

FUTURE SAFE

TARGET MARKET DETERMINATION

1. About this document

When to use this target market determination

This target market determination (TMD) applies to Future Safe. It provides customers, distributors and Allianz Australia Life Insurance Limited (**Allianz Retire+**) staff with an understanding of the class of customers for whom this product has been designed, including the key attributes of the product having regard to the features, benefits and risks of the product.

This document is not intended to provide financial advice, and is not a summary of the product features and terms. Before making any investment decisions, customers should refer to the Product Disclosure Statement (PDS) and any supplementary document(s), which outline the relevant terms and conditions applicable to the product.

Product Disclosure to which this target market determination applies

This TMD applies to the Future Safe product referred to in the following PDS:

- Future Safe Product Disclosure Statement dated 13 February 2021 [and any other supplementary document as relevant.]

Date from which this target market determination is effective

25 May 2023

2. Product description and key attributes

Future Safe is an investment life insurance product that offers a way to access returns linked to domestic and global equity indices with the certainty of a range of protection options. There are two variations of Future Safe, based on 7-year and the 10-year investment intervals. Future Safe offers a choice of either a 7-year or 10-year investment interval.

Future Safe allows customers to select a combination of fixed rate or market linked investment and protection options to suit their needs. Customers select these at the commencement of their policy and have the option to change them at each of the anniversary dates of their policy.

Each market linked investment option is made up of a floor and a cap. The floor is the maximum market loss the customer could experience in a year. The cap is the maximum return the investment option can achieve in that year and is dependent on the floor the customer chooses.

The fixed rate option provides a one-year fixed rate of return.

Future Safe includes a free withdrawal amount which sets the amount that can be withdrawn free of charge each year. Amounts above the free withdrawal amount incur a market value adjustment charge.

3. Class of customers that fall within this target market

The table below summarises the class of customers that fall within the target market for each Future Safe investment interval option.

	Future Safe 7-year Investment Interval	Future Safe 10-year Investment Interval
Class of Customers	This product is designed for a class of customers that want the ability to access market returns with exposure to a lower level of volatility than other types of equity style investment products.	This product is designed for a class of customers that want the ability to access market returns with exposure to a lower level of volatility than other types of equity style investment products and who may wish to receive potential tax benefits.
Needs and objectives	<p>This product is designed for individuals who:</p> <ul style="list-style-type: none"> • Are within 20 years of their target retirement date, or who have already retired; and • Have one or more of the following investment objectives: <ul style="list-style-type: none"> – Capital growth with low volatility; – Capital growth with medium volatility; – Capital protected with low volatility; – Capital preservation with low volatility; – Capital preservation with medium volatility. <p>See Section 7 for further details</p>	<p>This product is designed for individuals who:</p> <ul style="list-style-type: none"> • Are within 20 years of their target retirement date, or who have already retired, or are investing outside of the superannuation system and have a marginal tax rate higher than the company tax rate; and • Have one or more of the following investment objectives: <ul style="list-style-type: none"> – Capital growth with low volatility; – Capital growth with medium volatility; – Capital protected with low volatility; – Capital preservation with low volatility; – Capital preservation with medium volatility. <p>See Section 7 for further details</p>
Financial situation	<p>This product has been designed for individuals who:</p> <ul style="list-style-type: none"> • Seek to invest their capital for a minimum period of 7 years; • Do not require access to their invested capital in excess of the Free Withdrawal Amount; • Wish to receive regular income, ad-hoc income or do not wish to receive any income from the product; and • Have access to additional capital and other sources of income outside of Future Safe, as Future Safe is not designed to be a whole of portfolio solution. 	<p>This product has been designed for individuals who:</p> <ul style="list-style-type: none"> • Seek to invest their capital for a minimum period of 10 years; • Do not require access to their invested capital in excess of the Free Withdrawal Amount; j • Wish to receive regular income, ad-hoc income or do not wish to receive any income from the product; and • Have access to additional capital and other sources of income outside of Future Safe, as Future Safe is not designed to be a whole of portfolio solution.
Appropriateness of the target market	<ul style="list-style-type: none"> • Future Safe is likely to be consistent with the likely objectives, financial situation and needs of the class of customers in the target market. This is because the objectives, financial situation and needs of the target market have been defined in a way that aligns with the key objectives, terms, features and attributes of Future Safe. 	

4. How this product is to be distributed

Permitted Distribution Channel	Distribution Description
Licensed financial advisers who have been authorised by Allianz Retire+ to distribute Future Safe	The customer has been provided with personal advice in relation to Future Safe from a licensed financial adviser who has been authorised by Allianz Retire+ to distribute Future Safe.
Direct (non-advised) retail (i.e. the Allianz Retire+ website)	Direct non-advised customers must complete the suitability questions on the application form.

Adequacy of Distribution conditions and restrictions

Allianz Retire+ has determined that the distribution conditions and restrictions will make it likely that customers who purchase Future Safe are in the target market, because:

- Allianz Retire+ has implemented relevant criteria for determining when to approve a relevant financial adviser to distribute Future Safe and has therefore considered whether the financial adviser is suitable to distribute Future Safe;
- The Allianz Retire+ website contains clear information about the key features of Future Safe and suitability questions, such that customers who apply for the product via the Allianz Retire+ website are likely to be within the target market for the product; and
- For a customer to access Future Safe they must read and accept the PDS

Allianz Retire+ consider that the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the target market for whom Future Safe has been designed.

5. Reviewing this target market determination

Allianz Retire+ will review this target market determination in accordance with the below:

Initial review	Within 1 year of the effective date.
Periodic reviews	At least every 2 years from the initial review.
Review triggers or events	<p>Any of the following events or circumstances to the extent that they reasonably suggest to Allianz Retire+ that the TMD is no longer appropriate:</p> <ul style="list-style-type: none"> • a material change to the design, distribution, objective or purpose of Future Safe, including related documentation; • the commencement of significant changes in legislation or regulatory requirements that affect Future Safe or the distribution of Future Safe; • external events such as adverse media coverage or regulatory attention relating to Future Safe's design or distribution (e.g. defective PDS or product stop orders); • significant dealings outside of the TMD; and • significant changes in metrics which indicate that the TMD may no longer be appropriate, including unusually high number of complaints (as defined in Section 994A(1) of the Corporations Act relating to Future Safe's design or distribution), sales volumes, Market Value Adjustment (MVA) activation rates and policy cancellations. <p>In addition to the review triggers above, Allianz Retire+ will also review this TMD if any other events or circumstances occur which would reasonably suggest to Allianz Retire+ that the TMD is no longer appropriate.</p>

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

6. Reporting and monitoring this target market determination

Allianz Retire+ requires the following information from the distributors of Future Safe in relation to this TMD. All distributors are required to report this information to Allianz Retire+ by the times specified below.

Type of information		When regulated persons must report this information to Allianz Retire+
Complaints	Complaints as defined in Sec 994A(1) of the Corporations Act in relation to Future Safe. This includes: <ul style="list-style-type: none"> the substance of each complaint; and the total number of complaints received in relation to Future Safe. 	Within 10 business days following the end of each calendar quarter.
General feedback	Any general feedback received in writing from customers relating to Future Safe or its performance.	Within 10 business days following the end of each calendar quarter.
Significant dealings	Any significant dealing that is inconsistent with the TMD.	As soon as practicable, and in any case within 10 business days after the distributor becomes aware of the significant dealing.
Regulatory contact	Any direct communication from ASIC which relates to Future Safe.	As soon as practicable, and in any case within 10 business days after the communication is received.
Sales data	Each dealing that is outside of target market, including reason why dealing is outside of target market, and whether the dealing occurred under personal advice.	Within 10 business days following the end of the calendar quarter.

In addition to the reporting information in the table above, Allianz Retire+ will also consider sales metrics relating to Future Safe, including sales volumes, Market Value Adjustment (MVA) activation rates and policy cancellations. Distributors will not be required to report this information to Allianz Retire+.

7. Key Concepts/Definitions

The following section describes how the investment objectives and key terms relate to the various Future Safe investment options.

Volatility is a statistical measure of the dispersion of returns for a given security or market index over a given period of time. Different ranges of volatility (low, medium and high) can be related to the various investment options within the Future Safe product, offering different ranges of returns between the chosen floor and corresponding cap.

Investment Objective	Related Future Safe Investment Option
Capital growth with low volatility	-5% Floor Investment Option The investor is willing to accept annual returns between -5% and the respective cap.
Capital growth with medium volatility	-10% Floor Investment Option The investor is willing to accept annual returns between -10% and the respective cap.
Capital protected with low volatility	Fixed Rate or 0% Floor Investment Option The investor is willing to accept a fixed annual rate of return or annual returns between 0% and the respective cap.
Capital preservation with low volatility	0% or -5% Floor Investment Option The investor is willing to accept annual returns between 0% or -5% and the respective caps.
Capital preservation with medium volatility.	-5% or -10% Floor Investment Option The investor is willing to accept annual returns between -5% or -10% and the respective caps.

This material is issued by Allianz Australia Life Insurance Limited, ABN 27 076 033 782, AFSL 296559 (trading as **Allianz Retire+**). Allianz Retire+ is a registered business name of Allianz Australia Life Insurance Limited.

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Allianz Australia Life Insurance Limited is the issuer of Future Safe. Prior to making an investment decision, investors should consider the relevant Product Disclosure Statement (PDS) which is available on our website (www.allianzretireplus.com.au).

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