

Target Market Determination

For the QSuper Retirement Income account

Product issuer: Australian Retirement Trust Pty Ltd (ABN 88 010 720 840, AFSL 228975) as trustee for Australian Retirement Trust (ABN 60 905 115 063).

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Effective - 5 October 2023

1. About this document

This Target Market Determination (TMD) seeks to provide consumers, Australian Retirement Trust staff and distributors with an understanding of the class of consumers for which this product has been designed (the target market), having regard to their likely objectives, financial situation and needs.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumers must refer to the Product Disclosure Statement (PDS) and any supplementary documents when making a decision about this product, and to seek financial advice if appropriate.

Product Disclosure Statement to which this Target Market Determination applies

This TMD applies to the QSuper Retirement Income account referred to in the [QSuper Product Disclosure Statement for Income Account and Lifetime Pension](#).

2. Target market for the QSuper Retirement Income account

The following table describes the overall class of consumers this product is designed for.

Consumer Class	Early retirement	Retired or working past retirement age	Death benefit recipients	Disability benefit recipients
Age range	From preservation age ¹ to age 65	Age 65 and over ²	Any age, subject to eligibility	15 - 65 ³
Employment status	<ul style="list-style-type: none">Employed, not employed, or retired	<ul style="list-style-type: none">Employed, not employed, or retired	<ul style="list-style-type: none">Not applicable	<ul style="list-style-type: none">No longer able to workdue to illness or injury
Likely objectives	Access superannuation to support income needs and access to lump sums, while remaining invested in a tax effective environment.	Access superannuation to support income needs and access to lump sums, while remaining invested in a tax effective environment, and receiving tax-free income payments from age 60.	Access a superannuation death benefit via regular income and access to lump sums, while remaining invested in a tax effective environment.	Access a superannuation disability benefit to provide a source of income when no longer able to work, while remaining invested in a tax effective environment.
Likely financial situation	At least \$30,000 in superannuation and has reached preservation age and retired, (or has met another condition of release) and seeking a regular income stream and access to lump sums, to replace and/or supplement other income sources.		An eligible recipient of a superannuation death benefit of at least \$30,000 who was financially dependent on the deceased, and seeking a regular income stream and access to lump sums, to replace and/or supplement other income sources.	At least \$30,000 in superannuation and has met the permanent incapacity condition of release and seeking a regular income stream and access to lump sums, to replace and/or supplement other income sources.

¹ "Preservation age" is the Government-specified age at which an individual can access superannuation benefits, provided they have permanently retired from the workforce, or take a transition to retirement income stream. Preservation age varies between 59 and 60 according to date of birth.

² Government regulations permit individuals to access their super if they have reached the age of 65, regardless of their employment status.

³ Age range limited by disability insurance eligibility criteria in other Australian Retirement Trust products that provide the source of capital to commence the pension.

Consumer Class	Early retirement	Retired or working past retirement age	Death benefit recipients	Disability benefit recipients
Likely needs (one or more may apply)	<ul style="list-style-type: none"> • Ability to receive regular income payments to their bank account with flexible payment options and amounts. • Ability to invest retirement savings in a tax-effective environment. • Ability to access super in the form of lump sum withdrawals when required. • Ability to select from a wide range of investment options to suit personal risk/return profile and objectives. 			
Excluded consumers	<p>This product is not designed for consumers who:</p> <ul style="list-style-type: none"> • Do not have a superannuation balance of at least \$30,000, or have exceeded their Transfer Balance Cap. • Have not met preservation age, or have not met a condition of release without cashing conditions. 			

3. Product description

A QSuper Retirement Income account is a simple account-based pension product that allows consumers to access their superannuation savings as regular income payments and lump sums where required.

Product eligibility criteria

To be eligible for this product the consumer must meet the following eligibility criteria:

- Eligible to open a QSuper Accumulation account (refer to the Target Market Determination for the QSuper Accumulation account).
- Have a superannuation balance of at least \$30,000 at commencement.
- Have met one of the following conditions of release to access their super:
 - aged 65 or older;
 - have ceased an employment arrangement on or after age 60;
 - have reached preservation age and have permanently retired;
 - are an eligible recipient of a superannuation death benefit; or
 - have met another condition of release which was previously approved by the Trustee (e.g. totally and permanently disabled).
- A QSuper Retirement Income account can only be opened by a person eligible to receive a superannuation death benefit if they are an eligible dependant of the deceased, such as:
 - a spouse of the deceased, or
 - a child of the deceased that:
 - is under 18 years old,
 - is between 18 and 25 years old and financially dependent on the deceased, or
 - has a permanent disability.
- This product is designed for consumers within Australia in accordance with Australian laws and regulations. Applications from outside Australia may not be accepted. Eligibility for certain product features could be impacted if residing overseas. This product is not available to current or former temporary residents (who are not now a citizen or permanent resident of Australia or a citizen of New Zealand).
- An account can be opened for persons under the age of 15 by their parent/guardian (as in the case of commencing a Retirement Income account with a superannuation death benefit) and for persons that do not have capacity to make financial decisions by their attorney, guardian or trustee.

Product key features and attributes

This product offers the following key features and attributes:

- Investment earnings are generally tax free.
- Income payments are concessional tax for those under 60 and tax-free from age 60.
- Consumers opening a QSuper Retirement Income account may be eligible to earn a tax-free Retirement Bonus (subject to eligibility criteria and other conditions, see qsuper.qld.gov.au/retirementbonus).
- Member Online website and mobile app access to check super balance, update details or manage income payments and investments.
- Access to educational webinars, seminars, calculators and tools.
- The ability to invest in the range of investment options.
- Ability to nominate beneficiaries for death benefits under a binding death benefit nomination.
- Ability to access simple financial advice about the product.¹
- Under current legislation, consumers with an account based pension (Retirement Income account) are required to take a minimum amount of income each year from their account. This is called the minimum pension payment and it is a percentage of a consumer's account balance and ranges between 4% and 14% depending on age.

Investment options

Consumers can choose a mix of investment options that include diversified and single sector options. Consumers have the ability to apply an investment strategy for their current account balance, and a different investment strategy for future contributions.

The Trustee recommends consumers seek financial advice when making any investment decision. Read additional information on each investment option in the [QSuper Product Disclosure Statement for Income Account and Lifetime Pension](#).

Risks of our investment options

We use the Standard Risk Measure (SRM) to describe the risk that applies to each investment option. The SRM is based on industry guidance. It allows consumers to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. Each option is assigned a risk band and a risk label based on the likely number of negative annual returns you can expect over any 20-year period. They are outlined in the following table.

Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

For more information on the Standard Risk Measure calculation refer to our [website](#).

¹ Employees in the Australian Retirement Trust group provide advice to members and employers as representatives of QInvest Limited (ABN 35 063 511 580, AFSL 238274) that is wholly owned by the Trustee as an asset of Australian Retirement Trust. Invest Limited is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services (pdf) at qsuper.qld.gov.au/fsg for more information.

4. Investment option target markets

Each investment option and their relevant target markets is described in the tables below. Consumers can refer to the [QSuper Product Disclosure Statement for Income Account and Lifetime Pension](#) for information on Investing and risk. The [QSuper Product Disclosure Statement for Income Account and Lifetime Pension](#) also includes information on each investment option objective, investment timeframe, risk and asset allocation.

Diversified options				
Likely investment needs	For those consumers who want to invest in a diversified portfolio of asset classes based on an investment strategy determined by QSuper. These options can be held on their own or selected as part of a mixed portfolio.			
Investment Option	Investment objective ¹	Investment timeframe	Risk label ²	Who this option may be suitable for:
Moderate	CPI + 2% p.a.	More than 3 years	Low to Medium	<ul style="list-style-type: none"> Suitable if you want short to medium – term stability but some exposure to assets that will potentially give you higher returns. You can tolerate the low to medium level of risk. You need to be prepared to accept that in return for shorter-term stability you may be sacrificing the potential for higher long-term returns.
Balanced (default)	CPI + 4% p.a.	More than 5 years	Medium to High	<ul style="list-style-type: none"> Suitable if you're a medium-to long-term investor and want exposure to assets that will potentially give you higher returns. You can tolerate the medium to high level of risk. You need to be prepared to accept that this option could experience negative returns over the short term. If you do not make an investment choice, your account will be invested in the Balanced investment option.
Aggressive	CPI + 4.5% p.a.	More than 10 years	High	<ul style="list-style-type: none"> Suitable if you're a long-term investor and want exposure to assets that will potentially give you higher returns. You can tolerate the high level of risk. You need to be prepared to accept that this option could experience negative returns over the short- to medium-term.
Socially Responsible	CPI + 4% p.a.	More than 5 years	High	<ul style="list-style-type: none"> Suitable if you're a medium- to long-term investor and want your investments made in line with an extended set of environmental, social and governance principles. You can tolerate the high level of risk. You need to be prepared to accept that this option could experience negative returns over the short to medium-term.

Note, the QSuper Socially Responsible option failed the annual superannuation performance test conducted by the Australian Prudential Regulation Authority (APRA) at 30 June 2023. Learn more [here](#).

¹ For the Diversified options above, the investment objectives are the targeted investment returns after investment fees and costs and transaction costs measured over rolling 10-year periods. Refer to the [QSuper Product Disclosure Statement for Income Account and Lifetime Pension](#) for more information on the investment characteristics of the investment options.

² This is the risk label associated with the investment strategy based on the Standard Risk Measure (SRM) outlined in the previous section of this Target Market Determination. Each option has a risk band and risk label which corresponds to the likely number of negative annual returns you can expect over any 20-year period. The SRM isn't a complete assessment of all forms of investment risk.

Single Sector options				
Likely investment needs	For those consumers who want to build their own investment portfolio to suit their personal risk/return objectives from a range of options and asset classes. Single sector options are not suitable for members who are uncomfortable with taking on responsibility for developing and managing their own individual investment strategy.			
Investment Option	Investment objective ¹	Investment timeframe	Risk label ²	Who this option may be suitable for:
Cash	To match the return of the Bloomberg AusBond Bank Bill Index, after investment fees and costs and transaction costs.	Less than 1 year	Very low	<ul style="list-style-type: none"> • Suitable if you're a short-term investor who wants to protect the value of your investment. • You can accept that there will be little short-term real growth. • You are willing to tolerate a very low level of risk.
Diversified Bonds	To match the return of a 40% Australian and 60% international diversified bonds index (hedged in AUD), after investment fees and costs and transaction costs.	More than 3 years	Low to medium	<ul style="list-style-type: none"> • Suitable if you're a short-to medium-term investor who wants steady returns. • You should be prepared for the value of your investment to have some small movements over the short term. • You can tolerate the low to medium level of risk.
International Shares	To match the return of the MSCI World Developed Markets ex-Australia net dividends reinvested accumulation index (hedged in AUD), after investment fees and costs and transaction costs.	More than 10 years	Very high	<ul style="list-style-type: none"> • Suitable if you're a long-term investor and want exposure to assets that will potentially give you higher returns. • You can tolerate the very high level of risk. • You should be prepared to accept that this option is more likely to experience negative returns over the short-to medium term than an option with a lower risk.
Australian Shares	To match the return of the S&P/ASX 200 Accumulation Index, after investment fees and costs and transaction costs.	More than 10 years	Very high	<ul style="list-style-type: none"> • Suitable if you're a long-term investor and want exposure to assets that will potentially give you higher returns. • You can tolerate the very high level of risk. • You should be prepared to accept that this option could experience negative returns over the short to medium term.

Note we reserve the right to temporarily suspend unit prices if extreme market volatility or circumstances outside of our control mean we can't calculate a unit price. If we need to suspend a unit price for any or all of our options, we may stop processing transactions until a unit price is available. If we need to suspend unit prices we will inform consumers via our [website](#).

¹ Refer to the [QSuper Product Disclosure Statement for Income Account and Lifetime Pension](#) for more information on the investment characteristics of the investment options.

² This is the risk label associated with the investment strategy based on the Standard Risk Measure (SRM) outlined in the previous section of this Target Market Determination. Each option has a risk band and risk label which corresponds to the likely number of negative annual returns you can expect over any 20-year period. The SRM isn't a complete assessment of all forms of investment risk.

Self Invest - Member-Directed Option

Self Invest is only available to existing Self Invest investors who held this option in their QSuper Retirement Income account as at 30 June 2023. Existing investors can transfer Self Invest from a QSuper Accumulation account to a QSuper Retirement Income account. For existing investors, the Self Invest option is designed to provide members with more direct control over how their superannuation account balance is invested and managed, by allowing them to invest in:

- Cash Transaction Account
- Term deposits
- Australian Shares
- Exchange Traded Funds (ETFs)

The performance of Self Invest will depend on your management skills, the investments you choose, and the decisions you make. The risk of Self Invest will also depend on the mix of investments which you choose within the option. This option is only available online and is not suitable for members who prefer phone, in-person, or paper-based forms to manage their superannuation.

Member Directed Investment options (Self Invest)

Likely investment needs	For those consumers who want to tailor their own investment strategy and who have a higher knowledge of investments, and the time and resources to manage their investments. Depending on their risk profile, they may be willing to accept additional risk (and potentially incur investment losses) to achieve retirement income objectives or they may be seeking to trade off capital growth for reduced investment volatility.			
Investment Option	Investment characteristics ¹	Investment timeframe	Risk label ²	Who this option may be suitable for:
Cash Transaction Account ³	To provide a fixed rate of interest.	Less than 1 year	Very low	<ul style="list-style-type: none"> • Suitable if you are short-term investors who want a very low risk investment.
Australian Listed Shares	To generate returns through potential share price growth and/or income paid as dividends.	More than 10 years	Very high	<ul style="list-style-type: none"> • Suitable for those who are seeking to invest in shares listed on the Australian Stock Exchange.
Exchange Traded Funds (ETFs)	To duplicate as closely as possible, before expenses, the total return of a prescribed index of securities and assets such as listed property and bonds.	More than 10 years	Very high ⁴	<ul style="list-style-type: none"> • Suitable for those who are seeking Australian and international companies through a selection of pre-mixed portfolios of shares.
Term deposits	To provide a fixed rate of interest for a fixed term.	Less than 1 year	Low	<ul style="list-style-type: none"> • Suitable for those who are seeking a term deposit from Australian banks. • Investment terms range from 30 to 365 days.

¹ Refer to the Self Invest Guide for more information on the investment characteristics of the investment options.

² An SRM can't be produced for Self Invest. We have instead used the closest related investment risk profile for the investment asset classes.

³ When you move money to Self Invest, we will create a transaction account for you. You will use this account to hold your funds as you buy and sell shares, term deposits and ETFs, and this is also where your investment returns will be applied and from where we deduct fees and costs.

⁴ We have provided a risk rating that reflects that of the accessible ETFs with the highest investment risk profile. The investment risk profiles for individual ETFs will vary and are described in the applicable disclosure statements.

5. Consistency between target market and the product

Australian Retirement Trust regularly monitors the consumers acquiring the product for consistency with the target market, and has assessed whether the product is likely to be suitable for the target market. We consider that the product is likely to be consistent with the likely objectives, financial situation or needs of the target market, on the basis that the product offers the following key features and attributes:

Product features or attributes	Target Markets' likely objectives, financial situation or needs
Offers the ability to invest retirement savings in a tax-effective environment.	This is consistent with the likely objective of the target market to access superannuation to support income needs and access to lump sums, while remaining invested in a tax effective environment.
Provides income payments to members' bank account as an income stream with flexible payment options and amounts, and also offers access to super in the form of lump sum withdrawals when required.	These features are consistent with the likely objective and needs of the target market who are seeking flexible options to access their superannuation to support their income needs.
Offers a range of diversified and single asset class investment options, with risk ranging range from very low to very high.	This is consistent with meeting the need of the target market to have access to select from a range of investment options to suit personal risk/return profile and investment objectives.

6. How this product is to be distributed

Distribution means 'retail product distribution conduct' in relation to a consumer. Distribution includes:

- Dealing in the financial product
- Giving a disclosure document in relation to offering a financial product
- Providing a Product Disclosure Statement (PDS)
- Providing financial product advice.

A distributor is a regulated person who issues or sells a product, as an AFS licensee or their authorised representative.

Product distribution channels, conditions and restrictions

Product distribution channel	Product distribution condition	Product distribution restriction
Direct Applying via the online application or paper application form at the back of the PDS.	<ul style="list-style-type: none"> • Consumers are provided with a Product Disclosure Statement. • Retirement Income account applications must only be completed by an individual who has met the eligibility criteria and has read and accepts the conditions set out in the relevant PDS. 	<ul style="list-style-type: none"> • This product is restricted to individuals who meet the eligibility requirements set out in the section 3 (product description) of this TMD. • Consumer eligibility criteria is validated via the paper-based and online application channels.
Financial Adviser Applying through a licensed Financial Adviser	<ul style="list-style-type: none"> • Consumers are provided with a Product Disclosure Statement by the licensed Financial Adviser. • Retirement Income account applications must be completed with the eligible consumer consent via a licensed Financial Adviser under a personal financial product advice arrangement. 	<ul style="list-style-type: none"> • Consumer eligibility criteria is validated via the paper-based and online application channels. • The product should not be distributed to a consumer who is not in the target market unless there is a personal financial product advice arrangement where the consumer's personal objectives, financial situation and needs have been considered by the Financial Adviser, and where the best interest duty applies.

Adequacy of distribution conditions and restrictions

The Trustee has determined the distribution conditions for this product to be 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. This is due to:

- An application form (either paper-based or online) is to be completed for all members from both direct and Financial Adviser channels. Consumer eligibility criteria (such as age and account balance) is validated by Australian Retirement Trust for all applications received before a consumer can open an account. This includes validation personal identification in adherence to our compliance requirements (such as know your customer, anti-money-laundering and counter terrorism funding).
- The product's eligibility criteria are aligned to target market characteristics, this makes it likely that the product will be distributed to consumers in the target market for which this product is designed. All consumers are provided with a Product Disclosure Statement, enabling them to also assess and determine whether a product is suitable for their requirements and situation.
- Distribution of the product to a consumer outside the target market for this product under a personal financial product advice arrangement is permitted as the Financial Adviser is required to take into account the personal objectives, financial situation and needs of the consumer.

7. Reporting and monitoring this Target Market Determination

All distributors who are regulated people must report complaints and significant dealings to us. A significant dealing includes:

- High proportion of consumers who have acquired the product but are not in the target market. This includes those consumers who are specifically excluded from the target market.
- Identifying potential/actual harm to consumers outside of the target market acquiring the product.
- Distribution which is inconsistent with this TMD, which is significant in nature and extent.
- High proportion of transfers into the product from consumers outside the target market.
- A significant number of consumers outside the target market acquiring the product over an extended time-period.

Complaints and significant dealings information outlined the table below should be sent to us at

DDOReporting@ART.com.au

Complaints	<p>Distributors must report the number of complaints in relation to the product(s) covered by this TMD on a quarterly basis. Reporting is required as soon as practicable, but within 10 business days of the end of a calendar quarter. The type of data required for a complaint:</p> <ul style="list-style-type: none">• Product• Complaint ID• Date complaint received• Complaint issue• Complaint content• Complaint status• Compensation• Who made the complaint• AFCA status and reference
Significant dealings	<p>Distributors must report if they become aware of a significant dealing in relation to this TMD within 10 business days. The type of data required for a significant dealing:</p> <ul style="list-style-type: none">• Product• Date of significant dealing• Client• Description• Why it is significant• How it was identified• Financial impact to member (if any)• Steps to rectify.

8. Reviewing this Target Market Determination

This Target Market Determination is effective from 5 October 2023. We will review this Target Market Determination in accordance with the periods or events below:

Last review	5 October 2023
Periodic reviews	Within 12 months of the last review
Review trigger or events	<p>There are several events/circumstances that could arise and would suggest that the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none">• A material change to the design of the product, including key features and investment options, which affects the class of consumers targeted by this product.• Findings from the annual Member Outcomes Assessment and/or Business Performance Review indicating that a review of the TMD is necessary.• Change to regulation or interpretation of regulation which has a material impact on the product.• Distribution conditions do not make it likely that consumers who acquire the product are in the target market.• Occurrence of a significant dealing as defined in this TMD.• Identification of significant detriment to consumers if TMD was not reviewed.• External events such as adverse media coverage or regulatory attention indicating that a review of the TMD is necessary.• Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Corporations Act 2001) about the product or distribution of the product.• Material or unexpectedly high number of members exiting the product.• Poor performance of the product relative to its investment objectives, appropriate benchmarks and other similar products.• Significant losses suffered by members, and events and circumstances occur to suggest that the product is unlikely to achieve its investment objective over time.• A change has occurred that suggests the product is no longer consistent with the likely goals and needs of the target market.
Where a review trigger has occurred, this Target Market Determination will be reviewed within 10 business days.	
Review triggers are subject to ongoing monitoring and quarterly assessment unless required earlier.	

Important Dates

Date from which this target market determination is effective	5 October 2023
Date when this target market determination was last reviewed	5 October 2023
Date when this target market determination will be next reviewed	5 October 2024

Important Information about the indices we reference

Bloomberg AusBond Bank Bill Index

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MSCI World ex Australia Net Investable Market Index (IMI) in \$A

Source: MSCI. The MSCI data comprises a custom index calculated by MSCI for, and as requested by, QSuper Limited¹. The MSCI data is for internal use only and may not be redistributed or used in connection with creation or offering any securities, financial products, or indices. Neither MSCI nor any other third party involved in or related to compiling or creating the MSCI data (the “MSCI Parties”) makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability, or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential, or any other damages (including lost profits) even if notified of the possibility of such damages.

S&P/ASX 200 Accumulation Index

The S&P/ASX 200 index is a product of S&P Dow Jones Indices LLC or its affiliates (“SPDJI”) and ASX Ltd and has been licensed for use by QSuper Limited.¹ Standard & Poor’s® and S&P® are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by QSuper Limited.¹ ASX is a trademark of the ASX Ltd and have been licensed for use by SPDJI and QSuper Limited. The QSuper Australian Shares investment option is not sponsored, endorsed, sold, or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, or ASX Ltd and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P/ASX 200 index.

¹ QSuper Limited (ABN 50 125 248 286 AFSL 334546) has been appointed by the Trustee as an investment manager to provide investment services.

This Target Market Determination and all QSuper products are issued by Australian Retirement Trust Pty Ltd (ABN 88 010 720 840, AFSL 228975) as trustee for Australian Retirement Trust (ABN 60 905 115 063). Any reference to “QSuper” is a reference to the Government Division of Australian Retirement Trust. This is general information only, so it does not take into account your personal objectives, financial situation, or needs. You should consider whether the product is right for you by also reading the relevant Product Disclosure Statement (PDS) available at qsuper.qld.gov.au or call us on 1300 360 750 to request a copy. Where necessary, consider seeking professional advice tailored to your individual circumstances.