

Target Market Determination



BUSSQ Premium Choice product

Effective from 27 November 2024

Last reviewed on 27 November 2024

Next scheduled review to be completed no later than 27 November 2025

1. About this document

This Target Market Determination (TMD) describes who the BUSSQ Premium Choice product has been designed for, having regard to their likely objectives, financial situation and needs. It also provides information on how often the TMD is to be reviewed, what factors or conditions might trigger a review, how the product is distributed, and the reporting requirements for this product.

This document is not to be treated as a full summary of the product's terms, conditions, and eligibility criteria, and is not intended to provide financial advice. Consumers must refer to the latest Premium Choice Product Disclosure Statement (PDS) available at bussq.com.au when making a decision about this product and should consider seeking financial advice if appropriate.

2. Product description

The BUSSQ Premium Choice product is an accumulation superannuation product designed for consumers who want to save money for their retirement within the concessional-tax superannuation environment.

2.1. Product eligibility criteria

This product is designed for consumers who are required to make mandated super guarantee contributions or have chosen to invest into the superannuation environment in accordance with Australian laws and regulations. Applications from outside of Australia may not be accepted as eligibility for certain product features could be impacted from residing overseas.

There is no minimum account balance or minimum age required to open an account.

Eligibility criteria for insurance cover is outlined in section 2.3 of this document, Key product attributes.

2.2. The target market for this product

The following table describes the overall class of consumers that the Premium Choice product is designed for.

Consumer attributes	
Target market	<ul style="list-style-type: none"> Are an Australian citizen or resident for tax purposes and looking to save for their retirement within the superannuation system.
Likely objectives	<ul style="list-style-type: none"> Are looking for a tax-effective way to save for their retirement through investment earnings and/or contributions.
Likely financial situation	<ul style="list-style-type: none"> Can make their own choice of a complying super fund to receive Superannuation Guarantee (SG) contributions from an employer, want to make personal contributions, or a transfer of super from another fund, or to make or receive spouse contributions. Have retired and want to retain a portion of their balance in the accumulation phase. Have retirement savings in another super fund. Have exceeded the personal transfer balance cap and wish to retain excess savings in an accumulation phase account.
Likely needs	<ul style="list-style-type: none"> Want access to a range of investment options for their superannuation. Want access to insurance cover to reduce the financial risks associated with injury or illness, or death (subject to meeting eligibility requirements and cover limits) with premiums to be paid directly from their superannuation account. Want to consolidate multiple super accounts to save on fees and costs and maximise retirement savings. Ability to access superannuation savings on meeting a condition of release.
Excluded consumers	<p>This product is not designed for consumers who:</p> <ul style="list-style-type: none"> Have been automatically enrolled into BUSSQ by an employer who uses BUSSQ as their default superannuation fund and do not want to actively manage their investment or tailor their insurance. These individuals are joined into BUSSQ's MySuper product¹. A TMD is not required for the MySuper product. Have commenced, or are seeking to commence, a retirement income stream. Want to establish a self-managed superannuation fund. Are not saving for their retirement or want to withdraw their savings before retirement. Superannuation can generally only be withdrawn prior to preservation age in limited circumstances permitted by superannuation law. Require insurance cover and do not meet the insurance eligibility criteria or have sufficient savings to pay for insurance premiums. Want access to direct investments such as Exchange Traded Funds, Term Deposits and Property.

¹ Please see the latest MySuper Product Disclosure Statement (PDS) available at bussq.com.au

2.3. Key product attributes

The key attributes of the BUSSQ Premium Choice product are:

- An ability to make a range of contributions to save for retirement including employer, personal or spouse contributions or superannuation benefit rollovers from another fund.
- An ability to choose from three diversified and five single asset class investment options.
- Access to multiple insurance options including Death, Total and Permanent Disablement (TPD), and Income Protection insurance. Default Death and TPD insurance cover is available to eligible consumers.
- Access to personal financial advice² relating to insurance, investment choice, contributions, and retirement. This advice is limited to BUSSQ products, and the cost is included in the BUSSQ administration fees and costs.
- A range of death benefit nominations to enable consumers to elect how any death benefit is to be distributed.

Investment options

Diversified and single asset class investment options are available in the BUSSQ Premium Choice product. Under this product, consumers can invest in one or more of the investment options depending on their investment objectives and risk tolerance. The information in this section assumes that the entire account balance is invested in each respective investment option. Mixing investment options will produce a different total risk/return profile.

The following tables set out how we measure investment risk, each investment option, and the submarket of consumers for which each option is likely to be suitable.

Measuring investment risk

The risk tolerance information for each investment option uses the Standard Risk Measure (SRM) which is based on methodology developed by the superannuation industry so consumers can compare investment options within and across super funds. The SRM categorises the risk of options from 'very low' to 'very high' and includes an assessment of the expected number of negative annual returns over any 20-year period. There are seven risk bands:

Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The SRM does not represent all components of investment risk. Please see the latest Premium Choice Product Disclosure Statement (PDS) available at bussq.com.au when deciding about Investment Risk.

² Personal advice is provided either by one of our financial planners who are Authorised Representatives of Industry Fund Services Limited (IFS) (ABN 54 007 016 195 AFSL 232514). IFS are responsible for any advice given to consumers by their representatives.

Diversified options[^]

These investment options are designed to offer a complete, all-in-one portfolio for consumers who want to invest in a diversified portfolio of asset classes based on the investment strategy set by the Trustee. These options are designed to suit consumers who want their investments monitored and managed for them on an ongoing basis, including specific asset allocation decisions and other technical aspects of investing, for example portfolio rebalancing.

Investment option	Target market	SRM	Suggested minimum investment timeframe
Defensive	<p>Designed for short to medium term investors looking for stable returns with minimal capital growth. This option invests mainly in cash and fixed interest securities with moderate exposure to growth assets such as shares and property.</p> <p>The investment objective is to beat the Consumer Price Index by 1.50% per annum over a 10-year period, after investment fees and costs and taxes.</p>	Low to medium	At least 3 years
Balanced Growth	<p>Designed for medium to long term investors who want exposure to a mix of growth and defensive assets. This option provides a mix of growth and defensive assets such as shares, property and fixed interest securities.</p> <p>The investment objective is to beat the Consumer Price Index by 3.25% per annum over a 10-year period, after investment fees and costs and investment taxes.</p>	Medium to high	At least 5 years
High Growth	<p>Designed for long term investors looking for an attractive return and capital growth who can tolerate a higher level of risk and volatility. This option provides a high allocation to growth investments such as shares.</p> <p>The investment objective is to beat the Consumer Price Index by 3.75% per annum over a 10-year period, after investment fees and costs and investment taxes.</p>	High	At least 10 years

[^]Please see the latest Premium Choice Product Disclosure Statement (PDS) available at bussq.com.au for further information on each investment option objective, minimum suggested timeframe, risk, and asset allocation. Investment returns are not guaranteed. Past performance isn't a reliable indicator of future returns.

Single asset class options[^]

These options are designed for consumers who want to choose which asset classes they would like to invest in and in what portion to suit their own personal risk tolerance and return objectives. These options are suitable for consumers who are comfortable deciding their own asset class mix and managing their ongoing asset allocation, including the need to rebalance their portfolio when required.

Investment option	Target market	SRM	Suggested minimum investment timeframe
Cash	<p>Designed for investors who are risk averse and looking for a 100% cash investment. This option may suit consumers who are willing to sacrifice overall return in favour of less risk.</p> <p>The investment objective is to beat the Bloomberg AusBond Bank Bill Index over a 12-month period, after investment fees and costs and investment taxes*.</p>	Very low	Less than 12 months
Australian Shares	<p>Designed for investors looking for a standalone Australian Shares investment. This actively managed option aims to outperform the market by selecting companies to buy and sell.</p> <p>The investment objective is to beat the S&P/ASX 300 Index (adjusted for franking credits) over a 10-year period, after investment fees and costs and investment taxes*.</p>	Very high	At least 10 years
Australian (Small Companies) Shares	<p>Designed for investors looking for a standalone investment focused on smaller listed Australian companies. This actively managed option aims to outperform the market by selecting companies to buy and sell.</p> <p>The investment objective is to beat the S&P/ASX Small Ordinaries Index (adjusted for franking credits) return over a 10-year period, after investment fees and costs and costs and investment taxes*.</p>	Very high	At least 10 years
International Shares	<p>Designed for investors looking for a standalone investment focused on international shares. This actively managed option aims to outperform the market by selecting companies to buy and sell.</p> <p>The investment objective is to beat the MSCI All Country World Index ex Australia over a 10-year period, after investment fees and costs and investment taxes*.</p>	Very high	At least 10 years
International (Emerging Markets) Shares	<p>Designed for investors looking for a standalone investment focused on international shares in emerging market countries (e.g., Brazil, India, China). This actively managed option aims to outperform the market by selecting companies to buy and sell.</p> <p>The investment objective is to beat the MSCI Emerging Markets Index over a 10-year period, after investment fees and costs and investment taxes*.</p>	Very high	At least 10 years

**Index returns are adjusted for implied superannuation tax (where applicable).*

[^]Please see the latest Premium Choice Product Disclosure Statement (PDS) available at bussq.com.au for further information on each investment option objective, minimum suggested timeframe, risk, and asset allocation. Investment returns are not guaranteed. Past performance isn't a reliable indicator of future returns.

Insurance

Consumers may be eligible for automatic default Death and Total and Permanent Disablement insurance upon joining the Premium Choice product. This cover is designed to provide a minimum amount of cover for consumers and their beneficiaries in the event of the account holders illness, injury, or death. The eligibility for default cover extends to consumers employed in dangerous occupations and who are under the age of 25 or have an account balance less than \$6,000. This automatic default insurance cover attribute is particularly targeted at workers in the building, construction, and civil industries.

The cost of automatic default cover is evaluated against Australian Bureau of Statistics average weekly total cash earnings for the Construction industry to ensure members' retirement savings are not inappropriately eroded. The Fund aims for the cost of this cover to be less than 1% of salary for members aged 21+ and less than 0.5% for members aged under 21.

Consumers also have the option of personalising their level of insurance cover to suit their needs with the aim of providing financial relief in the event of death or significant injury or illness.

Consumers can apply for, change, or cancel their cover at any time to best suit their needs or objectives.

Insurance cover may automatically cease if an amount has not been received into an account within the last 16 months or if there are insufficient funds to pay for the cost of insurance.

Eligibility criteria

To be eligible to hold insurance cover, consumers must be:

- An Australian citizen, a permanent Australian resident, or a lawful non-Australian citizen
- Aged between 15 and 69 for death cover
- Aged between 15 and 64 for TPD cover
- Aged between 15 and 64 for income protection cover.

If a consumer is not an Australian citizen, permanent Australian resident or a lawful non-Australian citizen, the consumer should cancel their cover and stop paying premiums.

Occupational classifications

The occupational classification is one of the factors that determines the cost of insurance cover. If a consumer joins the BUSSQ Premium Choice product and receives automatic cover it will be based on our default occupational classification of 'manual' which is defined as a person who performs mainly physical work. Manual is the most expensive occupational classification. Consumers can apply to change their individual occupational classification at any time.

The table below describes the key attributes of each type of insurance. The eligibility to claim insurance benefits will be determined by our Insurer according to our agreed policy terms and conditions.

Cover type	Key attributes
Death insurance	<p>Death cover is designed for individuals who want to provide their beneficiaries with a financial benefit in the event of their death. Death cover is available to consumers aged between 15 and 69. The maximum level of cover a consumer can have is \$5 million. Death cover includes payment for a terminal illness to help ease the financial stress for consumers suffering from a terminal medical condition. The maximum level of terminal illness cover is \$1 million.</p> <p>This insurance is offered as either unitised or fixed cover. Unitised cover has either a Manual or Non-manual occupation classification. Fixed insurance has heavy blue collar, light blue collar, and white-collar occupation classifications.</p>
Total and Permanent Disablement insurance	<p>Total and Permanent Disablement cover is designed for individuals who want financial protection against the risk of serious injury or illness causing total and permanent disablement. This insurance cover provides a lump sum benefit to consumers when they satisfy the relevant definitions of disablement set out within the policy to help cover costs for rehabilitation, debt repayments and future living expenses.</p> <p>Total and Permanent Disablement insurance is available to consumers aged between 15 and 69. The maximum level of cover is \$3 million.</p> <p>Total and Temporary Disablement (TTD) insurance is also provided to manual workers aged 21 to 56 who have four units of default TPD cover. Consumers who are covered for TTD and satisfy the eligibility criteria will receive a benefit which is the lesser of:</p> <ul style="list-style-type: none">• \$350 per week, or• 100% of their weekly income. <p>This insurance is offered as either unitised or fixed cover. Unitised cover has either a Manual or Non-Manual occupation classification. Fixed insurance has heavy blue collar, light blue collar, and white-collar occupation classifications.</p>
Income Protection insurance	<p>Income protection cover is designed for individuals who want financial protection against temporary illness or injury preventing them earning their regular income. This insurance cover provides consumers with a monthly benefit if they are unable to work due to sickness or injury, either temporarily or permanently. Premium Choice offers consumers multiple options with Income Protection insurance. Consumers can apply for either a 30 day or 60 day waiting period with a benefit period of either two years or up to age 65.</p> <p>Income Protection insurance is available to consumers between 15 and 64. The maximum level of cover is 85% of the consumers pre disability level of income (75% to consumer and 10% paid as a super contribution) up to a maximum monthly benefit of \$25,000.</p> <p>This insurance is only available as fixed cover. Fixed insurance has heavy blue collar, light blue collar, and white-collar occupation classifications.</p>

The table below sets out the class of consumer each insurance option has been designed for.

Cover type	Target market	Employment status	Not designed for
Death insurance	Designed for consumers who wish to provide a lumpsum benefit upon death or diagnosis of a terminal illness to support their beneficiaries.	Either employed or unemployed	<ul style="list-style-type: none"> Consumers under the age of 15 or over the age of 69. Any consumer ineligible to claim under the insurance policy.
Total and Permanent Disablement insurance	Designed for consumers who want financial protection against risk of serious injury or illness causing total and permanent disablement.	Either employed or unemployed	<ul style="list-style-type: none"> Consumers under the age of 15 or over the age of 64. Any consumer ineligible to claim under the insurance policy.
Income Protection insurance	Designed for consumers who want financial protection against temporary illness or injury preventing them from earning their regular income.	Employed	<ul style="list-style-type: none"> Consumers under the age of 15 or over the age of 64. Unemployed consumers. Any consumer ineligible to claim under the insurance policy.

Additional information, including eligibility criteria and other terms and conditions relating to the insurance options available can be found in the [Premium Choice PDS](#) and [BUSSQ Insurance Handbook](#) available at bussq.com.au

2.4. Consistency between target market and this product

The Premium Choice product attributes described in the previous tables are consistent with the likely objectives, financial situation and needs of the class of consumer identified within the target market.

Consumers can choose from a range of investment and insurance options within the product and eligibility conditions are designed to be aligned with the characteristics of the target market. The diversified and single sector investment options are designed to cater to a wide range of expected consumer risk tolerances and return objectives and may be selected in any combination.

The insurance cover offering is designed to provide a basic level of protection for consumers while allowing the flexibility for them to tailor their cover to suit their life stage and objectives.

3. How this product is to be distributed

3.1. Distribution channels

BUSSQ's permitted distribution channels are:

- By applying directly (either paper based or online)
- By their employer, where BUSSQ is the employer's default fund
- With assistance of BUSSQ Fund Staff or Contact Centre staff
- By receiving general or personal advice from one of our financial planners³ or with assistance from their financial adviser
- By a result of a family law split or contribution splitting arrangement.

The Trustee has determined that the distribution conditions make it likely that consumers who join the product are in the target market for which it has been designed.

3.2. Distribution conditions and restrictions

Acquisition of the Premium Choice product is restricted to individuals who satisfy the eligibility criteria that apply under superannuation legislation. The distribution channels help ensure the product is only distributed to consumers in the target market. Consumers who join by direct application declare they have read and agree to the terms and conditions of the Product Disclosure Statement. These consumers also have access to this Target Market Determination. The process for consumers who join with the assistance of staff, or Industry Fund Services (IFS) also ensures the consumer is in the target market.

Consumers must apply for any personalised or opt-in insurance which is subject to acceptance by the Insurer. If applicable, any exclusion or premium loadings applied by the Insurer must be accepted by the consumer before cover will start.

Controls are also in place to help ensure products are being distributed correctly including:

- Training being provided to consumer facing staff regarding product eligibility requirements, key attributes and the intended target market.
- When processing product applications, system and process verification steps are undertaken to ensure key product eligibility requirements have been satisfied (e.g., age requirements).
- Ongoing call monitoring is performed (where consent is provided) to help ensure correct product information is provided when interacting with consumers.
- Marketing and promotional activities are designed based on the intended target market.

Distributors should take reasonable steps not to distribute the product to a person for whom the product is not designed for, except through personal advice where the consumer's personal objectives, financial situation and needs have been considered.

³ General advice is provided by the Trustee and Link Advice Pty Ltd (Link Advice) (ABN 36 105 811 836 AFSL 258145). Personal advice is provided either by one of our financial planners who are Authorised Representatives of Industry Fund Services Limited (IFS) (ABN 54 007 016 195 AFSL 232514) . IFS are responsible for any advice given to consumers by their representatives.

3.3. Adequacy of distribution conditions and restrictions

The distribution conditions are appropriate and aim to ensure that consumers who join the product are in the target market. This is on the basis that the products eligibility criteria, regulatory restrictions, and distribution channels limit access to the product. The distribution conditions and restrictions reduce the risk that the product will be distributed to consumers outside of the target market.

4. Reviewing this Target Market Determination

BUSSQ will review this Target Market Determination (TMD) at least every 12 months. The timing will be incorporated into the business performance review cycle. BUSSQ will also review this TMD when an event or circumstance (a 'review trigger') arises that would indicate the TMD may no longer be appropriate. This may include:

- A material change to the design or distribution of the product which affects the consumers targeted by this product.
- Occurrence of a significant dealing that is inconsistent with this TMD.
- A significant breach relating to the design or distribution of this product which has a material financial impact on consumers.
- External events such as adverse media coverage or regulatory feedback.
- Significant changes in metrics, including, but not limited to, complaints, consumer movement in or out of the product, investment switches, and sustainability which would reasonably suggest a potential issue with the product.
- BUSSQ determines in its annual legislated Member Outcomes Assessment that the financial interests of its Premium Choice product holders are not being promoted.
- Notification by the Australian Securities and Investments Commission (ASIC) concerning the design or distribution of the product.
- Material changes in the insurance claims loss ratio and / or claim decline rates.
- A failure of an investment option/s under the annual performance test administered by the Australian Prudential Regulation Authority (APRA).

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

5. Reporting and monitoring

BUSSQ monitors and reviews consumer outcomes as part of its business performance review process. We review the key attributes of products to maintain alignment with the likely objectives, financial situation and needs of the target market the product is designed for.

The monitoring process includes collecting the following information from our distributors in relation to the product covered by this TMD.

Complaints

Distributors will report all complaints in relation to the product monthly within 10 business days after the end of the month.

Significant dealings

Distributors will report if they become aware of a significant dealing that is not consistent with this TMD, as soon as practicable and in any event within 10 business days.

This TMD provides general information only and does not take into account your personal financial situation or needs. Before acting, you should review the Product Disclosure Statement (PDS) to ensure you have all the information about the BUSSQ Premium Choice product and how it works and consider the appropriateness of the information to your needs or obtain financial advice tailored for your personal circumstances. The PDS can be found at bussq.com.au or call us to request a copy. Issued by BUSS (Queensland) Pty Ltd ABN 15 065 081 281, AFSL 237860, Trustee for Building Unions Superannuation Scheme (Queensland) (BUSSQ) ABN 85 571 332 201. USI BUS0002AU.

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