

# Target Market Determination Superannuation (accumulation)



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**Product:** legalsuper Superannuation (accumulation)

**Issuer:** Legal Super Pty Ltd, ABN 37 004 455 789, AFSL 246315

**Fund:** legalsuper ABN 60 346 078 879, Unique Superannuation Identifier and SPIN LIS0100AU (employer sponsored members), LIS0100AU (personal and spouse members)

Effective Date:

13 July 2023

Version: 3.0

# 1. About this document

This target market determination (TMD) is made by legalsuper under section 994B of the Corporations Act 2001 (Cth).

This TMD:

- a) describes the class of prospective members that comprise the target market for the legalsuper Superannuation (accumulation) product
- b) specifies distribution conditions that apply to the distribution of the legalsuper Superannuation (accumulation) product
- c) specifies review triggers that would reasonably suggest that the TMD is no longer appropriate
- d) specifies review periods in which the TMD must be reviewed
- e) specifies the kinds of information and the timing of any reporting needed to enable Legal Super Pty Ltd to promptly identify whether a review trigger or any other circumstance would reasonably suggest that the TMD is no longer appropriate.

This document is not a product disclosure statement and is not a summary of the product's features, terms, or conditions. This document does not constitute any form of financial advice and the information does not take into account a person's individual objectives, financial situation or needs.

## **Product to which this target market determination applies**

This TMD applies to the legalsuper Superannuation (accumulation) product which comprises employer sponsored members and personal and spouse members and does not include members within the MySuper Balanced investment option. The Law exempts MySuper products from target market determinations.

The TMD is based upon the product's key attributes and the Target Market's likely objectives, financial situations and needs. These are detailed in the Schedule to this TMD.

## 2. Class of consumers that fall within this target market

### Target Market/class of retail clients that the product may be distributed to

The Target Market for legalsuper Superannuation product can be described as follows:

Target Market/class of retail client	
<b>Individual/family/entity</b>	<ul style="list-style-type: none"> <li>Individuals, only, can apply to open an account</li> <li>This product is not suitable to persons who may wish to solely become a member of a self-managed superannuation fund (SMSF) or small APRA fund.</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>Minimum entry – a minor must have a parent or guardian sign the application form</li> <li>No maximum entry ages</li> <li>If a person indicates that they are seeking to acquire group insurance, the person must be aged between 15 and 69 years.</li> </ul>
<b>Industry/occupation</b>	<ul style="list-style-type: none"> <li>Open to any industry/occupation</li> <li>Open to employees, self-employed and contractors</li> <li>Open to persons employed at any level or stage of employment</li> <li>If a person indicates that he/she is actively seeking to acquire Group Salary Continuance insurance, the person's occupation must be covered or not otherwise be excluded under the relevant group insurance policies on offer at the time of application. A full list of exclusions and occupations where individual consideration is assessed by the insurer is available on the legalsuper website under the insurance section under the heading of "Occupations".</li> <li>Similar exclusions may be applicable to persons who apply for additional, or voluntary, Death and/or TPD cover.</li> </ul>
<b>Phase</b>	<ul style="list-style-type: none"> <li>Accumulation phase (growing super)</li> <li>This product is not suitable for any person seeking to solely receive a pension income stream (other than a person transferring from accumulation phase to retirement phase).</li> </ul>

The legalsuper Superannuation product is **not** designed for consumers who:

- Have retired and need to commence an income stream to support themselves and any dependants throughout retirement by replacing their income from their previous employment
- Have reached retirement age and are no longer working in at least part time employment
- Have a desire to manage their own superannuation investment and administration via a self-managed superannuation fund
- Those who do not intend to maintain the preservation of their superannuation savings until a condition of release is met
- A potential spouse member who needs more than just death insurance (e.g., TPD, salary continuance).

## 3. Distribution conditions

### **Distribution channels**

This product may only be distributed through the following means:

- Distributed via the Issuer, via website, or via paper copies of the PDS and additional information booklet;
- Distributed to personal members via the legalsuper website access and paper copies of the Product Disclosure Statement (PDS) and additional information booklet;
- Distribution of PDS and additional information booklet by Client Service Managers;
- Opportunity for members to join via Member Access facility (online join); and
- Dependent upon the circumstances rating agencies as agreed to with Legal Super.

(Note: The Fund's Administrator's client contact centre may provide members with copies of the PDS on behalf of the Trustee, but this does not make them a distributor).

### **Distribution conditions**

This product should only be distributed to the Target Market.

## 4. Reviewing this target market determination

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

<b>Last review</b>	<b>October 2022</b>
<b>Next periodic review</b>	<b>By 31 October 2023</b>
<b>Maximum periodic review period</b>	<b>18 months (the aim being every 12 months)</b>
<b>Specific review triggers</b>	<p>The following review triggers apply to this product:</p> <ul style="list-style-type: none"> <li>• Identification of a significant dealing by the Issuer</li> <li>• Notification of a significant dealing by a distributor</li> <li>• 20% of Choice Clients who are issued the product subsequently rollover within 6 months of issue measured annually (i.e., unexpected and material uplift in early withdrawals)</li> <li>• 50 complaints about the product's suitability where the complaints correctly identify a difference between the statements as contained in a PDS or significant event notice and the product's reality (measured over a six-month period)</li> <li>• 20% of Choice Clients who are issued the product access the product via a distribution channel not identified in this TMD other than via personal financial advice (measured over a quarter)</li> <li>• A material change to the design of the product that would reasonably suggest that this TMD is no longer appropriate, including material changes to investment options, objectives, terms and conditions resulting in, for example, a narrowing of the range of investment options available to members to choose from;</li> <li>• a change to the distribution of the product where a new distribution channel is introduced</li> <li>• a change to the superannuation law that would materially alter the nature of the product or for whom or how the product could be distributed and issued to (for example, if preservation no longer applies to super).</li> <li>• any ruling, order, direction or requirement of a regulator or court requiring the TMD to be reviewed. Further, any ruling, order, direction or requirement of a regulator or court, but not directly related to the TMD will require Legal Super to consider whether a review of the TMD should be commenced.</li> </ul>
<b>Significant Dealing</b>	<p>The following are considered significant dealings:</p> <ul style="list-style-type: none"> <li>• 30% of Choice Clients who are issued the product subsequently rollover within 6 months of issue</li> <li>• 65 complaints about the product's suitability where the complaints correctly identify a difference between the statements as contained in a PDS or significant event notice and the product's reality (measured over a six-month period)</li> <li>• 30% of Choice clients who are issued the product access the product via a distribution channel not identified in this TMD other than via personal financial advice (measured over a quarter).</li> </ul>

Where a review trigger has occurred, the Issuer and Distributors must cease distribution conduct and any party (including the administrator) must cease giving a retail client a product disclosure statement as soon as is practicable and no later than 10 business days.

Distributors must report any significant dealings they become aware of as soon as practicable, and in any case within 10 business days, to Legal Super.

# 5. Reporting and monitoring this target market determination

We will collect the following information from any or each of our distributors, Administrator and Trustee office:

Data type	Likely data source
Member joining data including: <ul style="list-style-type: none"> <li>• Date joined</li> <li>• Distribution channel utilised</li> <li>• Basic demographic data</li> <li>• Insurance cover offered by default or application</li> <li>• Insurance cover accepted/denied</li> <li>• Insurance claims data</li> </ul>	<ul style="list-style-type: none"> <li>• Call centre</li> <li>• Member portal</li> <li>• Distributors</li> <li>• Administrator</li> <li>• Insurer</li> </ul>
Complaints data including: <ul style="list-style-type: none"> <li>• Product complaints</li> <li>• Insurance complaints</li> <li>• Service complaints</li> </ul>	Complaints must be made via the formal complaints process and identify the member and the complaint relating to a specific product attribute, distribution behaviour or standard of service, not vexatious or nuisance complaints. Distributors will report the number of complaints in relation this TMD on a quarterly basis. Reporting is still required if the number of complaints is zero. The Administrator who handles internal dispute resolution complaints will report the number of complaints in relation to this TMD on a weekly and quarterly basis. Reporting is still required if the number of complaints is zero.

This information is of a general nature and does not take into account your specific needs. You should consider your own financial position, objectives and requirements before making any decision. You should also obtain and read the legalsuper Product Disclosure Statement (PDS) before making any decision in relation to legalsuper. The PDS can be obtained at [legalsuper.com.au](http://legalsuper.com.au). Past performance is not necessarily an indicator of future performance. Issued by Legal Super Pty Ltd, Level 9, 627 Chapel Street, South Yarra, VIC, 3141 ABN 37 004 455 789 AFSL 246315 as the Trustee for legalsuper ABN 60 346 078 879.

## Schedule

### Product description and key attributes

The legalsuper Superannuation (accumulation) product is a superannuation product for members in accumulation phase. It offers 13 investment options (including MySuper balanced which is not covered by the Design and Distribution obligations) and also includes a direct investment option to allow members to choose a broad range of investment objectives, strategic asset allocations and risk/return portfolios. Information about the investment options are detailed in Key Attributes.

The legalsuper Superannuation product also offers group life and salary continuance insurance for members who are either employed, self-employed or contracted. For Death and TPD cover currently the minimum age is 11 (for salary continuance the minimum age is 15).

Personal super members are offered default death and TPD insurance cover from age 11 up to age 70 and salary continuance from age 15. Death cover ceases at age 80 but members can join later than 69 years. Spouse members do not have access to default cover and only have access to apply for death cover.

### The Target Market's likely objectives, financial situations and needs

The legalsuper Superannuation (accumulation) product is a public offer product issued in the context of a compulsory superannuation system that is open to all working resident and temporary resident Australians. The TMD has taken

into consideration the likely objectives, financial situations and needs of the target market for this particular product as follows:

**Objectives:**

To accumulate and grow retirement funds for any or all of the following purposes:

- for the purpose of providing retirement benefits at a future date
- for the purpose of taking advantage of concessional tax treatment of savings
- for the purposes of ensuring amounts are preserved and cannot be withdrawn or redeemed, other than due to a condition of release.

**Financial situation:**

- Ability and/or intention to make or have contributions made on the person's behalf at least once every 16 months
- The person must be in accumulation phase (however the product may be open to persons seeking to commence a pension income stream or similar legalsuper product as part of the establishment of an account phase, provided that such person is transitioned to the pension income stream of similar legalsuper product within three months.
- The person must not be intending to commence a pension income stream at the time of application (however the product may be open to persons seeking to commence a pension income stream or similar legalsuper product as part of the establishment of an account phase, provided that such person is transitioned to the pension income stream of similar legalsuper product within three months.
- This product is a superannuation accumulation product and its benefit is preserved subject to superannuation preservation rules.

**Needs:**

- Want their super managed on their behalf
- Require simplicity and flexibility but with limited degree of control and a balance of risk vs return
- Do not intend to make in specie superannuation contributions

**Want to:**

- select from a limited selection of investment options, including combinations of options to construct a portfolio based on their unique risk appetite and investment timeframe; or
- invest directly into direct shares, Exchange Traded Funds, Listed Investment Companies and Term Deposits.
- Require group insurance to cover a wide range of industry and occupations. This product offers default group insurance cover to higher risk workers who may not get any life insurance or affordable cover outside this product.
- Not suitable for persons seeking to manage their own superannuation, in a manner similar to a self-managed superannuation fund.

## Key product attributes

**Investments**

This product gives members access to a range of investment options with different investment objectives, levels of risk and expected return. Different investment options have different levels of potential return and volatility. Generally, investment options with higher long-term returns are accompanied by a greater potential for volatility in the short term and may be more suitable for members saving for their retirement over the medium to longer term. However, investment options with a lower allocation to growth assets may be more suitable for members approaching or in retirement, who may be seeking capital stability or access to their money in the medium term.

Under this product, members can invest in one or more of the following investment options:

Investment option	Detail
<b>Cash</b>	<p><b>Return objective:</b> To at least match Bloomberg Ausbond Bank Bill Index over rolling 5-year periods (before administration fees but after investment fees and costs).</p> <p><b>Risk profile:</b> Likely to produce the lowest long-term investment returns with the fewest fluctuations from year to year, out of all of the investment options. Capital invested in this option is not guaranteed. This option is likely to produce a negative return less than 6 months in every 20 years.</p> <p><b>Risk Level:</b> Very low</p> <p><b>Investor profile:</b> Will suit investors looking for stability, but long-term investment returns are likely to be the lowest of all investment options.</p>
<b>Enhanced Cash</b>	<p><b>Return objective:</b> To outperform Bloomberg Ausbond Bank Bill Index over rolling 5-year periods (before administration fees but after investment fees and costs).</p> <p><b>Risk profile:</b> This option seeks to outperform the benchmark through taking on a number of risks, principally credit risk, in a process of active management. Capital invested in this option is not guaranteed. This option is likely to produce a negative return in 6 months to one year in every 20 years.</p> <p><b>Risk Level:</b> Low</p> <p><b>Investor profile:</b> Will suit investors looking for stability, but long-term investment returns are likely to be among the lowest of all the investment options. NOTE: Enhanced Cash will close to new member investments from 15 August 2023. From this day, no new applications will be accepted into the option. The option will cease on 31 August 2023.</p>
<b>Conservative</b>	<p><b>Return objective:</b> To outperform an average annual return (*) of CPI + 2.0% pa over rolling 10-year periods.</p> <p><b>Risk profile:</b> Offers the likelihood of higher long-term investment returns than the cash investment options with greater fluctuations from year to year. Capital invested in this option is not guaranteed. This option is likely to produce a negative return in 1 to 2 years in every 20 years.</p> <p><b>Risk Level:</b> Low to Medium</p> <p><b>Investor profile:</b> Will suit investors looking for lower volatility in returns, but who are prepared to accept some exposure to growth assets.</p>
<b>Conservative Balanced</b>	<p><b>Return objective:</b> To outperform an average annual return (*) of CPI + 2.5% pa over rolling 10-year periods.</p> <p><b>Risk profile:</b> Invests in a mix of assets to achieve higher returns, while reducing short-term risks. This option is likely to produce a negative return in 2 to 3 years in every 20 years.</p> <p><b>Risk Level:</b> Medium</p> <p><b>Investor profile:</b> Will suit investors looking for moderate returns over the medium to long-term but who are prepared to accept some fluctuations in investment performance over shorter periods.</p>
<b>Balanced Index</b>	<p><b>Return objective:</b> To outperform an average annual return (*) of CPI + 3.0% pa over rolling 10-year periods. Risk profile: Offers an emphasis on shares and property to achieve higher returns, but includes some lower-risk assets to reduce short-term risks. The strategy is passively invested but provides diversified exposures to selected listed asset classes like Australian Shares, International shares, Australian Property Securities and Australian Cash. This option is likely to produce a negative return in 4 to 6 years in every 20 years.</p> <p><b>Risk Level:</b> High</p> <p><b>Investor profile:</b> Will suit investors looking for moderate to high returns over the long term, but who are prepared to accept fluctuations in investment performance over shorter periods. The strategy is suited to investors seeking to minimise costs, although without utilising active managers seeking to achieve outperformance above market benchmarks.</p>
<b>Balanced</b>	<p><b>Return objective:</b> To outperform an average annual return (*) of CPI + 3.0% pa over rolling 10-year periods.</p> <p><b>Risk profile:</b> Offers a greater emphasis on shares and property to achieve higher returns, but includes some lower-risk assets to reduce short-term risks. This option is likely to produce a negative return in 3 to 4 years in every 20 years.</p> <p><b>Risk Level:</b> Medium to High</p> <p><b>Investor profile:</b> Will suit investors looking for moderate to high returns over the medium to long-term, but who are prepared to accept fluctuations in investment performance over shorter periods.</p>
<b>Growth</b>	<p><b>Return objective:</b> To outperform an average annual return (*) of CPI + 3.5% pa over rolling 10-year periods.</p> <p><b>Risk profile:</b> Offers a greater emphasis on shares and property, and therefore carries a higher level of investment risk. Short-term fluctuations will occur, but higher investment returns are expected over longer periods. This option is likely to produce a negative return in 4 to 6 years in every 20 years.</p> <p><b>Risk Level:</b> High</p> <p><b>Investor profile:</b> Will suit investors looking for higher returns over the long-term, but who are prepared to accept large fluctuations in investment performance.</p>

(\*) the annual return is net of all fees and tax except the weekly \$1.30 administration fee. The Trustee may adjust the asset mix or vary the investment strategy from time to time.

All options investment returns aren't guaranteed. Past performance isn't a reliable indicator of future returns. For more information on Investments, visit [legalsuper.com.au/investments](https://legalsuper.com.au/investments)



Investment option	Detail
<b>High Growth</b>	<p><b>Return objective:</b> To outperform an average annual return (*) of CPI + 4.0% over rolling 10-year periods.</p> <p><b>Risk profile:</b> Offers the strongest emphasis on shares and property and therefore carries the highest level of investment risk out of all the diversified portfolios. Short-term fluctuations will occur, but higher investment returns are expected over longer periods. This option is likely to produce a negative return in 4 to 6 years in every 20 years.</p> <p><b>Risk Level:</b> High</p> <p><b>Investor profile:</b> Will suit investors looking for the highest investment returns over the long-term out of all of the investment options, but who are prepared to accept very large fluctuations in investment performance.</p>
<b>Australian Shares</b>	<p><b>Return objective:</b> To outperform the return of the S&amp;P/ASX300 Accumulation index, net of fees, over rolling 10-year periods.</p> <p><b>Risk profile:</b> 100% invested in Australian Shares, and therefore carries very high investment risk. Short-term fluctuations will occur, but the highest investment returns, out of all of the investment options, are expected over longer periods. This option is likely to produce a negative return approximately 6 years in every 20 years.</p> <p><b>Risk Level:</b> Very high</p> <p><b>Investor profile:</b> Will suit investors looking for the highest investment returns, out of all of the investment options, over the long-term, but who are prepared to accept very large fluctuations in investment performance.</p>
<b>Overseas Shares</b>	<p><b>Return objective:</b> To outperform the MSCI All Country World (ACWI) ex-Australia Index, 50% unhedged and 50% hedged into Australian dollars, net of fees, over rolling 10-year periods.</p> <p><b>Risk profile:</b> 100% invested in overseas shares and therefore carries a high level of investment risk. Short-term fluctuations will occur, but the highest investment returns, out of all of the investment options, are expected over longer periods. This option is likely to produce a negative return approximately 5 years in every 20 years.</p> <p><b>Risk Level:</b> High</p> <p><b>Investor profile:</b> Will suit investors looking for the highest investment returns, out of all of the investment options, over the long-term, but who are prepared to accept extreme fluctuations in investment performance. Exposure includes emerging market equities and currency hedging will be applied to part of the portfolio.</p>
<b>Balanced Socially Responsible</b>	<p><b>Return objective:</b> To outperform an average annual return of CPI + 3.0% pa over rolling 10-year periods (*).</p> <p><b>Risk profile:</b> Offers greater emphasis on shares and property to achieve higher returns, but includes some lower-risk assets to moderate short-term risks. Investments are made with a focus on managing sustainability and environmental, social, and governance (ESG) risks via exposure to companies and issuers that demonstrate leading environmental, social and corporate governance and ethical practices while avoiding exposure to companies and issuers with activities that are considered to negatively impact the environment or society. Further information about what ESG factors and exclusionary screens are applied when making investment decisions can be found below in the 'Investment Strategy' section. This option is likely to produce a negative return in 4 to 6 years in every 20 years.</p> <p><b>Risk level:</b> High</p> <p><b>Investor profile:</b> This is an option suitable for super fund members who want to invest in a more socially responsible investment option. The Balanced Socially responsible option currently invests in the Pandal Sustainable Balanced Fund (SB Fund). The SB Fund is an actively managed diversified portfolio that invests in Australian and international shares, Australian and international property securities, Australian and international fixed interest, cash and alternative investments. Various sustainable and ethical investment practices are incorporated into the Australian and international shares, Australian and international fixed interest and part of the Alternative investments components of the SB Fund (refer to the 'Investment Strategy' section in the PDS for more information about how sustainable and ethical investment practices are incorporated into investment decisions).</p> <p><b>Note to Distributors:</b> Ensure you are aware of the exclusionary screens and associated disclosure in pages 20 to 23 of the Member Guide.</p>
<b>Direct Investment Option</b>	<p><b>Return objective:</b> Various.</p> <p><b>Risk profile:</b> Australian shares, Exchange Traded Funds (ETFs) and Listed Investment Companies (LICs) carry very high investment risk. Short-term fluctuations will occur, but the highest investment returns are expected over longer periods. This option is likely to produce a negative return approximately 6 years in every 20 years. Term deposits and the Cash account are likely to produce a negative return less than 6 months in every 20 years.</p> <p><b>Risk Level:</b> Australian shares, ETFs and LICs: Very high</p> <p><b>Term deposits:</b> Very low</p> <p><b>Cash:</b> Low</p> <p><b>Investor profile:</b> It is designed for members who seek control, flexibility and active involvement in managing their investments, and want access to a range of specific investments including Shares, ETFs, LICs, Term Deposits and Cash, and have a minimum ongoing account balance of \$10,000. For further information, see the Direct investment option guide at <a href="http://australiansuper.com/MemberDirect">australiansuper.com/MemberDirect</a>. Members need to be aware of the risks involved, such as: short-term price volatility, the consequences of trading too often, too little diversification, and investing in response to emotions.</p>

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**Fund:** legalsuper ABN 60 346 078 879, Unique Superannuation Identifier and SPIN LIS0100AU (employer sponsored members), LIS0100AU (personal and spouse members)