

# TARGET MARKET DETERMINATION

FOR THE NGS  
ACCUMULATION ACCOUNT

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# ABOUT THIS DOCUMENT

**This target market determination (TMD) seeks to provide consumers, distributors and staff with an understanding of the group of consumers which this product has been designed for, having considered 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. Consumers must refer to the Product Disclosure Statement (PDS) and other relevant material when deciding about this product.

## PRODUCT DISCLOSURE STATEMENT FOR THIS TARGET MARKET DETERMINATION

This TMD applies to the *NGS Accumulation account* mentioned in the following Product Disclosure Statement:

- **[Combined NGS Super Product Disclosure Statement \(Accumulation, Transition to Retirement and Income accounts\)](#)**

## OTHER RELEVANT DOCUMENTS

The *NGS Accumulation account* is mentioned in the following documents and the TMD applies accordingly:

- **[Investment guide](#)**
- **[NGS Self-Managed guide](#)**
- **[Insurance guide](#)**
- **[Fees, costs and tax fact sheet](#)**

# IMPORTANT DATES

This target market determination is effective from	5 October 2021
This target market determination was last reviewed on	5 October 2021
This target market determination will next be reviewed on	5 October 2022

# CONSUMERS IN THIS TARGET MARKET

The *NGS Accumulation account* is designed for consumers in Australia who:

- are looking to put their retirement savings in super
- want an alternative to their default super fund which has default features (i.e. a MySuper investment option and automatic acceptance insurance), but provides them with investment and insurance choices
- want access to general and tailored advice
- are expecting regular contributions
- want to make an active investment choice from a range of investment options
- generally, have a long-term investment horizon
- are aware of the fees charged under the product.

## PRODUCT DESCRIPTION AND KEY ATTRIBUTES

**NGS Super designs its products and services to ensure our members and their families get the most out of their money. We do this by ensuring easy access to the information they need, at the right time and through the channel that suits them (digital, phone, virtual or face-to-face). We believe financial advice empowers members to make decisions that lead to better retirement outcomes.**

**The key attributes of the *NGS Accumulation account* are:**

- access to a range of investment options including pre-mixed, sector-specific and self-managed direct investment options, providing access to shares, exchange-traded funds (ETFs) and term deposits, catering for all risk appetites from very low to very high
- access to automatic default insurance cover for eligible consumers, or on application as Voluntary Cover
- access to tailored financial advice through NGS Financial Planning for an additional fee
- access to complimentary general advice about contributions, investments and insurance needs
- an administration fee of \$65 p.a., plus 0.10% p.a. of account balance capped at \$500 p.a.
- investment fees and costs of between 0.03% p.a. and 0.84% p.a. depending on the chosen investment option(s)
- investment transaction costs of between 0.00% p.a. and 0.14% p.a. depending on the chosen investment option(s)
- other fees and costs depending on insurance cover
- 24/7 online access to view and update account details
- free webinars, seminars and online financial education.

## OBJECTIVES, FINANCIAL SITUATION AND NEEDS

### INVESTMENT OPTIONS WITH HIGHER FOCUS ON GROWTH

These options are designed to be invested for the medium to long term and are more likely to be suitable for consumers with a medium (minimum of 5 years) to long-term (minimum of 10 years) investment horizon, depending on the option.

These options are unlikely to be suitable for consumers with a short-term investment timeframe, such as consumers who are seeking capital preservation in the lead-up to retirement.

There are more details in the table below.

INVESTMENT OPTION	
<b>Diversified (MySuper)</b>	The Diversified (MySuper) option aims to achieve a net investment return 3% above the Consumer Price Index (CPI) p.a. over rolling 10-year periods. Consumers should be prepared to stay invested in this option for at least 10 years before it meets its objectives.  Note that this is the option a consumer's money will be invested in if they do not advise us of their investment choice.
<b>High Growth</b>	The High Growth option aims to achieve a net investment return 4% above CPI p.a. over rolling 10-year periods. Consumers should be prepared to stay invested in this option for at least 10 years before it meets its objectives.
<b>Balanced</b>	The Balanced option aims to achieve a net investment return 2% above CPI p.a. over rolling 3-year periods. Consumers should be prepared to stay invested in this option for at least 7 years before it meets its objectives.
<b>Defensive</b>	The Defensive option aims to achieve a net investment return 1% above CPI p.a. over rolling 3-year periods. Consumers should be prepared to stay invested in this option for at least 5 years before it meets its objectives.
<b>Socially Responsible Diversified</b>	The Socially Responsible Diversified option aims to achieve a net investment return 3% above CPI p.a. over rolling 10-year periods. Consumers should be prepared to stay invested in this option for at least 10 years before it meets its objectives.
<b>Indexed Growth</b>	The Indexed Growth option aims to achieve a net investment return 3% above CPI p.a. over rolling 10-year periods. Consumers should be prepared to stay invested in this option for at least 10 years before it meets its objectives.
<b>Shares Plus</b>	The Shares Plus option aims to achieve a net investment return 4% above CPI p.a. over rolling 10-year periods. Consumers should be prepared to stay invested in this option for at least 10 years before it meets its objectives.
<b>Australian Shares</b>	The Australian Shares option aims to outperform the S&P/ASX300 Accumulation Index (adjusted for franking credits and net of implied superannuation tax) over the medium to long term. Consumers should be prepared to stay invested in this option for at least 10 years before it meets its objectives.
<b>International Shares</b>	The International Shares option aims to outperform the MSCI All Countries World Index ex-Australia (in AUD, net of implied superannuation tax) over the medium to long term. Consumers should be prepared to stay invested in this option for at least 10 years before it meets its objectives.
<b>Infrastructure</b>	The Infrastructure option aims to achieve a net investment return 3% above CPI p.a. over rolling 5-year periods. Consumers should be prepared to stay invested in this option for at least 10 years before it meets its objectives.

INVESTMENT OPTION	
<b>Property</b>	The Property option aims to achieve a net investment return 3% above CPI p.a. over rolling 5-year periods. Consumers should be prepared to stay invested in this option for at least 10 years before it meets its objectives.
<b>Self-Managed Direct Investment Option (DIO)</b>	<p>The Self-Managed option provides consumers with access to a platform to invest their funds directly into shares from the S&amp;P/ASX 300 Index and a selection of exchange traded funds (ETFs) and term deposits.</p> <p>This option may be more appropriate for a consumer seeking greater choice and control when investing. The Self-Managed DIO provides the greatest level of choice and flexibility for a consumer's savings. However, this option is not suitable for everyone, especially those who do not want a high level of involvement when investing their retirement savings.</p> <p>Note that these external investment products will have their own TMD that consumers should refer to.</p>

### INVESTMENT OPTIONS WITH LOWER FOCUS ON GROWTH

These options are unlikely to provide the growth required for consumers to meet their retirement goals over the medium to long-term. Options with a lower allocation to growth assets are more likely to be suitable for consumers with a short-term investment timeframe, such as those who are seeking capital preservation in the lead-up to retirement.

INVESTMENT OPTION	
<b>Cash and Term Deposits</b>	The Cash and Term Deposits option aims to achieve a net investment return that matches or exceeds the RBA cash rate. Consumers should be prepared to stay invested in this option for at least 1 year before it meets its objectives.
<b>Diversified Bonds</b>	The Diversified Bonds option aims to achieve a net investment return 0.5% above CPI p.a. over rolling 3-year periods. Consumers should be prepared to stay invested in this option for at least 3 years before it meets its objectives.

Read the [PDS](#) and [Investment guide](#) for more information.

### INSURANCE

This product gives consumers access to aged-based cover provided as default cover (Default Cover). They can vary this cover or apply for underwritten cover (Voluntary Cover) to suit their personal circumstances. These insurance options are unsuitable for consumers in the armed forces (other than the Australian Armed Forces Reserve).

TYPE OF COVER	
<b>Default Cover</b>	<p>This option is unsuitable for consumers who are unemployed.</p> <p>The Default Cover option is designed to provide automatic Death, Total and Permanent Disablement (TPD) and Income Protection (IP) insurance cover to eligible consumers.</p> <p>As the IP cover under this option has a 5-year benefit period with a 90-day waiting period, it may not be suitable for consumers seeking a specific waiting or benefit period(s).</p> <p>Automatic eligibility for Default Cover on joining applies for consumers who:</p> <ul style="list-style-type: none"> <li>▪ have an account balance of at least \$6,000</li> <li>▪ are at least 25 years of age</li> <li>▪ are below the age of 70 for Death cover, 65 for TPD cover and 67 for IP cover, and</li> <li>▪ are receiving superannuation guarantee contributions from their employer.</li> </ul>

TYPE OF COVER	
<b>Default Cover</b> (cont.)	<p>The amount of cover received will depend on the consumer’s age at the time they meet eligibility conditions and their occupation.</p> <p>Depending on their occupation (as provided on joining NGS Super) consumers will be put into one of two categories — NGS General (which has the lowest level of cover and the highest premium) or NGS Plus.</p> <p>A third category, NGS Select, is available subject to application and approval.</p> <p>Eligible consumers who meet certain criteria may be able to increase their levels of default cover without providing health evidence.</p> <p>Refer to the <b>PDS</b> and <b>Insurance guide</b> for more information including the full eligibility criteria as there are circumstances when restrictions will apply to the Default Cover received.</p>
<b>Voluntary Cover</b>	<p>Voluntary Cover is optional and can provide Death, TPD and/or Income Protection cover to consumers who are not eligible for Default Cover or who wish to vary their cover from what is available as Default Cover.</p> <p>Income protection is unlikely to be suitable for consumers who are unemployed.</p> <p>This option provides consumers with the flexibility to choose the type and level of cover that is appropriate to their personal circumstances. All Voluntary Cover is subject to application and approval. Consumers will need to provide details of health and their application will be assessed by our insurer.</p>

Read the **PDS**, **Investment guide** and **Insurance guide** for more information and the terms and conditions that apply.

## CONSISTENCY BETWEEN TARGET MARKET AND THE PRODUCT

NGS Super’s objective is to ensure that our products and services are tailored to our target market. We aim to offer products that provide the options, benefits and facilities that meet the needs of this target market and are integrated and simple to understand. We are a niche fund providing:

- a range of personalised services for members
- an ‘all weather’ investment strategy for the Diversified (MySuper) default investment option, providing exposure to growth over the medium to long term with sufficient exposure to defensive assets to limit volatility, as well as a range of investments options for members to select from
- insurance benefits designed with direct reference to characteristics of the target market
- evidence of scale benefits and an efficient operating cost structure, and
- a competitive and sustainable fee strategy.

Based on our assessment, we believe that the **NGS Accumulation account** is likely to be consistent with the objectives, financial situation and needs of the group of consumers in the target market.

# HOW THIS PRODUCT IS TO BE DISTRIBUTED

## DISTRIBUTION CHANNELS

This product is designed to be distributed through the following direct-to-public channels:

- NGS website [www.ngssuper.com.au](http://www.ngssuper.com.au) (via Member Join Online or the application form located in the PDS)
- NGS Customer Relationship Managers
- NGS Financial Advice Helpline
- NGS Financial Planners, and
- employers.

## DISTRIBUTION CONDITIONS

This product should only be distributed under the following circumstances:

- where the prospective member is a resident in Australia and is eligible to contribute to or consolidate their superannuation account
- where a member is applying for insurance cover, they must:
  - meet the eligible requirements outlined in the **PDS** and **Insurance guide** and
  - be in an eligible work status category for the type of cover being applied for, and
- to consumers that fall within the target market.

The eligibility requirements for consumers are described in detail in the **Combined PDS**. Refer to these documents for the terms and conditions that apply.

## ADEQUACY OF DISTRIBUTION CONDITIONS AND RESTRICTIONS

The *NGS Accumulation account* is distributed through direct-to-public channels, which reflects the distribution strategy employed by NGS Super. The distribution conditions are adequate as this will control the distribution of the product to channels known to NGS Super in our capacity as the issuer of the product. Additional distribution conditions and restrictions are not required given the range of consumers in the target market and the fact that the product is governed by eligibility and/or regulatory restrictions and otherwise target markets are at investment option and insurance option level.

# REVIEWING THIS TARGET MARKET DETERMINATION

We will review this target market determination as follows:

<b>Initial review</b>	5 October 2021
<b>Next periodic review</b>	5 October 2022
<b>Review triggers or events</b>	<p>There are several events or circumstances that could arise and may suggest the TMD is no longer appropriate. This may include the following events/review triggers:</p> <ul style="list-style-type: none"> <li>▪ material changes to the design or distribution of the product</li> <li>▪ the occurrence of a significant dealing outside the target market, including sub-markets</li> <li>▪ distribution conditions found to be inadequate</li> <li>▪ external events such as adverse media coverage or regulatory attention on the product, and</li> <li>▪ significant changes in metrics which may indicate a material change to the product's usage. These metrics include, but are not limited to, complaints, investment performance relative to benchmarks, number of members exiting the product and insurance claim outcomes.</li> </ul>

## SIGNIFICANT DEALINGS IN THE PRODUCT

Examples of a significant dealing outside the target market are provided below.

- For the investment options:
  - where a significant portion of older members nearing retirement have most of their account invested in options with a higher growth focus in the short term, or
  - where a significant portion of younger members have most of their account invested in options with a lower growth focus in the medium to long term.
- For the insurance options, where a significant portion of members are declined at claims time based on work status eligibility or because of military service reasons.

**When NGS Super becomes aware that a review trigger has occurred, or an event/circumstance has occurred that would reasonably suggest that the TMD is no longer appropriate, we will review this target market determination within 10 business days.**



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# REPORTING AND MONITORING THIS TARGET MARKET DETERMINATION

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

<b>Complaints</b>	Distributors will report all complaints in relation to the product(s) covered by this TMD on a monthly basis. This will include written details of the complaints and general feedback relating to the product and its performance.
<b>Significant dealings</b>	Distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.

# TARGET MARKET DETERMINATION

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## How to contact us

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