

Target Market Determination

*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 **NGS Retirement Product Disclosure Statement (PDS)** and other relevant material when deciding about this product.

Product Disclosure Statement for this target market determination

- **NGS Retirement PDS**

Important dates

This target market determination is effective from	01 November 2023
This target market determination will next be reviewed on	05 October 2024

Target market for the NGS Transition to retirement account

The NGS Transition to retirement account is an income stream product for consumers who have reached preservation age and have not yet retired and wish to receive a regular income from their retirement savings to supplement their salary due to reduced working hours, or as part of a tax-effective salary sacrifice strategy in the lead up to retirement.

The table below describes the classes of consumers that the product is designed for.

Typical characteristics	Consumers who have reached their preservation age and have a minimum opening balance of \$20,000.
Typical age range	From preservation age to age 65.
Typical employment status	Employed.
Likely objectives	To receive an additional regular income with flexibility in payment frequency and amount. To supplement income from working reduced hours or to maximise tax-effective salary sacrifice contributions. To grow retirement savings in a tax-effective investment with investment earnings taxed at 15% with a selection of investment options and risks.
Likely financial situation	Boosting their retirement savings in a tax-effective investment. Still working with an employer making superannuation contributions into a separate accumulation product on their behalf. Reduced income through salary due to reduced working hours.
Likely needs	Ability to choose how their retirement savings are invested from a range of investment options with different investment objectives and risk profiles. Ability to access general or personal financial advice related to retirement planning. Additional regular income while reducing work hours and transitioning to retirement.

This product is not designed for consumers who:

- have not reached their preservation age
- have less than \$20,000 in superannuation
- do not want to draw income from their retirement savings
- are looking for a guaranteed income stream
- require lump sum payments from their retirement savings prior to meeting a superannuation condition of release.

Preservation age

Consumers born before 1 July 1964	Preservation age has been reached
Consumers after 1 July 1964	Preservation age is 60

Product description and key attributes

NGS Super designs its products and services to ensure our members get the most out of their retirement savings. 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 a regular income payment 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 and sector-specific options, 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
- access to education and online account self-service, including:
 - 24/7 online access to view and update account details
 - free webinars, seminars and online financial education.

Objectives, financial situation and needs

Investments

Investment options with a 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 options are more suitable for consumers with a medium to long-term investment horizon, depending on the option.

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.

There are more details in the table below.

Investment option	Consumer investment aim aligned with	Consumer minimum investment timeframe	Consumer risk tolerance based on the expected frequency of a negative return over a 20-year period
Diversified (Investment default option)	Achieving 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 7 years.	3.5 years in 20
High Growth	Achieving 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 7 years.	3.7 years in 20
Balanced	Achieving a net investment return 2% above CPI p.a. over rolling 10-year periods.	Consumers should be prepared to stay invested in this option for at least 5 years.	2.6 years in 20
Indexed Growth	Achieving 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.	5.2 years in 20
Australian Shares	Outperforming the S&P/ASX300 Total Return Index (adjusted for implied superannuation tax and/or franking credits, where applicable) over the medium to long term.	Consumers should be prepared to stay invested in this option for at least 12 years.	6 years in 20
International Shares	Outperforming the MSCI ACWI ex Aust Index (in AUD, adjusted for implied superannuation tax and/or franking credits, where applicable) over the medium to long term.	Consumers should be prepared to stay invested in this option for at least 12 years.	6.4 years in 20
Infrastructure	Achieving the equivalent return of the FTSE Developed Core Infrastructure 50/50 Net Total Return Index (Hedged to AUD, adjusted for implied superannuation tax and/or franking credits, where applicable) over the medium to long term.	Consumers should be prepared to stay invested in this option for at least 12 years.	7.2 years in 20
Property	Outperforming the equivalent return of the FTSE EPRA/NAREIT Developed Net Total Return Index (Hedged to AUD, adjusted for implied superannuation tax and/or franking credits, where applicable) over the medium to long term.	Consumers should be prepared to stay invested in this option for at least 12 years.	7.4 years in 20

Investment options with a 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	Consumer investment aim aligned with	Consumer minimum investment timeframe	Consumer risk tolerance based on the expected frequency of a negative return over a 20-year period
Defensive	Achieving a net investment return 1% above CPI p.a. over rolling 10-year periods.	Consumers should be prepared to stay invested in this option for at least 3 years.	1.5 years in 20
Diversified Bonds	Outperforming a weighted index of 50% Australian - Bloomberg AusBond Composite Bond 0+YR and 50% International - Bloomberg Barclays Global Aggregate Index (hedged to AUD, adjusted for implied superannuation tax and/or franking credits, where applicable) over the medium to long term.	Consumers should be prepared to stay invested in this option for at least 5 years.	2.2 years in 20
Cash and Term Deposits	Achieving a net return that matches or exceeds the RBA cash rate (adjusted for implied superannuation tax and/or franking credits, where applicable).	Consumers should be prepared to stay invested in this option for at least 1 year.	Negligible

Read the **NGS Retirement PDS** for more information.

Regular payments

Flexibility of regular income payments as follows:

Payment frequency available: fortnightly, monthly, quarterly, six-monthly, annually

Payment amount: can be chosen but the legislated minimum amount must be received for the financial year.

Read the **NGS Retirement PDS** for more information.

Consistency between target market and the product

The *NGS Transition to retirement (TTR) account* is regularly reviewed to ensure it provides the investment options, product features and services to meet its target market member needs.

The key *NGS TTR* features supporting the target market member needs include:

Consumer target market	NGS Transition to retirement offer
To receive a regular income stream from their retirement savings to supplement income from working reduced hours or to maximise tax-effective salary sacrifice contributions.	Eligible members can access their super upon meeting a condition of release and in accordance with superannuation law.
To continue to grow their retirement savings in a tax-effective investment.	Competitive fees and investment returns, with investment earnings taxed at 15%.
The ability to choose how their retirement savings are invested from a range of investment options with short-term and long-term investment time horizons and different risk profiles.	A range of investment options with varying investment objectives, asset class exposure, investment risk and timeframes, to meet target members' investment objectives.
Access to general or personal financial advice.	A range of education and advice services supporting members understanding of and engagement with the product offer and features available.

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

How this product is to be distributed

Distribution channels

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

- NGS website www.ngssuper.com.au (via the application form located in the *NGS Retirement PDS*)
- NGS Customer Relationship Managers
- NGS Helpline
- NGS Financial Advice Helpline, and
- Financial advisers.

Distribution conditions

This product should only be distributed under the following circumstances:

- The consumer is an individual who is resident in Australia
- The consumer joins through a stated distribution channel
- Financial advisers must be acting in reliance on an appropriate authorisation under an Australian financial services licence and in accordance with code of ethics and legislative requirements
- The consumer is considered within the target market outlined in this document unless personal advice has been provided
- The Product application eligibility terms and conditions stated in the **NGS Retirement PDS**, and other related material have been met.

Adequacy of distribution conditions and restrictions

The above distribution conditions and restrictions have been determined as appropriate as they will control the distribution of the product to consumers likely to be in the target market aligned to the *NGS TTR account* offer.

Reviewing this target market determination

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

Next periodic review	5 October 2024
Review period	This target market determination will be reviewed at least every 12 months.
Review triggers or events	<p>There are several events or circumstances that could arise which may trigger a TMD review or update prior to the next periodic review. 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.

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

<p>Complaints</p>	<p>Distributors must report all complaints in relation to the product(s) covered by this TMD on a quarterly basis. This will include written details of the complaints and general feedback relating to the product and its performance.</p> <p>All product related complaints and feedback will be received from all distribution channels within 10 business days after the end of every quarter.</p>
<p>Significant dealings</p>	<p>A significant dealing is an event which has occurred which has resulted in a financial product being sold to consumers who are outside of the product's target market and has impacted a material number of members over an extended time period, causing actual financial harm to the affected members.</p> <p>Distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.</p>

Need more information? Contact us

You can contact us at ngssuper.com.au/contact-us

call us on **1300 133 177**, Monday to Friday, 8am–8pm (AEST/AEDT)

Postal address: **GPO Box 4303 Melbourne VIC 3001**

ngssuper.com.au