

TARGET MARKET DETERMINATION

FOR THE NGS
TRANSITION TO RETIREMENT (TTR)
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 Transition to Retirement (TTR) 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 Transition to Retirement (TTR) account is mentioned in the following documents and the TMD applies accordingly:

- **Transition to Retirement 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 TTR account is designed for consumers in Australia who:

- have reached their preservation age
- are looking to put their retirement savings in super and in a product that can provide an additional income source prior to full retirement
- want access to general and tailored financial advice
- have a minimum opening balance of \$20,000
- would like access to a range of 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 TTR account are:

- access to superannuation as additional income while still working part-time, 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 contributions and 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 0.84% 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)
- 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 that have a higher allocation to growth assets are likely to have higher risks associated with market volatility but are more likely to provide higher returns over the medium to long term. These investment 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.

These options are likely to be more suitable for consumers who are seeking higher growth as they ease into retirement or are less reliant on the income stream. These options are also more 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	
Diversified (MySuper)	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.
High Growth	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.
Balanced	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.
Defensive	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.
Socially Responsible Diversified	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.
Indexed Growth	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.
Shares Plus	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.
Australian Shares	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.
International Shares	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.

INVESTMENT OPTION	
Infrastructure	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.
Property	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.
Self-Managed Direct Investment Option (DIO)	<p>The Self-Managed option provides consumers with access to a platform to invest their funds directly into shares from the S&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

Options with a lower allocation to growth assets are likely to have lower risk that retirement savings are eroded by investment performance and so provide better capital preservation. These options are also more likely to have lower returns over the medium to long term. Therefore, these options are likely to be suitable for consumers seeking to preserve their capital as they prepare for retirement.

These options will not likely be suitable for consumers seeking higher growth as they ease into retirement and/or who are willing to accept higher market volatility.

INVESTMENT OPTION	
Cash and Term Deposits	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.
Diversified Bonds	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 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
- 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 TTR 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 (via the application form located in the *NGS TTR 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 being between their preservation age and age 65 and are still working, 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 TTR 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 in accordance with the below:

Initial review	5 October 2021
Next periodic review	5 October 2022
Review triggers or events	<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">▪ material changes to the design or distribution of the product▪ the occurrence of a significant dealing outside the target market, including sub-markets▪ distribution conditions found to be inadequate▪ external events such as adverse media coverage or regulatory attention on the product, and▪ 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.

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 preparing for 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.

Complaints	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.
Significant dealings	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
TRANSITION TO RETIREMENT (TTR) 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

ngssuper.com.au

1300 133 177