

Target Market Determination

For Allan Gray Retirement – Transition to Retirement
Pension account provided by Diversa Trustees Limited
(ABN 49 006 421 638) (USI 43 905 581 638 015)

1. About this document

When to use this target market determination

This target market determination (TMD) seeks to offer members, financial advisers, promoter, sub-promoter and staff with an understanding of the class of members 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 product's risks and features and is not intended to provide financial advice. Members 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 *Allan Gray Retirement – Transition to Retirement Pension account* referred to in the following *Product Disclosure Statement (PDS) and PDS Guides*:

- [Allan Gray Superannuation and Allan Gray Retirement Product Disclosure Statement, dated 1 October 2021](#)
- [Allan Gray Superannuation and Allan Gray Retirement Additional Information Guide, dated 1 October 2021](#)

Important Dates

| | |
|---|-------------------|
| Date from which this target market determination is effective | 5 October 2021 |
| Date when this target market determination was last reviewed | 5 October 2021 |
| Date when this target market determination will be next reviewed | 30 September 2022 |

2. Class of members that fall within this target market

The information below summarises the overall class of members that fall within the target market for Allan Gray Retirement – Transition to Retirement Pension (TTR) account, based on the product's key attributes and the objectives, financial situation and needs that it has been designed to meet.

Allan Gray Retirement - TTR account has been designed for members whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes). Allan Gray Retirement - TTR account is for those:

- Who have reached their legislated preservation age,
- Whose maximum age is 65,
- Who require an income stream,
- Who are still working in some capacity,
- Who want the choice of investing in one or more investment options,
- Who have at least \$20,000 to invest, and

- Who are either investing directly or through a financial adviser.

Excluded class of members

Allan Gray Retirement - TTR account has not been designed for individuals who:

- Are looking for a super accumulation account,
- Want to access superannuation benefits as a lump sum (commutation)
- Are looking for insurance, or
- Want a self-managed super fund (SMSF).

Product description and key attributes

The key eligibility requirements and product attributes of Allan Gray Retirement - TTR account are:

Key eligibility requirements

- It is available to members who are aged between their preservation age and 65.
- Members who have at least \$20,000 in their super savings to invest.
- It is for members that have a financial adviser or actively engage with their investment directly via an online portal.

Key attributes (fees, terms and features)

- It provides the ability to draw down on some super benefits as additional income (within legislated limits) to supplement existing income after reaching preservation age.
 - It provides access to:
 - ASX-listed securities including the individual constituents of the ASX All Ordinaries Index and selected exchange traded products,
 - a range of multi-asset managed funds (including Allan Gray managed funds) and model portfolios of varying objectives and risk levels managed by professional investment managers,
 - a cash hub which is an interest bearing transaction account which holds the members available cash for investment in Allan Gray Retirement's investment options, receives income and distributions from investments and pays fees, costs, tax and other deductions, and
 - term deposits with leading financial institutions.
 - It provides access to the secure online portal which enables members or advisers to track and manage their super online.
 - Fees associated with Allan Gray Retirement - TTR account include the following:
 - Asset based administration fee and expense recovery fee which are charged on the member's average daily balance in the Allan Gray Retirement - Pension account,
 - Account keeping fee which is charged based on the investment profile (when invested in the FULL menu) of the member,
 - Sub-promoter fee which is charged on the average daily balance of a member's investments other than Allan Gray managed funds,
 - Buy/sell spreads associated with managed funds,
 - Indirect Cost Ratios (ICRs) of underlying investment options,
 - Brokerage fees associated with buying selling ASX and international listed securities including within a managed account model portfolio, and
 - Adviser service fees if a member is investing in Allan Gray Retirement through a financial adviser.
- Please refer to the [Product Disclosure Statement](#) and [Additional Information Guide](#) for further details about the fees associated with the product.

Objectives, financial situation, and needs

The table below sets out the class of members that each investment option within Allan Gray Retirement has been designed for.

| Investment options | Member's investment objective | Member's investment timeframe | Member's risk (ability to bear loss) and return profile | Member's intended product use (% of Investable Assets) |
|---|---|---|---|---|
| Cash hub | | | | |
| Cash hub is an interest-bearing transaction account with a minimum balance requirement of \$2,500. | This investment option is designed for members who are seeking nil to very low investment returns after fees and taxes. | This investment option is designed to be suitable for members with a short investment timeframe. | This investment option is designed to be suitable for members who want a very low risk option. The estimated likelihood of negative annual returns is less than 0.5 years in 20 years. | This investment option is designed to be suitable for use as a standalone investment solution (75-100%) or as a core (25-75%) or satellite component (<25%) of a member's broader portfolio of investments. |
| Managed funds | | | | |
| Members can access a broad range of managed funds issued by leading investment managers including Allan Gray managed funds. Each managed fund has its own TMD document and disclosure document issued by its responsible entity which can be accessed on their relevant websites. The list of managed funds is available in the Investment Menu of Allan Gray Superannuation and Allan Gray Retirement. | Managed funds offered through Allan Gray Retirement have different investment objectives and can cater to different objectives of members including capital preservation, income generation and capital growth. | Managed funds have different investment timeframes depending on the type of managed fund. | Managed funds have different risk profiles depending on the type of managed fund. | Managed funds can be used as standalone investment solution (75-100%) or as a core (25-75%) or satellite component (<25%) of a member's broader portfolio of investments depending on the member's investment objective, risk appetite and investment time frame. |
| ASX listed securities | | | | |
| Please refer to the TMD document and product disclosure statement of the OneVue Managed Account through which you can access ASX listed securities. The list of ASX listed securities is available in the Investment Menu of Allan Gray Superannuation and Allan Gray Retirement. The listed investment | For members who want to directly access ASX listed securities including ordinary shares, property trusts, listed investment products (including exchange traded funds) and fixed income securities (including hybrid securities). | ASX listed securities may suit members of varying risk tolerances or investment horizons ranging from less than 1 year to 8+ years of negative investment returns in a 20 year period whilst seeking investment returns that vary from very low to high after fees and taxes. | ASX listed securities are suitable for members who have timeframes from less than 2 years to greater than 8 years or who are combining investment options in order to create a diversified portfolio. | ASX listed securities can be used as standalone investment solution (75-100%) or as a core (25-75%) or satellite component (<25%) of a member's broader portfolio of investments depending on the member's investment objective, risk appetite and investment time frame. |

| Investment options | Member's investment objective | Member's investment timeframe | Member's risk (ability to bear loss) and return profile | Member's intended product use (% of Investable Assets) |
|--|---|---|---|--|
| <p>products and fixed income securities have their own TMD document and disclosure documents and have different investment objectives, member time horizons, risk profiles, benchmarks and minimum investment requirements.</p> | | | | |
| Term deposits | | | | |
| <p>Term deposits with a number of banks can be invested via Allan Gray Retirement. These term deposits have their own TMD document and disclosure documents which can be accessed on the secure online portal. The list of term deposits is available in the Investment Menu of Allan Gray Superannuation and Allan Gray Retirement.</p> | <p>Term deposits are for members who are:</p> <ul style="list-style-type: none"> ○ seeking nil to very low investment returns after fees and taxes, ○ combining investment options in order to create a diversified portfolio, and ○ prepared to wait a minimum of 30 days if they are seeking to withdraw prior to the maturity date. | <p>Term deposits are suitable for members who have a short investment timeframe of less than 2 years.</p> | <p>Term deposits are designed to be suitable for members who have a low risk tolerance.</p> | <p>Term deposits can be used as a standalone investment solution (75-100%) or as a core (25-75%) or satellite component (<25%) of a member's broader portfolio of investments.</p> |
| Model portfolios | | | | |
| <p>Allan Gray Retirement offers a number of model portfolios managed by professional investment managers. Details of the model portfolios can be found in the Allan Gray Superannuation and Allan Gray Retirement Managed Account Model Portfolio Guide. These model portfolios are offered through the OneVue Managed Account available via Allan Gray Retirement. Please refer to the TMD document and product disclosure statement of the OneVue Managed Account.</p> | <p>Model portfolios offered through Allan Gray Retirement have different investment objectives and can cater to different objectives of members including capital preservation, income generation and capital growth.</p> | <p>Model portfolios have different investment timeframes depending on the type of model portfolio.</p> | <p>Model portfolios have different risk profiles depending on the type and underlying investments of the model portfolio.</p> | <p>Model portfolios can be used as standalone investment solution (75-100%) or as a core (25-75%) or satellite component (<25%) of a member's broader portfolio of investments depending on the member's investment objective, risk appetite and investment time frame.</p> |

Consistency between target market and the product

Allan Gray Retirement - TTR account is likely to be consistent with the likely objectives, financial situation and needs of the class of members in the target market because:

- To open a TTR account, a member must be aged between their preservation age and 65,
- Members require regular income payments (subject to legislated requirements),
- Members do not want to access their superannuation benefits as a lump sum,
- The member is exercising choice in relation to advice and investment options,
- The member is working (including in part time employment), and
- The insurance requirements for members of this demographic are considered low (unlike younger age groups who are more likely to be funding 'raising a family' expenses and mortgages; also there will be a meaningful proportion of members no longer working, so do not need to insure against income loss.)

3. How this product is to be distributed

Distribution channels

Allan Gray Retirement - TTR account has been designed to be distributed through the following means:

- Through a financial adviser registered to use and access the platform branded Allan Gray with OneVue Wealth, and
- Available for investment directly online by members through <https://www.allangray.com.au/b/superannuation/>.

Distribution conditions

Allan Gray Retirement - TTR account should only be distributed under the following circumstances:

- If distributed through a financial adviser, the adviser must first be registered to use and access the platform branded Allan Gray with OneVue Wealth, or
- If the TTR account members have at least \$20,000 in their super savings,
- If the member does not require insurance cover through their TTR account,
- The member will draw an income stream between the legislated minimum and maximum amounts, and
- The member is still employed in some capacity.

Adequacy of distribution conditions and restrictions

This product can be distributed to members as part of personal advice recommendations.

For members investing directly without an adviser, a number of questions are asked in the application form to sign up to the product. These questions seek to ensure that the distribution conditions (including criteria for conditions of release) are met, therefore making it likely that members who invest in the product are in the class of members for which it has been designed for.

For both advised and direct members,

- drawing an income stream is a common term for a TTR account, and
- requirements for insurance a reduced or nil based on reduced or no personal income, expected retirement of mortgages and lower likelihood of material expenses in raising a family.

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.

4. *Reviewing this target market determination*

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

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|----------------------------------|--|
| Initial review | 30 September 2022 |
| Periodic review | On an annual basis starting 30 September 2022 |
| Review triggers or events | <p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to):</p> <ul style="list-style-type: none"> ○ a material change to the design or distribution of the product, including related documentation, ○ occurrence of a significant dealing, ○ significant increase in investment option switching, ○ significant increase in members exiting the product, ○ distribution conditions found to be inadequate, ○ failed to meet member outcomes, ○ external events such as adverse media coverage or regulatory attention, and ○ significant changes in metrics, including, but not limited to, complaints received by members and advisers. |

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

5. *Reporting and monitoring this target market determination*

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

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|-----------------------------|---|
| Complaints | Distributors must report all complaints in relation to the product(s) covered by this TMD on a monthly basis. This will include the substance of complaints and general feedback relating to the fund and its performance. |
| Significant dealings | <p>Distributors must report if they become aware of a significant dealing in relation to this TMD as soon as possible, and no later than within 10 business days.</p> <p>A significant dealing includes:</p> <ul style="list-style-type: none"> ○ 20% of members who have invested in the product but are not in the target market, including the proportion of members who are part of a class of members that have been specifically excluded from the target market, ○ Potential/actual harm to members if members outside the target market invest in the product, ○ Inconsistency of distribution conditions with the TMD, and ○ Time period when members outside the target market invested in the product. <p>Distributors will report transaction data and outcomes from sale practices monitoring within quarterly reporting period.</p> |