

PPS MUTUAL TARGET MARKET DETERMINATION



For PPS Mutual Super Fund – Risk Only Insurance

Diversa Trustees Limited

1 ABOUT THIS DOCUMENT

This target market determination (TMD) seeks to offer consumers, distributors and staff with an understanding of the class of consumers for which this product has been designed, having regard to the objectives, financial situation and needs of the target market.

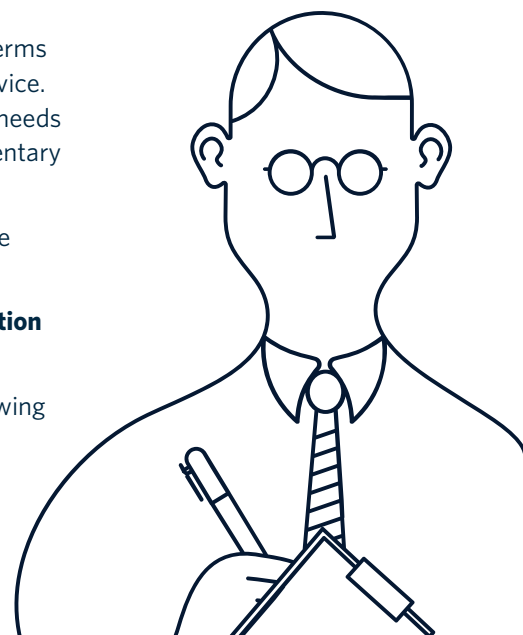
This document is not to be treated as a full summary of the product's terms and conditions and is not intended to and does not provide financial advice. Consumers must consider their own objectives, financial situation and needs and refer to the Product Disclosure Statement (PDS) and any supplementary documents when making a decision about this product.

A reference to 'We' or 'Our' throughout this document is referring to the issuer of the product, Diversa Trustees Limited.

Product Disclosure Statement to which this target market determination applies

This TMD applies to the PPS Mutual Super Fund referred to in the following Product Disclosure Statement:

- PPS Mutual Super Fund



2 IMPORTANT DATES

Date from which this target market determination is effective	23 December 2025
Date when this target market determination was last reviewed	23 December 2025
Date when this target market determination will be next reviewed	23 December 2026

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 the PPS Mutual Super Fund ("PPSM")

This PPS Mutual Super Fund is designed for consumers who:

- are eligible to practise (or have been eligible to practise in the past), or have acquired a minimum level of tertiary qualification, in a professional field recognised by PPSM This covers Medical (such as doctors and dentists), Commercial and Legal (such as lawyers and accountants), Technology and Industrial and Science (such as engineers and architects)
- Have one of the following financial needs:
 - Have (or envisages that in future they will or may have) outstanding financial or financial-in-kind commitments (including financial commitments to dependents such as spouse or children) that will not be satisfied by their estate in the event of their death or terminal illness. These financial or financial-in-kind commitments include but are not limited to:
 - mortgage and other debt servicing costs, final expenses, and income replacement;
 - medical costs, transportation and accommodation costs, and personal and palliative care
 - Have (or envisages that in future they will or may have) outstanding financial commitments that will not be satisfied should they be incapable of engaging in [their own/any] meaningful gainful employment [and/or independent living] due to total and permanent disablement. These financial or financial-in-kind commitments include, but are not limited to mortgage and other debt servicing costs, income or revenue replacement, medical and rehabilitation costs, transportation and accommodation costs, personal care, palliative care, business commitments and/or business succession funding costs
 - Have (or envisages that in future they will or may have) a need to replace their income in the event that they are unable to earn their income (or are only able to earn a lower income) due to an event which causes them to be unable to earn their pre-disability income, whether due to illness or injury
- Meet the key eligibility criteria at the time of application, including
 - age - between age 18 and 75 at entry (Life and TPD cover 18-75, Income Protection cover 18-60)_
 - residency status - an Australian Citizen, a New Zealand Citizen with special category visa, a Permanent Resident of Australia or a Temporary Resident who has applied to be a Permanent Resident of Australia
 - health status - Consumers with a health status compatible with the eligibility criteria i.e. not exceeding relevant underwriting criteria in respect of smoking, Body Mass Index (BMI) and other lifestyle/medical factors
 - employment status - If income protection is required, gainful employment for at least 20 hours per week

- financial status - Have a complying taxed superannuation fund with sufficient balance to provide a partial rollover to pay for their variable insurance premiums, in accordance with their chosen premium structure in order to retain the insurance for the period of time it is intended to be held.

When deciding what premium structure may be appropriate for their insurance (as described under the Product description and key attributes section below):

- Variable age-stepped premiums may suit consumers who prefer lower up-front costs with premiums that increase with age and/or consumers who are uncertain as to how long they wish to hold cover for. Depending on how long consumers hold cover, the amount payable under variable age-stepped premiums may be more than what consumers would pay under variable premiums.
- Variable premiums may suit consumers who prefer higher up-front costs with premiums that do not increase with age, and/or consumers who intend to hold cover for an extended period of time. Depending on how long consumers hold cover, the amount payable under variable premiums may be less than what consumers would pay under variable age-stepped premiums.
- financial advice - Have obtained personal advice from a financial adviser who is accredited by PPS Mutual.

This PPS Mutual Super Fund is **not** designed for consumers who:

- Are not eligible to practise (or have never been eligible to practise) in a professional occupation recognised by PPSM nor do they have a minimum level of tertiary qualification in a professional field recognised by PPSM.
- Do not have (or envisage they will have) the financial need described above.
- Do not have the financial resources to tolerate and afford premium payments that may increase over time.
- Wish to pay the insurance premiums through other means than a partial rollover from a complying taxed superannuation fund or do not have a complying taxed superannuation fund with sufficient balance to provide a partial rollover to pay for their insurance premiums.
- Do not meet the other additional demographic and eligibility requirements included in the TMD for the specific PPS Mutual Professionals Choice insurance product
- Do not meet the key eligibility criteria described above at the time of application.

Product description and key attributes

- PPS Mutual Super Fund provides the option of three insurance benefits:
 - Life insurance – providing a lump sum payment in the event of the client’s death or being diagnosed as having less than 2 years to live (terminally ill)
 - Total & Permanent Disability insurance – providing a lump sum payment in the event the client, due to illness or injury, is unlikely to ever engage in any occupation they are suited to by education, training or experience.
 - Income Protection insurance – providing a monthly benefit payment for a specified period while the client, due to illness or injury, is unable to work in their own occupation (which after two years on claim may change to any occupation they are suited to based on education, training or experience).
 - If premiums are not paid when due, the policy may lapse in which case the policyowner would no longer be covered and cannot make a claim.
 - Premiums may either be variable age-stepped (previously known as “stepped”) or variable (previously known as “level”).
 - Variable age-stepped premiums are based on the insured person’s age at each plan anniversary, meaning premiums will generally increase each year as the insured person gets older
 - Variable premiums are based on the insured’s person age when cover first commenced and will not increase with their increase in age each year (premium cost is spread over the life of the policy). Variable premiums are therefore generally higher than variable age-stepped initially and lower than variable age-stepped in later years
- Consumers can choose premiums with phasing or phasing removed. Premiums with phasing will be lower in earlier years (and higher in later years) compared to premiums with phasing removed. Under phasing, a larger discount will be applied in earlier years that reduces over time to reflect the recency of underwriting. With phasing removed, a smaller discount will instead be applied over the lifetime of the policy.
- This is a fully underwritten product. The underwriting process may require additional financial and medical information, including a medical report from the life to be insured’s treating doctor(s) and/or medical screening tests. The underwriting process could result in an increase in the price of the product, limitations to the sum insured, special terms and conditions applied to cover, or declining cover. This product is not appropriate for consumers who are unwilling or unable to participate in the underwriting process and related medical requirements, and/or consumers who may require personal advice during the underwriting process.

Both variable age-stepped and variable premiums are not guaranteed to remain the same and can change over time to take into account changes in factors such as claims experience, economic conditions and expenses.

Objectives, financial situation, and needs

The table below sets out the class of consumers that each insurance option within PPS Mutual Super Fund has been designed for.

Insurance Option 1 - Life Insurance	<p>The consumer has (or envisages that in future they will or may have) outstanding financial or financial-in-kind commitments (including financial commitments to dependants such as spouse or children) that will not be satisfied by their estate in the event of their death or terminal illness. These financial or financial-in-kind commitments include but are not limited to:</p> <ul style="list-style-type: none">• mortgage and other debt servicing costs, final expenses, and income replacement;• medical costs, transportation and accommodation costs, and personal and palliative care;
Insurance Option 2 - Total & Permanent Disability	<p>The consumer has (or envisages that in future they will or may have) outstanding financial commitments that will not be satisfied should they be incapable of engaging in [any] meaningful gainful employment [and/or independent living] due to total and permanent disablement. These financial or financial-in-kind commitments include, but are not limited to mortgage and other debt servicing costs, income or revenue replacement, medical and rehabilitation costs, transportation and accommodation costs, personal care, palliative care, business commitments and/or business succession funding costs</p>
Insurance Option 3 - Income Protection	<p>The consumer has (or envisages that in future they will or may have) a need to replace their income in the event that they are unable to earn their income (or are only able to earn a lower income) due to an event which causes them to be unable to earn their pre-disability income, whether due to illness or injury.</p>

Consistency between target market and the product

Broadly, the target market comprises of consumers who fall within the eligibility criteria and have financial needs in the event of death, terminal illness or disablement. The product is designed to meet these needs.

The product is for those who have a capacity to pay variable premiums on an ongoing basis in accordance with their chosen premium structure, and to pay these via a partial rollover from another complying superannuation fund.

It is therefore likely to meet the needs, or go towards meeting the needs, of those in the target market.

Key risks of holding insurance through Super

There are risks the consumer must consider before deciding to hold insurance through superannuation, including:

- In addition to the terms and conditions of their PPSM Professionals Choice Plan, insurance benefits through superannuation are also subject to superannuation law and the Trust Deed and Rules of the OneSuper Fund (ABN 43 905 581 638). If there is any inconsistency between the terms of the consumer's PPSM Professionals Choice Plan and the Trust Rules, the Trust Rules prevail.
- If the consumer changes their mind about holding insurance through the PPSM Fund (during the cooling off period) - they will not usually be able to obtain a refund of premiums in cash (the refund will usually have to be paid to another superannuation entity).
- A benefit paid from the PPSM Fund is a superannuation benefit for tax purposes. Depending on the consumer's tax circumstances, it may be subject to more tax than would otherwise apply if the benefit was paid from the same insurance held outside of superannuation.
- Where the consumer chooses to pay premiums by rollover from another superannuation fund, their retirement savings will be reduced so that they may have less available to them on retirement than otherwise may have been the case.
- Taxation or superannuation law may change in the future, Altering the suitability of holding insurance in superannuation.

HOW THIS PRODUCT IS TO BE DISTRIBUTED

Distribution channels

This product is designed to (and will only) be distributed following Personal Financial Advice provided by Financial Advisers who are accredited by PPS Mutual and PPS Mutual have an Introducer Agreement in place with the AFSL the adviser operates under.

PPS Mutual provides updates to all accredited financial advisers about any changes in the product.

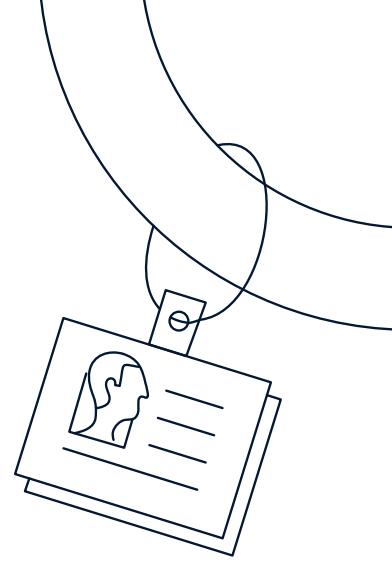
Distribution conditions

This product should only be distributed under the following circumstances:

- Consumers must have been provided with Personal Advice in relation to this product by a Financial Adviser who is accredited by PPS Mutual and PPS Mutual have an Introducer Agreement in place with the AFSL the adviser operates under; and
- To individuals that meet eligibility requirements

Adequacy of distribution conditions and restrictions

Access to this product is not available to consumers who do not obtain personal advice from a qualified financial adviser. Consumers that obtain personal advice are more likely to be in the target market for this product because advisers are qualified to understand sophisticated and complex products such as income protection and provide advice to consumers about their needs and suitable products.



REVIEWING THIS TARGET MARKET DETERMINATION

We will review this target market determination in accordance with the below:

Most recent periodic review	23 December 2025
Next periodic review	23 December 2026
Review triggers	
Review Trigger 1	<p>Description: The commencement of a significant change in law or any other material changes impacting the product design and/or distribution of the product.</p> <p>Reporting information:</p> <ul style="list-style-type: none"> • Relevant regulation, legislation and/or ASIC instruments relating to the change in law • Changes to other relevant areas impacting product design and/or distribution of the product <p>Reporting period and review obligation:</p> <p>PPS Mutual must monitor and consider any significant relevant changes, regulatory or otherwise, that materially affect the design or distribution of the product</p>
Review Trigger 2	<p>Description: The product issuer determines that a significant dealing in the product outside the target market (except for an excluded dealing) has occurred.</p> <p>Reporting information:</p> <p>A significant dealing in the product which the regulated person becomes aware is not consistent with the TMD</p> <p>Reporting period and review obligation:</p> <ul style="list-style-type: none"> • PPS Mutual must review and consider any significant dealing reported to it. • Any dealing outside the target market must be reported by the distributor to PPS Mutual within 10 business days, at the latest, of becoming aware of the significant dealing

<p>Review Trigger 3</p>	<p>Description: Product performance is materially inconsistent with issuer’s expectations of the appropriateness of the product to consumers having regard to:</p> <ul style="list-style-type: none"> ▪ product claim ratio; ▪ the number or rate of paid, denied and withdrawn claims; ▪ the number of policies sold; ▪ policy lapse or cancellation rates; and ▪ percentage of applications not accepted. <p>Reporting information:</p> <p>During the review period, the expected and actual number of:</p> <ul style="list-style-type: none"> ▪ Claims ratios; ▪ Number or rate of paid, denied and withdrawn claims; ▪ Number of policies sold; ▪ Policy lapse or cancellation rates; and ▪ Percentage of applications not accepted. <p>Reporting period and review obligation:</p> <p>PPS Mutual must collect the reporting information and review these factors every 6 months</p>
<p>Review Trigger 4</p>	<p>Description: Significant or unexpectedly high number of complaints regarding product design, product availability, claims, and distribution condition that would reasonably suggest that the TMD is no longer appropriate.</p> <p>Reporting information:</p> <p>Complaints and the nature of the complaints regarding product design, claims, and distribution condition</p> <p>Reporting period and review obligation:</p> <p>PPS Mutual must review and consider complaints every 6 months.</p>
<p>Review Trigger 5</p>	<p>Description: The use of Product Intervention Powers in relation to the distribution or design of this product where the product issuer considers this reasonably suggests that this TMD is no longer appropriate.</p> <p>Reporting information:</p> <p>Relevant Product Intervention order</p> <p>Reporting period and review obligation:</p> <p>PPS Mutual must review as promptly as practicable the implications in relation to this TMD if a Product Intervention order has been issued</p>

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

<p>Complaints</p>	<p>Distributors will be required to report to issuer, 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.</p> <p>This will include the substance of complaints and general feedback relating to the product and its performance.</p> <p>Reporting period for complaints: half-yearly (1 October to 31 March and 1 April to 30 September each year). Reporting should be within 10 business days of the end of the half-year period.</p>
<p>Significant dealings</p>	<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"> ▪ Specific proportion of consumers who have acquired the product but are not in the target market, including the proportion of consumers who are part of a class of consumers that have been specifically excluded from the target market; ▪ Inconsistency of distribution conditions with the TMD;



Diversa Trustees Limited ABN 49 006 421 638 AFSL 235153 L0000635 is the issuer of this TMD

T: +61 3 9097 2800

E: trustees@diversa.com.au

A: Level 17, IBM Tower, 60 City Road, Southbank VIC 3006, Australia

In connection with complaints and significant dealings, please contact:

PPS Mutual Insurance Pty Ltd ACN 162 670 108 AFSL 478775

T: 1300 401 607

E: ddoreporting@ppsmutual.com.au

A: PPS Mutual, Level 10 / 45 Clarence Street, Sydney NSW 2000