

# AET small APRA fund

## Target Market Determination

1 May 2023

This Target Market Determination (TMD) has been prepared and issued by Equity Trustees Superannuation Limited (Trustee, ETSL) (ABN 50 055 641 757, AFSL 229757) as the issuer of the AET small APRA fund (AET SAF).

This TMD seeks to offer clients and distributors an understanding of the class of clients for which the AET SAF has been designed, having regard to the objectives, financial situation and needs of the target market. It applies to the AET SAF product referred to in the Product Disclosure Statement (PDS) available at [www.aetlimited.com.au](http://www.aetlimited.com.au)

It is **not** a PDS and is **not** to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. This document does not take into account any person's individual objectives, financial situation or needs. Clients must refer to the PDS and any supplementary documents when making a decision about the product.

The AET SAF covers members retirement planning requirements and allows for:

- accumulation accounts, and
- pension accounts offering both transition to retirement (TTR) and retirement phase account-based pension options.

A SAF is like a self-managed superannuation fund (SMSF) but with a professional trustee. A SAF offers some of the freedom and flexibility of an SMSF but without the associated trustee responsibilities, instead all compliance obligations are passed on to a licensed trustee company, in our case, ETSL.

## Target Market

### Suitable for clients who::

- may be receiving personal financial advice from a licenced financial adviser
- seek the freedom and flexibility of an SMSF but without the associated trustee responsibilities
- like a wide range of investment choices including the ability to invest in unlisted assets such as direct property and private assets (including but not limited to unlisted companies and collectables)
- are no longer willing or able to act as trustee (or director of a corporate trustee) of their SMSF and want to retain specific assets that retail super products do not cater for
- may need to access insurance cover.

### Not suitable for clients who::

- are looking for a default investment strategy (MySuper)
- need access to their investment capital before retirement
- have low superannuation balances where the combined total to be held within a SAF would be less than \$350,000 (though we note that the superannuation balance is not the only factor to consider when deciding whether a SAF is suitable for you).
- are looking to purchase an asset using a limited recourse borrowing arrangement.

## Likely Objectives, Financial Situation and Needs of Consumers in the Target Market

The AET SAF has been designed for clients whose likely objectives, financial situation and needs are such that they are looking for:

- superannuation and retirement planning solutions that allows for accumulation accounts, and pension accounts offering both TTR and retirement phase account-based pension options
- the freedom and flexibility of an SMSF but without the associated trustee responsibilities
- a wide range of investment choices
- insurance solutions within their account.

**Please note:** The product is designed to be used by clients who have a financial adviser to assist them with making financial decisions, however, if members cease their relationship with their financial adviser they are not excluded from continuing to hold and transact on their SAF.

## Key Attributes

### Product attributes


The key attributes of the AET SAF are as follows:

- a competitively priced small APRA fund administration and trustee service, where the Trustee performs all regulatory and compliance obligations of the fund on behalf of the members
- an extensive range of quality investments, including managed funds, term deposits and Australian listed securities. The fund may also invest in non-standard assets subject to Trustee approval such as private unit trusts (related and non-g geared), private companies, art and collectables, direct commercial and residential property
- online access to account details with simple, fast and accurate consolidated reporting
- a service that can be easily managed by the members and their financial adviser by tailoring the account to meet the members financial objectives
- an online service where all investment transactions are made by the financial adviser who has been given authority by the member to make the trades on their behalf.
- access to comprehensive retail insurance solutions with premiums paid from the cash account.

### Investment attributes

Clients have a choice of investment options across 5 investment strategies depending on their investment objective, preference for risk and return and investment timeframe. The types of clients for whom the different categories of investment options are intended for are broadly described below.

An individual client, however, should have regard to the information provided in the PDS for this product before making an investment selection. The client may choose to invest in multiple options (with different characteristics) to meet their investment needs. Clients should speak to their financial adviser to determine which best suits their needs (where appropriate).

Investment Attribute Key						
	In target market		Potentially in target market		Not considered in target market	
Standard risk measure						
1 = Very low	2 = Low	3 = Low to Medium	4 = Medium	5 = Medium to High	6 = High	7 = Very High
Investment Strategy	Minimum Time Horizon	Investment Objective		Standard Risk Measure*		
		To generate capital growth	To preserve capital			
Conservative	Short-Medium Term 1-3+ Years			 4		
Moderately conservative	Medium Term 3-5+ Years			 4		
Balanced	Medium - Long Term 5+ Years			 5		
Balanced to moderate growth	Medium - Long Term 5-7+ Years			 6		
Growth	Long Term 7-10+ Years			 6		

\* Standard Risk Measure is a guide to the likely number of negative annual returns expected over any 20-year period.

### Insurance attributes

The AET SAF allows members to enter retail insurance policies. If a member obtains insurance through their AET SAF, ETSL (as Trustee) will be the policy owner and the insured is the fund member.

## Appropriateness of the target market

This product should be consistent with the likely objectives, financial situation and needs of the class of clients in the target market. This is based on an analysis that the key features and attributes of the AET SAF:

- have previously benefited target market clients in the past and continues to do so; and
- fulfil a need for clients who are looking for a superannuation solution that offers the freedom and flexibility of an SMSF but without the associated trustee responsibilities.

The AET SAF TMD will be reviewed as specified below to ensure it continues to be suitable for clients in the target market.

## Distribution Channels

This product can be distributed through financial advisers and via direct retail\*.



Direct Retail



Financial Adviser

## Distribution Conditions

\*Direct retail clients can only join when approved by the Trustee.

This product can only be distributed upon receipt of a completed application form that meets all eligibility criteria.

## Appropriateness of distribution conditions

The distribution conditions and restrictions will make it likely that clients who purchase the product are in the class of clients for which the AET SAF has been designed given the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

## Review Period and triggers

Review period	
Effective date	1 May 2023
Periodic review	At least every 3 years and 3 months from the effective date
Review triggers	
<p>The following events and circumstances would reasonably suggest the TMD is no longer appropriate:</p> <ul style="list-style-type: none"> <li>• material changes to key product attributes and the terms and conditions of the product</li> <li>• significant number of clients exiting the product</li> <li>• the issuer determines that the financial interests of the clients are not being promoted as part of its member outcomes assessment</li> <li>• significant dealing outside the TMD</li> <li>• material or unexpectedly high number of complaints about the product</li> <li>• the use of 'product intervention powers', regulator orders or directions that affect the product</li> <li>• regulatory changes that have a significant impact on the attributes of the product</li> </ul>	

## Distributor Reporting

### Significant Dealings Reporting

Distributors are required to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD.

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.

Dealings outside this TMD may be significant because:

- they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or
- they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the client (or class of client).

In each case, the distributor should have regard to:

- the actual or potential harm to a client,
- the nature and extent of the inconsistency of distribution with the TMD (including an explanation of why the dealings occurred outside the target market),
- the date range of when the significant dealing occurred,
- the number of clients impacted by the significant dealing (i.e. the number of clients who are not in the target market (or who have been excluded from the target market) as a proportion of all clients who have acquired the product), and
- the time period in which these acquisitions outside the target market occurred.

The reporting period is as soon as practicable but no later than 10 business days after becoming aware of the significant dealing.

### Complaints Reporting

The distributor will provide details of the number and nature of complaints relating to product design, product availability and distribution, having regard to privacy.

The distributor should provide details as soon as practicable but no later than 10 business days following the end of the half-years ended 30 September and 31 March.