

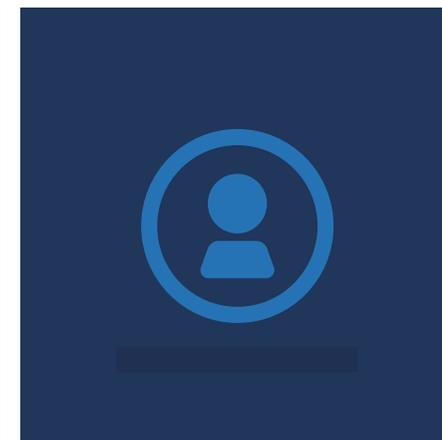


# Hostplus Target Market Determination

For Self-Managed Invest

Effective date: 18 March 2022

Expiry date: 30 June 2022



# 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 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, sector and investment manager 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](https://hostplus.com.au/smi) and consider obtaining financial advice before making a decision whether to acquire this product.

# 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 the *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 members who the *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 the *Self-Managed Invest*.

Investment option	Overall class of investors designed for	Product key attributes	
		Investment horizon	Level of investment risk
<b>Pre-mixed options</b>			
Balanced	Eligible 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                      <b>Medium to high</b>                      Very high</p> <p>(With likelihood of negative returns being 3 to less than 4 years out of every 20)</p>
Indexed Balanced	Eligible 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 default 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                      <b>High</b>                      Very high</p> <p>(With likelihood of negative returns being 4 to less than 6 years out of every 20)</p>
<b>Other investment options</b>			
<b>Infrastructure options</b> This includes: <ul style="list-style-type: none"> <li>• Infrastructure option</li> <li>• IFM Australian Infrastructure option*</li> </ul>	Eligible 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 + Time</p>	 <p>Very low                      <b>Medium to high</b>                      Very high</p> <p>(With likelihood of negative returns being 3 to less than 4 years out of every 20)</p>
<b>Property options</b> This includes: <ul style="list-style-type: none"> <li>• Property</li> <li>• Industry Super Property Trust – Property*</li> </ul>	Eligible 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 + Time</p>	 <p>Very low                      <b>Medium to high</b>                      Very high</p> <p>(With likelihood of negative returns being 3 to less than 4 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](https://hostplus.com.au/smi)

\*Please note: From 18 March 2022, the individual manager options Industry Super Fund Property Trust - Property and IFM - Australian Infrastructure will no longer accept contributions, switches, or transfers in. The options will be discontinued from 30 June 2022.



### 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"> <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	
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.

- 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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