

FirstChoice Employer Super

Target Market Determination

30 September 2024

This Target Market Determination (TMD) is a publicly available document required under section 994B of the *Corporations Act 2001* (Cth). It sets out the class of consumers for whom the FirstChoice Employer Super (the product), including its key attributes, would likely be suitable given their likely objectives, financial situation and needs. It also contains triggers to review the TMD and certain other information. It forms part of the Colonial First State design and distribution framework for the product.

This document is not a Product Disclosure Statement (PDS) and is not a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the [PDS for FirstChoice Employer Super](#), available at cfs.com.au and consider obtaining financial advice before making a decision whether to acquire this product.

Product name

FirstChoice Employer Super

Product issuer

Avanteos Investments Limited (we, us, or our)

Start date

30 September 2024

Product description

FirstChoice Employer Super is a superannuation (super) product which offers the following key features:

- Default Lifestage MySuper options where the investment mix changes automatically depending on the member's age (for members who do not make an active investment selection)
- A range of over 60 investment options, including MySuper options that change with the member's age, single sector and multi-sector options
- The ability to continue to accumulate savings for retirement, in the same account which was

established by a participating employer after cessation of employment

- Access to insurance options, including death only cover, death and total and permanent disablement (TPD) cover, and salary continuance insurance (SCI) cover
- Default insurance cover which is automatically offered to eligible employee members
- Access to an online member portal for providing account details and updates, reporting and transactions
- The ability to link a licensed financial adviser to the account to facilitate their assistance in managing the account.

Target market

A person is in the target market for FirstChoice Employer Super if they are working for a participating employer that offers their employees a default super product, and members who are the spouse of employee members. Further, this product is suitable for people looking to accumulate wealth for their retirement, within the superannuation system with the following objectives, financial situations and needs:

- are at least 14 years old, currently living in Australia, an Australian citizen, permanent resident, or a relevant visa holder
- looking to invest in a complying superannuation fund that can receive superannuation guarantee contributions, rollovers from other funds and/or make voluntary contributions
- looking to invest and grow their superannuation in a tax effective environment through investment earnings and/or contributions

- have an employer or are self-employed and expect to receive or make regular superannuation contributions
- looking to invest in or be defaulted into a MySuper default investment and/or to have the ability to select from a number of choice investment options outlined in the FirstChoice Employer Super Investment Options Menu (the Menu), where the member's risk, return and investment objectives align with those attributed to the investment options in the Menu
- may want access to automatic death only, death and TPD, and SCI insurance cover for eligible members, with the ability to tailor insurance cover to suit their personal needs and life stage. To be eligible for automatic cover, the member must be an employee of an employer that has set up a plan for its employees in FirstChoice Employer Super, be at least 14 years of age but less than 65 for TPD and SCI cover, and less than 75 for death cover, and have sufficient funds in their account
- looking to join the same fund as their spouse and have the option to apply for death only, death and TPD, and SCI cover.

This product is not designed for people who:

- are not employed by a participating employer, or are not the spouse of an employee of a participating employer, and/or
- are not saving for their retirement, and/or
- require complex product features (e.g. wide variety of investment options and/or direct share investments), and/or
- are seeking insurance cover but do not meet the eligibility criteria as described in the Insurance features section of this TMD, and/or
- are seeking a retirement or transition to retirement income stream product, or have commenced retirement and need a retirement income (that is paid periodically), and/or
- require insurance cover for a pre-existing medical condition in some circumstances, as outlined in the Insurance features section of this TMD, and/or
- wish to manage their own superannuation in a manner similar to a self-managed superannuation fund (other than by selecting and switching investment options, making contributions and/or choosing insurance arrangements that are offered in the product), and/or
- are outside of Australia to receive the PDS for the product.

Investment options

This product provides access to a range of investment options with different investment objectives, levels of risk, exposure to different asset classes and investment timeframes. Different investment options have different levels of potential return and volatility.

Investment category	Investment objective ¹	Risk considerations ²	Standard Risk Measure ³	Minimum suggested investment timeframe ⁴
Cash and deposits	Generally, to earn a return that at least matches the Reserve Bank of Australia (RBA) cash rate through investments in term deposits and money market funds.	<ul style="list-style-type: none"> • Term risk • Credit risk 	Very low (1)	None
Australian fixed interest	Generally, to earn returns that exceed the Bloomberg AusBond Composite Bond Index (All Maturities) on average through portfolios investing predominantly in domestic fixed interest securities including government, corporate and structured investments.	<ul style="list-style-type: none"> • Term risk • Credit risk • Liquidity risk • ESG risk • Climate risk 	Medium (4)	At least 3 years
Diversified fixed interest	Generally, to earn returns that exceed a global bond index such as Citigroup World Government Bond Index (hedged into \$A) or the Barclays Global Aggregate (hedged to \$A) through portfolios investing predominantly in global fixed interest securities (or a combination of global and domestic) including government, corporate and structured investments.	<ul style="list-style-type: none"> • Emerging markets risk • Term risk • Credit risk • Liquidity risk • Currency risk • ESG risk • Climate risk 	Medium to High (5)	At least 3 years

Investment category	Investment objective ¹	Risk considerations ²	Standard Risk Measure ³	Minimum suggested investment timeframe ⁴
Short duration fixed interest	Generally, to earn returns that exceed the Bloomberg AusBond Bank Bill Index plus 1–2% through portfolios investing predominantly in domestic and/or global fixed interest securities with an absolute return focus, lower risk and minimal duration, typically investing to a cash plus 1–2% target.	<ul style="list-style-type: none"> • Emerging markets risk • Term risk • Credit risk • Liquidity risk • Currency risk • ESG risk • Climate risk 	Medium (4)	At least 3 years
Defensive	Generally, to earn returns that exceed an appropriate benchmark return through the allocation of 80–100% of funds to defensive assets. Defensive assets such as cash and fixed interest provide relatively stable returns with lower risk of impact from market volatility.	<ul style="list-style-type: none"> • Equity risk • Emerging markets risk • Term risk • Credit risk • Liquidity risk • Currency risk • ESG risk • Climate risk 	Low to Medium (3)	At least 3 years
Conservative	Generally, to earn returns that exceed an appropriate benchmark return through the allocation of 60–79% of funds to defensive assets. Defensive assets such as cash and fixed interest provide relatively stable returns with lower risk of impact from market volatility. The remaining assets are allocated to growth assets such as Australian and Global shares which aim to provide higher returns but have a higher risk of impact from short-term market fluctuations.	<ul style="list-style-type: none"> • Equity risk • Emerging markets risk • Term risk • Credit risk • Liquidity risk • Currency risk • Derivatives risk • ESG risk • Climate risk 	Medium (4)	At least 3 years
Moderate	Generally, to earn returns that exceed an appropriate benchmark return through a mixed allocation of 41–60% of funds to growth assets and the remaining funds to defensive assets. This portfolio seeks to earn greater returns through growth assets such as Australian and Global shares balanced against defensive assets such as cash and fixed interest.	<ul style="list-style-type: none"> • Equity risk • Emerging markets risk • Term risk • Credit risk • Liquidity risk • Currency risk • Derivatives risk • ESG risk • Climate risk 	Medium to High (5)	At least 5 years
Growth	Generally, to earn returns that exceed an appropriate benchmark return through the allocation of 61–80% of funds to growth assets. The allocation will include a mix of Australian and Global shares and property and infrastructure assets which seek higher returns in the long term with greater risk. The remaining assets are allocated to defensive assets such as fixed interest and cash which provide relatively stable returns with lower risk of impact from market volatility.	<ul style="list-style-type: none"> • Equity risk • Small cap risk • Emerging markets risk • Term risk • Credit risk • Liquidity risk • Currency risk • Derivatives risk • ESG risk • Climate risk 	High (6)	At least 5 years

Investment category	Investment objective ¹	Risk considerations ²	Standard Risk Measure ³	Minimum suggested investment timeframe ⁴
High growth	Generally, to earn returns that exceed an appropriate benchmark return through the allocation of 81–100% of funds to growth assets. The allocation will include a mix of Australian and Global shares and property and infrastructure assets which seek higher returns in the long term with greater risk. The remaining assets are allocated to defensive assets such as fixed interest and cash which provide relatively stable returns with lower risk of impact from market volatility.	<ul style="list-style-type: none"> • Equity risk • Small cap risk • Emerging markets risk • Term risk • Credit risk • Liquidity risk • Currency risk • Derivatives risk • ESG risk • Climate risk 	High (6)	At least 7 years
Australian share	Generally, to earn returns that exceed the S&P/ASX 300 Accumulation Index through investing predominantly in Australian shares.	<ul style="list-style-type: none"> • Equity risk • ESG risk • Climate risk 	Very high (7)	At least 7 years
Australian share – small companies	Generally, to earn returns that exceed the S&P/ASX Small Ordinaries Accumulation Index through investing predominantly in Australian small companies.	<ul style="list-style-type: none"> • Equity risk • Small cap risk • Liquidity risk • ESG risk • Climate risk 	Very high (7)	At least 7 years
Global share	Generally, to earn returns that exceed the MSCI World ex-Australia Index through investing predominantly in global shares.	<ul style="list-style-type: none"> • Equity risk • Emerging markets risk • Currency risk • ESG risk • Climate risk 	Very high (7)	At least 7 years
Global share – emerging markets	Generally, to earn returns that exceed an emerging market global share index such as the MSCI Emerging Markets Index or the MSCI Asia ex-Japan Index through portfolios investing predominantly in emerging markets.	<ul style="list-style-type: none"> • Equity risk • Emerging markets risk • Liquidity risk • Currency risk • ESG risk • Climate risk 	Very high (7)	At least 7 years
Specialist share	Generally, to earn returns that exceed an appropriate sector component index through investing predominantly in specific sectors or regions, global small companies or long/short strategies.	<ul style="list-style-type: none"> • Equity risk • Small cap risk • Emerging markets risk • Liquidity risk • Short selling risk • Derivatives risk • Currency risk • ESG risk • Climate risk 	Very high (7)	At least 7 years
Geared	Generally, to earn returns that exceed the S&P/ASX 300 Accumulation Index or the MSCI World ex-Australia Index through portfolios predominantly invested in Australian, global equities or other listed securities whilst using gearing.	<ul style="list-style-type: none"> • Equity risk • Gearing risk • Currency risk • ESG risk • Climate risk 	Very high (7)	At least 7 years

Investment category	Investment objective ¹	Risk considerations ²	Standard Risk Measure ³	Minimum suggested investment timeframe ⁴
Australian property and infrastructure	Generally, to earn returns that exceed the S&P/ASX 300 A-REIT Index or an appropriate relevant infrastructure index through portfolios investing predominantly in Australian property and/or infrastructure.	<ul style="list-style-type: none"> Equity risk Currency risk ESG risk Climate risk Valuation risk 	Very high (7)	At least 7 years
Global property and infrastructure	Generally, to earn returns that exceed the FTSE EPRA/NAREIT Developed Index (hedged to \$A) or FTSE Global Core Infrastructure 50/50 Index (hedged to \$A) through portfolios investing predominantly into global property and/or infrastructure.	<ul style="list-style-type: none"> Equity risk Currency risk ESG risk Climate risk Valuation risk 	Very high (7)	At least 7 years
Alternatives	Generally, to deliver consistent medium term returns on average with low correlation to broad equity and fixed income markets by investing in both traditional and non-traditional asset classes through portfolios including, but are not limited to, absolute return funds, diversified hedge funds, global macro funds, commodity trading and currency funds.	<ul style="list-style-type: none"> Equity risk Small cap risk Credit risk Liquidity risk Currency risk Short selling risk Derivatives risk Valuation risk 	Medium to High, to Very high (5 to 7)	At least 5 years

1 Refer to the [FirstChoice Employer Super Investment Options Menu](#) for a detailed description of the investment objective for each individual investment option. Risk and return objectives for each investment option may vary from their associated investment category objective.

2 Refer to the [FirstChoice Employer Super Investment Options Menu](#) and [PDS](#) for further information of the various risk considerations associated with each investment category.

3 The standard risk measure is a 1–7 scale based on the estimated number of negative annual returns over any 20-year period. Refer to the [FirstChoice Employer Super Investment Options Menu](#) for more information on the standard risk measures for each individual investment option.

4 The minimum suggested timeframe is an estimate of how long you should expect to hold your capital in an investment option within this category in order to achieve its expected investment return outcome.

Insurance features

FirstChoice Employer Super Insurance cover is suitable for members who:

- are employed by a participating employer (employee members) and are seeking to obtain Employer selected cover (default cover) with the flexibility to increase their cover (subject to insurer approval) to meet their financial needs in the event of Death (including Terminal Illness), Total and Permanent Disablement (TPD), or Temporary Incapacity
- are the spouse of an employee member and who may want to apply for death only, death and TPD, or SCI cover
- meet the age criteria and eligibility requirements outlined below
- accept that insurance premiums will reduce their superannuation account balance.

Below is a summary of FirstChoice Employer Super insurance. For full insurance eligibility requirements and definitions, please refer to the [FirstChoice Employer Super PDS](#) and [FirstChoice Employer Super Insurance Booklet](#).

Feature	Cover details
Death Insurance	If a member dies or is diagnosed with a terminal illness while covered, a lump sum benefit may be paid.
Total and Permanent Disablement (TPD) Insurance	If a member becomes totally and permanently disabled while covered and can no longer work, TPD insurance may provide a lump sum payment.
Salary Continuance Insurance (SCI)	If a member is off work for an extended period (longer than the waiting period that applies) due to a total or partial disablement from an illness or injury, a regular monthly benefit may be paid to the member.
Types of Cover available	<p>There are three types of cover available in FirstChoice Employer Super:</p> <ul style="list-style-type: none"> • MySuper (default) cover • Employer selected cover • Investor selected cover <p>When an employee member becomes eligible for cover, they are automatically provided with Employer selected cover based on the insurance design chosen by their employer. Where there is no Employer selected insurance design, or the amount of cover calculated under the design is less than what's required under super law, MySuper default cover will be provided (for members less than 56 years of age).</p> <p>Where an employee member requires cover beyond their Employer selected or MySuper cover, and for spouse members, they can apply for Investor selected cover.</p> <p>All types of cover cease at the end of the month after a member reaches age 75 for death cover, and age 65 for TPD and SCI.</p> <p>Eligible members can apply for, change, or cancel their cover anytime. For increases in cover, members will need to be under the age of 75 for death cover or less than 65 for TPD and SCI cover (except where the increase is transfer cover, where the member needs to be under 55) and may need to satisfy health questions and other requirements.</p>
Eligibility criteria for MySuper Default cover	<p>To be eligible for MySuper Default cover a member must:</p> <ul style="list-style-type: none"> • be at least 14 and less than age 56 • have money in their FirstChoice Employer Super account • not be a spouse member. <p>Where a member is classified as Heavy Blue Collar (Death only), they will not be eligible to receive MySuper TPD cover.</p> <p>MySuper Default cover for eligible members will only automatically start if a member is aged 25 or older and has an account balance of at least \$6,000.</p> <p>MySuper Default cover is also available on an opt-in basis subject to eligibility and other criteria.</p>
Eligibility Criteria for Employer selected cover and Investor selected cover	<p>To be eligible for Employer selected and Investor selected cover a member must:</p> <ul style="list-style-type: none"> • be at least 14 and less than age 65 for TPD or SCI cover or less than age 75 for Death cover and • have money in their FirstChoice Employer Super account. <p>They also need to be employed by a participating employer for Employer selected cover.</p> <p>For Employer selected cover to automatically commence for eligible members, the member must be aged 25 or older and have an account balance of at least \$6,000.</p> <p>Employer selected cover is also available on an opt-in basis subject to eligibility and other criteria.</p> <p>For Investor selected cover, the insurer will consider the application and may accept or decline the member's application.</p>

Feature	Cover details
Exclusions for both Death only and Death and Total & Permanent Disablement (TPD)	<p>Death only and death and TPD cover offered in FirstChoice Employer Super is subject to certain exclusions which may limit a member's ability to claim in line with the policy terms and conditions.</p> <p>Below is a list of exclusions for death only and death and TPD cover (including terminal illness) where a benefit will not be paid if a person dies, is terminally ill, or is TPD due to:</p> <ul style="list-style-type: none"> • suicide, attempted suicide or intentional self-inflicted injury within 12 months after cover starts, restarts or increases (in the case of an increase, only the increased portion will not be paid),¹ or • active service in the armed forces or peacekeeping forces (whether armed or unarmed) of any country or territory or foreign or international organisation – this exclusion will not apply to death while on war service for Australia (where 'war service' has the same meaning the expression has under the <i>Life Insurance Act 1995</i> (Cth)), or • engagement in (including planning or preparing for) any terrorism act in Australia or any foreign country, or • participation in a combat or fighting force of any country or territory or foreign or international organisation, or • any other specific exclusions or restrictions applied by the insurer and advised to the member.
Exclusions for Salary Continuance Insurance (SCI) Cover	<p>SCI cover offered in FirstChoice Employer Super is subject to certain exclusions which may limit a member's ability to claim in line with the policy terms and conditions.</p> <p>A salary continuance insurance benefit will not be paid where the member's illness or injury is directly or indirectly caused by:</p> <ul style="list-style-type: none"> • any intentional self-inflicted injury within 12 months of cover commencing, recommencing or increasing, • normal and uncomplicated pregnancy or childbirth unless you are totally disabled continuously for 90 days after the end of the pregnancy (the 90 days start on the later of the date the pregnancy ends and the date you become totally disabled), • active service in the armed forces or peacekeeping forces (whether armed or unarmed) of any country or territory or foreign or international organisation, • engagement in (including planning or preparing for) any terrorism act in Australia or any foreign country, • participation in a combat or fighting force of any country or territory or foreign or international organisation, • any other specific exclusions or restrictions applied by the insurer and advised to the member.
Limitations on Employer selected (or MySuper default) cover (for all cover types)	<p>Depending on how and when Employer selected (or MySuper default) cover starts, cover will be limited cover and won't cover any pre-existing medical conditions where:</p> <ul style="list-style-type: none"> • the person elects to have cover before they're 25 or have a balance less than \$6,000. Limited cover ends once the person is in active employment for 30 consecutive days. • Employer selected cover is automatically provided, however the account hasn't received super guarantee contributions for the 6 consecutive months before cover starts and the person isn't in active employment when cover starts. Limited cover ends once the person is in active employment for 30 consecutive days. • the person has been paid, or where a benefit is payable, a terminal illness or TPD insured benefit under any insurance policy. Limited cover applies for the whole period of cover. • the employer plan has less than 5 insured members when cover starts. Limited cover applies for at least 2 years and ends when the person has been in active employment for 30 consecutive days either immediately before, or any time after, the 2-year period ending.

¹ Applies only to Investor selected cover and cover above the Automatic Acceptance Limit (AAL).

Appropriateness of the target market

This product is likely to be consistent with the likely objectives, financial situation and needs of the class of customers in the target market as described above. This is based on an analysis of the key terms, features, and attributes of the product and a finding that these are consistent with the identified class of customers.

Distribution conditions and restrictions

Distribution conditions

This product can only be offered and/or issued in accordance with the relevant product terms and conditions outlined in the PDS (as amended from time to time).

This product can be distributed to customers in the following ways:

- **Via employer** – a member account may be requested for a customer by their participating employer where FirstChoice Employer Super is their employer's default fund
- **Directly** – via a paper request from a spouse of an existing FirstChoice Employer Super employee member
- **Via a third party financial adviser** – for the product to be distributed via this channel, the adviser must:
 - be registered with us through an Australian financial services licensee that has agreed with our Licensee terms.
 - have met our minimum criteria for advisers which include an array of internal and external checks, including the professional standards as outlined by the Australian Securities and Investments Commission (ASIC).

Even though all members are automatically defaulted into the MySuper option (which is not covered by the design and distribution obligation regime), the distributor will take reasonable steps to distribute to the target market, given the ability for members to make investment choice and to obtain insurance as part of the investment choice options. Access to the 'choice' investment options is available after a member has been defaulted in the MySuper option.

Appropriateness of distribution conditions and restrictions

It has been determined that the distribution conditions and restrictions will make it likely that customers who purchase the product are in the class of customers for which it has been designed. We consider that the distribution conditions are appropriate and will assist distribution in being directed towards the target market for whom the product has been designed.

Review triggers

Where we determine that one of the below review triggers has occurred, we must undertake a review of this TMD:

- Receipt of a product intervention order from ASIC requiring us to cease retail distribution of this product or the issue of orders or directions by ASIC in relation to the distribution of this product
- Receipt of a significant or an unexpectedly high number of complaints from customers who have acquired this product, regarding the product design, features, availability and any distribution condition that would reasonably suggest that this TMD is no longer appropriate
- Occurrence of a significant dealing(s) outside of the TMD that would reasonably suggest that this TMD is no longer appropriate
- Material change to key product features, investment objectives or terms and conditions that would reasonably suggest that this TMD is no longer appropriate
- The target market and product attributes described in this TMD are found to include materially incorrect or misleading information that reasonably suggests that this TMD is no longer appropriate
- A significant number of investment options (excluding fixed term investments) have become illiquid and are no longer able to offer withdrawals (including investment switching), which reasonably suggests that this TMD is no longer appropriate
- An unexpected change in the rate of insurance claims being declined or withdrawn, which reasonably suggests that this TMD is no longer appropriate
- The trustee of this product makes a determination for purposes of s52(9) of the *Superannuation Industry (Supervision) Act 1993* (Member Outcomes Assessment - which includes, but is not limited to, the assessment of product performance against APRA Heatmap, investment risk, insurance fees and sustainability) that the financial interests of the customers who hold this product are not being promoted
- Changes to legislation have come into effect which materially impact upon the design or distribution of the product and reasonably suggests that this TMD is no longer appropriate.

Initial review date

N/A - initial review has already occurred

Subsequent review date

30 September 2025

Review trigger information requirements

Information	Provider	Reporting frequency	Method
Complaints The number, nature and outcomes of complaints received in relation to this product's design, features, availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	Distributor	Quarterly (within 10 business days following the end of the calendar quarter).	by emailing to membercare@cfs.com.au
Significant dealing outside the target market The nature and circumstances of the significant dealing (including why the dealings occurred outside the target market), the date range of when the significant dealing occurred, the number of consumers to whom the report relates, whether personal financial advice was provided (in writing) and whether consumer harm or detriment has or has likely occurred as a result of the significant dealing.	Distributor	As soon as practicable, but no later than 10 business days after the distributor becomes aware of the significant dealing.	Using FSC data standards (where possible) and submitting to cfsdpddo@cfs.com.au

Important information: Avanteos Investments Limited ABN 20 096 259 979, AFSL 245531 (AIL) is the trustee of the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557 and issuer of FirstChoice range of super and pension products. Colonial First State Investments Limited (CFSIL) is the responsible entity of the underlying managed investment schemes into which FirstChoice Employer Super invests. Colonial First State (CFS) refers to Superannuation and Investments HoldCo Pty Limited ABN 64 644 660 882 and its subsidiaries which include AIL and CFSIL. CFS is majority owned by an affiliate of Kohlberg Kravis Roberts & Co. L.P. (KKR), with the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 (CBA) holding a significant minority interest. The information provided in this document is general information only and does not take account of your objectives, personal financial or taxation situation or needs. Because of this, before acting on the information, you should consider its appropriateness having regard to these factors. You should consider obtaining financial advice relevant to your personal circumstances before investing. You should also consider the Product Disclosure Statement (PDS) before making any decision to acquire, or continue to hold, an interest in FirstChoice Employer Super. You can obtain a copy of the PDS at www.cfs.com.au or by calling us on 13 13 36. Investments in the funds are subject to investment risk, including loss of income and capital invested. The insurance provider is AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (AIA Australia, the 'Insurer'). AIA Australia is part of the AIA Group. The insurance cover is provided under policies issued to the trustee. AIA Australia is not part of the CFS Group of companies.

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