

Target Market Determination

for the Prime Super income stream product

Effective date 30 September 2024

Next scheduled review to be completed by 30 September 2025



This Target Market Determination (TMD) relates to the Prime Super Income Streams product (the product). It sets out the individuals for whom the product has been designed for and for whom it is likely to be appropriate, having regard to the likely objectives, financial situation and needs of the target market.

This TMD is not a Product Disclosure Statement (PDS) and is not a summary of all the features and conditions of the product. The information in this document is general in nature and does not take into account a person's individual objectives, financial situation or needs.

It is important that individuals read the PDS for detailed information about the product and obtain personal financial advice where appropriate.

1. About the product

The product is suitable for individuals in the retirement phase or transition to retirement phase of superannuation and have met another Condition of Release (see table opposite). The product is an account-based pension which allows individuals to remain invested in the superannuation environment and draw-down an income from their account on a regular basis, and where eligible lump sums.

The products also allow members to make an active choice in relation to their super investment options.

The product options are:

- a Retirement Income Stream, suitable for individuals who have met a Condition of Release (see page 2) and wish to start drawing on their super to provide an income (usually in retirement); and
- a Transition to Retirement (TTR) Income Stream, suitable for individuals who have reached their Preservation Age, are under the age of 65, are still working and need to access additional income generally because they are scaling back their working hours, or wish to top-up their super by making additional tax-effective contributions.

PDS to which this TMD applies

This TMD applies to the Prime Super Income Stream product: Product Disclosure Statement – Income Stream.

Important information about Prime Super

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



Prime Super

2. The target market

The product is designed for individuals in the retirement phase or transition to retirement phase in the superannuation system. The product manages and invests retirement savings and allows individuals to draw down and income from their account on a regular basis and where eligible lump sums.

The target market for the product are individuals with a minimum of \$10,000 in superannuation savings and have met one of the following Conditions of Release:

Product option	Eligibility criteria/Conditions of Release
TTR Income Stream	The individual must have reached their Preservation Age (see table)
Retirement Income Stream	The individual must: <ul style="list-style-type: none">- have reached their Preservation Age (see table) and permanently retired from the workforce- have reached age 60 and ceased an employment arrangement- have reached age 65 or- be totally and permanently disabled.

Preservation Age

Date of Birth	Preservation Age (years)
Prior to 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
After 30 June 1964	60

The following describes the likely objectives financial situation and needs of individuals in the target market.

Likely objectives

- To have regular income to support cashflow and lifestyle needs in retirement (or where the individual has met another Condition of Release).
- To retain retirement savings in the superannuation environment.
- To achieve investment returns over time according to individual circumstances, risk appetite and financial objectives, which may change over time.
- To have flexibility and control over amount of income and frequency of payments,
- To have a level of flexibility and control over their own investment strategy.
- Where eligible, to have flexible access to capital.

Likely financial situation

- Will possess a reasonable level of knowledge of their financial circumstances and the level of income they need to draw to meet their cashflow and lifestyle needs.
- Will have awareness of their preferences for financial risk and their needs.
- Will have more than \$10,000 in super savings
- Will be aware of their preferences in relation to investment styles, risk appetite, investment objectives and investment time frames.
- May have other sources of income, such as the Age Pension.

Likely needs

- To draw an income from their superannuation to meet cashflow and lifestyle needs.
- To have flexibility in the amount of income received and frequency of payments.
- To exercise some control over the investment portfolio of their account.
- To construct an investment portfolio with a mixture of options to meet their objectives, needs and financial situation.
- To have flexible access to their funds, where a Condition of Release has been met.

Individuals for whom the product is not suitable

- Individuals who have not reached Preservation Age or have not met a relevant Condition of Release.
- Individuals who require access to a more comprehensive suite of investments.

3. Product key attributes

The product allows members to draw an income from their superannuation, with flexibility on drawdown amounts, subject to legislation, and payment frequency.

The product offers individuals a Transition to Retirement Income Stream and Retirement Income Stream.

The product offers 11 investment options, either pre-mixed (diversified) or single sector investment options, designed to cater for a range of risk appetites, investment return targets, and investment objectives. A member can make unlimited investment switches, at no additional cost, at any time after making the initial choice.

The product offers a level of flexibility and control for members over their investment strategy, including a default investment option, the Balanced option, for those that don't want to make an investment choice.

Retirement after starting a TTR Income Stream

If a member meets a relevant **Condition of Release** after starting a TTR Income Stream and is under age 65, the member can:

- continue the TTR Income Stream account;
- move the money back into a super account;
- take a lump sum (also known as a commutation); and
- switch to the Retirement Income Stream by advising the Fund in writing of the relevant Condition of Release and requesting the TTR Income Stream be changed to a Retirement Income Stream.

Upon attaining age 65 the TTR Income Stream automatically switches to the Retirement Income Stream.

Generally, a member can gain access to their super once they have reached their Preservation Age and permanently retired from the workforce, or ceased an employment arrangement after turning 60.

Payments

Payments from the product are made twice per month, monthly, quarterly, half yearly or yearly.

If invested in more than one investment option, members can choose the investment option from where their payment is drawn. Members can also draw their payments proportionately across their chosen investment options.



Where a Condition of Release has been met, the product provides flexible access to lump sums as required.

Investment options

To have a level of flexibility and control over their own investment strategy, members can select to invest in one or more of the following investment options, which are designed for a range of risk levels, investment-return targets and investment objectives.

The tables below describe the investment options and the members that the option would suit. For more information about the investment options, including specific asset allocations, refer to the Fund's PDS and Member Guide available on the website.

Traffic lights indicate the age range of the likely target market for each option:

	Green means this option is likely to suit members in this age range who also seek the other features specified for the option
	Amber means this option is less likely to suit members in this age range, but suitability would also depend on members' personal objectives, outlook, and preferences in relation to risk and returns. Members should seek personal financial advice if considering this option.







Pre-mixed option details			
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. – Investment return objective: To outperform the Consumer Price Index (CPI) (after tax and investment expenses) by at least 3.0% p.a. over rolling 10-year periods. – Risk level: High. Likelihood of negative returns four times to less than six times in 20 years. – Investment time frame: 10 or more years. 			
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. – Investment return objective: To outperform the CPI (after tax and investment expenses) by at least 3.5% p.a. over rolling 10-year periods. – Risk level: High. Likelihood of negative returns four times to less than six times in 20 years. – Investment time frame: 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. – Investment return objective: To outperform the CPI (after tax and investment expenses) by at least 2.5% p.a. over rolling 10-year periods. – Risk level: Medium to high. Likelihood of negative returns three times to less than four times in 20 years. – Investment time frame: 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. – Investment return objective: To outperform the CPI (after tax and investment expenses) by at least 1.0% p.a. over rolling 5-year periods – Risk level: Low to medium. Likelihood of negative returns one time to less than two times in 20 years. – Investment time frame: 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. – Investment return objective: To provide income yields of 2.0% p.a. (before tax and fees) above RBA cash rate over rolling 5-year periods. – Risk level: Medium to high. Likelihood of negative returns three times to less than four times in 20 years. – Investment time frame: five or more years. 			

Pre-mixed option details			
Sustainable Responsible Investment (SRI) 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. – Investment return objective: To outperform the CPI (after tax and investment expenses) by at least 2.0% p.a. over the rolling 10-year periods. – Risk level: High. Likelihood of negative returns four times to less than six times in 20 years. – Investment time frame: 10 or more years. 			

* To select either the Property option or the Alternatives option, a member must have more than \$10,000 in their account.

Sector options can be selected along with the Pre-mixed options described above.

Sector investment options			
Australian Shares	Wealth accumulation Ages 15-55	Pre-retirement Ages 55-65	Working past retirement age
<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. – Investment return objective: To outperform (before tax and investment expenses) the S&P/ASX300 Accumulation Index over rolling 10-year periods. – Risk level: Very high. Likelihood of negative returns greater than six times in 20 years. – Investment time frame: 10 or more years. 			
International Shares	Wealth accumulation Ages 15-55	Pre-retirement Ages 55-65	Working past retirement age
<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. – Investment return objective: To outperform before tax and investment expenses the weighted average of MSCI World (ex-Australia) Index (in AUD) and MSCI Emerging Markets Index (in AUD) before hedging over the rolling 10-year periods. – Risk level: Very high. Likelihood of negative returns greater than six times in 20 years. – Investment time frame: 10 or more years. 			
Property*	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 through investing in property. – Invests in property via listed and unlisted property vehicles. – Investment return objective: To outperform (after tax and investment expenses) CPI by at least 1.0% p.a. over rolling 10-year periods. – Risk level: High. Likelihood of negative returns four times to less than six times in 20 years. – Investment time frame: 10 or more years. 			

Sector investment options			
Fixed Interest	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 returns for a moderate level of risk. – Invests in domestic and international fixed interest securities. Losses may occur over some periods. – Investment return objective: To outperform (before tax and investment expenses) the weighted average of major Australian and International bond indices hedged to \$A over rolling 5-year periods. – Risk level: Medium. Likelihood of negative returns two times to less than three times in 20 years. – Investment time frame: five or more years. 		
Cash	Wealth accumulation Ages 15-55	Pre-retirement Ages 55-65	Working past retirement age
			
	<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. – Investment return objective: To perform in line (before tax and investment expenses) with Bloomberg AusBond Bank Bill Index at any time. – Risk level: Low. Likelihood of negative returns 0.5 times to less than one time in 20 years. – Investment time frame: any time period. 		

* To select either the Property option or the Alternatives option, a member must have more than \$10,000 in their account.

4. Insurance

The product does not offer insurance.

5. Consistency with objectives, financial situation and needs

Prime Super considers the product described in this TMD will generally be consistent with the likely objectives, financial situation and needs of individuals in the target market. This is based on an analysis of the product features and attributes and the target market.

The product provides individuals with income from their super in retirement, where a Condition of Release has been met.

The product features and attributes provide flexible income payment options as well as a choice of investment options allowing individuals to create their own investment portfolio. Where a Condition of Release has been met, members also have lump sum access to funds as required.

6. Distribution

Distribution channels

The product is distributed:

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

The product 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 the product to the target market are the following:

- The product is not for distribution outside of Australia.
- Members that wish to invest in the Property or Alternatives investment options must have an account balance greater than \$10,000.
- Prime Super will automatically transfer income earnings from the Income Focused investment option into the Cash option if members invest in the Income Focused option.
- Insurance is not available to Income Stream members.
- A relevant Condition of Release must be met first to open a TTR Income Stream or Retirement Income Stream (see page 1).

Adequacy of distribution conditions and restrictions

Prime Super considers the means of distribution identified for this product to be adequate and appropriate. The distribution conditions and restrictions identified for the product is aimed at ensuring that individuals 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.

7. Review

Review period

This TMD will be reviewed by 30 September 2025.

Reviews will occur every 12 months. The Trustee 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 that are not consistent with this TMD.
- 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 product is no longer appropriate.
- Data reporting that suggests that the product is not being distributed or purchased as intended so that the individuals 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.
- The receipt of an order by a regulator or court that relates to the product, including an order from the Australian Securities and Investments Commission requiring Prime Super to cease retail distribution of this product.

Monitoring and reporting

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

- Information about the number (and types) of complaints.
- Complaints about a key attribute or aspect of the product.
- Information that indicates that 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 individuals if the TMD is not promptly reviewed.

Distributors must report any complaints about the product and any significant dealing that is inconsistent with this TMD within 10 business days of becoming aware of it.

8. Contact us

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

phone: **1800 675 839**

email: administration@primesuper.com.au

mail: Prime Super
Locked Bag 5013
Parramatta NSW 2141

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 is available by calling 1800 675 839 or online at primesuper.com.au/pds