

Target Market Determination

APSS Rollover/Spouse product

The APSS Rollover/Spouse product has been designed for a 'class of consumers' that includes Employee Members in the process of leaving service, and spouses of current Employee Members. Read this Target Market Determination to learn more.

About this document

PostSuper Pty Limited (ABN 85 064 225 841) (Trustee) is the trustee of the Australia Post Superannuation Scheme (ABN 42 045 077 895) (APSS).

This Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001 (Cth) (Corporations Act). It sets out the target market for which the APSS Rollover/Spouse product has been designed and certain other information required by the Corporations Act. It forms part of the Trustee's design and distribution framework for the APSS Rollover/Spouse product.

This document is not a product disclosure statement (PDS) and does not provide a summary of the product features or terms of the product. This document is not intended to be financial product advice and does not take into account any person's individual objectives, financial situation or needs.

Before making a decision about this product, consumers interested in acquiring the APSS Rollover/Spouse product should carefully read the relevant *Your Member Savings* PDS for Spouse and Rollover members, along with the accompanying *Guide to your Member Savings*. Both can be downloaded at apss.com.au in the 'Product disclosure' section under the Publications & Forms tab, or copies can be sent to you on request by calling **1300 360 373**. The Trustee is not licensed to provide you with financial product advice regarding your investment in the APSS.

Note that words and expressions capitalised in this TMD are defined at apss.com.au in the Glossary under the Publications & Forms tab.

Target market

Likely objectives, financial situation and needs of consumers in the target market

Class of consumers

Rollover product

The APSS Rollover product has been designed for consumers who are:

- **existing members of the APSS**; and either:
 - **leaving employment** with Australia Post or an Associated Employer and wanting to keep their APSS membership; or
 - **a Spouse Member who is no longer eligible to hold a Spouse Account** (e.g. because the Employee Member has ceased employment with Australia Post or an Associated Employer, or because the Spouse Member no longer meets the definition of 'Spouse' in the APSS Trust Deed), but wants to keep their APSS membership; and
- looking to grow their superannuation balance to help fund their retirement, but leave the investing to the APSS Trustee; and
- wanting to:
 - make personal contributions to superannuation; and/or
 - invest an existing superannuation entitlement, which they may transfer.

Spouse product

The APSS Spouse product has been designed for consumers who are:

- an eligible Spouse of an Employee Member of the APSS;
- looking to grow their superannuation balance to help fund their retirement, but leave the investing to the APSS Trustee; and
- wanting to:
 - make personal contributions to superannuation; or
 - invest an existing superannuation entitlement, which they may transfer; or
 - have an account that may receive superannuation contributions from their Employee Member spouse.

Note: The APSS Rollover/Spouse product has not been designed for consumers looking to receive their superannuation in the form of a tax-effective, account-based income stream.

Key attributes of the APSS Rollover/Spouse product

The APSS Rollover/Spouse product is an accumulation-style product. A consumer is in the target market for this product if they want a product with one or more of the following key attributes:

- Choice to invest in one or a combination of the following four investment options:
 - **Cash:** Designed for members seeking to avoid any capital loss and yield a rate of interest that over time is similar to Australia's official cash interest rate, adjusted for tax as applicable.
 - **Conservative:** Designed for members seeking to grow the value of savings marginally in excess of Inflation in the medium-term, with a relatively low tolerance for volatile or negative short-term Investment returns.
 - **Balanced:** Designed for members seeking to grow the value of savings significantly in excess of Inflation in the medium to long-term, with a moderate tolerance for volatile or negative short-term Investment returns.

- **High Growth:** Designed for members seeking to grow the value of savings very significantly in excess of Inflation in the long-term, with a high tolerance for volatile and frequently negative short-term Investment returns.
- Ability to switch investment choice fortnightly, with no fee currently charged for doing so (noting, however, that the Trustee may introduce a fee in the future).
- Aged-based insurance cover for eligible APSS Rollover and Spouse members (subject to conditions set out in the PDS), including:
 - **Death cover** – payable to a member's Beneficiaries if the member dies;
 - **TPD cover** – payable to a member if the member meets the definition of TPD under the policy; and
 - **Terminal illness cover** – payable to a member if the member suffers a Terminal Illness as defined under the policy.
- Automatic provision of one unit of insurance cover to eligible APSS Rollover and Spouse members who have not chosen to opt out of having insurance cover, with the option to apply for additional units of cover, up to a total of 10 units when combined with the automatic cover. Members that are not eligible to receive automatic insurance may be able to opt in to insurance cover. Members may cancel any insurance cover at any time.

For more detail, see the PDS for the APSS Rollover/Spouse product available at apss.com.au under the Publications & Forms tab or by calling **1300 360 373**.

Appropriateness and consistency between the APSS Rollover/Spouse product and target market

The Trustee considers that it would be reasonable to conclude that if the APSS Rollover/Spouse product were to be issued to a consumer in the target market, the product could be expected to be consistent with the likely objectives, financial situation and needs of the consumer.

This is based on consideration of the key terms, features and attributes of the APSS Rollover/Spouse product and a finding that these are consistent with the target market for whom the product has been designed.

Distribution conditions and restrictions

Distribution channels

The APSS is a non-public offer superannuation fund and is also a closed fund (since 1 July 2012). This means that, other than in respect of a small number of new Spouse members, no individuals can become new members of the APSS.

However, some members change membership categories within the APSS, for example:

- existing Employee Members of the APSS who have left employment with Australia Post or an Associated Employer; or
- existing Spouse Members who are no longer eligible to hold a Spouse Account (e.g. because the Employee Member has ceased employment with Australia Post or an Associated Employer, or because the existing Spouse Member no longer meets the definition of 'Spouse' in the APSS Trust Deed).

These existing members may open an APSS Rollover account by direct application using an approved form, or by way of an automatic transfer to a Rollover Account (e.g. if the existing Employee Member or Spouse Member does not complete and return the *Make a Benefit Payment Direction* form within 60 days after ceasing employment or ceasing to be eligible to hold a Spouse Account) and this may involve the issue of a further superannuation interest to those existing members.

Spouses of existing eligible Employee Members are also able to open an APSS Spouse account by direct application using an approved form. Given the limited number of such potential new members (i.e. they must be a Spouse of an existing APSS Employee Member), the Trustee does not actively seek to market or distribute APSS interests to those potential members, but does make existing members aware of the APSS Spouse membership category through its usual member communication channels (for example, in product disclosure statements).

Distribution conditions/restrictions

Rollover product

The APSS Rollover product should only be distributed to a person who is:

- an existing APSS Employee Member who has left employment with Australia Post or an Associated Employer; or
- an existing APSS Spouse Member who is no longer eligible to hold a Spouse product (e.g. because the Employee Member has ceased employment with Australia Post or an Associated Employer, or because the existing Spouse Member no longer meets the definition of 'Spouse' in the APSS Trust Deed).

Spouse product

The APSS Spouse product should only be distributed to a person who is the Spouse of an Employee Member in accordance with the definition of 'Spouse' in the APSS Trust Deed, which means:

- a person who is legally married to a Member;
- a person who, although not legally married to a Member, is living with the member on a genuine domestic basis in a relationship as a couple; or
- a person (whether of the same or a different sex) with whom a Member is in a registered relationship under laws in Victoria, Tasmania, New South Wales, Queensland, South Australia or the Australian Capital Territory.

Appropriateness of the distribution conditions and restrictions

The Trustee considers that it would be reasonable to conclude that if the APSS Rollover/Spouse product were to be issued to a consumer in the target market, it should be consistent with the likely objectives, financial situation and needs of the consumer.

This is based on an assessment of the distribution conditions and restrictions and that they are appropriate and will assist distribution in being directed towards the target market for whom the APSS Rollover/Spouse product has been designed.

Review of this TMD

The Trustee will review this TMD in accordance with the below table:

Review type	Frequency
Initial review	Within 24 months of the effective date of this TMD.
Periodic reviews	At least every two years from the initial review or any other time at the Trustee's discretion.
Other reviews	See below.

Other reviews

Other reviews will occur when the Trustee determines that any of the following review triggers has occurred:

- a) Occurrence of a 'significant dealing' in the product outside the target market.
- b) Significant or unexpectedly high number of complaints regarding the design, product or any distribution condition of the APSS Rollover/Spouse product where the Trustee considers it reasonably suggests that this TMD is no longer appropriate.
- c) Material change to key attributes of the APSS Rollover/Spouse product where the Trustee considers it reasonably suggests that this TMD is no longer appropriate.
- d) Where the Trustee makes a determination for the purposes of section 52(9) of the Superannuation Industry (Supervision) Act 1993 (Cth) that the financial interests of the members who hold the APSS Rollover/Spouse product are not being promoted.
- e) Any other event or circumstance has occurred where the Trustee considers it reasonably suggests that this TMD is no longer appropriate.
- f) An event or circumstance that would materially change a factor taken into account in making the TMD for the product.
- g) Upon receipt of member feedback where the nature and extent of that feedback would warrant a review.

Reporting by distributors for the purposes of this TMD

The APSS Rollover/Spouse product is distributed by the Trustee only.

The Trustee may collect (and notify to ASIC as required by law) the following information in relation to this TMD.

Type of information	Timeframe
Number and nature of complaints about the APSS Rollover/Spouse product	Quarterly, within 10 business days after the end of each quarter.
Significant dealings	As soon as practicable, but no later than 10 business days after the Trustee becomes aware of the 'significant dealing'.