

# Target Market Determination (TMD) for Brighter Super Transition to Retirement (TTR) Pension Account

Date from which this Target Market Determination is effective **30 November 2023**

## Disclaimer

A Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001 (Cth). It sets out the target market for the product, triggers to review the target market and certain other information. It forms part of the design and distribution framework for the Fund.

This document is not a Product Disclosure Statement and is not a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Members interested in acquiring this product should carefully read the Product Disclosure Statement (PDS) and any supplementary documentation before making a decision whether to buy this product.

This TMD applies to the Transition to Retirement Pension Account referred to in the Product Disclosure Statement which is made of two parts:

- **Pension accounts PDS (Part 1) - Date issued 30 November 2023**
- **Pension Investment choice guide (Part 2) - Date issued 30 November 2023**

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This document has been prepared and issued by LGIASuper Trustee (ABN 94 085 088 484 AFS Licence No. 230511) (Trustee) as trustee for LGIASuper (ABN 23 053 121 564) (Fund), trading as Brighter Super. In this document, Brighter Super may refer to the Trustee or LGIASuper as the case may be.

Brighter Super products are issued by the Trustee on behalf of Brighter Super.



# Class of Members that fall within the target market

The information below summarises the overall class of members that fall within the target market based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet. Key eligibility requirements and attributes for the investment options are aligned to the target market.

## Product description

This Brighter Super Transition to Retirement (TTR) Pension account has been designed for members whose likely objectives, financial situation and needs (as listed below) are aligned with the product (including the key attributes).

The Brighter Super TTR Pension product is for members who have reached their preservation age (but not yet retired) who want to start drawing an income from their super and make an active choice by selection of one or more investment options.

## Objectives, financial situation and needs of member in the target market

The below table outlines the likely objectives, financial situation and needs of members who are part of the target market for the Transition to Retirement (TTR) Pension Account product:

| Type of Members                   | Individual members   |
|-----------------------------------|--|
| Financial Situation of the Member | <ul style="list-style-type: none"><li>• Members who have reached their preservation age and not yet retired, wanting to draw from their superannuation.</li><li>• Members may be seeking to work less, use a TTR to top up their super (within the contribution caps) or perhaps take a lower paid position leading up to retirement.</li><li>• Comfortable to invest more than \$50,000 (subject to Transfer Balance Cap).</li><li>• Members seeking to draw between the minimum and maximum amounts permitted under law.</li></ul> |
| Members Desired Investments       | <ul style="list-style-type: none"><li>• Investments chosen by the member from an investment menu, with administration provided by the fund.</li><li>• The ability to switch between investment options at any time.</li><li>• Ready-made diversified portfolio options.</li><li>• Sector specific options.</li><li>• Sub-sector specific option.</li></ul>   |
| Members Desired Insurance Options | Brighter Super Transition to Retirement (TTR) Pension Accounts do not provide insurance cover.   |

**This product is not available to the members who have:**

- not reached their preservation age.
- reached their preservation age and retired.

## Key product attributes

The TTR product provides members with key attributes including:

- 5 regular income payment frequency options (fortnightly, monthly, quarterly, half-yearly or annually).
- Option to have this account open at the same time as a Brighter Super accumulation account meaning superannuation contributions from an employer can still be added to this account including salary sacrifice contributions (where eligible depending on age and work status).
- Ability to adjust the selection of investment options at any time and at no cost. Upon the member's death – option for balance of pension in lump sum to nominated dependents or as a reversionary beneficiary (pension paid to a nominated preferred beneficiary).
- Lump sum withdrawals are not available.

## Investment options alignment to target market

The Brighter Super TTR account provides members with several investment options to help those who have reached their preservation age but do not have full access to their super to top up their income. The investment options provide our members with a wide range of wealth generating portfolios so they can make a choice that suits their needs.

Each investment option has a specific purpose and objective. Members can select their investment options, based on their own financial objectives, goals and needs and can switch investments options at any time.

### SINGLE ASSET CLASS OPTIONS

A single asset class investment option will only invest in assets within that asset class.

### DIVERSIFIED INVESTMENT OPTIONS

Diversified options invest in/across a broad range of asset classes.

#### Key attribute (investment options) alignment with the target market:

| Investment Option                                     | Member Need  | Return Target   | Member Risk Tolerance  | Minimum Suggested Investment Timeframe |
|---|--|---|--|--|
| <b>Transition to Retirement Growth</b>                | Those seeking high returns and prepared to accept likely significant fluctuations over shorter periods.  | Return target of 3.5% per year above inflation over rolling 10-year periods after fees and taxes.                                       | High Risk – Negative returns expected 4.6 years over any 20-year period.           | Ten or more years.                     |
| <b>Transition to Retirement Balanced</b>              | Those seeking moderate to reasonably high returns and prepared to accept likely modest to significant fluctuations in returns over shorter periods.      | Return target of 3% per year above inflation over rolling 10-year periods after fees and taxes.   | High Risk – Negative returns expected 4.1 years over any 20-year period.           | Ten or more years.                     |
| <b>Transition to Retirement Indexed Balanced</b>      | Those seeking high returns and prepared to accept likely significant fluctuations over shorter periods.  | Return target of 2.75% per year above inflation over rolling 10-year periods after fees and taxes.                                      | High Risk – Negative returns expected 4.8 years over any 20-year period.           | Ten or more years.                     |
| <b>Transition to Retirement Conservative Balanced</b> | Those seeking moderate returns and prepared to accept likely modest fluctuations in returns over shorter periods.  | Return target of 2.5% per year above inflation over rolling 10-year periods after fees and taxes.                                       | Medium to High Risk – Negative returns expected 3.4 years over any 20-year period. | Ten or more years.                     |
| <b>Transition to Retirement Stable</b>                | Those seeking modest returns and who are fairly averse to fluctuations over shorter periods.   | Return target of 1.5% per year above inflation over rolling 10-year periods after fees and taxes.                                       | Medium Risk – Negative returns expected 2.3 years over any 20-year period.         | Ten or more years.                     |
| <b>Transition to Retirement Secure</b>                | Those wanting to stay ahead of inflation and who are generally averse to fluctuations in returns over shorter periods.                                   | Return target of 1% per year above inflation over rolling 10-year periods after fees and taxes.   | Low Risk – Negative returns expected 0.6 out of 20 years.                          | Ten or more years.                     |
| <b>Transition to Retirement International Shares</b>  | Those seeking high returns from international shares only, or those wanting to build their own investment strategy when combined with other single asset | Return target is to outperform the weighted average return from the MSCI All Countries World Index in \$A hedged (50%) and the MSCI All | High Risk – Negative returns expected 5.5 out of 20 years.                         | Five or more years.                    |

|  |   |  |  |                      |
|--|---|--|--|----------------------|
|  | class options. Prepared to accept likely significant fluctuations in returns over shorter periods.  | Countries World Index in \$A unhedged (50%) over rolling 5-year periods after fees and taxes.  |  |                      |
| <b>Transition to Retirement Australian Shares</b>                      | Those seeking high returns from Australian shares only, or those wanting to build their own investment strategy when combined with other single asset class options. Prepared to accept likely significant fluctuations in returns over shorter periods.  | Return target is to outperform the S&P/ASX 300 Accumulation Index over rolling 5-year periods after fees and taxes.  | High Risk – Negative returns expected 5.9 years over any 20-year period.     | Five or more years.  |
| <b>Transition to Retirement Property</b>                               | Those seeking high returns from a diversified property portfolio only, or those wanting to build their own investment strategy when combined with other single asset class options. Prepared to accept likely significant fluctuations in returns over shorter periods.                               | Return target is to outperform the MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index over rolling 5-year periods after fees and taxes.  | Medium to High Risk – Negative returns expected 3.9 out of 20 years.         | Five or more years.  |
| <b>Transition to Retirement Diversified Fixed Interest</b>             | Those seeking modest returns from diversified fixed interest only, or those wanting to build their own investment strategy when combined with other single asset class options. Prepared to accept likely modest fluctuations in returns over shorter periods.  | Return target is to outperform 70% Bloomberg AusBond Composite Bond Index (All Maturities) plus 30% Bloomberg Barclays Global Aggregate Index (hedged to Australian Dollars) over rolling 3-year periods after fees and taxes. | Medium Risk – Negative returns expected 2.1 out of 20 years.                 | Three or more years. |
| <b>Transition to Retirement Cash</b>                                   | Those seeking consistent returns on their money in the short term with minimal to low fluctuations in returns over shorter periods, even if that return is low and doesn't keep pace with inflation.  | Return target is to outperform the Bloomberg AusBond Bank Bill Index over rolling 2-year periods after fees and taxes.   | Very Low Risk – Negative returns expected 0.0 years over any 20-year period. | Two or more years.   |
| <b>Transition to Retirement Socially Responsible</b>                   | Those seeking a socially responsible investment with moderate to high returns and who are prepared to accept potentially modest to significant fluctuations in returns over shorter periods. Prepared to accept likely significant fluctuations in returns over shorter periods.                      | Return target of 3% per year above inflation over rolling 10-year periods after fees and taxes.  | High Risk – Negative returns expected 4.1 years over any 20-year period.     | Ten or more years.   |
| <b>Transition to Retirement Socially Responsible Australian Shares</b> | Those seeking a socially responsible investment with high returns from Australian shares only and who are prepared to accept potentially significant fluctuations in returns over shorter time periods, or those wanting to build their own investment strategy when combined with other single asset | Return target is to outperform the S&P/ASX 200 Accumulation Index over rolling 5-year periods after fees and taxes.  | High Risk – Negative returns expected 5.9 years over any 20-year period.     | Five or more years.  |

class options. Prepared to accept likely significant fluctuations in returns over shorter periods.

## Target market consistency

The Brighter Super TTR product and its key attributes have been designed for members (who have reached their preservation age, but not yet retired) who want the ability to draw on their superannuation (subject to the 10% limit per year) as they transition to retirement.

### Investment option consistency with the objectives, financial situation and needs of members within the target market:

| Product Attribute  | Target Market Needs, Objective and Financial Situation  | Product Consistency and Adequacy for Target Market   |
|--------------------|---|--|
| Investment Options | <ul style="list-style-type: none"> <li>• Typically, at different life stages members may have different risk tolerances, however this is still a personal choice.</li> <li>• Risk averse members may seek investment choices with more stable returns over shorter investment timeframes. Less risk averse members hoping to benefit from higher growth rates may choose more aggressive investment portfolios.</li> <li>• Member investment experience may range from little or basic knowledge to the more informed or experienced investor.</li> <li>• Members may need a complete or partial annual income supplement from their superannuation savings in retirement and will likely seek to optimise their investment returns.</li> </ul> | <ul style="list-style-type: none"> <li>• Depending on risk appetite at any time in life there is a wide range of investment options.</li> <li>• The freely available opt-in opt-out choice for each investment type, means the product allows members to tailor their investment choice to suit their individual needs at any stage in life.</li> <li>• Investment option choices include diversified asset combinations (including the default fund) as well as single class asset options (e.g., shares). Catering to the diverse range of potential investment experience our members can allocate the portion of funds invested across any combination of investment options.</li> </ul> |

# How this product is to be distributed

## Distribution channel and conditions

Distribution of the TTR Pension is directed towards target market via active distribution channels and must meet the distribution conditions outlined. The TTR Pension product must only be distributed when there is a compliant Target Market Determination that has been published

| Active Distribution Channels   | Distribution Conditions  |
|--|--|
| Online directly through Brighter Super website by submitting a completed online application form | Members who meet the eligibility requirements, as defined in 'Objectives, financial situation and needs of member in the target market.  |
| Paper application form   | Members who meet the eligibility requirements, as defined in 'Objectives, financial situation and needs of member in the target market.  |
| Telephone via Contact Centre   | Members who meet the eligibility requirements, as defined in 'Objectives, financial situation and needs of member in the target market.  |
| Through authorised representatives by general advice   | Members who meet the eligibility requirements, as defined in 'Objectives, financial situation and needs of member in the target market', and have been enrolled by distributors authorised by us to distribute the products. |
| Through licenced advisers  | The licensee must agree to provide data for review triggers. The licensee must comply with the agreed terms and conditions outlined in the terms of trade issued by Brighter Super.  |

## Adequacy of distribution conditions and restrictions

For the TTR Pension product, the target market is anyone eligible (who has reached their preservation age and not yet retired) wanting the ability to draw on their super.

Appropriate product distribution conditions are in place to direct distribution towards the target market and ensure reasonable steps have been taken to make it likely that members within the target market acquire the product. This includes:

- Strict product eligibility requirement criteria to prevent members outside the defined target market from acquiring the product.
- Restricted distribution channels to ensure equitable product access to both default employer members and public offer members within the defined target market.
- A 14 day 'cooling off' period which enables any newly opened account to be cancelled, and funds transferred back to the member or another superannuation fund (depending on timing and circumstances).

# Reviewing this Target Market Determination

The Fund will review this TMD in accordance with the below:

| Review Type               | Review Details  |
|---------------------------|---|
| Last Review               | <b>30 November 2023</b>   |
| Periodic Reviews          | This TMD will be reviewed at least every 12 months. This TMD will also be reviewed where a review trigger occurs or when the Trustee otherwise decides to undertake a review.   |
| Review Triggers or Events | <p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to):</p> <ul style="list-style-type: none"><li>• A material change to the design or distribution of the product, including documentation.</li><li>• Occurrence of a significant dealing outside the TMD.</li><li>• Distribution conditions found to be inadequate, with indications that the distribution conditions do not make it likely that the members who acquire the product are in the target market.</li><li>• The nature, number and outcomes of product related complaints.</li><li>• A significant increase in fund outflows and /or members exiting the product.</li><li>• A significant increase in investment option switching.</li><li>• Material changes in investment performance:<ul style="list-style-type: none"><li>• Results of member outcomes monitoring/reviews.</li><li>• The performance of the product relative to its investment objective, appropriate benchmarks (if any) and similar products (e.g., a change in expected performance in light of significant changes in market conditions such as an economic downturn).</li><li>• Significant losses suffered by members and whether the product is still likely to achieve its investment objective over time.</li><li>• Whether the liquidity of the product has changed and whether the product is able to continue to offer regular withdrawals.</li><li>• The fees of the product compared to similar types of products.</li><li>• The taxation implications of the product compared to similar products.</li></ul></li><li>• Whether the product remains on approved product lists and menus for key distributors.</li><li>• External events such as adverse media coverage, regulatory attention or change in legislation.</li></ul> |

**Note: Review triggers suggest that the target market may no longer be appropriate and such reviews can occur outside of the regular review timeframes.**

Where a review trigger has occurred, this Target Market Determination will be reviewed within **10 business days**. If a significant dealing that is not consistent with the Target Market Determination is identified ASIC will be notified. Distributors can report significant dealings and/or review triggers to [info@brightersuper.com.au](mailto:info@brightersuper.com.au).

The information that is required to be included in the report is:

- the date of the occurrence/event,
- the date they became aware of the significant dealing or review trigger,
- description of the occurrence/event,
- how the occurrence/event was identified, and
- any steps taken to resolve the significant dealing/review trigger.



## Reporting and monitoring this Target Market Determination

Distributor information reporting periods.

The Fund may collect the following information from our distributors in relation to this TMD:

| Requirements and Reporting Deadlines |  |
|--------------------------------------|--|
| Complaints                           | Distributors will report all complaints in relation to the product(s) covered by this TMD on a monthly basis.<br>This will include written details of the complaints including: <ul style="list-style-type: none"><li>• the nature of the complaints including whether they relate to product design, product availability and distribution conditions</li><li>• periods where there were no complaints.</li></ul> |
| Significant Dealing                  | Distributors will report if they become aware of a significant dealing in relation to this TMD within <b>10 business days</b> .  |



right by your side

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LGIAsuper Trustee (ABN 94 085 088 484 AFS Licence No. 230511) (Trustee) as trustee for LGIAsuper (ABN 23 053 121 564) (Fund), trading as Brighter Super. Brighter Super products are issued by the Trustee on behalf of the Fund.