



## About this document

A Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth). This Target Market Determination (TMD) seeks to offer consumers, distributors and staff with an understanding of the class of consumers for which the Australian Expatriate Superannuation Fund (AESF) – **Transition to Retirement Pension** has been designed, having regard to the objectives, financial situation and needs of the target market.

This document is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. A consumer must refer to the Product Disclosure Statement (PDS) and any supplementary documents which outline the relevant terms and conditions under the product when making a decision about this product.

This TMD applies to the AESF, referred to in the following disclosure documents:

- AESF – Product Disclosure Statement
- AESF – Investment Guide
- AESF – Member Guide

For the most recent versions of AESF disclosure documents, please refer to the following website - [www.ivcm.com/aesf](http://www.ivcm.com/aesf)

## Important Dates

Date from which this target market determination is <b>effective</b>	31/07/2024
Date when this target market determination was <b>last reviewed</b>	31/07/2024
Date when this target market determination will be <b>next reviewed</b>	31/07/2025

## Class of consumers that fall within this target market

The information below summarises the overall class of consumers that fall within the target market for AESF, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet.

AESF has been designed for consumers whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes).

The overall purpose for the product is to provide superannuation investments for members e.g., are looking to invest for retirement through superannuation, want to make an active investment choice by selection one or more investment options.

AESF is listed on the HMRC ROPS list as a Qualifying Recognised Overseas Pension Scheme (QROPS). This means that it can accept direct transfers from UK Pension Schemes. Hence, there is a specific focus on those that hold a UK pension account and are wanting to transfer their scheme to a QROPS.

AESF is designed for customers who:

- Are aged between 55 & 65 years of age and are wanting to transfer pension benefits held in the UK pension system to an overseas scheme that is listed on the HMRC ROPS list as a QROPS;
- Are also looking to reduce their working hours but still able to supplement their income from their superannuation;
- Do not want to set up a Self-Managed Superannuation Fund (SMSF) in order to transfer their UK pension to Australia;
- are wanting to use a product with enhanced online capabilities, including the ability to trade on their account via their own secure member portal;
- want the ability to make various types of contributions into their account including personal, spouse or employer contributions, or rollover superannuation benefits from another fund;
- Wanting to invest in a diverse range of investment options suitable to their needs;
- The ability to transfer funds from their UK pension fund and retain the cash in GBP currency; or
- Want the ability to partner with their own accredited financial adviser (on terms and cost as agreed with the member and adviser) subject to being authorised by IVCM.



AESF is not designed for customers who:

- Have not reached their preservation age or are aged over 65 and are not seeking to reduce their working hours whilst supplementing their income.
- Do not currently hold a UK pension fund.
- Those ineligible to contribute to the Australian superannuation system
- Are wholesale / professional investors
- Are wanting to establish their own SMSF to facilitate their UK pension transfer
- Have a financial adviser that is not authorised by IVCM; or
- Are not wanting to utilise the on-line functionality of AESF.

### Product description and key attributes

The key eligibility requirements and product attributes of the AESF are:

- **UK Pension Transfers** – AESF is able to provide specialist services in relation to anyone wanting to transfer their UK Pension scheme to an overseas scheme that is listed on the HMRC ROPS list as a QROPS. AESF is able to provide the technical assistance required to arrange for the transfer from the UK to AESF.
- **Investment choice** - AESF offers a diverse range of investment options and strategies to help achieve retirement savings and investment goals.
- **Portability** - we offer flexibility in respect to how much a consumer wishes to contribute to help them reach their retirement goals.
- **Financial advice:** Consumers have the option to partner with an accredited independent financial adviser (on terms and at a cost to be agreed between the individual member and adviser, subject to the caps outlined in the PDS). The nominated adviser must be accredited by AESF prior to any deductions being made.
- **Nominate Binding Beneficiaries** - the monies accumulated in AESF can be bequeathed independently in a Will and the election can be binding. These monies are not subject to the inheritance laws of the country in which the consumer happens to be a resident of when they die – they are subject to Australian law and the AESF governing rules.

### Objectives, Financial situation and needs

This section outlines the general characteristics and sub-markets of the investment strategies available within AESF. Clients may choose one or more investment options from one or more of these strategies. **The characteristics of a particular investment option within a strategy may vary from the general information below.**

Where applicable, a TMD for each investment option detailing the type of client the investment has been designed for, having regard to the objectives, financial situation and needs of the target market is made available by the issuer of that investment option. The PDS and TMD for each investment option is available on the AESF website [www.ivcm.com/aesf](http://www.ivcm.com/aesf) and should be considered when deciding whether to acquire that product.

Investment Strategy/Sub-market	Description: Client Investment Objective	Minimum Investment Timeframe	*Risk Level: SRM Risk Label (Risk Band)
<b>Multi-Sector</b>			
High Growth/Aggressive	To provide growth through higher exposure to growth assets such as equities, property, and alternatives with a small to nil exposure to defensive assets including fixed interest and cash investments. Funds in this strategy will suit investors who want to grow the value of their investment over the long term and accept that returns over the short term will fluctuate and may be negative.	7 years	High (6) to Very High (7)
Growth	To provide growth through higher exposure to growth assets such as equities, property, and alternatives with a small to nil some exposure to defensive assets including fixed interest and cash investments. Funds in this strategy will suit investors who want to grow the value of their investment over the long term and	7 years	High (6) to Very High (7)



	accept that returns over the short term will fluctuate and may be negative.		
Balanced/Moderate	To provide growth through a balanced exposure to growth assets (such as equities, property and alternatives) and income producing assets (such as fixed interest and cash investments). Funds in this strategy will suit investors who want a balanced exposure to growth and income producing assets and accept that returns over the short term will fluctuate and may be negative.	5 years	Medium to High (5) to High (6)
Conservative	To provide income and also some growth through an investment portfolio consisting mainly of fixed interest and cash investments, but which normally will also have some exposure to growth assets such as shares and property. Funds in this strategy will suit investors who prefer a higher exposure to income producing investments, while having limited exposure to growth investments and accept that returns over the short term will fluctuate and may even be negative.	3 years	Medium (4) to High (6)
<b>Single Sector</b>			
Cash	To provide some income and is highly liquid. This strategy will suit investors seeking high investment liquidity for short periods with a low risk of capital loss.	No minimum	Very Low (1) to Low (2)
Australian Fixed Interest	To provide returns that are above inflation and cash through exposure to Australian fixed interest securities. Funds in this strategy will suit investors who want to maintain the value of their investment over the medium term and accept that returns over the short term will fluctuate and may even be negative.	0-3 years	Low (2) to High (6)
International Fixed Interest	To provide returns that are above inflation and cash through exposure to fixed interest securities from around the world (including Australia) with no limit on what or how much can be invested in any one country or region. Funds in this strategy will suit investors who want to diversify their investment portfolio whilst aiming to maintain the value of their investment over the medium term and accepting that returns over the short term will fluctuate and may even be negative.	0-3 years	Low (2) to High (6)
Australian Equities	To provide growth in investments over rolling five-year periods (or more) primarily through exposure to Australian equities in a variety of market sectors. Within this strategy funds may have a specific focus such as smaller companies or employ internal leverage. Funds in this strategy will suit investors who want to grow the value of their investment over the long term and accept that returns over the short term will fluctuate and may be negative.	5 years	Medium to High (5) to Very High (7)
International Equities	To provide growth in investments primarily through exposure to equities, in a variety of countries, geographical regions and industry sectors with generally no limit on the amount that can be invested in any one country, sector or region. Within this strategy funds may have a specific focus such as emerging markets, smaller companies or employ internal leverage. Funds in this strategy will suit investors who are seeking to invest in international share markets through a managed investment vehicle and who accept that returns over the short term will fluctuate and may be negative.	5 years	Medium to High (5) to Very High (7)



Australian Property	To provide income and growth in the value of investments through exposure primarily to property related listed securities in Australia and New Zealand. Funds in this strategy will suit investors who want mostly income returns while maintaining some growth in the value of their investment over the long term and accept that returns over the short term will fluctuate and may be negative.	5 years	Medium to High (5) to Very High (7)
International Property	To provide income and growth in the value of investments through exposure primarily to property related listed securities internationally (this can include Australia). Funds in this strategy will suit investors who want mostly income returns while maintaining some growth in the value of their investment over the long term and accept that returns over the short term will fluctuate and may be negative.	5 years	Medium to High (5) to Very High (7)
Australian Infrastructure	To provide income and growth in the value of investments through exposure primarily to infrastructure related listed securities in Australia and New Zealand. Funds in this strategy will suit investors who want mostly income returns while maintaining some growth in the value of their investment over the long term and accept that returns over the short term will fluctuate and may be negative.	5 years	Medium to High (5) to Very High (7)
International Infrastructure	To provide income and growth in the value of investments through exposure primarily to infrastructure related listed securities internationally (this can include Australia). Funds in this strategy will suit investors who want mostly income returns while maintaining some growth in the value of their investment over the long term and accept that returns over the short term will fluctuate and may be negative.	5 years	Medium to High (5) to Very High (7)
Alternatives	To provide growth in investments primarily through exposure to equities and/or fixed income and include private equity, real estate, real assets and hedge funds across a variety of countries, geographical regions and industry sectors with generally no limit on the amount that can be invested in any one country, sector or region. Within this strategy funds may have a specific focus such as commodities, hedge funds, infrastructure, real estate and/or private equity. Funds in this strategy will suit investors who are seeking to invest in non-traditional markets (i.e. other than mainstream equities) through a managed investment vehicle and who accept that returns over the short term will fluctuate and may be negative.	5 years	Medium (4) - Very High (7)
<b>Direct Assets (Listed)</b> - Assets listed on a securities exchange, such as direct shares, listed investment companies, listed investment trusts, exchange traded funds, exchange traded commodities, and fixed interest securities. Suitable for clients seeking to construct their own portfolio tailored to their own situation.			
Exchange Traded Funds (ETFs)	The target market will depend on the specific strategy of the ETF. Refer to the multi-sector and single sector strategies in this table for guidance. Risks and investment timeframes should generally match those of a similar multi-sector or sector specific investment strategy as outlined in the descriptions above.	Dependent on strategy	Dependent on strategy
<b>Direct Assets (Unlisted)</b> – Unlisted assets such as cash accounts and term deposits. Suitable for clients seeking to construct their own portfolio tailored to their own situation.			
AUD Cash	AUD Cash Investment Option is used to hold Australian Dollars. In order to use this cash to pay	No minimum	Very Low (1) to Low (2)



	for other investments, it must first be transferred to the Cash Hub. Aims to provide some income and is highly liquid. This strategy will suit investors seeking high investment liquidity for short periods with a low risk of capital loss.		
GBP Cash	This foreign currency cash option is used to hold the foreign currency GBP. In order to use foreign currency cash to pay for other investments, it must first be transferred to the Cash Hub. Aims to provide exposure to foreign currency, specifically GBP.	No minimum	Very Low (1) to Low (2)
USD Cash	This foreign currency cash option is used to hold the foreign currency USD. In order to use foreign currency cash to pay for other investments, it must first be transferred to the Cash Hub. Aims to provide exposure to foreign currency, specifically USD.	No minimum	Very Low (1) to Low (2)

\* The Standard Risk Measure (SRM) is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. The risk levels outlined in the above table are described below:

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

The table below sets out the class of customers that each insurance option within AESF has been designed for:

Insurance Option 1	AESF does not offer insurance to members via this product. Members should seek personal advice from an Australian licensed financial advisor in relation to their insurance needs.
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### Risks of investing in the Product

In consideration of if this Product meets the consumers objectives, financial situation and needs, the consumer will also need to consider the potential risks involved should they decide to acquire the Product. Some of the risks may include, however are not limited to;

Asset Class risk	Capital loss risk	Credit risk	Environmental risk
Exchange risk	Inflation risk	Interest risk	Investment risk
Liquidity risk	Legislative risk	Market sentiment risk	Political risk

For more information on these risks of investing, please refer to Section 2 of the AESF Investment Guide [www.ivcm.com/aesf](http://www.ivcm.com/aesf)



**Consistency between target market and the product**

As a retail superannuation investor, the AESF offers a range of different investment options covering a variety of risk and return profiles, and a variety of investment managers, with flexibility to tailor your investments to suit your changing needs, whatever your stage of life.

AESF aims to be consistent with the investment objectives, financial situation and needs of the retail superannuation investor in the target market e.g. 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 retail superannuation investors.

**How this product is to be distributed**

**Distribution channels**

This product is designed to be distributed through the following means:

- Australian licensed financial advisors authorised by IVCM
- Directly to members online via AESF Website [www.ivcm.com/aesf](http://www.ivcm.com/aesf)

**Distribution conditions**

This product should only be distributed under the following circumstances:

- To individuals that meet eligibility requirements;
- by third party distributors authorised by us to distribute the product

**Adequacy of distribution conditions and restrictions**

This product can be distributed to consumers as part of personal advice recommendations. For consumers investing directly into the Product without an adviser, a number of questions are asked in the application form to sign up to the Product. These questions seek to ensure that the distribution conditions (including criteria for conditions of release) are met, therefore making it likely that consumers who invest in the product are in the class of members for which it has been designed for.

Accordingly, based on the distribution conditions and restrictions, these are considered appropriate and will assist in the distribution being directed towards the target market for whom the product has been designed.

**Reviewing this target market determination**

Initial review	Within 12 months
Periodic reviews	Annually
Review triggers or events	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to):</p> <ul style="list-style-type: none"> <li>• a material change to the design or distribution of the product, including related documentation such as the PDS;</li> <li>• occurrence of an ASIC reportable significant dealing;</li> <li>• distribution conditions found to be inadequate;</li> <li>• external events such as adverse media coverage or regulatory attention;</li> <li>• significant changes in metrics, including, but not limited to, non-advised members joining AESF ^</li> <li>• direction from the regulator</li> <li>• significant increase in members exiting the product; ^^</li> <li>• member complaints about the product or distribution of the product; ^^</li> <li>• a change has occurred that effects the objectives of the target market; and</li> <li>• if we fail to meet Member Outcomes.</li> </ul>

^where the number of non-advised members that join AESF increases by at least 50% over two consecutive quarters.

^^significant increase in members exiting the Product, where the number of members exits over two consecutive quarters are at least double the previous applicable quarter

^^^increasing member complaints is where the total number of complaints received about the Product over two consecutive quarters are at least 50% higher than the previous applicable quarter.

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days.



### Reporting and monitoring this target market determination

We may collect the following information from our distributors in relation to this TMD.

Complaints	<p>Distributors will be required to report to issuers, complaints and other requested information that they receive, assisting issuers to assess whether their product governance arrangements are appropriate, and their products are meeting the needs of consumers. Distributors will need to ensure that this information is reported as soon as practicable.</p> <p>This will include the substance of complaints and general feedback relating to the Product and its performance.</p>
Significant dealings	<p>Distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.</p> <p>A significant dealing includes:</p> <ul style="list-style-type: none"><li>• Specific proportion of consumers outside the Target Class who have acquired the Product, including the proportion;</li><li>• Potential/actual harm to consumers if consumers outside the Target Class acquire the product; and</li><li>• Time period when consumers outside the target market acquired the product.</li></ul>

### Fund details

Australian Expatriate Superannuation Fund

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