

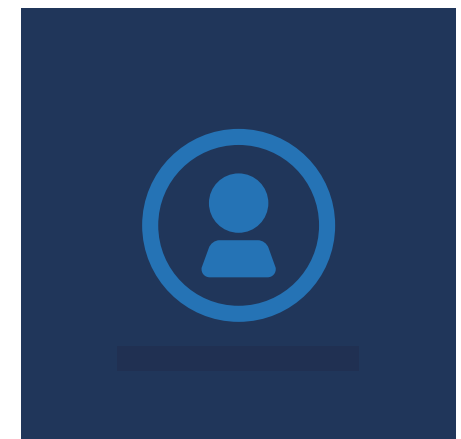


Hostplus Target Market Determination

For Self-Managed Invest

Effective date: 1 October 2023

Expiry date: 30 June 2024



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 an investment menu of Hostplus' pre-mixed and sector investment options
- Access to unique assets generally difficult to access for retail investors.

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 investors to tailor the product to likely match their likely 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.

Target market	▪ 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).
Likely objectives <i>(one or more may apply)</i>	▪ To access a range of investment options designed for capital growth and/or capital preservation.
Likely financial situation <i>(one or more may apply)</i>	▪ Capacity to invest monies from their SMSF, SAF, or ADF for the relevant timeframe pertaining to the selected investment option(s). ▪ Are either in accumulation or retirement phase.
Likely needs <i>(one or more may apply)</i>	▪ Access to a range of unique investments and assets that suit the investment strategy of their SMSF, SAF, or ADF.

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.

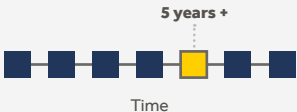

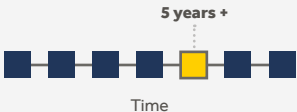

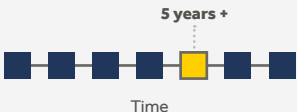

There are certain investors who Self-Managed Invest is not suited to (negative target market) and should not be distributed to:

- 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.

2.1 Investment Options

The below table defines the sub-market for each investment option within *Self-Managed Invest*. Explanations of the bolded terms used in this table are in the glossary at section 6 below.

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

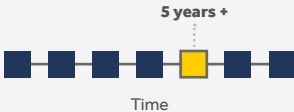

Investment option	Overall class of investors designed for		Product key attributes	
	Summary	Who is this investment option suitable for?	Minimum suggested timeframe	Level of investment risk
<h3>Core pre-mixed investment options</h3> <p>Our Core pre-mixed investment options focus on delivering the best net return for a given level of risk. These options take full advantage of Hostplus' investment expertise and feature our best investment ideas across listed and unlisted assets, bonds and cash.</p>				
Balanced	The Balanced investment option is focused on delivering the best net return from investing in a portfolio that has a bias to growth assets and has high diversification .	With a bias to growth assets, this Core pre-mixed investment option is designed for investors with a medium to long-term investment timeframe, who are seeking strong long-term returns and have a medium to high tolerance of negative returns.	 <p>5 years + Time</p>	 <p>Very low Medium to high Very high (Negative returns expected in between 3 to less than 4 out of every 20 years)</p>
Conservative Balanced	The Conservative Balanced investment option is focused on delivering the best net return from investing in a portfolio that has a similar proportion of growth and defensive assets and has high diversification .	With a similar proportion of growth and defensive assets, this Core pre-mixed investment option is designed for investors with a medium to long-term investment timeframe, who are seeking moderate long-term returns and have a medium tolerance of negative returns.	 <p>5 years + Time</p>	 <p>Very low Medium Very high (Negative returns expected in between 2 to less than 3 out of every 20 years)</p>
Capital Stable	The Capital Stable investment option is focused on delivering the best net return from investing in a portfolio that has a bias to defensive assets and has high diversification .	With a bias to defensive assets, this Core pre-mixed investment option is designed for investors with a medium to long-term investment time frame, who are seeking modest long-term returns and have a low to medium tolerance of negative returns.	 <p>5 years + Time</p>	 <p>Very low Low to Medium Very high (Negative returns expected in between 1 to less than 2 out of every 20 years)</p>

Investment option	Overall class of investors designed for		Product key attributes	
	Summary	Who is this investment option suitable for?	Minimum suggested timeframe	Level of investment risk

Indexed pre-mixed investment options

Our Indexed pre-mixed investment options **focus on minimising investment fees and costs**.

These options generally use a passive investment style to invest in listed companies, bonds, and cash, and aim to track the returns of the markets in which they invest.

Indexed Balanced	<p>The Indexed Balanced investment option is focused on minimising investment fees and costs from investing in a portfolio that has a bias to growth assets and has medium diversification.</p>	<p>With a bias to growth assets, this Indexed pre-mixed investment option is designed for investors with a medium to long-term investment timeframe, who are seeking moderate long-term returns and have a high tolerance of negative returns.</p>		 <p>Very low High Very high</p> <p>(Negative returns expected in between 4 to less than 6 out of every 20 years)</p>
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Socially Responsible Investment (SRI) pre-mixed investment options

Our Socially Responsible Investment (SRI) pre-mixed options **focus on values-based investing**.

These options seek to reduce exposure to industry segments within fossil fuels and tobacco production, as well as other factors.

Socially Responsible Investment (SRI) – Balanced	<p>The Socially Responsible Investment (SRI) - Balanced investment option is focused on values-based investing from investing in a portfolio with a bias to growth assets and has high diversification.</p>	<p>With a bias to growth assets, this Socially Responsible Investment pre-mixed option is designed for investors with a medium to long-term investment timeframe, who are seeking moderate long-term returns and have a medium to high tolerance of negative returns.</p>		 <p>Very low Medium to high Very high</p> <p>(Negative returns expected in between 3 to less than 4 out of every 20 years)</p>
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Single sector investment options

Our single sector investment options **focus on investing in a single investment sector**.

These investment options invest only in a specific asset class, such as Cash or Australian Shares, and have varying investment styles.

Australian Shares - Indexed	<p>The Australian Shares – Indexed investment option is focused on minimising investment fees and costs in a single sector from investing in a portfolio of all growth assets (typically companies listed predominantly on the Australian Securities Exchange) and has low diversification.</p>	<p>With all growth assets, this single sector investment option is designed for investors with a medium to long-term investment timeframe, who are seeking moderate long-term returns and have a very high tolerance of negative returns.</p>		 <p>Very low Very high</p> <p>(Negative returns expected in 6 or greater out of every 20 years)</p>
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Investment option	Overall class of investors designed for		Product key attributes	
	Summary	Who is this investment option suitable for?	Minimum suggested timeframe	Level of investment risk
International Shares – Emerging Markets	The International Shares – Emerging Markets investment option is focused on delivering the best net return in a single sector from investing in a portfolio of all growth assets (typically companies listed on international securities exchanges in emerging markets only) and has medium diversification .	With all growth assets, this single sector investment option is designed for investors with a medium to long-term investment timeframe, who are seeking strong long-term returns, have a high tolerance of negative returns and can accept the impacts of foreign currency movements .	<p>5 years +</p> <p>Time</p>	<p>Very low High Very high</p> <p>(Negative returns expected in between 4 to less than 6 out of every 20 years)</p>
Property*	The Property investment option is focused on delivering the best net return in a single sector from investing in a portfolio with a bias to defensive assets (typically investing in property or buildings, either directly or via property trusts) and has medium diversification .	With a bias to defensive assets, this single sector investment option is designed for investors with a long-term investment timeframe, who are seeking moderate long-term returns and have a medium to high tolerance of negative returns.	<p>7 years +</p> <p>Time</p>	<p>Very low Medium to high Very high</p> <p>(Negative returns expected in between 3 to less than 4 out of every 20 years)</p>
Infrastructure*	The Infrastructure investment option is focused on delivering the best net return in a single sector from investing in a portfolio with a similar proportion of defensive and growth assets (typically investing in tangible infrastructure assets, such as airports, seaports, toll roads, renewable energy and utilities, both within Australia and globally) and has medium diversification .	With a similar proportion of defensive and growth assets, this single sector investment option is designed for investors with a long-term investment timeframe, who are seeking moderate long-term returns, and have a medium to high tolerance of negative returns.	<p>7 years +</p> <p>Time</p>	<p>Very low Medium to high Very high</p> <p>(Negative returns expected in between 3 to less than 4 out of every 20 years)</p>
Diversified Fixed Interest - Indexed	The Diversified Fixed Interest – Indexed investment option is focused on minimising investment fees and costs in a single sector from investing in a portfolio of all defensive assets (Australian and international government bonds and other investment grade debt) and has low diversification .	With all defensive assets, this single sector investment option is designed for investors with a short-term investment timeframe, who are seeking stable returns and have a medium tolerance of negative returns.	<p>2 years +</p> <p>Time</p>	<p>Very low Medium Very high</p> <p>(Negative returns expected in between 2 to less than 3 out of every 20 years)</p>

*Please note that switching windows apply to the Property and Infrastructure options. See the Additional Information Brochure available from hostplus.com.au/smi for more information.

2.2 Consistency between the target market and this product

The information contained in this document details the relationship between the target market and product and its key attributes, thereby demonstrating the product's appropriateness to that 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.
Through personal advice	Yes	
Through authorised representatives by general/intra-fund advice	Yes	<ul style="list-style-type: none"> This product can only be offered and/or issued in accordance with the relevant product terms and conditions outlined in the Product Disclosure Statement.
Rating and research agencies	Yes	

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

3.1 Adequacy of distribution conditions and restrictions

Hostplus has determined that the distribution conditions and restrictions outlined above are appropriate, on the basis that the conditions and restrictions exclude retail clients other than those retail clients seeking an interest in a self-managed superannuation product.

4. Review process

This TMD will be reviewed annually with a maximum review period of 15 months between reviews.

There are a number of events that could arise and would suggest that this TMD is no longer appropriate which will trigger an out of cycle review. This may include the following review triggers:

- Receipt of a significant or unexpectedly high number of complaints from investors 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.
- Hostplus makes 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 are 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 target market 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	How
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	As relevant	Via email at ddoreporting@hostplus.com.au , or via our website at hostplus.com.au/about-us/legals/ddo
General product & performance feedback	Distributors should report all general feedback about this product and its performance.	Distributor	As relevant	Via email at ddoreporting@hostplus.com.au
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	Via email at ddoreporting@hostplus.com.au , or via our website at hostplus.com.au/about-us/legals/ddo
Significant dealings	<p>Distributors should advise of any significant dealings outside of the target market.</p> <p>Whether or not a dealing is significant will depend on a variety of circumstances, including (but not limited to):</p> <ul style="list-style-type: none"> ▪ the scale of distribution outside the target market, ▪ the risk (or potential risk) of harm, financial loss, or detriment to those consumers from such distribution, and ▪ the nature and extent of inconsistency of distribution to the target market determination. <p>'Significant' is not defined by the Corporations Act. Each distributor will need to make an individual assessment in the circumstances of each case to determine when a dealing (or dealings) outside of a target market is significant, and this must be reported to Hostplus immediately.</p>	Distributor	As soon as possible. No later than 10 business days after the distributor becomes aware of the significant dealing.	Via email at ddoreporting@hostplus.com.au , or via our website at hostplus.com.au/about-us/legals/ddo

6. Glossary

Term	Meaning
Diversification level	<p>Diversification can arise from having broad exposures to investments across differing asset classes, companies, industries, geographies, company capital structures, active asset management styles, currencies and counterparties. These, and other diversifiers, are considered when determining the diversification level applicable within an investment option.</p> <p>To assist investors in making an informed choice, Hostplus has used the following descriptions of the level of diversification applicable to each investment option:</p> <p>High diversification means that the investment option has wide levels of exposures across these diversifiers, including over multiple asset classes. For example, the Balanced option is invested across multiple asset classes including unlisted assets, as well as multiple investment managers, geographies, company capital structures, active asset management styles, currencies and counterparties.</p> <p>Medium diversification means that the investment option has intermediate levels of exposures across these diversifiers, sometimes over multiple asset classes. For example, the Indexed Balanced option is invested across a number of investment managers, assets, and geographies, but is limited to investing in listed companies, bonds and cash.</p> <p>Low diversification means that the investment option has more limited levels of exposure across these diversifiers and rarely over multiple asset classes. For example, the Australian Shares option is diversified across multiple companies and investment managers, however it is limited to investing only in the Australian shares asset class.</p> <p><i>These terms appear in the 'summary' and 'who is this investment suitable for?' of our investment options.</i></p>
Growth assets label	<p>To assist investors in making an informed choice, Hostplus has used the following criteria to categorise the bias to growth assets of our investment options:</p> <p>All growth means 100% growth assets</p> <p>Strong bias to growth means > 80% to < 100% growth assets</p> <p>Bias to growth means > 60% to = 80% growth assets</p> <p>Similar proportion of growth and defensive means > 40% to = 60% growth assets</p> <p>Bias to defensive means > 20% to = 40% growth assets</p> <p>Strong bias to defensive means > 0% to 20% growth assets</p> <p>All defensive means 0% growth assets</p> <p><i>These terms appear in the 'summary' and 'who is this investment suitable for?' of our investment options.</i></p>
Impact of foreign currency movements	<p>The impact of foreign currency movement is the possibility of losing money due to unfavourable moves in exchange rates. Investments in overseas markets are exposed to the impact of foreign currency movement unless hedged.</p>
Investment style	<p>Hostplus investments invest in three distinct investment styles. These are:</p> <p>Core: These investment options focus on delivering the best net return for a given level of risk. They take full advantage of Hostplus' investment expertise, and feature our best investment ideas across listed and unlisted assets, bonds and cash.</p> <p>Indexed: These investment options focus on minimising investment fees and costs. They generally use a passive investment style to invest in listed companies, bonds and cash, and aim to track the returns of the markets in which they invest.</p> <p>Socially Responsible Investment (SRI): These investment options focus on values-based investing. They seek to reduce exposure to industry segments within fossil fuels and tobacco production, as well as other factors.</p>

Term	Meaning
Investment timeframe	<p>To assist investors in making an informed choice, Hostplus has used the following criteria to categorise the expected investment time frame applicable to the target market for our investment options. The labels outlined below are based on the minimum suggested investment time frames for each Hostplus investment option.</p> <p>Long term means 7 years or more</p> <p>Medium to long term means 5 years to < 7 years</p> <p>Short term means < 5 years</p> <p><i>These terms appear in the 'summary' and 'who is this investment suitable for?' of our investment options.</i></p>
Long-term returns label	<p>To assist investors in making an informed choice, Hostplus has used the following criteria to categorise the expected returns of our investment options. The labels outlined below are based on the long-term return objectives (20 years) for each of Hostplus' investment options:</p> <p>Very strong means > CPI + 4%</p> <p>Strong means > CPI + 3% to = CPI + 4%</p> <p>Moderate means > CPI + 2% to = CPI + 3%</p> <p>Modest means > CPI + 1% to = CPI + 2%</p> <p>Stable means CPI + 1% or less</p> <p><i>These terms appear in the 'summary' and 'who is this investment suitable for?' of our investment options.</i></p>
Negative return tolerance level	<p>To assist investors in making an informed choice, Hostplus has used the following criteria to indicate the level of tolerance to negative returns that an investor would require for each of its investment options:</p> <p>Very high tolerance means 6 or greater years out of 20 years.</p> <p>High tolerance means equal to 4 to less than 6 years out of 20 years.</p> <p>Medium to high tolerance means equal to 3 to less than 4 years out of 20 years.</p> <p>Medium tolerance means equal to 2 to less than 3 years out of 20 years.</p> <p>Low to medium tolerance means equal to 1 to less than 2 years out of 20 years.</p> <p>Low tolerance means equal to 0.5 to less than 1 year out of 20 years.</p> <p>Very low tolerance means less than 0.5 years out of 20 years.</p> <p><i>These terms appear in the 'summary' and 'who is this investment suitable for?' of our investment options.</i></p>
Pre-mixed	<p>These investment options invest in combinations of asset classes. Each pre-mixed option has its own mix of growth and defensive assets, investment objective, and level of investment risk.</p>
Single sector	<p>The single sector investment options invest only in a specific asset class, such as Cash or Australian Shares, and have varying investment styles.</p>

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