



Target Market Determination

Mercer Superannuation Trust
Kogan Super



1. Product Summary

1.1	Name of product	Kogan Super
	Issuer name	Mercer Superannuation (Australia) Limited (MSAL)
	Issuer AFSL	235906
	Fund ABN	19 905 422 981.
	USI code	19 905 422 981 702
1.2	TMD date	23 September 2021
	TMD Version	V.1
1.3	Product description	This is a product for individuals to accumulate savings for retirement through superannuation. This product is not a self-managed super fund.
	Key product attributes	<ul style="list-style-type: none"> • This Superannuation Plan is an accumulation account • The customer can make investment choices in this product • This product is subject to superannuation preservation legislation • Minimum balance of \$500 in your account • This product also has a choice of Insurance options • Insurance cover generally available for eligible customers is: <ul style="list-style-type: none"> ○ Death (including Terminal Illness) cover ○ Total and Permanent Disablement (TPD) cover, and ○ Income Protection (IP) (Benefit payment period conditions apply)

Target Market

The Target Market is the class of persons who are the type of customer set out below, who have the needs and objectives set out below and are in the financial situation set out below.

2. Needs and Objectives of Customer

2.1 TMD indicator key

The Customer Attributes for which the product is likely to be appropriate have been assessed using a red/amber/green rating methodology with appropriate colour coding:

In target market
Potentially in target market
Not considered in target market

Instructions

Generally, a customer is unlikely to be in the target market for the product if:

- **one or more** of their Customer Attributes correspond to a **red** rating, or
- **three or more** of their Customer Attributes correspond to an **amber** rating.

2.2 Customer objectives

A customer with any one or more of the following short term and long term objectives:

- to accumulate capital/wealth for retirement
- to hold capital/wealth during retirement
- to provide a source of income during retirement
- to provide an environment for concessional taxation of savings
- to obtain protection through having insurance

2.3 Level of decision making

Customer's desired level of decision making	Product consistency with target market
Fully self-managed, including fund administration (SMSF)	Not considered in target market
Investment options chosen by customer from extensive investment menu	Not considered in target market
Investment options chosen by customer from limited investment menu	In target market
Default investment options applied where no investments selected	Not considered in target market
A range of death and disability insurance arrangements able to be applied for and subject to underwriting	In target market
Default death and disability insurance arrangements to be automatically applied upon joining the fund	In target market

2.4 Product investment menu

Looking to invest in one, or a combination of, investment options that sit within the following categories of investment:

Customer's desired type of strategy on investment menu	Product consistency with target market
Australian Shares	In target market
International Shares	In target market
Real Assets	In target market
Alternative Assets	In target market
Growth Fixed Interest	In target market
Defensive Fixed Interest and Cash	In target market

2.5 Insurance Options available

Customer's desired insurance options available, subject to eligibility	Product Consistency
Death (including Terminal Illness cover)	In target market
Total and Permanent Disablement (TPD) cover only	Not in target market
Death and TPD cover available jointly	In target market
Income Protection (IP) cover (Benefit payment period conditions apply)	In target market
Insurance not required	In target market

Customer's desired insurance cover	Death Cover	Death and TPD Cover (joint cover)	Income Protection Cover
The customer is seeking insurance cover in this product that will assist the customer with financial or financial-in-kind commitments that will not otherwise be satisfied in the event of death, terminal illness or disability (as applicable).	In target market	In target market	In target market
The customer satisfies the demographic and eligibility requirements for the product's insurance cover.	In target market	In target market	In target market
The customer does not satisfy the demographic and eligibility requirements for the death, terminal illness or disability (as applicable) insurance cover	Not in target market	Not in target market	Not in target market
The customer is unlikely to be ever able to claim on the disability cover	Not applicable	Not in target market	Not in target market

3. Financial situation of customer

3.1 Life stage of customer

Table 9 Life stage of customer	Product consistency with target market
Child (under 18)	In target market
Accumulation phase (over 18)	In target market
Pension draw down phase (any age)	Not in target market

3.2 Intended size of investment

Table 10 Customer's intended account balance	Product consistency with target market
Below \$500	Not in target market
Over \$500	In target market

3.3 Customer selected investment options

This section of the TMD is relevant to customers who choose one or more investment options when entering the product (that is, customers who do not rely on the default investment option).

The investment menu, is designed to provide a range of choices across the risk/return spectrum and with a corresponding suggested minimum time for holding the investment option. It is therefore encouraged that customers utilise the Risk Attitude Questionnaire found in the Customers' Dashboard (available once joined the plan), and/or the free limited financial advice service through the Helpline, or seek their own financial advice.

Each of the sections in the table below should be taken into account individually.

Investment Option Standard Risk Measure	Very High Risk	High Risk	Medium-High Risk	Medium Risk	Low-Medium Risk	Low Risk	Very Low Risk
Customer's Risk Appetite							
Very Confident							
Confident							
Slightly Confident							
Slightly Cautious							
Cautious							
Very Cautious							
Customer's investment timeframe							
Short (< 3 years)							
Medium (3 ≤ 7 years)							
Long (> 7 years)							
Customer's intended option use							
Solution/Standalone (75-100%)							
Core Component (25-75%)							
Satellite/small allocation (<25%)							
Customer's need to switch investments							
Any timeframe							

4. Other elements of TMD

4.1 Appropriateness requirements

Explanation of consistency of key attributes with TMD

Mercer Superannuation (Australia) Limited has reviewed the manner in which existing customers are using the product as at the date of this TMD. This review of customer data and behaviour confirms that the key product attributes (as listed in section 1) are consistent with customer needs and objectives.

4.2 Distribution Conditions/Restrictions

Distribution channel	Permitted channel?	Distribution conditions/Restrictions
Direct retail, where permitted	Yes	
Personal advice	Yes	An adviser can only recommend the product not establish an account on behalf of the customer
Through authorised representatives by general advice or intrafund advice	Yes	

4.3 Review Triggers

Note: this section relates to the requirements of s994B(5)(d) of the Act

- 1) Where the issuer of the TMD has determined that any of the following has occurred:
 - a) The occurrence of a significant dealing.
 - b) Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) regarding product design, product availability or any distribution condition.
 - c) Material change to key product attributes, terms and/or conditions.
 - d) The use of Product Intervention Powers, regulator orders or directions in relation to the distribution of this product.
 - e) external events such as adverse media coverage or regulatory attention;
- 2) The trustee of this product makes a determination for purposes of s52(9) of Superannuation Industry (Supervision) Act 1993 that the financial interests of the customers who hold this product are not being promoted.

4.4 Mandatory review periods

Review periods	Maximum period for review
Initial review	1 year and 3 months
Subsequent review	3 years and 3 months

The review period allows for the collection of data for 1 year/3 years, plus three months for the completion of the review.

4.5 Distributor Information Reporting Requirements

Regulated person(s)	Requirement	Reporting deadline
All distributors	To the extent a distributor is aware of dealings outside the target market these should be reported to the issuer, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice.	Quarterly *
All distributors	Complaints (as defined in section 994A(1) of the Act) relating to the master trust and options offered on the master trust, where the nature of the complaints relate to product design, insurance claims, product availability and distribution conditions. The distributor should provide all the content of the complaint, having regard to privacy.	Quarterly *
All distributors	Significant dealing outside of target market under s994F(6) of the Act.	As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing.

* Quarterly reporting is due 10 business days after the end of the March, June, September and December quarters.

Distributors must report to Mercer Superannuation (Australia) Limited (MSAL).

4.6 Important terms within this TMD Document

Term	Definition
Income Protection	The term Income Protection includes Total but Temporary Disablement (TTD) , and Salary Continuance Insurance (SCI)
Material Change	A material change is a change to the product attributes, fees charges, terms & conditions or the manner of distribution which may cause the TMD to no longer be appropriate
Product Disclosure Statement	The Product Disclosure Statement is a summary of the features of Virgin Money Super, a plan in The Retail Division of the Mercer Super Trust. It includes references to important information in a series of booklets that are part of this PDS. These booklets are the Virgin Money Super Product Guide and, the Insurance Guide.
Extensive Investment Menu	More than 10 investment options
Limited Investment Menu	Less than 10 investment options

Customer's intended product use

Standalone (75-100%)	The customer intends to hold the investment as either a part or the majority (up to 100%) of their total investable assets (see definition below).
Core Component (25-75%)	The customer intends to hold the investment as a major component, up to 75%, of their total investable assets (see definition below).
Satellite/small allocation (<25%)	The customer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total investable assets (see definition below).

Customer's Risk (ability to bear loss) and Return profile

Issuers should undertake a comprehensive risk assessment for each product. The FSC strongly recommends adoption of the Standard Risk Measure (SRM) to calculate the likely number of negative annual returns over a 20 year period, using the guidance and methodology outlined in the [Standard Risk Measure Guidance Paper For Trustees](#). SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return or that a positive return could still be less than a customer requires to meet their investment objectives/needs. Issuers may wish to supplement the SRM methodology by also considering other risk factors. For example, some products may use leverage, derivatives or short selling, may have liquidity or withdrawal limitations, or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating.

Very high

The customer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 7) and possibly other risk factors, such as leverage).

Customer typically prefers growth assets such as shares, property and alternative assets.

High

The customer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 6)) in order to target a higher target return profile.

Customer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.

Medium

The customer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)) and comfortable with a moderate target return profile.

Customer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.

Low

The customer is conservative or low risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)) and is comfortable with a low target return profile.

Customer typically prefers defensive assets such as cash and fixed income.

Significant dealings

Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning.

The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.

Dealings outside this TMD may be significant because:

- they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or
- they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the customer (or class of customer).

In each case, the distributor should have regard to:

- the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes),
- the actual or potential harm to a customer (which may be indicated by the value of the customer's investment, their intended product use or their ability to bear loss), and
- the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red or amber ratings attributed to the customer).

Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:

- it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the reporting period,
 - the customer's intended product use is Solution / Standalone, or the customer's intended product use is Core component and the customer's risk (ability to bear loss) and return profile is Low.
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