

ACTIVE SUPER LIFETIME GUARANTEED INCOME AND FIXED TERM GUARANTEED INCOME

Target market determination

1. About this document

This target market determination (**TMD**) seeks to provide consumers, distributors and Active Super 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 an exhaustive summary of the product's terms and conditions and is not intended to provide financial advice. Consumers 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 Active Super Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts (**Guaranteed Income accounts**), which are referred to in the [Lifetime Guaranteed Income and Fixed Term Guaranteed Income](#) Product Disclosure Statement.

This TMD does not apply to any other documents.

2. Important dates

Date from which this target market determination is effective	5 October 2022
Date when this target market determination was last reviewed	October 2022
Date when this target market determination will next be reviewed	October 2023

3. 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 the Active Super Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts.

This product **is** designed for consumers who:

- Are approaching or in retirement and are looking to exchange an initial lump sum investment for regular income payments with the intention to hold the product for

their lifetime (Lifetime Guaranteed Income account) or for a nominated fixed term (Fixed Term Guaranteed Income account).

- Have a minimum of \$10,000 to invest.
- Do not intend to make partial withdrawals during the term of the investment (a full withdrawal is available during the withdrawal period for the Lifetime Guaranteed Income account and can also be made before the end of the investment term for the Fixed Term Guaranteed Income account).

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

- Have knowledge of a pre-existing health condition or a terminal illness that will likely reduce their life expectancy (Lifetime Guaranteed Income) or limit their ability to receive regular income payments for the nominated term (Fixed Term Guaranteed Income).
- Are wishing to generate capital growth from their investment.
- Anticipate needing to access a portion of the lump sum invested outside of the regular income payments during the period they hold the account.
- Are aged less than 60 and do not have access to non-preserved superannuation benefits.

Product description and key attributes

The key eligibility requirements and product attributes of the Active Super Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts are:

ELIGIBILITY

- Consumers who are aged 60 and over and who have access to an unrestricted non-preserved superannuation benefit.

PRODUCT ATTRIBUTES

- Regular income payments: In exchange for an initial capital investment, regular income payments will be provided for a fixed term or a lifetime.
- Regular income payments may be made to a spouse in the event of death:
 - For the lifetime of the spouse (Lifetime Guaranteed Income account)
 - Until the end of the fixed term (Fixed Term Guaranteed Income account).
- Investment market and inflation protection: Regular income payments will be paid for life or the nominated fixed term regardless of how investment markets perform. The indexation option helps protect against inflation reducing the purchasing power of the regular income payments.
- Longevity protection: The Lifetime Guaranteed Income account guarantees that regular income payments are made even when the consumer lives longer than expected.
- Competitive rates: The dollar value of the regular income payments is based on competitive rates.

Objectives, financial situation and needs

The Active Super Lifetime Guaranteed Income account is designed for consumers aged 60 and older:

- Who have access to an unrestricted, non-preserved superannuation benefit
- Who wish to exchange an initial capital investment for ongoing regular income payments for their lifetime; and
- Who are not looking to utilise the investment to generate capital growth.

The Active Super Fixed Term Guaranteed Income account is designed for consumers aged 60 and older:

- Who have access to an unrestricted, non-preserved superannuation benefit
- Who wish to exchange an initial capital investment for regular income payments for a nominated fixed term; and
- Who are not looking to utilise the investment to generate capital growth.

Consistency between target market and the product

This product is likely to be consistent with the objectives, financial situation and needs of the class of consumers in the target market. This is based on our analysis of the key terms, features and attributes of the product and our finding that these are consistent with the identified class of consumers.

The Active Super Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts:

- Fulfil a need for consumers in the target market;
- Include features/attributes that are consistent with the objectives, financial situation and needs of the target market;
- Benefit the consumers in the target market;
- Deliver on what was promised; and
- Have benefited consumers in the target market in the past.

The Active Super Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts will next be reviewed in October 2023, unless a review trigger occurs before that time (see section 5 below for an outline of review triggers). During the review LGSS Pty Limited will carefully consider whether the Active Super Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts continue to be suitable for consumers in the target market.

4. How this product is to be distributed

Distribution channels

The Active Super Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts are designed to be distributed via the Authorised Representatives of LGSS Pty Limited who can be contacted on 1300 547 873.

Distribution conditions

Active Super Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts should only be distributed under the following circumstances:

- Where the prospective member is an Australian resident and is eligible to commence a lifetime or fixed term annuity purchased using superannuation monies; and
- Through an Authorised Representative that has been authorised by LGSS Pty Limited.

Adequacy of distribution conditions and restrictions

We have determined that 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. We consider that 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.

5. Reviewing the target market determination

This target market determination will be reviewed in line with the following:

REVIEW	
Initial review	1 April 2022
Next periodic review	October 2023 and annually thereafter
Review triggers or events	<ul style="list-style-type: none">• A material change to the design or distribution of the product• Legislative change that comes into effect that significantly impacts the design and distribution of the product and results in this TMD no longer being appropriate• A significant dealing not in line with this TMD occurring, which results in this TMD no longer being appropriate• A material reduction in Challenger Limited's credit rating• Adverse findings by a regulator• Adverse media coverage that identifies an issue substantiated by LGSS Pty Limited as resulting with the product no longer meeting the needs of the target market• Unexpected and significant increase in member withdrawals, measured as an increase in volume of more than 25% when compared to the annualised reference period volume• Excessive substantiated member complaints over a prolonged period in relation to the design of the product, its features, its availability and/or its distribution, measured as more than 10 substantiated complaints in each of the four quarters within each annual review period.

6. Reporting and monitoring this target market determination

LGSS Pty Limited will seek the following information from the distributors of this product. For convenience, we have developed a template report which you can download [here](#).

INFORMATION

Complaints

- Unless the number of complaints received is nil, all distributors will report the complaints received in relation to the Active Super Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts on a quarterly basis.
- Complaints reported should be complaints made in relation to:
 - The design of the product
 - The features of the product
 - The availability of the product
 - The distribution of the product.
- Information to be provided should include:
 - The volume of complaints received
 - The date each complaint was received
 - Details of each complaint received.
- As well as providing details of complaints, distributors will be encouraged to provide general feedback in relation to the product and their views on its performance.

Significant dealings

- If a distributor becomes aware of a significant dealing not in accordance with the target market (includes distributing the product outside the target market or distributing the product inconsistently with this target market determination), they will advise LGSS Pty Limited as soon as possible and no later than 10 business days of becoming aware of the significant dealing.
- The distributor must:
 - Provide details of the significant dealing
 - Advise when the significant dealing occurred
 - Advise why the significant dealing occurred
 - Advise how many consumers were impacted
 - Advise if consumers were adversely affected by the significant dealing.

This Target Market Determination (TMD) is issued by LGSS Pty Limited (ABN 68 078 033 497) as Trustee for Local Government Super (ABN 28 901 371 321) ('Active Super') in accordance with section 994B of the Corporations Act 2001 (Cth). This TMD is not a product disclosure statement and is not a summary of the product features or terms of the product.

This TMD does not take into account any person's individual objectives, financial situation or needs. Before making a decision about the Active Super Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts, you should consider whether or not this product is appropriate for you by reading the Product Disclosure Statement available from Active Super at [activesuper.com.au](https://www.activesuper.com.au) or by calling 1300 547 873.