

Vivara and Candice  
Spirit Super members



# Target market determination Transition Pension

Effective from  
30 September 2022



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Trustee: Motor Trades Association  
of Australia Superannuation Fund  
Pty. Limited ABN 14 008 650 628,  
AFSL 238 718.

## 1. About this document

This target market determination (TMD) is for the Spirit Super Transition Pension. Its purpose is to describe the class of member who makes up the target market for this product, having regard to their objectives, financial situation and needs. This TMD also provides distribution conditions for our Transition Pension, together with reporting requirements and information about when the TMD will be reviewed.

This document isn't a summary of our terms and conditions and isn't intended to provide financial advice. Read the *Product disclosure statement* for Spirit Super pension (known as the *Pension guide*) available at [spiritsuper.com.au/pds](https://spiritsuper.com.au/pds) when making a decision about whether to start a pension with Spirit Super.



Raymond  
Spirit Super member



## 2. Who's the Transition Pension designed for?

Our Transition Pension is designed for those who:

- are aged between their preservation age and 65 and still working
- want to work less but supplement their income from their super, or are seeking a tax-effective income option (for example, re-contributing to super or paying off debt)
- have at least \$20,000 to invest in a Transition Pension
- want a regular income payment, at least annually from their account
- want options that suit their changing needs including the ability to:
  - choose from a range of investment options with different levels of expected risk and return and to change investment options at any time
  - choose how much they'd like to receive in income payments each year, as long as it's within the minimum and maximum government limits.
- want flexible options to manage their account, including being able to transact online, over the phone and in writing
- want advice on their account when they need it.

Our Transition Pension **isn't** designed for members who:

- haven't reached their preservation age and are still working or, are over 65
- have less than \$20,000 to invest in a Transition Pension
- want to be able to make lump-sum withdrawals from their pension
- don't want to make choices about their investment options
- want to directly invest into assets or trade on stock exchanges. This includes the ability to direct investments towards specific shares or particular investment vehicles including exchange traded funds, term deposits and other investments.

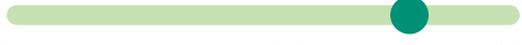
### Product features and key attributes

Our Transition Pension has the following features:

- **key attribute:** choice of five pre-mixed investment options with different levels of risk and return. Plus four sector options that target specific asset classes to allow members flexibility to determine their own asset allocation
- **key attribute:** a pension account held concurrently with our super product, so that members can transition into retirement in a tax-effective manner
- it automatically converts to a Control Pension account when the member turns 65
- the ability to nominate beneficiaries to receive all or part of their super payout if they pass away, including through the payment of income to a reversionary beneficiary
- the ability to obtain advice on the Transition Pension
- online access to keep track and manage their super at any time through **Member Online**
- competitive fees and charges, with a cap on administration fees.

## Our investment options

Our investment options are a key attribute of our Transition Pension. Their suitability will depend on the member's risk tolerance, objectives, investment time frame and asset allocation preferences. Our options invest in a wide range of asset classes and assets with varying levels of expected risk, return and investment time frames to suit our broad target market.

Option	Description	Type of member	Risk tolerance <sup>1</sup>	Objectives <sup>2</sup>	Investment time frame
Growth	Aims to achieve strong returns by investing in a portfolio of mainly shares and other growth assets.	Seeking high capital growth over the long term and don't mind substantial risk and volatility.	 <p>Very low   Low   Low - medium   Medium   Medium - high   High</p> <p>4-6 negative annual returns may be expected in a 20-year period.</p>	CPI + 4% a year over rolling 10-year periods.	10+ years
Sustainable	Aims to achieve strong returns by investing in a diversified mix of mainly growth assets with heightened consideration given to environmental, social and governance risks.	Seeking moderate to high capital growth over the long term using environmentally and socially responsible investments and can tolerate medium to high risk and volatility.	 <p>Very low   Low   Low - medium   Medium   Medium - high   High</p> <p>3-4 negative annual returns may be expected in a 20-year period.</p>	CPI + 3% a year over rolling 7-year periods.	7+ years
Balanced	Aims to achieve strong returns by investing in a diversified mix of mainly growth assets as well as cash and fixed income instruments.	Seeking moderate to high capital growth over the long term and can tolerate medium to high risk and volatility.	 <p>Very low   Low   Low - medium   Medium   Medium - high   High</p> <p>3-4 negative annual returns may be expected in a 20-year period.</p>	CPI + 3% a year over rolling 7-year periods.	7+ years
Moderate	Aims to achieve moderate returns by investing in a diversified mix of growth and defensive assets.	Seeking moderate capital growth in the medium to long term and a moderate level of risk and volatility.	 <p>Very low   Low   Low - medium   Medium   Medium - high   High</p> <p>2-3 negative annual returns may be expected in a 20-year period.</p>	CPI + 2% a year over rolling 5-year periods.	5+ years
Conservative	Aims to achieve returns in excess of price inflation with low to medium risk.	Seeking some capital growth over the short to medium term with low to medium level of risk and volatility.	 <p>Very low   Low   Low - medium   Medium   Medium - high   High</p> <p>1-2 negative annual returns may be expected in a 20-year period.</p>	CPI + 1% a year over rolling 4-year periods.	4+ years
Australian shares	Aims to maximise long-term investment returns through diversified investments in Australian shares. Returns are likely to be very volatile.	Seeking a high level of capital growth over the long term by investing in a diversified portfolio of Australian Shares with substantial risk and volatility.	 <p>Very low   Low   Low - medium   Medium   Medium - high   High</p> <p>4-6 negative annual returns may be expected in a 20-year period.</p>	To meet or exceed the return to S&P/ASX300 Accumulation Index, including franking credits but before fees, costs, and investment-related taxes.	10 + years

For more information, please visit [spiritsuper.com.au](https://spiritsuper.com.au).  
You can also call us on **1800 005 166**. We're here to help.

Option	Description	Type of member	Risk tolerance <sup>1</sup>	Objectives <sup>2</sup>	Investment time frame
International shares	Aims to maximise long-term investment returns through diversified investments in international shares. Returns are likely to be very volatile.	Seeking a high level of capital growth over the long term by investing in a diversified portfolio of international shares with substantial risk and volatility.	 <p>Very low   Low   Low - medium   Medium   Medium - high   High</p> <p>4-6 negative annual returns may be expected in a 20-year period.</p>	To meet or exceed the return to the MSCI All Countries World Index (ex-Australia), partially hedged to Australian dollars before fees, costs, and investment-related taxes.	10+ years
Diversified fixed interest	Aims to deliver moderate returns over the medium term by investing in a diversified portfolio of Australian and global fixed interest instruments.	Seeking moderate returns and to deliver some capital growth over the medium term by investing in a range of fixed interest investments and wanting a lower level of risk and volatility than shares.	 <p>Very low   Low   Low - medium   Medium   Medium - high   High</p> <p>4-6 negative annual returns may be expected in a 20-year period.</p>	To meet or exceed the return to a weighted average of Australian and international fixed interest indices, hedged to Australian dollars before fees, costs, and investment-related taxes.	5+ years
Cash	Aims to ensure security of capital and to limit year-to-year variability through investment in cash.	Wanting a high level of capital security and to maintain the purchasing power of investment over the short term with very low risk and fairly consistent but low returns.	 <p>Very low   Low   Low - medium   Medium   Medium - high   High</p> <p>Less than 0.5 negative annual returns may be expected in a 20-year period.</p>	To deliver the return to the Bloomberg AusBond Bank Bill Index before fees, costs, and investment-related taxes.	0 years

<sup>1</sup>Refer to our *Pension guide* available at [spiritsuper.com.au/pds](https://spiritsuper.com.au/pds) for more information about risk.

<sup>2</sup>The investment return objectives are after investment fees and taxes.

### Consistency between target market and the product

The Transition Pension provides members with the ability to access some of their super while under 65 years of age and still working, in order to achieve different objectives, such as reducing working hours, contributing to super in a tax-effective manner or paying off debt. In addition, the flexibility of the investment options means members can find an investment option that suits their financial objectives.

This is likely to be consistent with the objectives, financial situation and needs of the product's target market.





### 3. How will this product be distributed?

#### Distribution channels

The Transition Pension is designed to be distributed through:

- direct to public – through the Spirit Super website, contact centre and Superannuation Advisers
- financial advisers.

#### Distribution conditions

The Transition Pension should only be distributed to members who:

- have reached preservation age but are under 65
- are still working
- are seeking access to part of their super each year and
- meet eligibility criteria, including minimum balance requirements.

The Transition Pension **shouldn't** be distributed to members who:

- haven't reached their preservation age
- are above 65 or
- aren't working.

#### Adequacy of distribution conditions and restrictions

Distribution in accordance with the distribution conditions and restrictions will ensure that only eligible members will purchase this product. It's likely that these members will fall within the target market for the Transition Pension, as distribution will be directed towards those seeking a regular income stream from super.

## 4. Reviewing this target market determination

We'll review this TMD as follows:

<b>Initial review</b>	By 30 September 2023
<b>Next periodic review</b>	At least every 12 months.
<b>Maximum review period</b>	1 year
<b>Review triggers or events</b>	<p>Any event or circumstance arising that would suggest the TMD is no longer appropriate. This may include (but isn't limited to):</p> <ul style="list-style-type: none"><li>• a material change to the design or distribution of the product, including changes to the product's investment options</li><li>• occurrence of a known significant dealing outside the target market</li><li>• external events such as adverse media coverage or regulatory attention</li><li>• significant increase in members exiting the product</li><li>• persistent member complaints about the product</li><li>• significantly different returns from those expected from the market</li><li>• material change to fees and costs</li><li>• a major change in the market resulting in a significant number of investment options becoming illiquid and not being able to offer withdrawals</li><li>• legislative or regulatory changes which materially impact the design or distribution of the product</li><li>• the trustee makes a determination for the purposes of s52(9) of <i>Superannuation Industry (Supervision) Act 1993</i> (Member Outcomes Assessment) that the financial interests of members holding the product aren't being promoted.</li></ul>

Where a review trigger has occurred, this TMD will be reviewed within 10 business days.

## 5. Reporting and monitoring this target market determination

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

<b>Complaints</b>	<p>Distributors will report the number of complaints in relation to the product covered by this TMD on a quarterly basis. This will include the substance of complaints and general feedback relating to the product and its performance.</p> <p>Reporting isn't required if the number of complaints is zero.</p>
<b>Significant dealings</b>	<p>Distributors will report if they become aware of a significant dealing outside the target market in relation to this TMD within 10 business days.</p>



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