

ACTIVE SUPER LIFETIME GUARANTEED INCOME AND FIXED TERM GUARANTEED INCOME

Target market determination

1. About this document

This target market determination (**TMD**) applies to membership of the Active Super Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts (**Guaranteed Income accounts** or **products**) referred to in the Product Disclosure Statement (**PDS**).

This 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 their likely objectives, financial situation and needs. It also sets out the steps taken to ensure that the product is issued only to consumers who are likely to be in the target market, and how and when this TMD will be reviewed to ensure it remains up to date.

This document is not an exhaustive summary of the product's terms and conditions. It is not intended to provide financial advice, nor take anyone's individual circumstances into account. It does not compare this product to other products, including other products that a consumer may already hold. Consumers must refer to the PDS and if necessary, obtain advice tailored to their personal circumstances.

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, 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. Effective date

Date from which this TMD is effective and replaces previous TMDs for the products (effective date):	31 October 2023
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3. Class of consumers that fall within this target market

The target market for the Active Super Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts is consumers who:

- are approaching or in retirement and are looking to exchange a lump sum of at least \$10,000 in unrestricted non-preserved superannuation monies for regular income payments with the intention to hold the product for:
 - their lifetime (Lifetime Guaranteed Income account); or
 - a nominated fixed term (Fixed Term Guaranteed Income account);
- are aged 60 or over;
- do not intend to make partial withdrawals during the term (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 term for the Fixed Term Guaranteed Income account); and
- have received personal advice recommending the product from an appropriately authorised or licensed financial planner.

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);
- wish to invest their lump sum to generate capital growth;
- anticipate needing to access a portion of the lump sum other than through the regular income payments during the period they hold the account; or
- 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 lump sum, regular income payments will be provided for a fixed term or a lifetime. Payments can be monthly, quarterly, half yearly or yearly.
- 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)
 - There is a benefit reduction option to reduce the spouse benefit by 33% in exchange for higher payments while you are alive.

- 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.

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 Active Super financial advisers engaged under Industry Fund Services Limited (IFS) ABN 54 007 016 195 AFSL No 232514.

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
- The prospective member has received personal advice recommending the product from an Active Super financial adviser.

5. Reviewing the target market determination

We will review this TMD to ensure it remains appropriate. The TMD is **appropriate** if it would be reasonable to conclude that if the product were to be issued or sold:

- to a consumer in accordance with the distribution conditions, it would be likely that the consumer is in the target market; and
- to a consumer in the target market, it would likely be consistent with the likely objectives, financial situation and needs of the consumer.

We will review the TMD at the times set out in the table below.

REVIEW	TIMING
First review	To be completed no later than one year after the effective date.
Subsequent reviews	To be completed no later than one year after the previous review.
Review triggers	<p>We become aware that one or more of the following events or circumstances has occurred, and as a result, we reasonably conclude that the TMD is no longer appropriate:</p> <ul style="list-style-type: none"> • A material change to the design or distribution of the product

- Legislative change comes into effect that significantly impacts the design and distribution of the product
- A significant dealing that is not consistent with this TMD
- A material reduction in Challenger Limited's credit rating
- Adverse findings by a regulator in relation to the product
- Adverse media coverage that identifies an issue that is substantiated by LGSS Pty Limited
- 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.

The reference period is the previous three financial years. The annualised reference period volume is the average of these three financial years.

6. Reporting and monitoring this target market determination

LGSS Pty Limited will require the following information from the distributors of this product. Distributors should use the template report available for download from [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 this TMD, 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 or by calling 1300 547 873.