

FirstChoice Wholesale Pension

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 Wholesale Pension (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 Wholesale Pension**, available at cfs.com.au and consider obtaining financial advice before making a decision whether to acquire this product.

Product name

FirstChoice Wholesale Pension

Product issuer

Avanteos Investments Limited (we, us, or our)

Start date

30 September 2024

Product description

FirstChoice Wholesale Pension is a retirement product offering the following key features:

- The ability for an individual to regularly draw an income from their superannuation savings in retirement (or transition to retirement) through an account-based pension
- A range of over 190 investment options, including single sector and multi-sector options

- Access to an online member portal for account 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

FirstChoice Wholesale Pension is suitable for individuals looking to invest in a pension for their retirement within the superannuation system with the following objectives, financial situations, and needs:

- looking to receive a regular income stream using their superannuation (super) savings, or permanent incapacity, terminal illness or super death benefits
- have the flexibility to change their income level as their monetary needs change and the ability to make lump sum withdrawals (where legally permitted) to fund their larger expenditure needs
- to invest in a concessionally taxed environment
- acknowledge and accept that an investment in the product involves a risk/return trade-off
- acknowledge and accept that the income they receive from the product will cease upon the depletion of their account balance
- understand that investments in a transition to retirement account can't be accessed as a lump sum where a condition of release has not been met
- looking to invest via a pooled investment arrangement

- looking to make an active investment choice in relation to their super (potentially with the assistance of a financial adviser)
- looking to invest in one, or a combination of, the investment options that sit within the following investment categories listed in the Investment categories table below.

Investment categories

This product provides access to a range of investment options that sit within a specific investment category. The investment category is a guide to the typical range of assets in which the investment option generally invests. Each investment option has 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.	Term risk Credit risk	Very low (1)	None
Enhanced cash	Generally, to earn a return exceeding the Bloomberg AusBond Bank Bill Index plus 0.5%–1% through portfolios investing predominantly in money market funds and some fixed interest securities.	Term risk Credit risk Liquidity risk	Very low (1)	At least 1 year
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.	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.	Emerging markets risk Term risk Credit risk Liquidity risk Currency risk ESG risk Climate risk	Medium to High (5)	At least 3 years
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.	Emerging markets risk Term risk Credit risk Liquidity risk Currency risk ESG risk Climate risk	Medium (4)	At least 3 years
Alternative income	Generally, to earn returns that exceed the Bloomberg AusBond Bank Bill Index plus 2–5% on average through portfolios looking to generate a higher level of income, predominantly through investment in domestic and/or global fixed interest securities but also through certain income producing equities and alternatives, typically with an absolute return target with higher risk and expected return than Short duration fixed interest.	Emerging markets risk Term risk Credit risk Liquidity risk Currency risk Derivatives 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
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.	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.	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.	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.	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
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.	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

Investment category	Investment objective ¹	Risk considerations ²	Standard Risk Measure ³	Minimum suggested investment timeframe ⁴
Diversified real return	Generally, to earn returns that exceed an appropriate benchmark return through portfolios with a flexible allocation to growth assets and typically with an absolute return target.	Equity risk Small cap risk Emerging markets risk Term risk Credit risk Liquidity risk Currency risk Derivatives risk ESG risk Climate risk Valuation risk	High (6)	At least 5 years
Australian share	Generally, to earn returns that exceed the S&P/ASX 300 Accumulation Index through investing predominantly in Australian shares.	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.	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.	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.	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.	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
Lower volatility share	Generally, to earn returns that exceed the S&P/ASX 300 Accumulation Index or the MSCI World ex-Australia Index through portfolios predominantly managed with a low volatility objective relative to shares, using quantitative techniques, equities option overlays or variable allocations to cash.	Equity risk Currency risk Derivatives 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
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.	Equity risk Gearing risk Currency risk ESG risk Climate risk	Very high (7)	At least 7 years
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.	Equity risk Currency risk ESG risk Climate 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.	Equity risk Currency risk ESG risk Climate 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.	Equity risk Small cap risk Credit risk Liquidity risk Currency risk Short selling risk Derivatives risk	Medium to High, to Very high (5 to 7)	At least 5 years

1 Refer to the [FirstChoice 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 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 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.

This product is not designed for people who:

- intend to save for their retirement through accumulating superannuation guarantee contributions, rollovers from other funds and/or make voluntary contributions, or
- have not met preservation age and/or a relevant condition of release, or
- want to have insurance cover on or linked to their account, or
- require direct share investments.

The eligibility criteria of this product include that customers must be:

- an individual
- eligible to commence an income stream under superannuation preservation rules, or is the recipient of permanent incapacity or terminal illness benefits, or a super death benefit
- currently present in Australia.

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:

- **Directly** – via an online application on the issuer's website: cfs.com.au or paper application form, in accordance with this TMD or
- **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).

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, 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* (Cth) (Member Outcomes Assessment – which includes, but is not limited to, the assessment of product performance against APRA Heatmap, investment risk 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 Wholesale Pension 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 Wholesale Pension. 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.