invests in a diversified range of investments with a focus on yield. – Risk level – Medium to High. Likelihood of negative returns three times to less than four times in 20 years. – Investment timeframe – five or more years. 			
Sustainable Responsible Investment balanced	Wealth Accumulation Ages 15-55	Pre-retirement Ages 55-65	Working past retirement age
			
<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. – Risk level – High. Likelihood of negative returns four times to less than six times in 20 years. – Investment timeframe – 10 or more years. 			

Specific asset allocations for each investment option are available 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 on the previous page.

Sector investment options			
Australian shares	Wealth Accumulation	Pre-retirement	Working past retirement age
	Ages 15-55	Ages 55-65	
			
	<ul style="list-style-type: none"> – For members who seek competitive returns over the long term and are prepared to accept a higher level of risk to achieve this. – Invests in Australian listed companies. Returns are expected to vary significantly from year to year. – Risk level – Very High. Likelihood of negative returns greater than six times in 20 years. – Investment timeframe – 10 or more years. 		
International shares	Wealth Accumulation	Pre-retirement	Working past retirement age
	Ages 15-55	Ages 55-65	
			
	<ul style="list-style-type: none"> – For members who seek competitive returns over the long term and are prepared to accept a higher level of risk to achieve this. – Invests in international listed companies. Returns are subject to foreign exchange risk, and are expected to vary significantly from year to year. – Risk level – Very High. Likelihood of negative returns greater than six times in 20 years. – Investment timeframe – 10 or more years. 		
Property	Wealth Accumulation	Pre-retirement	Working past retirement age
	Ages 15-55	Ages 55-65	
			
	<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. – Risk level – High. Likelihood of negative returns four times to less than six times in 20 years. – Investment timeframe – 10 or more years. 		
Fixed interest	Wealth Accumulation	Pre-retirement	Working past retirement age
	Ages 15-55	Ages 55-65	
			
	<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. – Risk level – Medium. Likelihood of negative returns two times to less than three times in 20 years. – Investment timeframe – five or more years. 		
Cash	Wealth Accumulation	Pre-retirement	Working past retirement age
	Ages 15-55	Ages 55-65	
			
	<ul style="list-style-type: none"> – Members who place security of their assets over returns. – Invests solely in short-term, money market securities and is expected to produce a stable but low return. – Risk level – Low. Likelihood of negative returns 0.5 times to less than one time in 20 years. – Investment timeframe – any time-period. 		

Specific asset allocations for each investment option are available 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 products allow members to make active decisions about the insurance cover that 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 products also cater for members who prefer not to make an active decision about their insurance cover by providing a default level of death and total permanent disability (TPD) 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 products, the following insurance options are offered and can be tailored by the member to suit their individual circumstances and needs:

Insurance options

The table below sets-out a brief description of the different types of insurance a member can choose to suit their specific situation and needs, as well as the class of members each insurance option has been designed for overall.

Please refer to the PDS and Member Guide for detailed information.

Insurance cover option	Description of insurance cover option	Designed overall for people who	Not available to people who	General eligibility criteria for default cover
Death cover (including terminal illness)	Provides a lump sum payment if the member dies or has a terminal illness while they are an insured member of Prime Super.	<ul style="list-style-type: none"> – Are aged between 14 years and 9 months and 69 years, – Require a lump sum benefit if they die or are diagnosed with a terminal illness while they are a member of Prime Super (to help their dependants with one-off expenses and ongoing costs), – Require up to \$5m of death cover and, – Require up to \$1.5m of terminal illness cover. 	<ul style="list-style-type: none"> – Are not members of Prime Super, or – Have a terminal medical condition, or – Are permanently incapacitated, or – Have had a similar benefit paid, or have one that is payable to them, or which can be claimed under any insurance policy, or – Have previously elected to cancel their insurance cover held through the Fund. 	<p>To be eligible for automatic (default) death & TPD insurance cover, the member must:</p> <ul style="list-style-type: none"> – Either: <ul style="list-style-type: none"> > Be aged between 25 years and 69 years (inclusive), and have an account balance of \$6,000 or more, or > Be aged between 14 years and 9 months and 69 years (inclusive) and have made an election to opt into default cover, and

Insurance cover option	Description of insurance cover option	Designed overall for people who	Not available to people who	General eligibility criteria for default cover
Death and total permanent disability (TPD) (including terminal illness)	In addition to death cover (described on the previous page), this option provides a lump-sum benefit if the member suffers a total permanent disablement event while they are an insured member of Prime Super.	As outlined on the previous page, plus they: <ul style="list-style-type: none"> – Require a lump sum benefit if they become totally and permanently disabled and are unlikely to ever return to work, while they are a member of Prime Super (to help with their ongoing living expenses and treatment costs), and – Require up to \$2.5m of TPD cover. 	The conditions specified on the previous page also apply for this product.	– Either: <ul style="list-style-type: none"> > If they are an employer-sponsored member: be an employee of a participating employer and have a sufficient account balance in the Fund to cover the first premium for default cover, or > If they are a personal member: have received a contribution or rollover into their account with the Fund. Note – default income protection insurance cover is not provided.
Income protection	Income protection cover provides a monthly benefit payment in the event that the member suffers an illness or partial disability that prevents them from working while they are an insured member of Prime Super.	<ul style="list-style-type: none"> – Are aged between 14 years and 9 months and 65 years, and, – Require a monthly benefit if they become unable to work (for an insured reason), and – Require up to \$30,000 per month of income protection cover. 	<ul style="list-style-type: none"> – Are not members of Prime Super, or – Do not meet the criteria for being in work prior to claiming a benefit. 	

Important

The above is not a summary of all of the information relevant to the insurance options, or the terms and conditions of cover. Insurance cover, and the ability to claim, are always subject to the terms and conditions of the applicable policy. For more detailed information about insurance, please read the Member Guide.

Please also note: insurance claims are subject to assessment by the Fund's insurer.

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 statement \(PDS\) and Member Guide](#). Members who have an account balance of less than \$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 (or apply via MemberOnline).

A member's default insurance cover may be cancelled if the member's account has been inactive for 16 continuous months or more (meaning there has been no rollover or contribution during this period). To retain insurance, the member must either contribute or roll 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.

A member that requires more cover than the default amounts must undertake additional steps to apply for additional cover, as outlined in the Member Guide.

Consistency with objectives, financial situation and needs

Prime Super considers the Choice products are likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market. This is based on the products' features and attributes.

The overall objective of these products 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 own financial requirements, and have the flexibility to change and direct their investments from one option to another at any time as required.

The products also provide members 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 member does not wish to make an active choice).

The products enable members to achieve the primary objective of saving for their retirement, while maintaining a minimum level of default insurance cover to protect the member, or allowing the member to make active decisions about their insurance cover.

Members can and are encouraged to make changes to their investment choices and insurance cover when their personal circumstances change. Prime Super does not charge fees for investment switches and insurance changes.

Distribution

Distribution channels

The Choice products are distributed using the following channels:

- Directly, through the Prime Super website, Prime Super MemberOnline portal, and Prime Super member app.
- Authorised representatives of Prime Super or of Link Advice Pty Limited ABN 36 105 811 836 AFSL 258145.

The Choice products may also be distributed through personal advice provided by a holder of an Australian Financial Services Licence (AFSL) or by an authorised representative of an AFSL holder. No fees, commissions or payments are made by Prime Super if distribution occurs in this manner.

Distribution conditions and restrictions

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

- **Products are not for distribution outside of Australia.**
- **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 from this option 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.
- **Insurance eligibility criteria** – members applying for insurance cover must meet the criteria set out in the Member Guide.

Adequacy of distribution conditions and restrictions

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

Review

Review period

This TMD will be reviewed by 30 September 2024.

Reviews will occur every twelve months. Prime Super may undertake a review at any point in time or when a review trigger occurs (outlined below).

Review triggers

The TMD will be reviewed when an event or circumstance occurs which suggests the TMD is no longer appropriate, such as:

- Significant dealings in the product.
- Events or circumstances that change the key attributes of the product, which alter its appropriateness for the target market.
- Material investment option changes which reduce the liquidity of the product, or the option does not achieve its objective over the time horizon or is the subject of significant complaints which suggest the option is no longer appropriate.
- Insurance – material changes to product ratio claims, the number and nature of claims, average claims duration or the nature and number of complaints and complaints trends.
- Data reporting that suggests the product is not being distributed or purchased as intended, so that consumers who acquire the product are not in the target market.
- An outcome from Prime Super's annual Member Outcomes Assessment which indicates the product is not meeting desired outcomes for members.

Monitoring and reporting

We will collect and monitor the following information about the Choice products, at least half-yearly:

- Information about the number (and types) of complaints.
- Complaints about a key attribute or aspect of the product, including insurance.
- Information that indicates the product is not being distributed to the target market.
- Significant dealings outside the target market.

The reporting period 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. Reporting has been set to occur at least two times per year.

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

Contact us

We're here to help. If you have any questions, please contact us.

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Disclaimer

This Target Market Determination contains general information only and does not take account of your personal circumstances. You should obtain personal financial advice where appropriate. This Target Market Determination is current as at the date of publication and subject to change. Prime Super (ABN 60 562 335 823) is issued by Prime Super Pty Ltd (ABN 81 067 241 016, AFSL 219723). A Product Disclosure Statement and Target Market Determination is available by calling 1800 675 839 or online at primesuper.com.au/pds