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# Target Market Determination

**Product / Fund:** Perpetual Small APRA Fund Service

**Effective Date:** 1 March 2025

**TMD Version:** 1

<b>Issuer name:</b>	Equity Trustees Superannuation Limited
<b>Issuer ABN:</b>	50 055 641 757
<b>Issuer AFSL:</b>	229757
<b>RSE licence:</b>	L0001458
<b>Distribution status of product</b>	Open

## About this document

This Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth). This TMD describes the class of consumers that comprises the target market for the financial product and matters relevant to the product's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements). Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with the most recent TMD (unless the distribution is excluded conduct).

This document is **not** a product disclosure statement (**PDS**), and is **not** a complete 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 the product before making a decision whether to buy this product.

Important terms used in this TMD are defined in the TMD Definitions which supplement this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained at [www.perpetual.com.au/saf](http://www.perpetual.com.au/saf).

## Product description and Key attributes

Product description	<p>The Perpetual Small APRA Fund Service (the Service) is a comprehensive trustee, fund, investment administration and asset custody service for Small APRA Funds (SAFs). This Service provides access to a superannuation product under the trusteeship of an independent professional trustee for individuals to accumulate savings for retirement.</p> <p>This Service is not for superannuation products via a self-managed super fund (SMSF) operated by individuals who have trusteeship responsibilities.</p>
Key product attributes	<ul style="list-style-type: none"> <li>• Preservation rules – Amounts saved into superannuation cannot be withdrawn until retirement except in certain permitted scenarios.</li> <li>• Drawdown rules</li> <li>• Concessional tax treatment.</li> <li>• This product gives consumers:             <ul style="list-style-type: none"> <li>○ Access to a wide range of investment options across various asset classes, term deposits and Australian Listed Securities to tailor an investment strategy which suits an investor’s risk profile and investment horizon. In addition, investors can invest in direct fixed income, international equity, direct property and other eligible investments like private equity. Some issuers of accessible investments (eg. managed funds and term deposits) are also required to make a TMD for their products to assist investors with determining whether the investment is suitable. The TMDs (and product disclosure statements, if applicable) for these investments should be considered when making an investment decision</li> <li>○ access to eligible insurance cover to be applied for by the member (with their adviser) according to their needs, subject to underwriting by the insurer. No default insurance cover is available.</li> <li>○ Online access. Investors with their advisers are provided with online access to buy and sell investments, in-specie investments, update details, view investment information and access reporting.</li> <li>○ the ability to establish or transfer an existing SAF or SMSF via a Service which provides asset and custody management of fund assets, fund and member reporting, compliance and administration services. Group reporting and statements are also available as well as fee grouping.</li> </ul> </li> </ul>

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## Description of Target Market

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

## Needs and Objectives of Consumer

### TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red/green rating methodology:

In target market	Not in target market
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### Instructions

In the tables below, Column 1, indicates a description of the likely objectives, financial situation and needs of the class of consumers that are considering this product. Column 2 indicates whether a consumer meeting the attribute in column 1 is likely to be in the target market for this product.

### Consumer objectives

For an individual consumer, this product is likely to be consistent with any one or more of the following short term and long term objectives:

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

### Level of decision making

Table 1: Consumer's intended level of decision making	Product consistency
Fully self-managed, including fund administration (SMSF)	Not in target market
Investments chosen by consumer from extensive investment menu, with administration provided by the fund	In target market
Investments chosen by consumer from limited investment menu, with administration provided by the fund	Not in target market
Default investment strategy applied where no investments selection is made. Administration is provided by the fund.	Not in target market

## Product investment menu

<b>Table 2: Consumer's intended type of investment products on investment menu</b>	<b>Product consistency</b>
Sector specific options	In target market
Sub-sector specific options	In target market
Alternative investment options	In target market
Active investment options	In target market
Passive investment options, such as passive Exchange traded fund	In target market
Ready-made diversified portfolio options	In target market
Term deposit options	In target market
Direct share options	In target market
Separately managed accounts	Not in target market
Cash management account	In target market
Longevity product options	Not in target market
Capital guaranteed options	Not in target market

## Number of investment holdings

<b>Table 3: Consumer's intended holding of multiple investment options/strategies</b>	<b>Product consistency</b>
Low – consumer intends to hold no more than 5 investment options	In target market
Medium – consumer intends to hold between 5 and 15 investment options	In target market
High – consumer intends to hold more than 15 investment options	In target market

## Financial Advice

<b>Table 4: Consumer's desired availability of financial advice</b>	<b>Product consistency</b>
Consumer wishes to have the option to receive comprehensive personal financial advice through the fund.	Not in target market
Consumer wishes to have the option to receive personal financial advice through the fund that relates only to the consumer's interest in the fund (intrafund advice).	Not in target market
Consumer does not wish to have the option to receive advice through the fund.	In target market
Consumer wishes to have the option to authorise an external financial adviser to assist in managing the consumer's interest in the fund.	In target market

## Insurance Options available

<b>Table 5: Consumer's intended insurance options available</b>	<b>Product consistency</b>
Life Insurance cover available separately	In target market
TPD cover available separately	In target market
Life insurance and TPD cover available jointly	In target market
Income protection cover available	In target market
Life insurance, TPD and IP cover available jointly	In target market
Insurance not required	In target market

## Life and TPD Insurance

<b>Table 6: Consumer's intended life and/or TPD insurance cover</b>	<b>Product consistency</b>
The consumer is seeking life insurance cover and/or life and TPD insurance cover through a number of retail insurers, that will assist the consumer with financial or financial-in-kind commitments that will not otherwise be satisfied in the event of death or terminal illness.	In target market
The consumer satisfies the demographic and eligibility requirements for the product's life insurance cover and/or life and TPD insurance cover. Each retail insurer is required to make a TMD for their products to assist clients with determining whether the product is suitable. The TMD for the retail insurance products available through the Service should also be considered before making a decision on the product	In target market
The consumer does not satisfy the demographic and eligibility requirements for the life insurance cover specified in the previous row	Not in target market
The consumer is unlikely to be ever able to claim on the TPD cover	Not in target market

## Income protection insurance

<b>Table 7: Consumer's intended income protection insurance cover</b>	<b>Product consistency</b>
The consumer is seeking disability income insurance in this product that will assist the consumer with financial or financial-in-kind commitments that will not otherwise be satisfied in the event of disability.	In target market
The consumer satisfies the demographic and eligibility requirements for income protection insurance cover. Each retail insurer is required to make a TMD for their products to assist clients with determining whether the product is suitable. The TMD for the retail insurance products available through the Service should also be considered before making a decision on the product	In target market
The consumer does not satisfy the demographic and eligibility requirements for income protection insurance cover specified in the previous row	Not in target market
The consumer is unlikely to be ever able to obtain a financial benefit from income protection cover	Not in target market

## Financial situation of consumer

### Life stage of consumer

This product is suitable for consumers of all ages and life stages. The product is a superannuation fund, overseen by a professional trustee subject to superannuation laws and regulations, with:

- (1). An accumulation division which allows members to contribute and invest their money for their retirement. This means that withdrawals can only be made when certain conditions are met (preservation rules)
- (2). A retirement division which is subject to draw down rules requiring members to receive minimum pension payments on an annual basis.

<b>Table 8: Life stage of consumer</b>	<b>Product consistency</b>
Child (under 18)	In target market
Student	In target market
Accumulation (under 65)	In target market
Pre-retirement (40 to 65)	In target market
Retired (over 65)	In target market

For the product to be suitable, the consumer must be willing to accept restrictions on the ability to withdraw money from the product until they meet a condition of release.

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## Intended size of investment

Table 9: Consumer's intended investment amount	Product consistency
\$0 to \$100,000	Not in target market
\$100,000.01 to \$400,000	Not in target market
Over \$400,000	In target market

## Other elements of TMD

### Appropriateness requirements

Explanation of consistency of key attributes with TMD
<p>The Perpetual Small APRA Fund Service (the Service) is a comprehensive trustee, fund, investment administration and asset custody service for holding superannuation products in a superannuation fund in the form of a Small APRA Fund. It may be suitable for investors (and their advisers) who are looking to establish (or already have in place) a superannuation fund (either an existing Small APRA Fund or an SMSF) with a maximum of six members, and would like a professional trustee (or different professional trustee) to manage the day-to-day administration of their fund.</p> <p>Clients can select from a diversified range of managed fund investments across various asset classes, term deposits and Australian Listed Securities to tailor an investment strategy to suit their risk profile and investment horizon. In addition, investors can invest in direct fixed income, international equity, direct property and other eligible investments like private equity, subject to the Trustee's due diligence and approval processes.</p> <p>All insurance cover accessible through the product needs to be applied for and be underwritten by the insurer, subject to superannuation laws and regulations. There is no default insurance cover provided through the product.</p> <p>Clients will require a financial adviser or account manager registered on the Perpetual Private Wrap to manage their account and transact on their behalf.</p> <p>Products via the Service have been assessed to be consistent with the likely objectives, financial situation and needs of clients in the target market as identified with a green TMD Indicator in the above tables.</p>

### Distribution Conditions/Restrictions

Distribution channel	Permitted channel?	Distribution conditions in relation to dealing in this product
All channels	No	
Direct retail (issuer distributing direct to consumer with no intermediary)	No	
To implement personal advice or arrange the execution of trades on clients' instruction	Yes	Clients will require a financial adviser or account manager registered on the Perpetual Private Wrap to manage their account and transact on their behalf.
Through general advice	No	
Default – enrolled via employers	No	



## Review Triggers

- 1) Where the issuer of the TMD has determined that any of the following has occurred:
  - a) ASIC reportable significant dealing outside of TMD.
  - b) Significant or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) relating to the product where the product issuer considers this reasonably suggests that this TMD is no longer appropriate.
  - c) Material change to key product attributes, terms and/or conditions where the product issuer considers this reasonably suggests that this TMD is no longer appropriate.
  - d) The use of Product Intervention Powers, regulator orders or directions in relation to the distribution of this product where the product issuer considers this reasonably suggests that this TMD is no longer appropriate.
  - e) A significant breach event relating to the design or distribution of this product where the product issuer considers this would reasonably suggest that (i) this product is unsuitable for a particular cohort of consumers and (ii) the TMD may no longer be appropriate.
  - f) The issuing of a Significant Event Notice for this product where the product issuer considers this reasonably suggests that this TMD is no longer appropriate.
- 2) The trustee of this product makes a determination for purposes of s52(9) of Superannuation Industry (Supervision) Act 1993 that the financial interests of the consumers who hold this product are not being promoted.

## Maximum period for reviews

Review periods	Maximum period for review
Initial review	1 year and 3 months
Subsequent review	2 years and 3 months

## Distributor Information Reporting Requirements

Regulated person(s)	Requirement	Reporting deadline
All distributors	Complaints (as defined in section 994A(1) of the Act) relating to the product. The distributor should provide all the content of the complaint, having regard to privacy law.	Quarterly *
All distributors	Significant dealing outside of target market under s994F(6) of the Act.	As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing.

\* Quarterly reporting is due as soon as practicable, but no later than 10 business days after the end of the calendar quarter.

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to the issuer via email [DDOmail@perpetual.com.au](mailto:DDOmail@perpetual.com.au).

## Definitions

In some instances, examples have been provided below. These examples are indicative only and not exhaustive.

Term	Definition
<b>Consumer's intended option use (% of Superannuation Investment)</b>	
Solution/Stand alone (up to 100%)	The consumer may hold the investment option as up to 100% of their total <i>superannuation investment</i> . The consumer is likely to seek an option with <i>very high</i> portfolio diversification.
Major allocation (up to 75%)	The consumer may hold the investment option as up to 75% of their total <i>superannuation investment</i> . The consumer is likely to seek an option with at least <i>high</i> portfolio diversification.
Core Component (up to 50%)	The consumer may hold the investment option as up to 50% of their total <i>superannuation investment</i> . The consumer is likely to seek an option with at least <i>medium</i> portfolio diversification.
Minor allocation (up to 25%)	The consumer may hold the investment option as up to 25% of their total <i>superannuation investment</i> . The consumer is likely to seek an option with at least <i>low</i> portfolio diversification.
Satellite allocation (up to 10%)	The consumer may hold the investment option as up to 10% of the total <i>superannuation investment</i> . The consumer may seek an option with <i>very low</i> portfolio diversification. Options classified as <i>extremely high</i> risk are likely to meet this category only.
Superannuation investment	The total value of the investor's superannuation investment holdings.
<b>Portfolio diversification (for completing the option attribute section of consumer's intended product use)</b>	
Note: exposures to cash and cash-like instruments may sit outside the diversification framework below.	
Very low	The option provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, minor commodities, crypto-assets or collectibles).
Low	The option provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity (e.g. gold) or equities from a single emerging market economy).
Medium	The option provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources).
High	The option provides exposure to a large number of holdings (for example, over 50 securities) in multiple broad asset classes, sectors or geographic markets (for example, global equities).
Very high	The option provides exposure to a large number of holdings across a broad range of asset classes, sectors <u>and</u> geographic markets with limited correlation to each other.

Term	Definition
<b>Consumer's intended investment timeframe</b>	
Minimum	The minimum suggested timeframe for holding the option. Typically, this is the rolling period over which the investment objective of the option is likely to be achieved.
<b>Consumer's Risk (ability to bear loss) and Return profile</b>	
<p>This TMD uses the Standard Risk Measure (<b>SRM</b>) to estimate the likely number of negative annual returns for an option over a 20 year period, using the guidance and methodology outlined in the <b><i>Standard Risk Measure Guidance Paper For Trustees</i></b> (note the bands in the SRM guidance differ from the bands used in this TMD). However, SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return (including under conditions of market stress) or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. The SRM methodology may be supplemented by other risk factors. For example, some options may use leverage, derivatives or short selling; may have liquidity or withdrawal limitations; may have underlying investments with valuation risks or risks of capital loss; or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating.</p> <p>A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.</p>	
Low	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a conservative or low risk appetite,</li> <li>• seeks to minimise volatility and potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)), and</li> <li>• is comfortable with a low target return profile.</li> </ul> <p>The consumer typically prefers stable, defensive assets (such as cash).</p>
Medium	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a moderate or medium risk appetite,</li> <li>• seeks low volatility and potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and</li> <li>• is comfortable with a moderate target return profile.</li> </ul> <p>The consumer typically prefers defensive assets (for example, fixed income).</p>
High	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a high risk appetite,</li> <li>• can accept high volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and</li> <li>• seeks high returns (typically over a medium or long timeframe).</li> </ul> <p>The consumer typically prefers growth assets (for example, shares and property).</p>
Very high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a very high risk appetite,</li> <li>• can accept very high volatility and potential losses (e.g. has the ability to bear 6 to 7 negative returns over a 20 year period (SRM 6 or 7)), and</li> <li>• seeks to maximise returns (typically over a medium or long timeframe).</li> </ul> <p>The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).</p>

Term	Definition
Extremely high	<p>For the relevant part of the consumer’s portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has an extremely high risk appetite,</li> <li>• can accept significant volatility and losses, and</li> <li>• seeks to obtain accelerated returns (potentially in a short timeframe).</li> </ul> <p>The consumer seeks extremely high risk, speculative or complex options which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example, crypto-assets or collectibles).</p>
<b>Consumer’s need to access capital</b>	
<p>This consumer attribute addresses the likely period of time between the making of a request for redemption of an option (or access to investment proceeds from an option more generally) and the proceeds from this request are applied to the consumer’s account under ordinary circumstances.</p>	
<b>Distributor Reporting</b>	
Significant dealings	<p>Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is ‘significant’ and distributors have discretion to apply its ordinary meaning.</p> <p>The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> <li>• they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or</li> <li>• they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the consumer (or class of consumers).</li> </ul> <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> <li>• the nature and risk profile of the product (which may be indicated by the product’s risk rating or withdrawal timeframes),</li> <li>• the actual or potential harm to a consumer (which may be indicated by the value of the consumer’s investment, their intended product use or their ability to bear loss), and</li> <li>• the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red and/or amber ratings attributed to the consumer).</li> </ul>

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#### More information

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