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| **HOW TO USE THIS DOCUMENT**  The purpose of this document is to provide guidance on completing a Target Market Determination (TMD) to meet the requirements of Part 7.8A of the *Corporations Act 2001.*  In using this document consider the nature of the product, including any product variations, and the distribution approach when creating TMD. Issuers and distributors will be required to take all reasonable steps that will, or are reasonably likely to, result in distribution being consistent with the TMD. It is, therefore, important that the TMD reflects the class of consumers that comprises the target market for a product and matters relevant to the product’s distribution and review.  **Review of the TMD**  Under the Design and Distribution Obligations (DDO) regime there is also an obligation to review the TMD (s 994C of the *Corporations Act 2001*). The TMD cannot be a ‘set and forget’ document. Trustees should satisfy their review obligations as part of the DDO and their Member Outcomes obligations in tandem to ensure that both sets of obligations are implemented efficiently and draw insights. As part of the periodic review of the TMD, trustees should assess whether the class of consumers that hold the product is consistent with the target market. |

**Target Market Determination**

For [*product – outline the product*]

([Trustee name]) ([Details about the superannuation fund]) ([Sub-plan name – if relevant])

([ABN]) ([AFSL]) ([SPIN]) ([USI])

1. **About this document**

[*Insert description of the purpose of the document. This should include that the document is not intended to provide financial advice, customers should refer to the Product Disclosure Statements and any supplementary documents when making a decision about the product.* For example:

This target market determination (TMD) seeks to offer consumers, distributors and staff with an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

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. Consumer must refer to the Product Disclosure Statement (PDS) and any supplementary documents when making a decision about this product.]

**Product Disclosure Statement to which this target market determination applies**

This TMD applies to the [*product name*] referred to in the following Product Disclosure Statement: [as the key audience is distributors, ensure all relevant PDSs to the product is linked to the TMD]

* [*insert hyperlinks to relevant PDS documents*]

**Other documents to which this target market determination applies**

This TMD applies to the [*product name*] referred to in the following relevant documents: [as the key audience is distributors, ensure all relevant documentation to the product is linked to the TMD]

* [*insert hyperlinks to relevant documents e.g., investment menu*]

1. **Important dates**

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| Date from which this target market determination is **effective** | XX MONTH YEAR [ensure all dates are consistent throughout the document] |
| Date when this target market determination was **last reviewed** | XX MONTH YEAR |
| Date when this target market determination will be **next reviewed** | XX MONTH YEAR |

The TMD for this product(s) will be reviewed every [insert frequency of reviews e.g. yearly etc]

1. **Class of consumers that fall within this target market**

The information below summarises the overall class of consumers that fall within the target market for [*product name*]. [see paragraphs 83-86 of RG 274]

This [*product name*] **is** designed for consumers who:

* [*consumer circumstances that are specifically* ***included*** *for the target market. For example consumers:*
  + That are expecting regular SG contributions through employment
  + Age
  + Expected risk appetite/tolerance
  + Expected product fee levels
  + Minimum investment amount
  + Desired investment approach
  + Capital growth expectations
  + That did/did not receive personal financial advice
  + Have a superannuation balance above/below $X]

This [*product name*] is **not** designed for consumers who:

* [*consumer circumstances that are specifically* ***excluded*** *from the target market. This should be specific exclusions from the target market, rather than the opposite of the inclusion list above. For example consumers:*
  + That will be unable to claim under an insurance product if included in the product
  + That are expecting regular SG contributions through employment
  + Age
  + Expected risk appetite/tolerance
  + Expected product fee levels
  + Desired investment approach
  + Capital growth expectations
  + That did/did not receive personal financial advice
  + Have a superannuation balance above/below $X]

**Product description and key attributes**

The key eligibility requirements and product attributes of this [*product name*] are: [see paragraphs 76-79 of RG 274]

* [*list of key product attributes and key eligibility requirements* e.g. access to investment options, access to insurance options including the eligibility criteria, online member portal, link a financial adviser to the account]

**Objectives, financial situation, and needs**

The table below sets out the class of customers that each investment option within [*product name*] has been designed for.

[Investment options can be bundled together (e.g. long term and short term). Emphasis should be placed on where there are commonalities or differences in the grouping of investment options.]

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| **Investment Option 1** | This option is designed for members who:  [*list needs, objectives, and financial situation* e.g. investment objective of outperforming a specified benchmark, attitude/tolerance to risk, minimum recommended investment period, capital growth expectations, age group appropriate for investment option, expected employment status and regularity in SG contributions, expected fees, level of risk appetite] |
| **Investment Option n** | This option is designed for members who:  [*list needs, objectives, and financial situation* e.g. investment objective of outperforming a specified benchmark, attitude/tolerance to risk, minimum recommended investment period, capital growth expectations, age group appropriate for investment option, expected employment status and regularity in SG contributions, expected fees, level of risk appetite] |

The table below sets out the class of customers that each insurance option within [product name] has been designed for.

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| **Insurance Option 1** | This option is designed for members who:  [*list needs, objectives, and financial situation* e.g. eligibility criteria, minimum superannuation account balance]  This option is **not** designed for members who:  [*list* *consumer circumstances that are specifically* ***excluded*** *from insurance option eligibility*] |
| **Insurance Option n** | This option is designed for members who:  [*list needs, objectives, and financial situation* e.g. eligibility criteria, minimum superannuation account balance.]  This option is **not** designed for members who:  [*list* *consumer circumstances that are specifically* ***excluded*** *from insurance option eligibility*] |

**Consistency between target market and the product**

[*Set out why the product is likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market* e.g. This is based on an analysis of the key terms, features and attributes of the product and a finding that these are consistent with the identified class of consumers. This includes consideration of expected increases in the cost of products and whether the target market is appropriate if product costs increase (see RG 274, paragraphs 91-92).

Table 3 in RG 274 provides key questions to be asked when assessing consistency between target market and product.]

1. **How this product is to be distributed**

**Distribution channels**

This product is designed to be distributed through the following means:

* [*list the different direct distribution channels* e.g. online; paper based; contact centres; financial advisors; franchise network; authorised representatives; employers, etc…]

**Distribution conditions**

This product should only be distributed under the following circumstances:

* [*list the different distribution conditions* e.g. to individuals that meet eligibility requirements; by third party distributors authorised by us to distribute the products; reference specific classes of consumers that are **excluded** from the target market]
* [*Distribution conditions* ***can*** *be applied at the attribute level, rather than product level. This is dependent on the product.*]

**Adequacy of distribution conditions and restrictions**

[*Set out why the distribution conditions and restrictions will make it likely that consumers who purchase the product are in the class of consumers for which it has been designed* e.g. 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 product has been designed.]

1. **Reviewing this target market determination**

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

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| --- | --- |
| **Initial review** | XX MONTH YEAR [*same date as referenced in section number 2 above*] |
| **Next periodic review** | XX MONTH YEAR [*same date as referenced in section number 2 above*] |
| **Review triggers or events** | Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but is not limited to): [Consider including quantifiable ‘triggerable’ metrics where possible. These can be a *%.*]   * a material change to the design or distribution of the product, including related documentation such as [*specify other related documentation* ***if relevant***]; * occurrence of a significant dealing; * distribution conditions found to be inadequate, such as [*specify when distribution conditions will be inadequate*]; * identification of significant detriment to consumers if TMD was not reviewed; * external events such as adverse member outcome assessment and/or APRA Product Heatmap; * external events such as adverse media coverage; * significant changes in metrics, including, but not limited to, complaints, [*example metric*], [*example metric*] and [*example metric*] * significant increase in investment option switching; * significant increase in members exiting the product; * significant proportion of insurance cancellation rates; * significant proportion of insurance claims being denied or withdrawn; * persistent member complaints [*example metric*] about investment options or product; * suspicious adverse results from market or different returns from those expected from the market; * significant change in exposure in products, such as developments in international markets where the product may be overweight; * sale or acquisition of an asset that was/is an important part of the investment holdings of a particular investment option; * a change has occurred that effects the objectives of the target market; * [*trigger or event*] * [*trigger or event*] |

Where a review trigger has occurred and [*Trustee name*] becomes aware that a review trigger has occurred, or an event/circumstance has occurred that would reasonably suggest that the TMD is no longer appropriate, this target market determination will be reviewed within 10 business days. [*see subsections 994C(5) and (6)*]

1. **Reporting and monitoring this target market determination**

We will collect the following information from our distributors in relation to this TMD.

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| **Complaints** | Distributors will report the number of complaints in relation to the product(s) covered by this TMD on a [*frequency e.g. quarterly*] basis. Reporting is still required if the number of complaints is zero.  This will include the substance of complaints and general feedback relating to the product and its performance. |
| **Significant dealings** | Distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.  A significant dealing includes: [*set an objective criteria for a significant dealing based on the nature and risk profile of the product.* Consider where it might differ between products. Consider including quantifiable ‘triggerable’ metrics where possible. These can be a %. This could include, for example:]   * Specific proportion of consumers who have acquired the product but are not in the target market, including the proportion of consumers who are part of a class of consumers that have been specifically excluded from the target market, over a specific time period; * Potential/actual harm to consumers if consumers outside the target market acquire the product; * Inconsistency of distribution conditions with the TMD; * Proportion of superannuation contributions from the product from consumers outside the target market; * Time period when consumers outside the target market acquired the product |
| **[*Other information required*]** | Distributors will report [*insert other distribution information required* e.g. transaction data, outcomes from sale practices monitoring] within [*frequency*] reporting period. |