

# Target Market Determination (TMD)

## Smart Future Trust 'accumulation' products:

- smartMonday PRIME
- smartMonday DIRECT

Effective date: 19 September 2023

## 1. About this document

This target market determination (TMD) applies to the smartMonday superannuation accumulation products of the Smart Future Trust ABN 68 964 712 340 (the Fund) issued by Equity Trustees Superannuation Limited ABN 50 055 641 757 AFSL 229757 (the Trustee). smartMonday is a registered trading name of smartMonday Solutions Limited ABN 48 002 288 646 AFSL 236667 (smartMonday), the sponsor of the Fund.

This TMD 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 (PDS), 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 PDS and any supplementary documents when making a decision about this product.

### Product Disclosure Statements to which this TMD applies

This TMD applies to the accumulation products of the Fund referred to in the following PDSs:

- > [smartMonday PRIME](#)
- > [smartMonday DIRECT](#)

PDSs and reference guides are located at [smartmonday.com.au](https://www.smartmonday.com.au). Some employer-sponsored plans in smartMonday PRIME have tailored PDSs, which are made available to members via the member portal on the website.

Date from which this TMD is effective: 19 September 2023

## 2. Class of consumers that constitutes the target market

The target market for these products comprise of:

- A consumer who wants to save for their retirement within the superannuation environment.
- A consumer who wants to invest in one investment option or multiple investment options.

The products also cater for consumers who wish to access the following features of the products within a superannuation environment:

- Insurance cover through superannuation including Death-only cover, Death and TPD cover, and Income Protection cover;
- Binding and Non-binding nominations on death;
- Investment options:
  - ▣ Ability to choose how their account balance is invested by selecting one investment option or multiple investment options;
  - ▣ Ability 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 Super account) or transitioning to retirement (via a Pension account).

### Excluded class of consumers

The products are not suitable for consumers:

- Receiving the PDS outside of Australia;
- Who generally are not:
  - ▣ an Australian Resident (meaning an Australian citizen, Australian Permanent Resident visa holder or New Zealand citizen who holds a Special Category visa while residing in Australia indefinitely), or
  - ▣ holding a current and valid visa (which allows the person to work in Australia) and currently residing in Australia;
- Seeking a short-term investment;
- Seeking to invest with ready access to their money;
- Not suitable for someone where a particular investment option is not available on the menu.

### Product description

The Fund is a public-offer retail master trust that enables consumers to save for retirement via superannuation. Consumers have choice and flexibility to control the way their superannuation is invested.

The accumulation products are customised for particular sub-markets and distributed through different channels.

- **smartMonday PRIME** range of products are distributed via participating employers, where employees enrolled to the product can choose 'MySuper' or 'Choice' investments.
- **smartMonday DIRECT** is predominantly distributed via financial advisers but can also be accessed directly via the website [smartmonday.com.au](http://smartmonday.com.au).

## Key product attributes

### Access to advice

Consumers have access to smartCoaches who can provide intra-fund advice about the consumer's investment mix, contributions, adequacy of retirement savings, and insurance within the Fund. Any intra-fund advice is provided by or on behalf of smartMonday.

### Types of contributions

The products are 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 and reporting

Consumers can view and update membership details, access account information, and transact on their account via the secure online member portal. Consumers also have access to reporting as well as receiving annual statements through the member portal.

### Tax

Consumers who become members of the Fund may be eligible to receive a range of tax concessions available in superannuation, subject to eligibility. Members should seek their own independent tax advice but for further information about tax concessions and eligibility is available from [ato.gov.au](http://ato.gov.au).

### Insurance

The products offer access to a range of insurance options including:

- Death cover;
- Total & Permanent Disablement (TPD) cover;
- Income Protection (IP) cover, including a range of waiting periods and benefit payment period.

The table below sets out the class of consumer for each insurance attribute.

Insurance key attributes	Target market suitability
Automatic insurance cover	Consumers may receive insurance cover automatically, without requiring underwriting (e.g. Health assessment), subject to eligibility described in the PDS.
Death cover (including terminal illness cover)	This may be suitable for a consumer who is looking to obtain insurance cover in the event of death or terminal illness.
Total and Permanent Disablement (TPD) cover	This may be suitable for a consumer who is looking to obtain insurance cover in the event of total and permanent disability.
Income Protection (IP) cover	This may be suitable for a consumer who is looking to obtain insurance cover in the event of temporary or permanent disability or illness. They can tailor waiting periods and benefit payment periods to suit their needs.
Transferability - Ability to transfer cover from an external superannuation benefit or insurance policy into the products without underwriting, subject to specific terms and approval by the Fund's insurers.	This may be suitable for a consumer who has existing insurance cover in place with another superannuation fund or insurer and wishes to transfer this cover into the Fund.

**Note:** Insurance may not be suitable for certain excluded occupations. Refer to the PDS for further detail.

## Investments

The products provide access to a range of investment options including;

- Pre-mixed investment options (including smartMonday Lifecycle, the default MySuper investment option)
- Sector-specific investment options

The table below sets out the Investment options available and target market for each option.

Investment options	Target market suitability
<b>Pre-mixed options</b>	
smartMonday Lifecycle ( <i>smartMonday PRIME only</i> )	<p>smartMonday Lifecycle is the default MySuper investment option. It utilises two portfolios, whose allocations adjust to focus on growth opportunities when a consumer is younger and reduces the risk of capital loss approaching retirement age. This investment option is intended for consumers who:</p> <ul style="list-style-type: none"> <li>➤ prefer to take a less active role in managing their superannuation investments,</li> <li>➤ expect to remain invested until their retirement, and at least a minimum of 5 years.</li> </ul>
High Growth – Index High Growth – Active*	<p>Invests 90–100% of the portfolio in growth assets. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.</p> <p>* This investment option failed APRA’s annual performance test for the financial year ended 30 June 2023. See the factsheet ‘<i>Our 2023 performance test results</i>’ at <a href="https://smartmonday.com.au">smartmonday.com.au</a> for more information about the performance test and why this option failed.</p>
Growth – Index Growth – Active	<p>Invests 80–90% of the portfolio in growth assets and typically 15% in defensive assets. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.</p>
Balanced Growth – Index Balanced Growth – Active	<p>Invests 60–80% of the portfolio in growth assets and typically 30% in defensive assets. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.</p>
Moderate – Index* Moderate – Active	<p>Invests 20–40% of the portfolio in growth assets and typically 70% in defensive assets. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.</p> <p>* This investment option failed APRA’s annual performance test for the financial year ended 30 June 2023. See the factsheet ‘<i>Our 2023 performance test results</i>’ at <a href="https://smartmonday.com.au">smartmonday.com.au</a> for more information about the performance test and why this option failed.</p>
Defensive – Index Defensive – Active	<p>Invests 80–100% of the portfolio in defensive assets and typically 0-20% in growth assets. Intended to be suitable for those who can tolerate an occasional negative return because they intend to remain invested in this option for the suggested minimum timeframe.</p>

<b>Sector options</b>	
Australian Shares – Index Australian Shares – Diversified Australian Shares – Core	Invests in shares mainly listed, or due to be listed, on the Australian Securities Exchange. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.
International Shares – Index	Invests in shares listed on stock markets around the world, with partial \$A hedging. Intended to be suitable for those who can tolerate negative returns in some years, and can accept significant volatility from foreign exchange fluctuations, because they intend to remain invested in this option for the suggested minimum timeframe.
International Shares – Diversified	Invests in shares listed on stock markets around the world, with partial \$A hedging. Intended to be suitable for those who can tolerate negative returns in some years, and can accept significant volatility from foreign exchange fluctuations, because they intend to remain invested in this option for the suggested minimum timeframe.
Property – Australian Index	Invests in shares mainly listed, or due to be listed, on the Australian Securities Exchange. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.
Property – Diversified	Invests in shares mainly listed, or due to be listed, on the Australian Securities Exchange and developed international markets. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.
Fixed Interest – Diversified - Index	Invests in fixed interest assets across the credit spectrum both in Australia and internationally. Foreign currency exposures in the portfolio are hedged back to \$A. This option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.
Fixed Interest – Diversified	Invests in fixed interest assets across the credit spectrum both in Australia and internationally and may include an exposure to mortgages. Foreign currency exposures in the portfolio are hedged back to \$A. This option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.
Cash	Invests in short-term securities. Intended to be suitable for those who put more weight on capital security and liquidity than returns.

### **Consistency between target market and the products**

The issuer considers that the products are likely to be consistent with the likely objectives, financial situation and needs of consumers within the target market because:

- smartMonday PRIME has been designed specifically for consumers who join through their employer;
- smartMonday DIRECT is designed for consumers receiving personal financial advice, or joining directly;
- there is a range of investment options to cater for a broad range of risk profiles and asset class preferences;
- there is a range of insurance options to cater for a broad range of insurance needs (including type and level of cover);
- the products accept the full range of superannuation contributions permitted under the law; and
- the fees and costs associated with the products are consistent with market rates.

### 3. How this product is to be distributed

#### Distribution channels

The products can be customised for particular sub-markets and is distributed through the following channels:

- smartMonday PRIME
  - ▣ Participating Employers
- smartMonday DIRECT
  - ▣ Direct (via the website [smartmonday.com.au](http://smartmonday.com.au))
  - ▣ Financial advisers

#### Distribution conditions

These products should only be distributed under the following circumstances:

- Where the prospective consumer is receiving a PDS in Australia;
- Where the prospective consumer is a resident in Australia and is eligible to contribute to or consolidate their superannuation account.

For smartMonday PRIME, where an employer has become a Participating Employer in the product by completing the Employer Application form. (An employer is only permitted to distribute the product if they are a Participating Employer).

Where a member 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.

Apart from eligibility to join the smartMonday PRIME through an employer, the Trustee 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 Trustee has determined that the distribution conditions and restrictions will make it likely that consumers who purchase the products 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 TMD

The issuer will review this TMD in accordance with the below:

#### Periodic reviews

- 3 years from the Effective Date

#### Date of last review

- 1 July 2023

## Review triggers or events

Any event or circumstances arise that may render the TMD no longer appropriate. These may include (but are 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 TMD will be reviewed within 10 business days.

## 5. Reporting and monitoring this TMD

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

### Complaints

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. See the *Enquiries & complaints* factsheet on our website at [smartmonday.com.au](http://smartmonday.com.au) for more information.

The information in this document is general in nature and should not be relied upon as personal advice as your personal needs, objectives and financial situation have not been considered. Before making a decision about this product, you should obtain and read a copy of the relevant PDS, consider whether it suits your particular circumstances and, where appropriate, you may wish to seek financial advice specific to your needs. An investment in smartMonday PRIME or smartMonday DIRECT is neither a deposit nor a liability of smartMonday, Equity Trustees Superannuation Limited, nor any of their related entities and none of them guarantees your investment in the products.

smartMonday is a registered trading name of smartMonday Solutions Limited ABN 48 002 288 646 AFSL 236667 (smartMonday), the sponsor of the Smart Future Trust ABN 68 964 712 340 (the Fund). smartMonday PRIME and smartMonday DIRECT are parts of the Fund. The Trustee of the fund and issuer of this document is Equity Trustees Superannuation Limited ABN 50 055 641 757 AFSL 229757 RSE Licence L0001458. References in this document to 'we', 'us', and 'our' are references to the Trustee.