

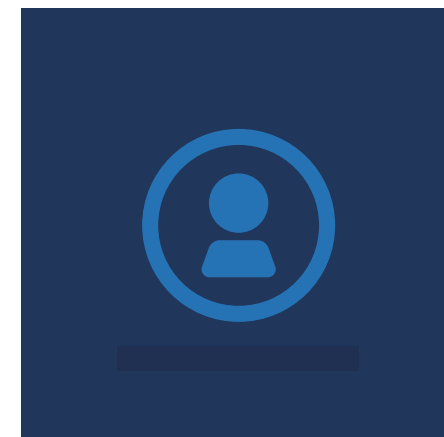


Hostplus Target Market Determination

For Self-Managed Invest

Effective date: 28 November 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.

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

Product description

Hostplus Self-Managed Invest provides Self-managed super funds (SMSFs), small APRA funds (SAFs), approved deposit funds (ADFs) or other eligible complying regulated superannuation entities:

- Access to a premium investment menu of Hostplus' pre-mixed and sector investment options
- Access to unique assets generally inaccessible to retail and SMSF investors, all while offering listed market-like liquidity on assets.

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 Hostplus Self-Managed Invest, available at hostplus.com.au/smi 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 Pooled Superannuation Trust (PST) ABN 13 140 019 340.

2. Target market

This product has been designed for a broad target market and includes investment options, which allows invested funds 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 options.

The **target market** (and sub-markets) for *Self-Managed Invest* is outlined below.

- Self-managed super funds (SMSFs), small APRA funds (SAFs), approved deposit funds (ADFs) or other eligible complying regulated superannuation entities as determined by the Trustee (eligible investors) with the capacity to invest that want access to the benefits associated with investment options managed by Hostplus Pooled Superannuation Trust (PST).

The **eligibility criteria** for *Self-Managed Invest* are as follows:

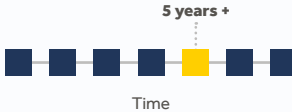
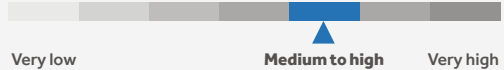
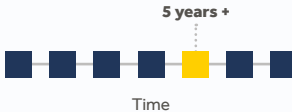
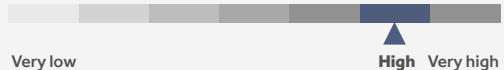
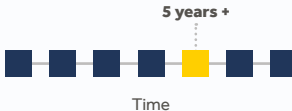
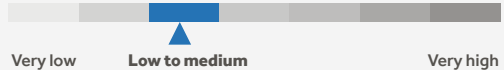
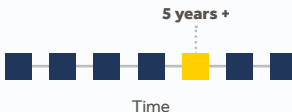

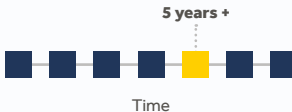

- A Self-managed super fund (SMSF), a small APRA fund (SAF), an approved deposit fund (ADF) or other eligible complying regulated superannuation entity as determined by the Trustee; and
- Make a minimum initial investment of \$10,000.

There are certain investors who *Self-Managed Invest* is not suited (**negative target market**) to and to whom distribution should be avoided:

- Any person or entity that is not a Self-managed super fund (SMSF), a small APRA fund (SAF), an approved deposit fund (ADF) or other eligible complying regulated superannuation entity as determined by the Trustee.

Investment Options

The below table defines the sub-market for each investment option within *Self-Managed Invest*.

Investment option	Overall class of investors designed for	Product key attributes	
		Investment horizon	Level of investment risk
Pre-mixed options			
Balanced	Investors with a five years plus investment horizon in pursuit of a highly diversified, actively managed, pre-mixed investment option with access to growth and defensive assets.	 <p>5 years + Time</p>	 <p>Very low Medium to high Very high</p> <p>(With likelihood of negative returns being 3 to less than 4 years out of every 20)</p>
Indexed Balanced	Investors 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 investors 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. Compared to our Balanced option, Indexed Balanced does not invest in unlisted assets and instead has a higher allocation to listed equities, fixed interest, and cash.	 <p>5 years + Time</p>	 <p>Very low High Very high</p> <p>(With likelihood of negative returns being 4 to less than 6 years out of every 20)</p>
Capital Stable	Investors with a five years plus investment horizon in pursuit of the lowest risk, diversified, pre-mixed investment option. Capital Stable has been designed for investors 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, compared to the Balanced option.	 <p>5 years + Time</p>	 <p>Very low Low to medium Very high</p> <p>(With likelihood of negative returns being 1 to less than 2 out of every 20 years)</p>
Conservative Balanced	Investors with a five years plus investment horizon in pursuit of a diversified, pre-mixed investment option with lower risk compared to our Balanced option. Conservative Balanced has been designed for investors 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>5 years + Time</p>	 <p>Very low Medium Very high</p> <p>(With likelihood of negative returns being 2 to less than 3 out of every 20 years)</p>
Socially Responsible Investment (SRI) - Balanced	Investors 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 investors 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 Balanced option, SRI Balanced has a similar split between assets with growth and defensive characteristics.	 <p>5 years + Time</p>	 <p>Very low High Very high</p> <p>(With likelihood of negative returns being 4 to less than 6 years out of every 20)</p>

Note that more detailed information on product attributes such as fees and investment objectives can be found in the SMI PDS and Additional Information Brochure available at hostplus.com.au/smi

Investment option	Overall class of investors designed for	Product key attributes	
		Investment horizon	Level of investment risk
Other investment options			
Infrastructure	Investors 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 +</p> <p>Time</p>	<p>Very low Medium to high Very high</p> <p>(With likelihood of negative returns being 3 to less than 4 years out of every 20)</p>
Property	Investors 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 Medium to high Very high</p> <p>(With likelihood of negative returns being 3 to less than 4 years out of every 20)</p>
Diversified Fixed Interest – Indexed	Investors 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 investors 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 Medium to high Very high</p> <p>(With likelihood of negative returns being 3 to less than 4 years out of every 20)</p>
Australian Shares – Indexed	Investors 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 investors 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 +</p> <p>Time</p>	<p>Very low Very high</p> <p>(With the likelihood of negative returns expected in between 6 or greater out of every 20 years)</p>
International Shares – Emerging Markets	Investors 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 Balanced Option and has a higher risk and return profile.	<p>5 years +</p> <p>Time</p>	<p>Very low High Very high</p> <p>(With likelihood of negative returns being 4 to less than 6 years out of every 20)</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 investors in the target market.

3. Distribution

The below table outlines Hostplus' permitted distribution channels and associated distribution conditions or restrictions for *Self-Managed Invest*.

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

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

4. Review process

This TMD 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.
- Material changes to the investment profile of customers that would reasonably suggest that this TMD is no longer appropriate.

- Occurrence of a significant dealing(s) outside of the TMD that would reasonably suggest that this TMD is no longer appropriate.
- Failure to meet the performance test benchmarks stipulated under the Your Future Your Super legislation.

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 *Self-Managed Invest* with the Target Market on a quarterly basis. In order to assist Hostplus with the identification of potential issues with the distribution of *Self-Managed Invest* distributors are required to report the information to Hostplus as outlined below:

Reporting	Format	Provider	Frequency
Complaints	Any complaints received by Distributors about <i>Self-Managed Invest</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
Sales of Product outside of TMD	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
Significant dealings	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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