



TARGET MARKET DETERMINATION (TMD) FOR
LGIASUPER - ENERGY SUPER
TRANSITION TO RETIREMENT (TTR)
INCOME STREAM ACCOUNT



This document has been prepared and issued by LGIAsuper Trustee (ABN 94 085 088 484 AFS Licence No. 230511)
as Trustee for LGIAsuper (ABN 23 053 121 564)

ABOUT THIS DOCUMENT

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 LGIAsuper's design and distribution framework for the product.

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 (TTR) Income Stream Account** referred to in the *Energy Super Income Stream Product Disclosure Statement*.

- [Income Stream PDS](#)- Issued 1 July 2022 (includes "Transition to Retirement" Income Stream)

DATE FROM WHICH THIS TARGET MARKET DETERMINATION IS EFFECTIVE
1 JULY 2022

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 Energy Super Transition to Retirement (TTR) Income Stream 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).

TTR Income Stream product is for members who have reached their preservation age (but not yet retired) who want to start drawing an income from their superannuation and make an active choice by selecting of one or more investment options.

OBJECTIVES, FINANCIAL SITUATION AND NEEDS OF MEMBERS 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 TTR Income Stream product:

Type of Members	Individual members
Financial Situation of the Member	<p>Members who:</p> <ul style="list-style-type: none"> • have reached their preservation age, and not yet retired, wanting to draw on their superannuation. • 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. • are comfortable to invest more than \$50,000 (subject to the Transfer Balance Cap). • are seeking to draw between the minimum and maximum amounts permitted under law.
Members Desired Investments	<ul style="list-style-type: none"> • Investments chosen by the member from an investment menu, with administration provided by the fund • The ability to switch between investment options at any time.
Members Desired Types of Products	<ul style="list-style-type: none"> • Ready-made diversified portfolio options • Sector specific options • Sub-sector specific options • Longevity product options

A TTR product is not available to members who:

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

KEY PRODUCT ATTRIBUTES

The Energy Super TTR Income Stream product provides members with key attributes including:

- 5 regular income payment frequency options (fortnightly, monthly, quarterly, half-yearly or annually).
- Option to have automatic payment increases in line with CPI increases each year.
- Option to have this account open at the same time as an Energy Super accumulation account meaning super 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.
- Options for automatic annual rebalancing to ensure the member's chosen allocations of fund investments for each option remains consistent.
- Upon the member's death - option for balance of income stream in lump sum or revisionary income stream to nominated beneficiaries.
- Lump sum access (only in limited circumstances).

INVESTMENT OPTIONS ALIGNMENT TO TARGET MARKET

The TTR Income Stream product 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 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 that will appeal to the objectives and needs of our members depending on their situation. If a member's situation changes, they have the flexibility to select a different option (or combination of options) and can switch investments at any time without cost.

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	Investment Objectives	Member Risk Tolerance	Minimum Suggested Investment Timeframe
Cash Enhanced	Those risk-averse investors who would like to be assured of a consistent return on their money in the short term, even if that return is low and does not keep pace with inflation.	Return target is to outperform the Bloomberg AusBond Bank Bill Index over rolling 2-year periods.	Very Low Risk - Estimated number of negative annual returns is 0.1 over any 20-year period.	Willing to invest in the option for a minimum of 1 year.
Fixed Interest	Those risk-averse investors who want capital stability and higher returns than the Cash Enhanced option over the medium term	To outperform the weighted average return from the Bloomberg AusBond Composite Bond Index (50%) and the Barclays Capital Global Aggregate Index (Hedged into Australian dollars) (50%) after tax and fees over 3-year periods.	Low to Medium Risk - Estimated number of negative annual returns is 1.9 over any 20 year period.	Willing to invest in the option for a minimum of 3 years.
Stable	Those risk-averse investors who would like some diversification and would like the opportunity to achieve a better return than the Cash Enhanced investment option.	To achieve returns (after tax and other costs) over rolling 10-year periods of 1.5% above the Consumer Price Index (CPI).	Medium to High Risk - Estimated number of negative annual returns is 3.1 over any 20 year period.	Willing to invest in the option for a minimum of 3 years.
Capital Managed	For cautious risk-takers who are willing to take some risk with their money but would like some investment in Cash Enhanced and Fixed Interest to stabilise their Share investment.	To achieve returns (after tax and other costs) over rolling 10 year periods of 2.5% above CPI.	High Risk Estimated number of negative annual returns is 4.1 over any 20-year period.	Willing to invest in the option for a minimum of 3 years.

Investment Option	Member Need	Investment Objectives	Member Risk Tolerance	Minimum Suggested Investment Timeframe
Balanced	For return-seeking investors who are willing to take moderate risks but still like the stability of a proportion of Cash and Fixed Interest in their investment.	To achieve returns (after tax and other costs) over rolling 10 year periods of 3% above CPI.	High Risk - Estimated number of negative annual returns of 4.7 over any 20-year period.	Willing to invest in the option for a minimum of 5 years.
SRI Balanced	For investors who are willing to take moderate risks and seeking an investment return from socially responsible sources.	To achieve returns (after tax and other costs) over rolling 10 year periods of 3% above CPI.	High Risk – Estimated number of negative annual returns 4.7 over any 20 year period.	Willing to invest in the option for a minimum of 5 years.
Growth	For investors who are looking to increase the underlying value of their assets from returns from capital growth.	To achieve returns (after tax and other costs) over rolling 10 year periods of 3.5% above CPI.	High Risk Estimated number of negative annual returns of 5.1 over any 20 year period.	Willing to invest in the option for a minimum of 7 years.
Indexed Balanced	For return-seeking investors who are willing to take moderate risk, but would still like the stability of a proportion of Cash Enhanced and Fixed Interest in their investment.	To achieve returns (after tax and other costs) over rolling 10 year periods of 2.75% above CPI.	High Risk Estimated number of negative annual returns of 5.2 over any 20 year period.	Willing to invest in the option for a minimum of 5 years.

TARGET MARKET CONSISTENCY

The Energy Super TTR Income Stream 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 minimum and maximum drawdown limits per year) as they transition to retirement.

Investment option consistency with the objectives, financial situation and needs of the target member:

Product Attribute	Target Market Needs, Objectives and Financial Situation	Product Consistency and Adequacy for Target Market
Investment Options	<ul style="list-style-type: none"> Typically at different life stages members may have different risk tolerances, however this is still a personal choice. Members need an income from their investment with objectives including wanting to optimise investment earnings at this life-stage. Members who are more risk adverse, or who are closer to retirement, may seek investment choices with more stable returns over shorter investment timeframes. Less risk averse members hoping to benefit from higher growth rates may still want to choose more aggressive investment portfolios at this time. Member investment experience may range from little or basic knowledge to the more informed or experienced investor. 	<ul style="list-style-type: none"> Depending on risk appetite at any time in life there is a wide range of investment options which can be tailored by the members to align with their investment strategy. 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. 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.

HOW THIS PRODUCT IS TO BE DISTRIBUTED

DISTRIBUTION CHANNEL AND CONDITIONS

Distribution of this product is directed towards target market via active distribution channels and must meet the distribution conditions outlined. The TTR Income Stream 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 LGIA 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 by 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

ADEQUACY OF DISTRIBUTION CONDITIONS AND RESTRICTIONS

For the TTR Income Stream product, the target market is anyone eligible (who has reached their preservation age, 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

DISTRIBUTOR INFORMATION REPORTING PERIODS

LGIAsuper (as issuer of Energy Super products) will review this TMD in accordance with the below:

Review Type	Review Details
Last Review Date	1 July 2022.

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

Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but not limited to):

- A material change to the design or distribution of the product, including documentation.
- Occurrence of a significant dealing outside the TMD.
- 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.
- The nature, number and outcomes of product related complaints.
- A significant increase in fund outflows and /or members exiting the product.
- A significant increase in investment option switching.
- Material changes in investment performance:
 - Results of member outcomes monitoring/reviews.
 - 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).
 - Significant losses suffered by members and whether the product is still likely to achieve its investment objective over time.
 - Whether the liquidity of the product has changed and whether the product is able to continue to offer regular withdrawals.
 - The fees of the product compared to similar types of products.
 - The taxation implications of the product compared to similar products.
- Whether the product remains on approved product lists and menus for key distributors.
- External events such as adverse media coverage, regulatory attention or change in legislation.

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@lgiasuper.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

LGIAsuper (as issuer of Energy Super products) may collect the following information from our distributors in relation to this TMD:

Requirements and Reporting Deadlines	
Complaints	<p>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 including:</p> <ul style="list-style-type: none">the nature of the complaints including whether they relate to product design, insurance claims, product availability and distribution conditions.periods where there were no complaints.
Significant Dealing	<p>Distributors will report if they become aware of a significant dealing in relation to this TMD within 10 business days.</p>

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