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# Target Market Determination

**Product / Fund:** Perpetual WealthFocus Pension Plan

**Effective Date:** 1 October 2021

**TMD Version:** 2.0

**Issuer name:** Perpetual Superannuation Limited  
**Issuer ABN:** 84 008 416 831  
**Issuer AFSL:** 225246  
**RSE licence:** L0003315  
**Fund ABN:** 41 772 007 500  
**Fund RSE:** R1057010  
**SPIN:** PER0403AU

## About this document

This Target Market Determination is required under section 994B of the *Corporations Act 2001 (Cth)*. It outlines the class of consumers for which this product has been designed and is intended to assist distributors in understanding who the product is intended to be distributed to. The document forms part of the design and distribution arrangements for the product and outlines distribution conditions and restrictions as well as reporting requirements for distributors.

This document is not a Product Disclosure Statement and does not provide a full summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. People interested in acquiring this product should carefully read the Product Disclosure Statement before making a decision whether to buy this product. The Product Disclosure Statement is available at [www.perpetual.com.au](http://www.perpetual.com.au).

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## Target market statement

The Perpetual WealthFocus Pension Plan (the Plan) is an account based pension designed for retirees and investors who are transitioning to retirement and want regular income from their superannuation. With a diversified range of investment options and asset classes, it may be suitable for retirees and investors across a range of risk profiles and investment horizons.

The Plan may be suitable for retirees seeking the flexibility to choose the frequency of income payments from their pension and alter the amount as their needs change (subject to the Government's minimum withdrawal requirements). It may also be suitable for retirees who wish to access their superannuation via lump sum withdrawals and for retirees over 60 years of age who are seeking zero tax on income payments.

In addition, the Plan may be suitable for investors who have reached the superannuation preservation age, have not yet ceased employment and are seeking to access regular income from the superannuation account.

The Plan has been assessed to be consistent with the likely objectives, financial situation and needs of the class of consumers outlined in this document. This is because the product offers over 40 investment options across multiple asset classes and investment managers. The investment options available and the ability to construct an individualised investment strategy means that the Plan may be suitable for investors with a range of risk profiles.

The account based pension for retirees has no fixed term or maximum pension and allows retirees to access their superannuation through regular income or lump sum withdrawals. The transition to retirement pension allows investors who have reached their superannuation preservation age to access up to 10% of their superannuation account balance annually while still working.

## Description of target market

Consumer attributes		Key product attributes
<b>Customer's intended level of decision making</b>	<b>TMD indicator</b>	<b>Product structure / flexibility</b>
Fully self-managed, including fund administration (SMSF)	Not considered in target market	<p>Investors can select from a simple and diversified range of investment options and asset classes to tailor an investment strategy which suits their risk profile and investment horizon.</p> <p>Investors can switch between investment options and can update details online.</p> <p>Investors can choose from a range of investment administration options including dollar cost averaging and auto-rebalancing.</p> <p>Spouse contributions can be made.</p>
Investments chosen by customer from extensive investment menu. Administration provided by the fund	In target market	
Investment chosen by customer from limited investment menu. Administration provided by the fund	Potentially in target market	
Default investment strategy applied where no investments selection is made. Administration is provided by the Fund.	Not considered in target market	
<b>Size of client investment</b>	<b>TMD indicator</b>	
\$0 to \$19,999	Not considered in target market	<p>The minimum investment per Pension Plan account is \$20,000. The minimum initial investment in any investment option is \$5,000.</p>
≥ \$20,000	In target market	

Consumer attributes		Key product attributes	
Investor life stage	TMD indicator		Superannuation phase
	Account based pension	Transition to retirement	
Accumulation phase	Not considered in target market	Not considered in target market	The Plan is an account based pension designed for retirees and investors who are transitioning to retirement and want regular income from their superannuation.
Transition to retirement	Not considered in target market	In target market	
Retirement phase	In target market	Not considered in target market	
Income needs	TMD indicator		Withdrawal options
	Account based pension	Transition to retirement	
No maximum drawdown (subject to account balance)	In target market	Not considered in target market	<b>Account Based Pension</b> <ul style="list-style-type: none"> <li>- No fixed term</li> <li>- Lump sum withdrawals permitted (subject to minimums)</li> <li>- Minimum annual pension payment (based on legislative requirements)</li> <li>- No maximum annual pension payment</li> </ul> <b>Transition to Retirement Pension</b> <ul style="list-style-type: none"> <li>- No fixed term</li> <li>- Maximum pension amount of 10% of account balance annually</li> <li>- Ability to commute the pension back to an accumulation account</li> </ul>
Ability to withdraw a lump sum	In target market	Not considered in target market	

Consumer attributes		Key product attributes
Desired asset classes	TMD indicator	Investment options
Cash	In target market	More than 40 investment options available across a variety of asset classes and asset managers.
Fixed income	In target market	
Property and infrastructure	In target market	
Australian shares	In target market	
International shares	In target market	
Diversified – conservative	In target market	
Diversified - balanced	In target market	
Diversified - growth	In target market	

Consumer attributes		Key product attributes
<b>Insurance cover</b>	<b>TMD indicator</b>	<b>Insurance Options</b>
Death only	Not considered in target market	No insurance cover available on the account based pension or transition to retirement pension.
Total and Permanent Disability only	Not considered in target market	
Death AND Total and Permanent disability	Not considered in target market	
Salary Continuance	Not considered in target market	
No insurance	In target market	
<b>Investment goals</b>	<b>TMD indicator</b>	<b>Investment objectives</b>
Capital growth	In target market	The Plan offers a diversified range of investment options investing in different asset classes with varying capital growth and income generation objectives. Some investment options may offer some degree of capital preservation, but the Plan does not provide options which are capital guaranteed.
Capital preservation	In target market	
Capital guaranteed	Not considered target market	<b>Account based pension only</b>
Income distribution	In target market	<ul style="list-style-type: none"> <li>- Lump sum withdrawals permitted (subject to minimums)</li> <li>- Minimum annual pension payment (based on legislative requirements)</li> <li>- No maximum annual pension payment</li> <li>- No tax on earnings</li> </ul> <b>Transition to retirement pension only</b> <ul style="list-style-type: none"> <li>- Maximum pension amount of 10% of account balance annually</li> <li>- Earnings on assets taxed at 15%</li> <li>- Ability to commute the pension back to an accumulation account</li> </ul>

Consumer attributes		Key product attributes
<b>Investment horizon</b>	<b>TMD indicator</b>	<b>Suggested length of investment</b>
Short ( $\leq 2$ years)	In target market	As superannuation is typically a long-term investment, most investment options are designed for investors with a longer investment horizon. However, there are some options which may suit investors whose time horizon is shorter.
Medium ( $> 2$ years $\leq 8$ years)	In target market	
Long ( $> 8$ years)	In target market	
<b>Risk (ability to bear loss) and Return profile</b>	<b>TMD Indicator</b>	<b>Risk level</b>
Low	In target market	The Plan provides a large number of investment options which range from low to very high risk of investment losses over different time horizons.
Medium	In target market	
High	In target market	
Very high	In target market	

## Investment options

The Plan offers investors flexibility to choose between more than 40 different investment options across a variety of asset classes and asset managers. The TMD indicator provides an assessment of the key attributes of the investment options available within asset class groupings to assist distributors in understanding the options available and how they may suit investors needs and objectives. **Key:** Potentially in target market:  In target market:  Not considered in target market:

Investment option attributes	Cash	Fixed income	Property & infra - structure	Australian shares	International shares	Diversified conservative	Diversified balanced	Diversified growth
<b>Investment objective</b>								
Capital Growth								
Capital Preservation								
Capital Guaranteed								
<b>Intended product use (% of investable assets)</b>								
Solution / Standalone (75-100%)								
Core Component (25-75%)								
Satellite / small allocation (<25%)								
<b>Intended investment timeframe</b>								
Short (≤ 2 years)								
Medium (> 2 years ≤ 8 years)								
Long (> 8 years)								
<b>Risk (ability to bear loss) and Return profile</b>								
Low								
Medium								
High								
Very high								



## Investors for who this product is unsuitable

Investors seeking guaranteed return of capital	Not considered in target market
Investors who do not have an 'unrestricted non-preserved superannuation benefit'	Not considered in target market
Investors seeking insurance cover through superannuation	Not considered in target market
Investors seeking to invest more than the transfer balance cap	Not considered in target market

## Distribution information

### Distribution conditions / restrictions

Distribution Condition	Distribution Condition Rationale	Applicable
There are no distribution conditions	The investment options available and the ability to construct an individualised investment strategy means that the Plan may be suitable for investors with a range of risk profiles and may suit both direct investors and investors who have received personal advice.	Yes
Only suitable for distribution to consumers who have received personal advice	N/A	No
Only suitable for distribution through specified distributor/s / distribution channel	N/A	No
Other	N/A	No

## Distributor reporting requirements

Distributors required to report	Reporting requirement	Reporting period	Method of reporting (using FSC data standards where practicable)
All distributors	Complaints (as defined in section 994A (1) of the Act) relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	Within 10 business days following the end of a calendar quarter.	Information to be sent to <a href="mailto:DDOmail@perpetual.com.au">DDOmail@perpetual.com.au</a>
All distributors	Significant dealings outside the target market determination.	As soon as practicable but no later than 10 business days after becoming aware of a significant dealing.	Information to be sent to <a href="mailto:DDOmail@perpetual.com.au">DDOmail@perpetual.com.au</a>
All distributors	To the extent a distributor is aware of dealings outside the target market, these should be reported to the issuer, including the reason the acquisition is outside the target market, and whether the acquisition occurred under personal advice.	Within 10 business days following the end of a calendar quarter.	Information to be sent to <a href="mailto:DDOmail@perpetual.com.au">DDOmail@perpetual.com.au</a>

## Review periods and triggers

We will review this target market determination as outlined below.

Mandatory review periods	
Review period	Maximum period for review
Initial review	1 year and 3 months
Subsequent / periodic reviews	2 years and 3 months

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**Review triggers**

The issuer has determined that a significant dealing outside the target market determination has occurred.

Significant liquidity issues across a range of options which may cause consumer harm.

Material change to key product features or fees.

Material or unexpectedly high number of complaints about the product (or distribution of the product) which indicate a systemic issue has occurred.

Significant regulatory action which indicates that the target market determination is no longer appropriate.

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.

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## Instructions

### TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red/amber/green rating methodology with appropriate colour coding:

In target market	Potentially in target market	Not considered in target market
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In the tables in this TMD, Column 1, Consumer Attributes, indicates a description of the likely objectives, financial situation and needs of the class of consumers that are considering this product. Column 2, TMD indicator, indicates whether a consumer meeting the attribute in column 1 is likely to be in the target market for this product.

**Generally**, a consumer is unlikely to be in the target market for the product if:

- **one or more** of their Consumer Attributes correspond to a **red** rating, or
- **three or more** of their Consumer Attributes correspond to an **amber** rating.

### Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (typically with an intended product use of *satellite/small allocation* or *core component*). In such circumstances, the product should be assessed against the consumer's attributes for the relevant portion of the portfolio, rather than the consumer's portfolio as a whole. For example, a consumer may seek to construct a conservative portfolio with a satellite/small allocation to growth assets. In this case, it may be likely that a product with a *High* or *Very High* risk/return profile is consistent with the consumer's objectives for that allocation notwithstanding that the risk/return profile of the consumer as a whole is *Low* or *Medium*. In making this assessment, distributors should consider all features of a product (including its key attributes).

## Definitions

Term	Definition
<b>Consumer's investment objective</b>	
Capital Growth	The consumer seeks to invest in a product designed to generate capital return. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The consumer seeks to invest in a product to reduce volatility and minimise loss in a market down-turn. The consumer prefers exposure to defensive assets (such as cash or fixed income securities) that are generally lower in risk and less volatile than growth investments.
Capital Guaranteed	The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products.
Income Distribution	The consumer seeks to invest in a product designed to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments).
<b>Consumer's intended product use (% of Investable Assets)</b>	
Solution / Standalone (75-100%)	The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least High <i>portfolio diversification</i> (see definitions below).
Core Component (25-75%)	The consumer intends to hold the investment as a major component, up to 75%, of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least Medium <i>portfolio diversification</i> (see definitions below).
Satellite (<25%)	The consumer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total <i>investable assets</i> (see definition below). The consumer is likely to be comfortable with exposure to a product with Low <i>portfolio diversification</i> (see definitions below).
Investable Assets	Those assets that the investor has available for investment, excluding the residential home.

Term	Definition
<b>Portfolio diversification (for completing the key product attribute section of consumer's intended product use)</b>	
Low	Single asset class, single country, low or moderate holdings of securities - e.g. high conviction Aussie equities.
Medium	1-2 asset classes, single country, broad exposure within asset class, e.g. Aussie equities "All Ords".
High	Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund or global multi-asset product (or global equities).
<b>Consumer's intended investment timeframe</b>	
Short ( $\leq 2$ years)	The consumer has a short investment timeframe and may wish to redeem within two years.
Medium ( $> 2$ years $\leq 8$ years)	The consumer has a medium investment timeframe and is unlikely to redeem within two years.
Long ( $> 8$ years)	The consumer has a long investment timeframe and is unlikely to redeem within eight years.

Term	Definition
<b>Consumer's Risk (ability to bear loss) and Return profile</b>	
<p>Perpetual has adopted the Standard Risk Measure (<b>SRM</b>) to calculate the likely number of negative annual returns over a 20 year period, using the guidance and methodology outlined in the <b><u>Standard Risk Measure Guidance Paper For Trustees</u></b>. The SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return or that a positive return could still be less than a consumer requires to meet their investment objectives/needs.</p> <p>The Product Description and Key Product Attributes section supplements the SRM methodology by also considering other risk factors. For example, some products may use leverage, derivatives or short selling.</p>	
Low	<p>The consumer is conservative or low risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)) and is comfortable with a low target return profile.</p> <p>Consumer typically prefers defensive assets such as cash and fixed income.</p>
Medium	<p>The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)) and comfortable with a moderate target return profile.</p> <p>Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.</p>
High	<p>The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 6)) in order to target a higher target return profile.</p> <p>Consumer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.</p>
Very high	<p>The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 7) and possibly other risk factors, such as leverage).</p> <p>Consumer typically prefers growth assets such as shares, property and alternative assets.</p>

Term	Definition
<b>Distributor Reporting</b>	
Significant dealings	<p>Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is ‘significant’ and distributors have discretion to apply its ordinary meaning.</p> <p>The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> <li>• they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or</li> <li>• they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the consumer (or class of consumer).</li> </ul> <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> <li>• the nature and risk profile of the product (which may be indicated by the product’s risk rating or withdrawal timeframes),</li> <li>• the actual or potential harm to a consumer (which may be indicated by the value of the consumer’s investment, their intended product use or their ability to bear loss), and</li> <li>• the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red or amber ratings attributed to the consumer).</li> </ul> <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p> <ul style="list-style-type: none"> <li>• it constitutes more than half of the distributor’s total retail product distribution conduct in relation to the product over the reporting period,</li> <li>• the consumer’s intended product use is <i>Solution / Standalone</i>, or</li> <li>• the consumer’s intended product use is <i>Core component</i> and the consumer’s risk (ability to bear loss) and return profile is <i>Low</i>.</li> </ul>



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#### **More information**

Contact your financial adviser or call:

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