

# Target Market Determination

For the QSuper Accumulation account

Product issuer: QSuper Board (ABN 32 125 059 006, AFSL 489650)  
as trustee for QSuper (ABN 60 905 115 063)

USI: 60905115063001 (used by members and employees)  
and 60905115063002 (used by Queensland Government and default  
employers only)

5 October 2021



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## 1. About this document

This target market determination (TMD) describes the class of consumers that the QSuper Accumulation account (the product) has been designed for, having regard to the objectives, financial situation and needs of the product's target market.

This document only contains a brief summary of the product's features and any information does not take into account your objectives, financial situation or needs. Please consider the [QSuper Product Disclosure Statement for Accumulation Account](#) and supplementary documents before making a decision about this product.

## 2. Target market for the QSuper Accumulation account

This section summarises the overall class of consumers who are likely to fall within the target market for the QSuper Accumulation account.

This Accumulation account **is** designed for consumers who:

- Have a goal/need for a superannuation account that enables the consumer to:
  - Save and tax-effectively invest for retirement
  - Receive superannuation guarantee contributions from employers
  - Consolidate superannuation from other superannuation funds
  - Make a personal contribution to superannuation (if eligible)
  - Select from a range of investment options to suit personal risk/return profile and investment objectives
  - Access their super having met a condition of release
  - Access death, total and permanent disability (TPD), and/or income protection insurance cover through superannuation (if eligible).
- Also meet the following conditions:
  - Australian citizen or resident
  - Have a superannuation balance above \$0 if they open an account directly with us.

This product is **not** designed for consumers who:

- Require life insurance cover offered by this product, and do not meet our insurance eligibility criteria
- Want to access their investment in super before meeting a cashing condition. Super can generally only be withdrawn prior to preservation age in limited circumstances as permitted by superannuation law.

For a consumer to be eligible for default insurance cover under the product, they must meet age/minimum account balance-based rules set out in the insurance section below, and maintain a sufficient balance to pay for insurance premiums. Certain pre-existing medical conditions are also excluded under the insurance cover. Please refer to the [QSuper Product Disclosure Statement for Accumulation Account](#) and [Accumulation Account Insurance Guide](#) for further details.

If a member makes lump sum withdrawals from their Accumulation account, they must hold a minimum balance of \$10,000 to retain their account.

## 3. Product description and key attributes

The key product attributes of the Accumulation account are:

- **A default investment** option (Lifetime) that has:
  - A MySuper lifecycle investment strategy that automatically adjusts a member's investment strategy based on their age and Lifetime account balance.
- **A range of other investment options** to suit different investment needs and risk preferences:
  - Diversified options: Moderate, Balanced, Socially Responsible and Aggressive
  - Single sector options: Cash, Diversified Bonds, International Shares and Australian Shares

**Target market likely objective:** save for retirement via a tax-effective retirement savings account that also provides access to life insurance for eligible members.

- Direct investments (via Self Invest): Shares, Exchange Traded Funds, Term Deposits.

You can find more information about these investment options below.

• **Other features:**

- Tax-effective investment earnings and concessional tax contributions
- Convenience of managing the product online, which allows members to view their account balance, change their investment preferences, and make withdrawals (if eligible)
- Ability to hold death, total and permanent disability and income protection cover through the product (subject to eligibility)
- Ability to personalise insurance cover (subject to eligibility).

**Target market likely financial situation and need:** consumers needing a superannuation account that can accept superannuation contributions while offering access to life insurance and investment choice.

## Investment options

**Class of consumers:** Members looking to grow their super balance for and in retirement. Members may be willing to accept additional risk (and potentially incur investment losses) to achieve retirement income objectives, or may be seeking to trade off capital growth for reduced investment volatility.

**Life stage** is pre and post-retirement.

The tables below set out the investment options that have been designed for and are available to this class of consumer.

### Default option

QSuper's default option provides a MySuper lifecycle investment strategy and is suitable for members who prefer QSuper to automatically adjust their investment strategy based on their age and Lifetime account balance.

Investment option	Risk level <sup>1</sup>	Investment horizon	Option investment characteristics
<b>Lifetime (MySuper option)</b>	Low to Medium-to-High based on life stage	Between 10+ years to 2+ years dependent on life stage	Lifetime is an investment option that automatically personalises your investment strategy based on your age and Lifetime account balance.

### Diversified options

QSuper's diversified investment options are designed to meet the risk/return needs of most consumers who want to invest in a diversified portfolio of asset classes based on an investment strategy determined by QSuper. These options are for members who prefer QSuper to set, manage, and monitor the investments according to stated objectives, investment horizons, and risk levels.

Investment option	Risk level <sup>1</sup>	Investment horizon	Option investment characteristics
<b>Moderate</b>	Low	More than 3 years	If you want short to medium-term stability, but want some exposure to assets that will potentially give you higher returns, Moderate may be suitable for you. You should be aware that in return for shorter-term stability you may be sacrificing the potential for higher long-term returns.
<b>Balanced</b>	Medium	More than 5 years	If you are a medium to long-term investor and want exposure to assets that will potentially give you higher returns, Balanced may be suitable for you. You need to be prepared to accept that this option could experience negative returns over the short term.

<sup>1</sup> Based on probability of negative annual returns over any 20-year period. For more information refer to [qsuper.qld.gov.au/srm](http://qsuper.qld.gov.au/srm)

<b>Aggressive</b>	Medium to high	More than 10 years	If you are a long-term investor and want exposure to assets that will potentially give you higher returns, Aggressive may be suitable for you. You need to be prepared to accept that this option could experience negative returns over the short to medium-term.
<b>Socially Responsible</b>	Medium to high	More than 5 years	If you are a medium to long-term investor and want your investments to also target a positive impact on environmental and social considerations, Socially Responsible may be suitable for you. You should be aware that this option has exposure to assets that will potentially give you higher returns, so you need to be prepared to accept that you could experience negative returns over the short term.

## Single Sector

QSuper's single asset class options are designed for consumers who want to build their own investment portfolio to suit their personal risk/return objectives from a range of asset classes with various investment styles. These options are not suitable for members who are not comfortable with taking on responsibility for developing and managing their own individual investment strategy.

Investment option	Risk level <sup>1</sup>	Investment horizon	Option investment characteristics
<b>Cash</b>	Very low	Less than 1 year	If you are a short-term investor who wants a very low risk investment, the Cash option may be suitable for you. However, you should also be aware that there will be little capital growth, so if you have a long-term investment horizon, you should consider whether this investment option will meet your objectives. It is important to note that in a low interest rate environment, returns from this asset class could be slightly negative after fees are deducted. Cash is often used in combination with other investments to provide liquidity, reduce risk, and provide diversification.
<b>International Shares</b>	Very high	More than 10 years	If you are a long-term investor and want exposure to assets that will potentially give you higher returns, the International Shares option may be suitable for you. You need to be prepared to accept that this option could experience negative returns over the short to medium term.
<b>Australian Shares</b>	Very high	More than 10 years	If you are a long-term investor and want exposure to assets that will potentially give you higher returns, the Australian Shares option may be suitable for you. You need to be prepared to accept that this option could experience negative returns over the short to medium term.

<sup>1</sup> Based on probability of negative annual returns over any 20-year period. For more information refer to [qsuper.qld.gov.au/srm](http://qsuper.qld.gov.au/srm)

<b>Diversified Bonds</b>	Medium	More than 3 years	If you are a short to medium-term investor who wants steady returns, the Diversified Bonds option may be suitable for you. However, you should be prepared for the value of your investment to have some small movements over the short term. It is important to note that while bonds generally offer some diversification benefits from equity risk, they can experience both gains and losses, which means that investment returns may be positive or negative. This option may be less appropriate for investors who have a longer investment horizon.
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QSuper recommends that consumers seek financial advice when making any investment decision.

You can find more information on each investment option, including risks, fees and costs, and asset allocations in the QSuper [Investment Choice Guide](#).

### Self Invest (member-directed option)

The Self Invest option is designed to provide members with more control over how their superannuation account balance is invested and managed.

The performance of Self Invest will depend on your management skills, the investments you choose, and the decisions you make.

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.

**Overall target market:** Consumers 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.

**Life stage** is pre and post-retirement.

#### Eligibility rules

For access to Self Invest, members must hold an Accumulation account, be registered for Member Online, and:

1. Have a minimum account balance of \$20,000
2. Make a minimum initial transfer of \$5,000 to the Self Invest transaction account
3. Accept the Self Invest terms and conditions
4. Have a valid email address to receive all Self Invest correspondence.

Investment type	Risk level	Investment horizon	Investment characteristics
<b>Shares listed on the S&amp;P/ASX300</b>	Very high	More than 10 years	If you are seeking to invest in shares listed on the S&P/ASX 300.
<b>Exchange Traded Funds (ETFs)</b>	Varies depending on ETF	More than 10 years	If you are seeking Australian and international companies through a selection of pre-mixed portfolios of shares.
<b>Term deposits</b>	Low	Less than 1 year	If you are seeking a term deposit from some of Australia's major banks. Investment terms range from 30 to 365 days.

QSuper recommends that consumers seek financial advice when making any investment decision. Refer to the QSuper [Investment Choice Guide](#) for further information.

## Insurance

The table below sets out the class of consumers that each insurance option within an Accumulation account has been designed for. The QSuper Accumulation account provides a default level of insurance cover for most members. Members also have the option of personalising their level of insurance cover to better suit their goals and needs.

For a member to be eligible for default insurance cover under the product, they must meet the minimum Accumulation account balance-based rules above and maintain a sufficient balance to pay for insurance premiums. Certain pre-existing medical conditions are also excluded from the insurance cover.

If a member makes lump sum withdrawals, they must hold a minimum balance of \$10,000 to keep their account.

Eligibility criteria:

To be eligible to hold insurance, members must have a QSuper Accumulation account, and be:

- An Australian resident
- Aged 16-64 for Total and permanent disability (TPD) and income protection cover
- Aged 16-69 for death cover
- Aged 16-59 for all cover if the member is a Queensland Police officer.

To receive cover automatically, a member needs to be age 25 or older, hold an account balance that has reached \$6,000 and have had money received into their account in the previous 13 months. To receive or apply for cover earlier, a member can permanently opt in through Member Online or in writing.

If a member is not an Australian resident and has QSuper insurance cover, or the member stops being an Australian resident, the member can cancel their cover and stop paying premiums.

Insurance eligibility and claims criteria apply. You can find more information in the [QSuper Product Disclosure Statement for Accumulation Account](#) and [Accumulation Account Insurance Guide](#).

	Life stage	Member goal/need	Employment status (employed/unemployed)	Employer	Insurance cover not appropriate for
<b>Death cover</b>	Person seeking protection for their family in the event of death	Receive a benefit paid upon death to support obligations of the member's estate or paid upon diagnosis of terminal illness	Either	Any	<ol style="list-style-type: none"> <li>1. Members under the age of 16</li> <li>2. Members over the age of 69</li> <li>3. Any member ineligible to claim under the policy</li> </ol>
<b>Total and permanent disability cover</b>	Person wanting to meet future financial commitments in the unfortunate event of a total and permanent disablement	Receive a benefit paid upon total and permanent disablement to provide financial support	Either	Any	<ol style="list-style-type: none"> <li>1. Members under the age of 16</li> <li>2. Members over the age of 64</li> <li>3. Any member ineligible to claim under the policy</li> </ol>

<b>Income protection cover</b>	Person who is working and wants to protect a portion of their income if they are unable to work due to injury or illness	Receive a monthly benefit paid weekly if you become temporarily totally or partially disabled due to sickness or injury to meet the member's ongoing obligations	Employed	Any	<ol style="list-style-type: none"><li>1. Members under the age of 16</li><li>2. Members over the age of 64</li><li>3. Unemployed</li><li>4. Any member ineligible to claim under the policy</li></ol>
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## 4. Consistency between target market and the product

- This product is consistent with the consumer's likely objectives, financial situation and needs. There is a broad appeal for this product as the member can contribute to super, choose an investment option in accordance with their investment strategy, and hold or personalise insurance based on employment arrangements.
- The distribution conditions are reasonable for this product offering due to the nature of the target market and the low level of risk/complexity of the product. Working Australians who are self-directed may research and choose their own super fund and apply directly.
- For investments, we monitor investment activity and may communicate to members, as considered appropriate.

## 5. How this product is to be distributed

### Distribution conditions

The QSuper Accumulation account is designed to be distributed by employers, licensed financial advisers, third party payroll providers or directly to members by QSuper representatives (online, in person or by telephone). This product may also be distributed as a result of a family law split or contribution split arrangement. It should not be distributed in circumstances, where a person is ineligible to hold an account, or requires insurance and is ineligible for, or excluded from, insurance cover under the product.

This product should not be distributed to a consumer who is not in the target market outlined above unless there is a personal financial product advice arrangement where the consumer's personal objectives, financial situation and needs have been considered and where the best interest duty applies.

### Adequacy of distribution conditions and restrictions

QSuper has determined that the distribution conditions and restrictions outlined above are appropriate, will assist in the product being distributed to the target market, and help ensure that consumers who acquire a QSuper Accumulation account are in the target market for which it has been designed. This is due to:

- The product's eligibility criteria and permitted distribution channels restricting access to the product and making it likely that the product will be distributed to consumers in the target market for which this product is designed.
- The distribution conditions and restrictions reduce the risk of the product being distributed to consumers outside the target market.
- Permitting distribution of the product to a consumer outside the target market for this product under a personal financial product advice arrangement where the financial adviser has determined the product is appropriate for the consumer after taking into consideration the personal objectives, financial situation and needs of the consumer.

## 6. Reporting and monitoring this target market determination

All distributors who are regulated people must report complaints and significant dealings to us in accordance with the following information:

- Distributor reporting entity name
- ABN
- AFSL number
- Contact details



- Report date
- Report period start/end date.

Information should be sent to: [DDOReporting@QSuper.com](mailto:DDOReporting@QSuper.com)

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.

**Complaints** 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:

- Product
- Complaint ID
- Date complaint received
- Complaint issue
- Complaint content
- Complaint status
- Compensation
- Who made the complaint
- AFCA status
- AFCA reference.

**Significant dealings** Distributors must report if they become aware of a significant dealing in relation to this TMD within 10 business days.

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.

The type of data required for a significant dealing:

- Product
- Date of significant dealing
- Client
- Description
- Why it is significant
- How it was identified
- Financial impact to member (if any)
- Steps to rectify.

## 7. Reviewing this target market determination

We will review this target market determination in accordance with the below:

<b>Initial review</b>	5 October 2021
<b>Periodic reviews</b>	Within 24 months of the last review
<b>Review triggers or events</b>	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ol style="list-style-type: none"><li>1. A material change to the design or distribution of the product, including related documentation</li><li>2. Occurrence of a significant dealing</li><li>3. Distribution conditions do not make it likely that consumers who acquire the product are in the target market</li><li>4. Identification of significant detriment to consumers if TMD was not reviewed</li><li>5. External events such as adverse media coverage or regulatory attention</li><li>6. Significant changes in metrics, including, but not limited to:<ol style="list-style-type: none"><li>a. significant increase or significant repeated occurrence of complaints</li><li>b. significant increase in investment switching</li><li>c. significant increase in members exiting the product</li><li>d. significant proportion of insurance cancellation rates</li><li>e. significant proportion of insurance claims being denied or withdrawn</li><li>f. poor performance of the product relative to its investment objectives, appropriate benchmarks and other similar products</li></ol></li><li>7. Significant losses suffered by members, and events and circumstances occur to suggest that the product is unlikely to achieve its investment objective over time</li><li>8. A change has occurred that suggests the product is no longer consistent with the likely goals and needs of the target market</li><li>9. Liquidity restrictions or the inability to continue to offer withdrawals.</li></ol>

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

## 8. Important dates

Date from which this target market determination is **effective** - 5 October 2021

Date when this target market determination was **last reviewed** - 5 October 2021

Date when this target market determination will be **next reviewed** - 5 October 2023