

# TARGET MARKET DETERMINATION

FOR THE NGS  
INCOME ACCOUNT

---

# 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 Income 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 Income account* is mentioned in the following documents and the TMD applies accordingly:

- **NGS Income account guide**
- **Investment guide**
- **NGS Self-Managed 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 Income account is designed for consumers in Australia who:

- have met a superannuation condition of release
- are seeking a regular income stream in retirement
- want access to general and tailored financial advice
- have a minimum opening balance of \$20,000
- would like access to a range of tax-effective investment options that caters for short-term and long-term investment time horizons, and
- are aware of the fees charged under the product.

## This product is not designed for consumers who:

- do not want to draw income from their retirement savings
- are looking for a guaranteed income stream.

## 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 Income account are:

- access to a flexible and tax-effective means of converting retirement savings into a regular income stream, with flexibility around the frequency and value of income payments
- 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 tailored financial advice through NGS Financial Planning for an additional fee
- access to complimentary general advice about investment 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 0.87% p.a. depending on the chosen investment option(s)
- investment transaction costs of between 0.00% p.a. and 0.15% p.a. depending on the chosen investment option(s)
- 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

The options with a higher allocation to growth assets are likely to have higher risks associated with market volatility but are more likely to have higher returns over the medium to long term.

These options are unlikely to be suitable for consumers who are not willing to accept an increased level of volatility in returns, including a risk that returns may be negative at times. They are designed to be invested for the medium to long term and are more likely to be suitable for consumers saving for retirement. They are also suitable for consumers with a medium (minimum of 5 years) to long-term (minimum of 10 years) investment horizon, depending on the option.

There are more details in the table below.

INVESTMENT OPTION	
<b>Moderate Growth</b>	The Moderate Growth option aims to achieve a net investment return of 3% above the Consumer Price Index (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.  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>Diversified</b>	The 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>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>Retire Plus</b>	The Retire 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 5 to 7 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.

INVESTMENT OPTION	
<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.
<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

The options with a lower allocation to growth assets are likely to have a lower risk that retirement savings are going to be eroded by investment performance and therefore provide better capital preservation. These options are also more likely to have lower returns over the medium to long term.

These options are likely to be suitable for consumers seeking to preserve their capital within retirement. They will not likely be suitable for consumers seeking higher growth in retirement and/or who are willing to accept higher market volatility.

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.

## 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 Moderate Growth investment default option, providing exposure to growth over the medium to long term with a good amount of capital preservation qualities, as well as a range of investments options for members to select from
- 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 Income 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 the application form located in the *NGS Income account guide*)
- NGS Customer Relationship Managers
- NGS Financial Advice Helpline, and
- NGS Financial Planners

## DISTRIBUTION CONDITIONS

This product should only be distributed under the following circumstances:

- where the prospective member meets the eligibility requirements, including having reached their preservation age and fully retired or turned 65 years old, 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 Income 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 the 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 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 and number of members exiting the product.</li></ul>

## SIGNIFICANT DEALINGS IN THE PRODUCT

An example of a significant dealing outside the target market is provided below.

- For the investment options where a significant portion of older members in retirement have most of their account invested in options with a higher growth focus in the short term.

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.



---

# REPORTING AND MONITORING THIS TARGET MARKET DETERMINATION

---

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

FOR THE NGS  
INCOME ACCOUNT

## How to contact us

**Telephone** 1300 133 177

Monday to Friday, 8am–8pm (AEST/AEDT)

**Facsimile:** (03) 9245 5827

**For callers outside Australia:** +61 3 8687 1818

**Postal address:** GPO Box 4303, MELBOURNE VIC 3001

**Online at** [ngssuper.com.au/contact-us](https://ngssuper.com.au/contact-us)

[ngssuper.com.au](https://ngssuper.com.au)  
1300 133 177