

Rest

Target Market Determination

Rest Pension

30 September 2024



01 Overview

Purpose of this document

A Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001 (Cth). This TMD is intended to provide members, potential members, Rest employees and other product distributors with a guide on the types of members for which the Rest Pension product has been designed (i.e. the target market), considering the likely objectives, likely financial situation and likely needs of the target market.

This document also sets out indicators or triggers to review the target market and other information relating to Rest Pension. It is designed to ensure good member outcomes.

This document is not a Product Disclosure Statement (PDS) and is not a summary of the Rest Pension product features or Terms and Conditions (T&Cs). This TMD does not take into account an individual's objectives, financial situation or needs, and is not intended to provide financial advice. Consumers must refer to the PDS and any supplementary documents when making a decision about this product.

With this in mind, Rest Pension is designed to be simple and provide members with:

- Access to their super as income payments before they retire completely from the workforce, or
- A regular, flexible and tax effective income stream once fully retired.

Rest Pension provides members with a range of investment options so they can choose how to invest their super according to their individual financial needs and objectives. Members may choose to invest in one or more investment option that each offer a different asset class weighting.

Who is the Product designed for?

Rest Pension has been designed for retirees, or people transitioning to retirement, who have at least \$10,000 available to start a pension.

Rest Pension is not designed for members who require complex product features or access to a more comprehensive suite of investment options such as direct share investments.

Product description

Rest is focused on designing and delivering superannuation products that are simple, accessible and put our members' needs first. We measure success on investment returns, member satisfaction and cost competitiveness.



02 Key Product attributes

(investment options)

Rest Pension has key attributes that make it likely to be consistent with the likely objectives, financial situation and needs of the target market because it offers a range of investment options to suit a variety of financial needs and objectives, with members able to choose a combination of options to suit their personal level of risk and return.

Investment options

The range of investment options in Rest Pension is summarised below, and outlined in Table 1:

- Cash
- Capital Stable
- Balanced (default option)
- Balanced - Indexed
- Growth
- Sustainable Growth
- High Growth
- Australian Shares - Indexed
- Overseas Shares - Indexed

Member segmentation definitions

While recognising that no two Rest members are the same, there are common member characteristics which Rest applies to segment the design of our products, and the services we provide to members. The table below outlines the segments and describes the ‘persona’ of, and the options that are most suited to, a typical member within each segment.

Member segmentation definitions

Segment	Starting Out	Delegator	Navigator	Provider	Builder	Futurist	New Beginnings
Position statement	<p>I'm focused on getting started in life. Right now, my super is with Rest because that's who my employer uses for their staff. Super is complicated and I don't know much about it. Help me learn.</p> <p>This segment is not applicable to Rest Pension.</p>	<p>I'm focussed on looking after my young family and am not particularly interested in super right now. It is a long-term thing. My focus is getting our finances in order as we would love to buy a house one day.</p> <p>This segment is not applicable to Rest Pension.</p>	<p>I'm highly confident in my ability to manage my finances and my super. Because of that, I'm really engaged with growing my money, and am always looking for a better deal from my investments.</p> <p>This segment is not applicable to Rest Pension.</p>	<p>I'm a busy parent with lots of work and family commitments. Too busy to be proactive with my finances and super! I've never been money-minded and lack financial knowledge and confidence, although I'm pretty comfortable with the fund I'm in, which is the default.</p> <p>This segment is not applicable to Rest Pension.</p>	<p>I'm confident and feel very capable managing my finances and super. I'm actively involved, checking my balance regularly and keeping up with business and financial news. I'm doing all this now to set my partner and myself up for a more comfortable retirement.</p> <p>This segment is not applicable to Rest Pension.</p>	<p>I'm getting close to retirement and feeling the need to plan for this next stage. While I'm in charge of my financial decisions, I am looking for practical information about how to make the most of my super. My two main concerns are my health and whether I'll have enough to live on when I stop working.</p>	<p>I've recently made the transition into my new life. I'm retired and rediscovering myself! Since leaving work, I try to keep active and am enjoying spending more time with friends and family.</p>

Member segmentation definitions (cont.)

Segment	Starting Out	Delegator	Navigator	Provider	Builder	Futurist	New Beginnings
Most suitable investment option(s)	n/a	n/a	n/a	n/a	n/a	<ul style="list-style-type: none"> • Cash • Capital Stable • Balanced (default option) • Balanced - Indexed • Growth • Sustainable Growth • High Growth • Australian Shares - Indexed • Overseas Shares - Indexed 	<ul style="list-style-type: none"> • Cash • Capital Stable • Balanced (default option) • Balanced - Indexed • Growth • Sustainable Growth • High Growth • Australian Shares - Indexed • Overseas Shares - Indexed

Table 1 – Target market

Investment option(s)	Objectives	Financial situation	Needs	Member segment
<ul style="list-style-type: none"> Cash 	<p>This investment option generally consists of 100% ‘defensive’ assets and is designed for members who wish to preserve capital and reduce investment risk.</p>	<p>Common traits among members who might benefit from this investment option include members who have a very low tolerance to risk, a short investment time horizon (3 months or less), or members who would like to diversify their portfolio across multiple investment options to achieve an appropriate level of risk that’s right for their financial needs and objectives.</p> <p>This investment option might suit members who are actively engaged directly with their superannuation, or who are receiving personal advice in relation to their superannuation.</p> <p>This option has a Risk band of 1 (Very Low) so has a minimum suggested timeframe of 3 months or less. This means this option may benefit older members with a limited ability to bear loss (and recover over time) however this option may also be appropriate for members with a longer time horizon based on their financial needs and objectives and their appetite for risk.</p>	<p>Members are likely to need a low fee investment option that will provide capital preservation over the short term.</p>	<ul style="list-style-type: none"> Futurist New Beginnings
<ul style="list-style-type: none"> Capital Stable 	<p>This investment option predominantly consists of ‘defensive’ assets and is designed for members who want to invest in a pre-determined mix of asset classes which aims to provide a stable pattern of investment returns while reducing the risk of negative returns in any one year.</p>	<p>Common traits among members who might benefit from this investment option include members who have a lower tolerance to risk, a shorter investment time horizon (a minimum of 4 years), or members who would like to diversify their portfolio across multiple investment options to achieve an appropriate level of risk that’s right for their financial needs and objectives.</p> <p>This investment option might suit members who are actively engaged directly with their superannuation, or who are receiving personal advice in relation to their superannuation.</p> <p>This option has a Risk band of 3 (Low to Medium) so has a minimum suggested timeframe of 4+ years. This means this option may benefit older members with a limited ability to bear loss (and recover over time) however this option may also be appropriate for members with a longer time horizon based on their financial needs and objectives and their appetite for risk.</p>	<p>Members are likely to need a low fee investment option that will enable some growth by providing a stable pattern of returns over the medium term.</p>	<ul style="list-style-type: none"> Futurist New Beginnings

Table 1 – Target market (cont.)

Investment option(s)	Objectives	Financial situation	Needs	Member segment
<ul style="list-style-type: none"> Balanced 	<p>This investment option is designed for members who want to achieve a balance of risk and return by investing in approximately equal proportions of pre-determined 'growth' and 'defensive' assets.</p>	<p>Common traits among members who might benefit from this investment option include members who wish to invest in a diversified investment option to achieve an appropriate level of risk that's right for their financial needs and objectives.</p> <p>This investment option might suit members who are actively engaged directly with their superannuation, or who are receiving personal advice in relation to their superannuation.</p> <p>This option has a Risk band of 5 (Medium to High) so has a minimum suggested timeframe of 6+ years. This means this option may benefit older members with a moderate ability to bear loss (and recover over time) however this option may also be appropriate for members with a shorter time horizon based on their financial needs and objectives and their appetite for risk.</p>	<p>Members are likely to need a low fee investment option that will enable moderate risk and growth over the medium term.</p>	<ul style="list-style-type: none"> Futurist New Beginnings
<ul style="list-style-type: none"> Balanced - Indexed Growth Sustainable Growth High Growth 	<p>These investment options are designed for members who want to take a more aggressive approach by investing predominantly in 'growth' assets.</p> <p>Objectives of members choosing to invest in these options may include a desire to grow their balance at a faster pace over the long term regardless of a higher exposure to potential negative markets.</p> <p>Additionally, the Sustainable Growth option is designed for values-based members who want enhanced environmental, social and governance criteria applied to their investments.</p>	<p>Common traits among members who might benefit from these investment options include members who have a higher tolerance to risk, a longer investment time horizon, or members who diversify their portfolio across multiple investment options to achieve an appropriate level of risk that's right for their financial needs and objectives.</p> <p>These investment options might suit members who are actively engaged directly with their superannuation, or who are receiving personal advice in relation to their superannuation.</p> <p>These options have a Risk band of 6 (High) so have a minimum suggested timeframe of 10+ or 12+ years (depending on the option). This means these options may benefit younger members with a greater ability to bear loss (and recover over time) however these options may also be appropriate for members with a shorter time horizon based on their financial needs and objectives and their appetite for risk.</p>	<p>Members are likely to need a low fee investment option that will not erode balances over the longer term but will still enable faster paced growth than a more defensive option.</p>	<ul style="list-style-type: none"> Futurist New Beginnings

Table 1 – Target market (cont.)

Investment option(s)	Objectives	Financial situation	Needs	Member segment
<ul style="list-style-type: none"> Australian Shares - Indexed Overseas Shares - Indexed 	<p>These investment options consist of 'growth' assets and are designed for members who want to build their own customised portfolio.</p> <p>Objectives of members choosing to invest in these options may include a desire to grow their balance at a faster pace regardless of increased exposure to potential negative markets.</p>	<p>Common traits among members who might benefit from these investment options include members who have a higher tolerance to risk, a longer investment time horizon, or members who diversify their portfolio across multiple investment options to achieve an appropriate level of risk that's right for their financial needs and objectives.</p> <p>These investment options might suit members who are actively engaged directly with their superannuation, or who are receiving personal advice in relation to their superannuation.</p> <p>These options have a Risk band of 6 or 7 (High or Very High, depending on the option) so have a minimum suggested timeframe of 12+ years. This means these options may benefit younger members with a greater ability to bear loss (and recover over time) however these options may also be appropriate for members with a shorter time horizon based on their financial needs and objectives and their appetite for risk.</p>	<p>Members are likely to need a low fee investment option that will not erode balances over the longer term but will still enable faster paced growth than a more defensive option.</p>	<ul style="list-style-type: none"> Futurist New Beginnings

03 Distribution and conditions*

Investment option	Channel		Distribution conditions	Marketing
	Direct – Website	Intermediated – Rest Advice		
Cash	✗	✓	A 'distribution condition' is a restriction which makes it likely that a consumer acquiring a product will be within the product's target market (e.g. product minimums or other eligibility conditions).	A range of communication channels are used including websites and mobile app, television advertising, digital display advertising, search engine marketing, social media and other direct marketing communications such as email.
Capital Stable	✗	✓		
Balanced	✓	✓	Rest Pension is designed for members who have a minimum of \$10,000 to start their pension.	
Balanced - Indexed	✗	✓		
Growth	✗	✓	No specific distribution conditions have been set for investment options.	
Sustainable Growth	✗	✓		
High Growth	✗	✓	Rest Pension may also be distributed by non-Rest Advice financial planners and third-party providers, including research houses and comparison websites.	
Australian Shares - Indexed	✗	✗		
Overseas Shares - Indexed	✗	✗		

* Distribution conditions and restrictions make it likely only eligible members within the target market enter into Rest Pension. Additional distribution conditions and restrictions are not required given the range of consumers in the target market and eligibility and/or regulatory restrictions which apply.

04 Review triggers

Review triggers are events and circumstances that could indicate that the TMD is no longer appropriate. They are a prompt to potentially stop distributing the product (and direct the issuer's distributors to stop distributing) until the TMD is reviewed. Rest will conduct a review within 10 business days of a review trigger occurring.

Review triggers may include a number of factors such as:

- changes in complaints regarding the nature and appropriateness of the product
- comparison of fees, costs and investment performance relative to peers
- member behaviour
- where there are amendments to the PDS that change the offerings or cover provided
- material changes to the acceptance conditions
- the introduction of other ways in which the product can be sold
- the Trustee making a determination that the best interests of members within the product are not being promoted
- where we identify the occurrence of a 'Significant Dealing' which indicates the product is not being distributed to the target market.

A Significant Dealing is an event that's resulted in a financial product being sold to consumers who are outside the product's target market and has impacted a material number of members over an extended time period, causing actual financial harm to the affected members.

05 Distributor information

The information in the Review triggers, section is also required to be reviewed on a quarterly basis to ensure that Rest complies with our obligations.

To facilitate compliance, product complaint information (number, nature and trends) will be provided by distributors of Rest Pension on a quarterly basis.

Member data and demographics (age, balance) may also be provided by distributors.

Distributors are also required to report any Significant Dealings via email at ddo@rest.com.au as soon as practicable but no later than 10 business days after the distributor becomes aware of the Significant Dealing. A Significant Dealing Notification template can be obtained by distributors on request at ddo@rest.com.au

06 TMD review frequency

Review type	Reporting metric
Ongoing TMD reviews	Ongoing reviews of the TMD will be completed within a maximum period of 12 months from the date of the last review.

If there's anything we can do

If you have any questions regarding our products, options or this TMD you can contact us on:

Visit us
rest.com.au/
contact-us
for operating
hours



Live Chat
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