

ARA Retirement Fund Target Market Determination (TMD) Accumulation

Equity Trustees Superannuation Limited (ETSL) ABN 50 055 641 757 AFSL 229757
Effective Date: 5 October 2021

1. About this document

This target market determination (TMD) applies to the accumulation Product of the ARA Retirement Fund (ARARF), which is a sub plan of the Aracon Superannuation Fund (the Fund) issued by Equity Trustees Superannuation Limited (ETSL) ABN 50 055 641 757 AFSL 229757. It seeks to provide consumers, distributors and 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 a Product Disclosure Statement, is not to be treated as a full summary of the product's terms and conditions, does not take into account any person's individual financial objectives, situation and needs 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 Accumulation Product of the ARARF Super Fund referred to in the following Product Disclosure Statements:

ARA Retirement Fund Product Disclosure Statement dated 2 March 2021

Copies of the above PDS and incorporated by reference guides are located at <https://www.araconsultants.com.au/disclosure-documents/>.

Previous target market determination review date: N/A

2. Class of consumers that constitutes the target market

The Target Market for the ARARF Accumulation Product comprises of a consumer who is a client of ARA Consultants Limited (ARA) and wishes to maximise their retirement savings.

The ARARF Super Accumulation Product also caters to a number of sub-markets within the Target Market, including consumers who wish to access the following features of the product within a superannuation environment:

- Utilise services available from ARA to answer questions and assist with retirement planning;
- Insurance cover for death and/or total permanent disablement during accumulation;
- Non-binding, binding and non-lapsing binding nominations on death;
- Investment options risk/reward levels:
 - A consumer who wants to choose how their account balance is invested by selecting one or more of a small selection of diversified investment options;
 - Retail clients who seek to diversify assets, have varying attitudes to risk versus return, and liquidity and cash flow needs vary depending on whether they are saving for retirement (via a Personal Accumulation account) or in retirement or transitioning to retirement (via a Pension account).

Excluded class of consumers

The ARARF Super Accumulation Product is not suitable for:

- A person who is not a client of ARA;
- A person seeking to invest with readily available access to their investments, as withdrawals from the product are subject to superannuation preservation rules;
- Someone where a particular investment option is not available on the menu.

Product description

The Fund is a registered superannuation entity under the SIS Act. The ARARF is generally available only via direct contact with the Promoter, ARA, who will undertake an assessment of the suitability of the product for the consumer. The ARARF offers investment choice in relation to a limited number of diversified investment options with a wide range of risk / return characteristics that are not sector specific, whilst providing a consumer an opportunity to blend a selection of investment strategies to meet their needs. The overarching philosophy is to provide a consumer with choice simplicity, clarity and flexibility to control the way their pension is invested.

Adviser service fee arrangements are available.

Key product attributes

Fees and costs

The product's fees and charges provide an opportunity for administration fee rebates based on the total account balance of a member or a family group.

Types of contributions

The ARARF Super Accumulation Product is suitable for a consumer wishing to make the following contribution types:

- SG contributions;
- Additional employer contributions;
- Salary sacrifice contributions;
- Voluntary member contributions;
- Spouse contributions and government co-contributions.

Member portal functionality

Members have access to an online facility managed through ARA.

Tax

A consumer who becomes a member of the ARARF may be eligible to receive a range of tax concessions subject to eligibility. Further information and updated eligibility is available from www.ato.gov.au.

Investment options

The ARARF Accumulation Product provides access to 3 Investment options. The table below sets out the investment options available, risk level and the target market.

Risk Level	Investment Options	Target Market
Low to Medium	Defensive	Designed for a consumer with a low tolerance to fluctuation in the value of their portfolio and who are content to accept a lower long term return as a consequence.
Medium to High	Growth	Designed for a consumer with a moderate tolerance to fluctuation in the value of their portfolio, in the pursuit of a more attractive medium term return.
High	Equities	Designed for a consumer with a high tolerance to short term fluctuation in the value of their portfolio, in the pursuit of a more attractive long term return.

* The full list of Investment Options available to members (including the strategy, risk level and suggested minimum investment timeframe for each option) and their respective PDS can be accessed at <https://www.araconsultants.com.au/disclosure-documents/>.

Insurance

There is no insurance offered within the ARARF. If a consumer wishes to obtain insurance cover it is provided through a retail offering organised through their adviser. Premiums can be paid from a member's superannuation account.

Consistency between target market and the product

The Trustee considers that the product is likely to be consistent with the likely objectives, financial situation and needs of consumers within the target market because:

- The product has been designed specifically for clients who are clients of ARA;
- There is a range of investment options to cater for a range of risk profiles and asset class preferences;
- The product accepts the full range of contributions permitted under the law;
- The product is only distributed through approved ARA Financial Advisers; and
- The fees and costs associated with the product are consistent with market rates.

3. How this product is to be distributed

Distribution channels

The ARARF Super Accumulation product is only distributed through approved ARA Financial Advisers.

Distribution conditions

This product should only be distributed under the following circumstances:

- Where the consumer is resident in Australia and is eligible to contribute to or consolidate their superannuation account; and
- Where a consumer is applying for insurance cover, they must:
 - Meet the age, employment and residency requirements outlined in the PDS; and
 - Be in an eligible occupation category for the type of insurance cover being applied for.

Distributors must also ensure that they comply with all regulatory provisions relating to financial products including but not limited to the provision of financial advice, Anti-Hawking Provisions and other legislative requirements within the Corporations Act and other relevant law.

The issuer has not identified any circumstances where distribution of the product would be restricted if the above conditions are met.

Adequacy of distribution conditions and restrictions

The issuer has determined that the distribution conditions and restrictions will make it likely that consumers who purchase the product(s) are in the class of consumers for which it has been designed. The Trustee considers 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.

4. Reviewing this target market determination

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

Initial review

April 2022

Periodic reviews

Annually in April

Review triggers or events

Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but is not limited to):

- Business performance review or adverse finding from a member outcomes assessment;
- A material change to the design or distribution of the product, including related documentation;
- Occurrence of a significant dealing;
- Distribution conditions found to be inadequate;
- External events such as adverse media coverage which would significantly impact the sustainability of the Fund or regulatory changes that significantly affect the product or the distribution of the product;
- Significant changes in metrics, including, but not limited to, complaints, sales volumes, investment option switching rates and/or increase in cancellation rates during the cooling off period;
- The use of a Regulator's Product Intervention Powers in relation to the product.

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

Distributors have the obligation to report the following information to us in relation to this TMD.

Distributors must record and report all complaints that relate to the product or its distribution. The record should include the substance of complaints in relation to the product covered by this TMD. Where a complaint relating to the product and/or its distribution is received, the distributor must report this complaint information to the issuer at six monthly intervals (end of March and September). This will include written details of the complaints.

Significant dealings

Distributors must report if they become aware of a significant dealing in relation to this TMD within 10 business days.

Reporting for Complaints and significant dealings should be directed to the issuer ARA Consultants Limited, Level 1, 17 Cotham Road Kew Vic 3101 or on 03 9853 1688.

Disclaimer:

The information contained in this target market determination is general information only and is not intended to be construed as either personal advice or a product recommendation. You should make your own enquiries as to the suitability of this product for your personal financial needs and circumstances and obtain and read a copy of the PDS for further information on its suitability before making an investment and/or insurance decision.