

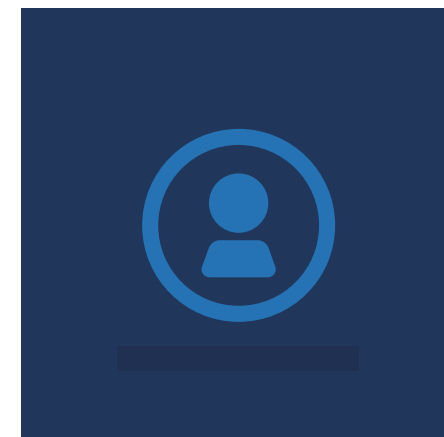


# Hostplus Target Market Determination

For the Pension plan

Effective date: 5 October 2022

Expiry date: 30 June 2023





## 1. Purpose

This Target Market Determination (TMD) seeks to offer distributors and Hostplus staff with an understanding of the class of consumers for which this product has been designed, having regard to the likely objectives, financial situation and needs of the target market.

Members should refer to the Product Disclosure Statement (PDS) and supporting guides for detailed product information.

### Product description

*The Hostplus Pension Plan* provides members a great way to secure a regular income in retirement, or while they transition to retirement (TTR). With flexible payment options and a diverse choice of investments, it allows members to control their retirement lifestyle.

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. Persons interested in acquiring this product should carefully read the Product Disclosure Statement for Pension plan, available at [hostplus.com.au](https://hostplus.com.au) and consider obtaining financial advice before making a decision whether to acquire this product.

Issued by Host-Plus Pty Limited ABN 79 008 634 704, AFSL 244392 as trustee for the Hostplus Superannuation Fund (the Fund) ABN 68 657 495 890, MySuper No 68 657 495 890 198.

## 2. Target market

This product has been designed for a broad target market and includes investment options, which allows members to tailor the product to likely match their objectives, financial situations and needs. Distributors should take note of the separately identified sub-markets for the various investment and insurance options.

The **target market** (and sub-markets) for the *Pension Plan* is outlined below.

**Transitioning to Retirement (TTR)** – A person in the Transitioning to Retirement<sup>1</sup> life stage that wants to draw a regular income from their superannuation.

**Account Based Pension** – A person that wants to draw a regular account-based pension income from their superannuation.

1. Transitioning to retirement - People that have met preservation age (but are under 65) that are still employed (full time or part time).

The **eligibility criteria** for *Pension Plan* are as follows:

- Certain investment options (Choiceplus) have specific eligibility criteria apply to them.
- Certain investment options (Choiceplus and CPIplus) are only available via the Account Based Pension product.

### Transitioning to Retirement (TTR)

- A person who has reached the preservation age and is still working.
- Make a minimum investment of \$10,000.

### Account Based Pension

A person with funds currently invested in a superannuation fund (at least \$10,000) and must meet one of the following conditions of release:

- Have reached the preservation age and are permanently retired from the workforce
- Have reached age 60 and terminated employment
- Have reached age 65
- Are totally and permanently disabled
- Are terminally ill
- Are an eligible dependant in receipt of a death benefit income stream.

There are certain members who the *Pension Plan* is not suited (**negative target market**) to and to whom distribution should be avoided:

### Transitioning to Retirement (TTR) – People that:

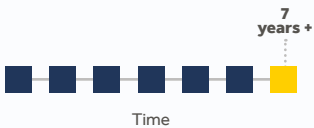
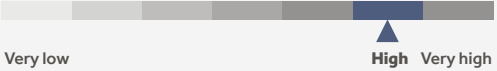
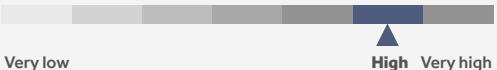
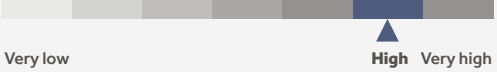
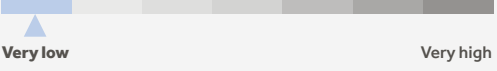
- Have less than \$10,000 to invest
- Have met any other condition of release approved by Hostplus. For example, if a member meets a condition of release it would be in their interest to use the account based pension product rather than transition to retirement product.

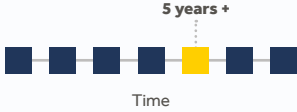
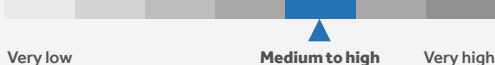
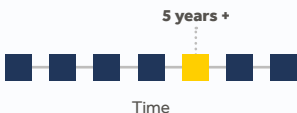
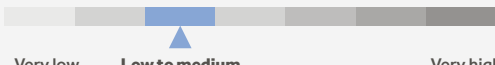



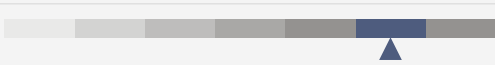
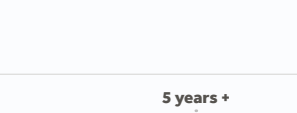
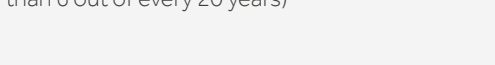
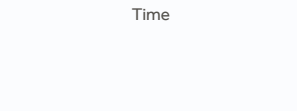
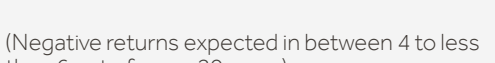
### Account Based Pension

- People with less than \$10,000 to invest

## Investment Options

The below table defines the sub-market for each investment option within the *Pension Plan*.

Investment option	Overall class of members designed for	Product key attributes	
		Investment horizon	Level of investment risk
<b>Choiceplus (direct investment option) - not available to TTR members</b>			
Australian Shares (S&P/ASX 300 Index)	<p>Members who want a more active role in the investment and management of their superannuation, by investment into companies in the S&amp;P/ASX 300 Index, selected Exchange Traded Funds (ETFs) and Listed Investment Companies (LICs) and Term Deposits.</p> <p>To be able to invest in Choiceplus, a customer must:</p> <ul style="list-style-type: none"> <li>Be a Hostplus member with more than \$10,000 in their account.</li> </ul>	 <p>A horizontal timeline with seven dark blue squares representing years. The seventh square is highlighted in yellow and labeled '7 years +'. The word 'Time' is centered below the squares.</p>	 <p>Very low <span style="float: right;">High Very high</span></p> <p>(Based on a diversified share portfolio, expected frequency of negative annual return would be in between 4 and 6 out of every 20 years)</p>
Exchange Traded Funds (ETFs)	<ul style="list-style-type: none"> <li>Have access to the internet, a current email address and registered for Choiceplus.</li> <li>Read and accept the terms and conditions during the registration process.</li> </ul>	Dependent on the actual ETFs members choose to invest in	 <p>Very low <span style="float: right;">High Very high</span></p> <p>(Note: It is dependent on the actual composition of ETFs members choose to invest in)</p>
Listed Investment Companies (LICs)	<ul style="list-style-type: none"> <li>Maintain a minimum balance of \$2,000 in one or more of their Hostplus pre-mixed or sector investment options.</li> <li>Transfer and maintain at least \$200 into their Choiceplus transaction account from their other Hostplus investment options.</li> <li>Make an initial Choiceplus investment of \$200 minimum.</li> </ul>	Dependent on the actual LICs members choose to invest in	 <p>Very low <span style="float: right;">High Very high</span></p> <p>(Note: It is dependent on the actual composition of LICs members choose to invest in)</p>
Term Deposits		Member should be prepared to stay invested for the specific term of maturity to meet their objectives	 <p>Very low <span style="float: right;">Very high</span></p> <p>(Negative returns expected in less than 0.5 out of every 20 years)</p>

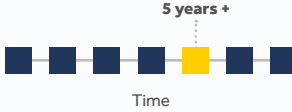
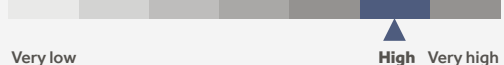
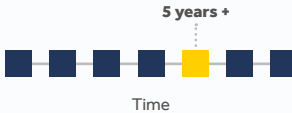

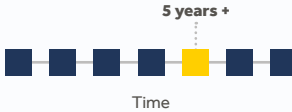

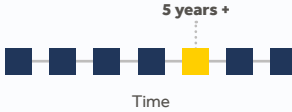

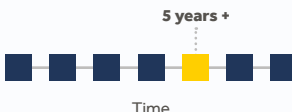
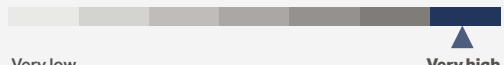

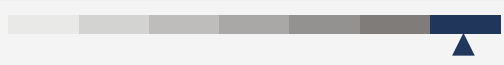
Investment option	Overall class of members designed for	Product key attributes	
		Investment horizon	Level of investment risk
<b>Pre-mixed options</b>			
Balanced (Default)	Members with a five years plus investment horizon in pursuit of an actively managed, highly diversified, pre-mixed investment option with access to growth and defensive assets.		 <p>(Negative returns expected in between 3 to less than 4 out of every 20 years)</p>
Capital Stable	Members with a five years plus investment horizon in pursuit of the lowest risk, diversified, pre-mixed investment option. Capital Stable has been designed for members seeking a much lower allocation to growth assets such as equities (shares) and a much higher allocation to defensive assets such as fixed interest and cash.		 <p>(Negative returns expected in between 1 to less than 2 out of every 20 years)</p>
Conservative Balanced	Members with a five years plus investment horizon in pursuit of a medium risk diversified, pre-mixed investment option. Conservative Balanced has been designed for members seeking a lower allocation to growth assets such as equities (shares) and a higher allocation to fixed interest and cash. It contains a similar proportion of growth and defensive assets.		 <p>(Negative returns expected in between 2 to less than 3 out of every 20 years)</p>
Socially Responsible Investment (SRI) - Balanced	Members with a five years plus investment horizon in pursuit of a diversified, pre-mixed investment option with a socially responsible investment style. The SRI Balanced option has been designed for members specifically seeking to avoid exposure to fossil fuels, companies that breach human rights or labour rights, uncertified palm oil, tobacco and other particular industries, while investing in assets that contribute to sustainable outcomes. Compared to our default Balanced option, SRI Balanced has a similar split between assets with growth and defensive characteristics.		 <p>(Negative returns expected in between 4 to less than 6 out of every 20 years)</p>
Indexed Balanced	Members with a five years plus investment horizon in pursuit of a passively managed, diversified, pre-mixed investment option. The Indexed Balanced option has been designed for members with a primary focus on minimising fees and has the lowest Total Investment Cost of the Hostplus pre-mixed options. This option aims to track established market indices. Indexed Balanced does not invest in unlisted assets and instead has a higher allocation to listed equities, fixed interest, and cash.		 <p>(Negative returns expected in between 4 to less than 6 out of every 20 years)</p>
Shares Plus	Members with a five years plus investment horizon in pursuit of a diversified, pre-mixed investment option. Shares Plus has been designed for members seeking a higher allocation to growth assets, being listed equities (shares) and a lower allocation to assets with defensive characteristics, such as fixed interest and cash. It has the highest exposure to growth assets and is therefore the least risk averse of our pre-mixed investment options.		 <p>(Negative returns expected in between 4 to less than 6 out of every 20 years)</p>

Investment option	Overall class of members designed for	Product key attributes	
		Investment horizon	Level of investment risk
<b>CPIplus - not available to TTR members</b>			
CPIplus	Members with a two years plus investment horizon in pursuit of a low-risk option targeting a consistent and competitive return above inflation over time. The CPIplus return formula provides for a minimum daily return floor of zero, meaning that irrespective of movements in CPI, the daily return of CPIplus will not be negative even if the CPI rate applicable to that period was negative.	<p>2 years +</p> <p>Time</p>	<p>Very low</p> <p>Very high</p> <p>(Negative returns expected in less than 0.5 out of every 20 years)</p>
<b>Other investment options</b>			
Cash (Default) <sup>1</sup>	Members with two years plus investment horizon in pursuit of exposure to short-term money market securities, bank deposits and other similar investments. This option aims to deliver stable returns over a market cycle.	<p>2 years +</p> <p>Time</p>	<p>Very low</p> <p>Very high</p> <p>(Negative returns expected in less than 0.5 out of every 20 years)</p>
Diversified Fixed Interest	Members with a two years plus investment horizon in pursuit of exposure to a portfolio of Australian and international government bonds and other investment grade debt. This option aims to provide capital stability and a return above cash over a market cycle.	<p>2 years +</p> <p>Time</p>	<p>Very low</p> <p>Medium to high</p> <p>Very high</p> <p>(Negative returns expected in between 3 to less than 4 out of every 20 years)</p>
Diversified Fixed Interest - Indexed	Members with a two years plus investment horizon in pursuit of exposure to a portfolio of Australian and international government bonds and other investment grade debt. This option is designed for members with a primary focus on minimising fees. It uses an indexed-enhanced strategy based upon an established market index and then seeks to add modest value by exploiting market inefficiencies. This option aims to provide capital stability and a return above cash over a market cycle.	<p>2 years +</p> <p>Time</p>	<p>Very low</p> <p>Medium to high</p> <p>Very high</p> <p>(Negative returns expected in between 3 to less than 4 out of every 20 years)</p>
Property	Members with a seven years plus investment horizon in pursuit of exposure to a diversified portfolio of unlisted property assets. This includes exposure to the traditional sectors, being retail, commercial, and industrial. These options aim to achieve income returns and capital growth over the long term.	<p>7 years +</p> <p>Time</p>	<p>Very low</p> <p>Medium to high</p> <p>Very high</p> <p>(Negative returns expected in between 3 to less than 4 out of every 20 years)</p>

1. The Cash option will be invested approximately 60% in deposits with Commonwealth Bank of Australia Limited and 40% in deposits with Members Equity Bank Limited.\*

Any remaining amounts of the Cash option will be invested in separate bank deposits, short-term money market investments or other similar investments.

\*Please note that maintaining a specific allocation requires regular rebalancing and the actual allocation may vary between rebalancing dates.

Investment option	Overall class of members designed for	Product key attributes	
		Investment horizon	Level of investment risk
<b>Other investment options</b>			
Australian Shares	Members with a five years plus investment horizon in pursuit of exposure to a highly diversified portfolio of companies listed on the Australian Securities Exchange. This actively managed option aims to outperform the market by carefully selecting which companies to buy and sell. This option aims to achieve capital growth and income growth via dividends over the long term.	 <p>5 years + Time</p>	 <p>Very low <span style="float: right;">High Very high</span></p> <p>(Negative returns expected in between 4 to less than 6 out of every 20 years)</p>
Australian Shares - Indexed	Members with a five years plus investment horizon in pursuit of exposure to a highly diversified portfolio of companies listed on the Australian Securities Exchange. This option is designed for members with a primary focus on minimising fees. It uses an indexed-enhanced strategy based upon an established market index and then seeks to add modest value by exploiting market inefficiencies. This option aims to achieve capital growth and income growth via dividends over the long term.	 <p>5 years + Time</p>	 <p>Very Low <span style="float: right;">Very high</span></p> <p>(Negative returns expected in between 6 or greater out of every 20 years)</p>
Infrastructure	Members with a five years plus investment horizon in pursuit of exposure to a diversified portfolio of infrastructure assets. This includes exposure to assets such as airports, seaports, and renewable energy generation. These options aim to achieve income returns and capital growth over the long term.	 <p>5 years + Time</p>	 <p>Very low <span style="float: right;">Medium to high Very high</span></p> <p>(Negative returns expected in between 3 to less than 4 out of every 20 years)</p>
International Shares	Members with a five years plus investment horizon in pursuit of exposure to a highly diversified portfolio of companies listed on international stock exchanges, including developed and emerging markets. This actively managed option aims to outperform the market by carefully selecting which companies to buy and sell. This option aims to achieve capital growth and income growth via dividends over the long term.	 <p>5 years + Time</p>	 <p>Very low <span style="float: right;">High Very high</span></p> <p>(Negative returns expected in between 4 to less than 6 out of every 20 years)</p>
International Shares - Indexed	Members with a five years plus investment horizon in pursuit of exposure to a diversified portfolio of companies listed on international stock exchanges in developed markets only. This passively managed option aims to mirror established market indices and has been designed for members with a primary focus on minimising fees. This option aims to achieve capital growth and income growth via dividends over the long term.	 <p>5 years + Time</p>	 <p>Very low <span style="float: right;">Very high</span></p> <p>(Negative returns expected in between 6 or greater out of every 20 years)</p>
International Shares (Hedged) - Indexed	Members with a five years plus investment horizon in pursuit of exposure to a diversified portfolio of companies listed on international stock exchanges in developed markets only. This passively managed option aims to mirror established market indices and has been designed for members with a primary focus on minimising fees, as well as applying currency hedging to seek to limit the impact of foreign currency movements. This option aims to achieve capital growth and income growth via dividends over the long term.	 <p>5 years + Time</p>	 <p>Very Low <span style="float: right;">Very high</span></p> <p>(Negative returns expected in between 6 or greater out of every 20 years)</p>

Investment option	Overall class of members designed for	Product key attributes	
		Investment horizon	Level of investment risk
<b>Other investment options</b>			
International Shares – Emerging Markets	Members with a five years plus investment horizon in pursuit of exposure to a highly diversified portfolio of companies listed on international stock exchanges within emerging market countries. This actively managed option aims to outperform the market by carefully selecting which companies of all sizes to buy and sell. This option aims to achieve capital growth and income growth via dividends over the long term. This Option is less diversified than the Fund’s Default Option and has a higher risk and return profile.		<p>(Negative returns expected in between 4 to less than 6 out of every 20 years)</p>

The above tables outline how the key product attributes align with the class of consumers identified to be in the sub-markets and therefore that the product is likely to be consistent with the likely objectives, financial situation and needs of the members in the target market.



### 3. Distribution

The below table outlines Hostplus' permitted distribution channels and associated distribution conditions or restrictions for *Pension Plan*.

Distribution Channel	Permitted Channel	Distribution conditions/ restrictions
Direct channels through Hostplus	Yes	<ul style="list-style-type: none"><li>• This product can only be distributed to the target market specified in this document.</li><li>• This product can only be offered and/or issued in accordance with the relevant product terms and conditions outlined in the Product Disclosure Statement.</li></ul>
Through personal advice	Yes	
Through authorised representatives by general/intra-fund advice	Yes	
Rating and research agencies	Yes	

The distribution conditions outlined above will be reviewed if distribution channels change.

## 4. Review process

This target market determination will be reviewed annually with a maximum review period of 15 months between the reviews and with an initial review to be undertaken within 12 months of the effective date. There are a number of events which will trigger an out of cycle review. These review triggers are as follows:

- Receipt of a significant or unexpectedly high number of complaints from customers who have acquired this product, regarding the product design, features, availability and any distribution condition that would reasonably suggest that this TMD is no longer appropriate.
- Material changes, additions or removals of key product options and/or attributes such as liquidity, administration fees, investment objectives, strategic asset allocation or terms and conditions that would reasonably suggest that this TMD is no longer appropriate.
- The Target Market and product attributes described in this TMD is found to include materially incorrect or misleading information that reasonably suggests that this TMD is no longer appropriate.
- Material changes to distribution conditions of the product that would reasonably suggest that this TMD is no longer appropriate.
- Receipt of a Product Intervention Power order from ASIC requiring Hostplus to cease retail distribution of this product.
- Occurrence of a significant dealing(s) outside of the TMD that would reasonably suggest that this TMD is no longer appropriate.
- The trustee makes a determination for purposes of s52(9) of Superannuation Industry (Supervision) Act 1993 (Member Outcomes Assessment) that the financial interests of the customers who hold this product are unlikely to be met.
- Failure to meet the performance test benchmarks stipulated under the Your Future Your Super legislation (noting the performance test will not apply to the direct investment option (Choiceplus)).
- Material changes to the investment profile of member cohorts that would reasonably suggest that this TMD is no longer appropriate.

Where a review trigger has occurred, the Trustee and all distributors must cease distribution conduct and any party (including the administrator) must cease giving a retail client a product disclosure statement as soon as is practicable and no later than 10 business days, unless the review occurs within that period of time and a new TMD is made or the relevant trigger event is resolved.

## 5. Distributor requirements

Hostplus regularly monitors the consistency of the distribution of its *Pension Plan* with the Target Market on a quarterly basis. In order to assist Hostplus with the identification of potential issues with the distribution of *Pension Plan* distributors are required to report the information to Hostplus as outlined below:

Reporting	Format	Provider	Frequency
<b>Complaints</b>	Any complaints received by Distributors about the <i>Pension Plan</i> where the complaint relates to product design, or product distribution conditions. The distributor should provide all of the complaint details where appropriate.	Distributor	Quarterly
<b>Sales of Product outside of TMD</b>	Distributors should report all sales outside of the target market that were not based on personal advice. This should include an indicator as to why the distribution is outside of the target market.	Distributor	Quarterly
<b>Significant dealings</b>	Distributors should advise of any significant dealings outside of the target market.	Distributor	As soon as possible. No later than 10 business days after the distributor becomes aware of the significant dealing.

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