

Target Market Determination

Macquarie Pension

Issued by Macquarie Investment Management Limited (MIML)

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This Target Market Determination (TMD) describes the class of member for which Macquarie's Pension products have been designed (Target Market), conditions on the distribution of Macquarie's Pension products (Distribution Conditions), the reporting requirement for distributors of Macquarie's Pension products (Distributor Reporting Requirements) and when we will review this TMD (Review of this Target Market Determination). This document is not a complete summary of the product's terms and conditions or other disclosure documents. Further information about these products can be found on the Macquarie website.

This TMD applies to the following products which are together referred to throughout this TMD as the Macquarie Pension products:

- Macquarie Pension Manager II
- Macquarie Pension Consolidator II (Engage and Elevate)
- Macquarie Vision Macquarie Pension

This TMD has been prepared for the purposes of section 994B of the *Corporations Act 2001* (Cth) only and without taking into account any particular person's objectives, financial situation or needs. Please read the relevant Macquarie Pension product disclosure statement (PDS) available online at www.macquarie.com.au/investing/macquarie-wrap.

Operation of this Target Market Determination

We have conducted an assessment and concluded that:

- The products (and each of their key features set out below) are likely to be consistent with the likely needs, objectives and financial situation of members in the target market as disclosed in this document, and
- The distribution conditions have been designed with the purpose of appropriately directing the distribution of the products to the target market, such that most of the members who acquire the products are likely in the target market.

Our application and assessment processes (including the collection of information from members as part of the application process) help ensure that most members who acquire the products are in the target market.

Description of Target Market

Macquarie Pension products are a digital wrap service designed for members who:

- want to draw down an income stream from eligible superannuation benefits
- want a wrap service to manage, invest and provide consolidated reporting on the investments in their pension account
- want access to one or more of the investment options available on the applicable Macquarie Wrap investment menu
- have received advice from a financial adviser to apply for or acquire the product
- expect to have at least \$10,000 to invest (or at least \$50,000 for Macquarie Vision Macquarie Pension)
- have online access to view and manage their account online
- have one or more of the objectives or needs which are indicated by ticks, for the applicable product, in the table below, and
- do not have, in relation to the applicable product, any of the objectives or needs which are indicated by crosses, for the applicable product, in the table below.

Member's type of income stream need	Macquarie Pension Manager II	Macquarie Pension Consolidator II - Engage	Macquarie Pension Consolidator II - Elevate	Macquarie Vision Macquarie Pension
Transition to retirement account based pension	✓	✓	✓	✓
Standard account based pension	✓	✓	✓	✓
Death benefit account based pension	✓	✓	✓	✓
Term allocated pension	✗	✗	✗	✗
Lifetime or life expectancy pension	✗	✗	✗	✗

Member's desired level of engagement	Macquarie Pension Manager II	Macquarie Pension Consolidator II - Engage	Macquarie Pension Consolidator II - Elevate	Macquarie Vision Macquarie Pension
Investments chosen by member from extensive investment menu	✓	✗	✓	✓
Investments chosen by member from limited investment menu	✗	✓	✗	✗
Default investment strategy applied where no investments selection is made	✗	✗	✗	✗
Administration services provided by the fund	✓	✓	✓	✓

Member's investment needs ^{*^}	Macquarie Pension Manager II	Macquarie Pension Consolidator II - Engage	Macquarie Pension Consolidator II - Elevate	Macquarie Vision Macquarie Pension
Central Cash Hub	✓	✓	✓	✓
Term deposit options	✓	✓	✓	✓
Australian listed securities	✓	✗	✓	✓
International listed securities	✗	✗	✗	✗
Managed investments	✓	✗	✓	✓
Separately managed accounts	✓	✓ ^{**}	✓	✓
Domestic fixed income securities	✗	✗	✗	✗
Other investment options, including instalment warrants, investments restricted to wholesale clients and capital guaranteed options	✗	✗	✗	✗

* Some of these investment options may be restricted to members who are receiving personal advice.

** Only select separately managed accounts from the super menu are available in the Engage menu.

^ Investment limits may apply to the amounts members can invest in individual investment options.

Sub-markets for investment strategies available in Macquarie Pension products

This section outlines the general characteristics and sub-markets of the investment strategies available within each of the Macquarie Pension products. The investment strategies are available across all Macquarie Pension products except where noted otherwise. Subject to being available on the relevant investment menu, members may choose one or more investment options from each of these strategies. The characteristics of a particular investment option within a strategy may vary from the general information below.

Investment Strategy	Member Minimum Investment Time Horizon*	Standard Risk Measure^	Member Investment Objective
Cash	No minimum	1-2	Stable returns over the short-term with a high level of capital security.
Australian fixed interest	5 years	2-5	Stable returns over the medium to long-term via income and capital growth with a high to medium level of capital security.
Global fixed interest**	6 years	5-6	Stable returns over the medium to long-term via income and capital growth with a medium to low level of capital security.
Specialised global fixed interest**	7 years	5-6	Stable returns over the medium to long-term via income and capital growth with a medium to low level of capital security.
Australian property**	7 years	6-7	Returns over a medium to long-term via income and capital growth with a medium to low level of capital security.
Global property**	9 years	6-7	Returns over a medium to long-term via income and capital growth with a medium to low level of capital security.
Australian shares**	6 years	6-7	Returns over a medium to long term via income and capital growth with a low level of capital security.
Global shares**	8 years	6-7	Returns over a medium to long term via income and capital growth with a low level of capital security.
Specialised global shares**	9 years	6-7	Returns over a medium to long term via income and capital growth with a low level of capital security.
Alternative debt**	7 years	5-6	Returns over a medium to long term via income and capital growth with a medium to low level of capital security.
Alternative commodities**	12 years	7	Returns over a medium to long term via income and capital growth with a medium to low level of capital security.
Alternative real assets**	7 years	5-6	Returns over a medium to long term via income and capital growth with a medium to low level of capital security.
Alternative insurance**	6 years	4-5	Returns over a medium to long term via income and capital growth with a medium to low level of capital security.

Investment Strategy	Member Minimum Investment Time Horizon*	Standard Risk Measure^	Member Investment Objective
Diversified alternatives**	7 years	5-6	Returns over a medium to long term via income and capital growth with a medium to low level of capital security.
Alternative macro**	5 years	5-6	Returns over a medium to long term via income and capital growth with a medium to low level of capital security.
Alternative specialist**	6 years	4-6	Returns over a medium to long term via income and capital growth with a medium to low level of capital security.
Alternative equity**	8 years	6-7	Returns over a medium to long term via income and capital growth with a medium to low level of capital security.
Australian listed securities**	6 years	6-7	Returns over a medium to long term via income and capital growth with a low level of capital security.
Conservative	4 years	4-5	Returns over a medium to long term via income and capital growth with a medium to high level of capital security.
Balanced	4 years	5-6	Returns over a medium to long term via income and capital growth with a medium to low level of capital security.
Growth	4 years	6	Returns over the long-term via income and capital growth with a low level of capital security.

* Investment time horizons in the table are current as at the date of this TMD. These values change over time and may differ to those stated in the relevant PDS for the products.

^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. These values change over time and may differ to those stated in the relevant PDS for the products.

** Not available for Macquarie Super Consolidator II – Engage.

SRM	Risk Label	Estimated number of negative returns over any 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

Additional Product Features

Administration Fee Structure

Administration fees apply to Macquarie Pension products. The Administration fee is determined by the product(s) selected.

- *Macquarie Pension Manager II* has a descending tiered Administration fee structure where the applicable rates are determined by the account balance in each investment holding. The rate for each investment holding is higher for smaller balances (\$50,000 or less) in the investment holding and lower for larger balances (more than \$50,000) in the investment holding. Accordingly, this administration fee structure may be more cost effective for members who will or are likely to invest more than \$50,000 in each investment holding.
- *Macquarie Pension Consolidator II (Elevate)* and *Macquarie Vision Macquarie Pension* have a descending tiered Administration fee structure where the applicable rates are determined by the balance across the entire portfolio. The rate reduces as the balance of the entire portfolio increases and may be more cost effective for members with a higher overall portfolio balance. *Macquarie Pension Consolidator II (Elevate)* also has an account keeping fee.
- *Macquarie Pension Consolidator II (Engage)* has a flat account keeping fee which applies regardless of the investment balance and may be a cost effective option for members who do not want access to the extensive investment menu.

The above administration fee information is a summary only for the purposes of highlighting the different administration fee structures between the products. There are additional fees and costs, including administration fees, which apply to each product that are set out in the applicable Macquarie Pension PDS. Of the Macquarie Pension products, the most cost effective product for a particular member will depend on that member's individual circumstances and investment portfolio. Always refer to the applicable Macquarie Pension PDS for full details on all of the fees and costs which apply.

Distribution Conditions

Distribution conditions for AFSLs other than MIML

These products are designed to be distributed through Australian Financial Services Licensees (AFSLs) and their representatives. Distribution of each Macquarie Pension product by AFSLs (other than MIML) is subject to the following conditions and restrictions:

- Only AFSLs or their representatives, who are licensed to provide personal advice on the product to retail members, and who are registered with MIML to distribute the product, may arrange for an eligible member to apply for or acquire the product
- An AFSL or their representatives may arrange for an eligible member to apply for or acquire the product only where the AFSL or representative is implementing personal advice provided to the member to acquire the product
- An AFSL or their representative may only arrange for an eligible member to apply for or acquire the product where the member meets the product's eligibility criteria as specified in the applicable Macquarie Pension PDS
- Macquarie Vision Macquarie Pension is only available for distribution by representatives of MIML, Macquarie Equities Limited and Macquarie Bank Limited
- General advice and any marketing or promotional materials or activities about the product must only be provided to, or made available through, channels associated with members who typically receive, or are looking to receive, personal advice
- The PDS for the product must only be made available online through channels associated with members who typically receive, or are looking to receive, personal advice.

Distribution conditions for MIML

Distribution of each Macquarie Pension product by MIML and its representatives is subject to the following conditions and restrictions:

- Except where a member is already a member of the Macquarie Superannuation Plan or they are otherwise eligible to receive a death benefit in respect of a deceased member of the Fund, MIML will only issue the product to a member who has received personal advice to acquire the product
- MIML will only issue Macquarie Vision Macquarie Pension to members who receive financial product advice from Macquarie Equities Limited or its representatives and/or Macquarie Bank Limited or its representatives.

Distributor Reporting Requirements

Distributors of these products must provide Macquarie with the following information in writing:

Complaints

Reporting obligation	As soon as practicable but, in any case, within 10 business days after the end of each reporting period.
Reporting period	Every quarter, ending on: <ul style="list-style-type: none">• 31 March• 30 June• 30 September, and• 31 December.
Required detail	The full details of any complaints received.
Reporting method	For details see www.macquarie.com.au/ddo

Significant Dealings

Reporting obligation	As soon as practicable, but in any case, within 10 business days of becoming aware of the significant dealing.
Required detail	<ul style="list-style-type: none">• The date on which or the date range over which the dealing occurred• A description of the dealing (including details of the impacted account(s))• An explanation of why the dealing is considered significant• An explanation of why the dealing is considered to be inconsistent with the TMD• How the dealing was identified (e.g., through monitoring, complaints etc), and• Detail of what steps have been or will be taken in relation to the significant dealing.
Reporting method	For details see www.macquarie.com.au/ddo

Additional Information

Reporting obligation	As soon as practicable but in any case, within 10 business days of receiving a request from Macquarie.
Required detail	Such additional complaint related information (such as further information relating to the nature of complaints) that Macquarie requests from time to time.
Reporting method	As specified in any request from Macquarie.

Review of this Target Market Determination

This TMD will be reviewed as follows:

Initial review	Within 12 months of the effective date.
Periodic review	Within 12 months from the completion of the last TMD review.
Review triggers	<p>This TMD will be reviewed should any of the following events occur:</p> <ul style="list-style-type: none">• A material increase in complaints received about the Macquarie Pension product(s) issued by MIML• MIML identifying a reportable breach of the Design and Distribution Obligations• Implementation of a material product change that requires notification under section 1017B(1) of the <i>Corporations Act 2001</i>, except where a review of this TMD has already been completed in anticipation of that change• Commencement of a change in law or other regulatory requirement materially affecting the product(s), except where a review of this TMD has already been completed in anticipation of that change• The use of a regulatory order or direction (including the use by ASIC of its Product Intervention Powers) that expressly states or directly implies that this TMD is no longer appropriate• MIML reporting a significant dealing in the product(s) to ASIC, or• MIML making an adverse member outcomes assessment; ie a determination that it is not promoting the financial interests of members who hold the product(s).

Note: The above review triggers are monitored through the collection of data relating to the product.