

# Target Market Determination VISSF Pension Section

**Effective Date: 5 October 2021 (TMD Version 1.1)**

This Target Market Determination (**TMD**) is issued by VIS Nominees Pty Ltd (Issuer) ABN 11 006 586 367, AFSL 235097, RSE Licence Number L0000321 (Trustee). The Pension Section is pension product forming part of The Victorian Independent Schools Superannuation Fund (VISSF) ABN 37 024 873 660 RSE Registration Number R1000436. The Unique Superannuation Identifier (USI) for VISSF's pension product is 37024873660001.

## SUMMARY

This product is likely to be appropriate for a consumer seeking a customisable superannuation product with some investment and insurance cover options that suit their objectives, financial situation and needs. A person is in the target market for this product if they are working or have a spouse who is working for a VISSF participating employer.

This product is not suitable for someone seeking a diverse range of investment options beyond those offered in this product.

## 1. PURPOSE OF TARGET MARKET DETERMINATION

This Target Market Determination (TMD) is a publicly available document required as part of the design and distribution obligations (**DDO**) in the Corporations Act 2001 (Cth). The purpose of a TMD is to set out the class of consumers for whom this product has been designed for, taking into account their objectives, financial situation and needs (target market). In addition, the TMD outlines the triggers to review the target market and certain other information required under DDO.

This TMD is not a full summary of The Victorian Independent Schools Superannuation Fund (**VISSF**) Pension Section product's terms and conditions, it is not a disclosure statement and is not intended to provide financial advice. The document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should read the VISSF Pension Section Product Disclosure Statement (**PDS**), available at [www.vissf.com.au/pds-documents](http://www.vissf.com.au/pds-documents), and any supplementary documents, when making a decision about this product.

## 2. TARGET MARKET FOR VISSF ACCUMULATION SECTION PRODUCT

**The information below describes the overall class of consumers that are likely to fall within the target market for the VISSF Pension Section product based on the product's key attributes and the consumer objectives, financial situations and needs**

### Product description

The VISSF Pension Section superannuation (super) product is targeted at existing members of VISSF who have met a condition of release for their superannuation and want to access their superannuation to receive a flexible income stream or withdraw lump sum amounts while benefiting from the tax benefits associated with a superannuation pension product.

The Pension Section super product allows members to continue to invest their superannuation balance in accordance available investment options. Each of the investment options will appeal to different groups within the target market. It offers a range of investment options with different investment objectives, levels of risk and expected return. Generally, assets with the highest long-term returns may also carry the highest level of short term risk. The product suits members who wish to invest in one, or a combination of the investment options that sit within the investment categories set out below:

- **All Growth:** people looking to invest 100% of their super balance in growth assets such as shares and property. This option is for members looking for higher investment returns over the long term. The Standard Risk Measure for this category is High (Risk Label: 6).
- **Balanced:** people looking to invest 75% of their super balance in growth assets such as shares and property. This option is for members looking for high investment returns over the medium to long term. The Standard Risk Measure for this category is High (Risk Label: 6)
- **Conservative:** people looking for fairly stable investment returns over the medium to long term. A higher portion of the member's super balance is invested in defensive assets such as bonds and cash and a smaller amount is invested in growth assets such as shares and property. The Standard Risk Measure for this category is Medium (Risk Level: 4).
- **Cash:** people seeking to achieve capital preservation by investing 100% of their super balance into Australian cash. The Standard Risk Measure for this category is Very Low (Risk Label: 1).

Note 1 – Refer to the VISSF Pension Section PDS available at [www.vissf.com.au/pds-documents](http://www.vissf.com.au/pds-documents) for a detailed description of the investment objective for each investment option.

Note 2 – The standard risk measure is a 1-7 scale based on the estimated number of negative annual returns over any 20-year period.

### Key product attributes

The key attributes of the VISSF Pension Section product are:

- provides regular income stream until a client's funds are exhausted, withdrawn or rolled over to another superannuation or pension fund;
- available for eligible VISSF members who:
  - are an Australian citizen or resident;
  - have reached the age of 65;
  - have ceased employment after reaching the age of 60;
  - are retired after reaching the preservation age;
  - have reached the preservation age and are transitioning to retirement;
  - otherwise meet conditions of release such as where a person becomes permanently disabled or is diagnosed with a terminal medical condition,
- flexibility to determine pension amounts, subject to legislated restrictions;
- option to withdraw lump sums, subject to legislated restrictions for transition to retirement pensions; and
- a choice of investment options.

### Description of likely objectives, financial situation and needs of consumers in the target market

The likely objectives, financial situation and needs of retail clients within the target market for the VISSF Pension Section product are:

<p><b>Objectives</b></p>	<p>Have a goal or need for a transition to retirement income account that enables them to generate a regular pension payment that is funded through superannuation funds whilst still being able to invest the balance of the superannuation account.</p> <p><b>Investment options</b> To have access to four investment options that will either aim to maintain their capital and/or provide a level of growth over the medium to long-term, to support income needs through retirement.</p>
<p><b>Financial Situation</b></p>	<p>Existing VISSF members who are either transitioning to retirement or have retired and are seeking to obtain an income stream to support their retirement needs.</p> <p><b>Investment options</b> The investment options are suitable for clients with a wide range of investment objectives including capital growth and capital preservation. The investment options available allow the customer to choose between growth assets and defensive assets suitable to their short or long term investment timeframes.</p>
<p><b>Needs</b></p>	<p>Consumers who:</p> <ul style="list-style-type: none"> <li>• are seeking a range of investment options;</li> <li>• want flexibility income streams;</li> <li>• want to commence their pension account online;</li> <li>• are seeking flexibility to choose the amounts of pension payments (subject to limits set by legislation);</li> <li>• want the ability to make lump sum withdrawals at any time (subject to legislative restrictions);</li> <li>• wish to receive regulatory payments into their bank account each month.</li> </ul>

The VISSF Pension Section product is not suitable for clients who:

- are not existing members of VISSF;
- are not an eligible member;
- do not want to draw an income from their super savings;
- are looking for a guaranteed income stream;
- are not exempt for social security asset test purposes or do not want pension payments counted for social security income test purposes.

### 3. HOW THIS PRODUCT IS TO BE DISTRIBUTED

The information below summarises the distribution conditions and restrictions and distribution of the VISSF Pension Section product and the distribution channels that are likely to result in distribution to consumers in the target market.

#### **Distribution channels**

The VISSF Pension Section product is restricted to persons who work for or who have a spouse who works for, a VISSF participating employer, and is to be distributed as follows:

- online via Member Online
- mail-in application
- VISSF client services team (call centre)
- direct to member marketing to existing VISSF product holders.

#### **Distribution conditions**

The following distribution conditions and restrictions apply:

- where this product is distributed by an employer, the employer must be registered with VISSF as a participating employer; and
- no third party may produce advertising, promotional or other material in relation to this product without the Trustee's written consent.

These distribution conditions and restrictions ensure that consumers who acquire the product are likely to be in the target market for this product.

#### **Adequacy of distribution conditions and restrictions**

The distribution conditions and restrictions ensure that consumers who acquire the product are likely to be in the target market as the distribution of the VISSF Pension product are limited to channels which VISSF are able to train, supervise, monitor and control. Additional distribution conditions and restrictions are not required given the:

- breadth of the target market;
- product is governed by eligibility and/or regulatory restrictions; and
- other target markets defined at an investment option level.

## 4. REVIEWING THIS TARGET MARKET DETERMINATION

This TMD is scheduled to be reviewed in accordance with the following, where the product continues to be issued, or is required to be reviewed earlier where events and/or circumstances are triggered.

<b>Next scheduled review to be completed by</b>	4 October 2022
<b>Periodic reviews</b>	Every 12 months after the effective date of this TMD
<b>Needs</b>	<p>There are several events and/or circumstances that could arise and may suggest this TMD is no longer appropriate. This may include the following review triggers:</p> <ul style="list-style-type: none"> <li>• material changes to the product which affects the target market for this product;</li> <li>• the occurrence of a significant dealing in the product outside of the target market;</li> <li>• a material or high number of complaints (which exceeds expected levels) regarding the key attributes, features or any other matter relating to the product design or distribution;</li> <li>• a material change to the product usage having regard to: <ul style="list-style-type: none"> <li>- percentage of total members who rollover from the product to another fund;</li> <li>- number of retail clients acquiring the product;</li> </ul> </li> <li>• receipt of a product intervention order from ASIC requiring VISSF to cease retail distribution of this product;</li> <li>• the Trustee makes a determination for purposes of s52(9) of the Superannuation Industry (Supervision) Act 1993 (Member Outcomes Assessment) that the financial interests of the customers who hold this product are not being promoted;</li> <li>• a change in laws or regulation which has a material impact on the product design or distribution.</li> </ul> <p>Where a review trigger or event is known by VISSF, or ought reasonably to be known, a review of this TMD will be undertaken, and if appropriate, an update or reissue of the TMD will occur (within 10 business days) and VISSF will inform those involved with the distribution of this product.</p>

## 5. REPORTING AND MONITORING THIS TMD

The following information will be collected from the distributors in relation to this TMD must be reported by distributors to VISSF.

INFORMATION ABOUT THIS PRODUCT TO BE REPORTED		FREQUENCY
<b>Complaints</b>	<p>The number of member complaints in relation to the VISSF Accumulation Section product (including if the number of complaints is zero).</p> <p>Complaints information must include the nature of complaints and general feedback from clients relating to the product and its performance.</p>	Quarterly, within 10 business days after the end of the calendar quarter.
<b>Significant dealings</b>	Any significant dealing in the product that is not consistent with the TMD.	As soon as practicable but no later than 10 business days, after the distributor becomes aware of a significant dealing.