

target market determination

19 April 2025

For HESTA Corporate Super product

The HESTA Corporate Super product provides a range of investment options. It also provides insurance options that cover income protection, total and permanent disability, and death cover.

Trustee of Superannuation Fund	H.E.S.T. Australia Ltd
Fund name	HESTA
Australian Business Number (ABN)	66 006 818 695
Unique Superannuation Identifier (USI)	HST0100AU
Australian Financial Services Licence (AFSL)	235249

1. About this document

This target market determination (TMD) seeks to provide consumers and distributors with an understanding of the target market for whom this product (including its key attributes) has been designed and is likely to be appropriate for, having regard to their likely objectives, financial situation and needs.

This document is not a full summary of the product's risks and features and is not intended to provide financial advice. Consumers and distributors must refer to the Product Disclosure Statement (PDS) and any supplementary documents when deciding whether to join this product.

Product Disclosure Statement to which this TMD applies

This TMD applies to the HESTA Corporate Super product referred to in the *HESTA Corporate Super PDS* and the supplementary documents available at hesta.com.au/pds.

2. Important dates

Date from when this TMD is effective	19 April 2025
Date when this TMD was last reviewed	19 April 2025
Latest date when this TMD will be next reviewed	20 December 2025

3. Target market

Consumers that fall within this target market

The HESTA Corporate Super product is designed for consumers who:

- are employees of a business, company or organisation which has chosen to participate in a corporate super arrangement with HESTA for their superannuation contributions
- want access to tailored insurance arrangements selected by their employer
- are looking to save for their retirement within the superannuation system; and
- are at any life stage and want a product that offers a choice of investment options with different potential risks and returns, allowing the consumer to choose an option that is likely to suit their age, employment situation and financial situation.

There is no minimum contribution value or pre-existing superannuation balance required to join the product.

The product is appropriate for those transitioning to retirement and who may take career breaks, whilst remaining employed through the participating corporate employer.

Consumers for whom this product is not appropriate

This product is not appropriate for consumers who:

- are ceasing or have ceased their employment arrangement with a participating HESTA Corporate Super employer;
- are looking to invest in pension phase products that allow them to drawdown their super.

This product is not appropriate for consumers wishing to access insurance cover as part of the product and who:

- have previously claimed and received a total and permanent disability or terminal illness benefit under any insurance policy;
- have an illness or injury when cover starts that may result in a claim being declined due to the “new events” cover restrictions;
- have been assessed by a medical professional as terminally ill;
- are older than the age at which cover ceases in their employer plan;
- require total and permanent disability cover that is not combined with death cover;
- are not Australian residents or who do not hold a valid visa to live and work in Australia.

Product key attributes

The key product attributes include:

- the ability to select from 10 investment options allowing members to create their own portfolio to suit their specific investment needs
- the ability to increase retirement savings by making additional contributions on a before or after-tax basis
- access to a tax efficient way to save for retirement as before tax contributions are generally taxed at 15% when deposited into a super account
- access to an employer-selected corporate insurance arrangement based on one of the available insurance designs
- the ability to apply for additional insurance cover (in excess of the design selected by the member’s employer) to suit personal financial situations and needs
- the ability for employers to elect to pay for members’ insurance fees on behalf of their employees.

Objectives, financial situation and needs

Investment options

Refer to the *Investment choices* guide at hesta.com.au/pds for detailed information.

The following Ready-Made options are designed to meet the needs of consumers who want exposure to a diversified portfolio of investments across different asset classes and with different risk/return outcomes. Members can choose one or more option and can switch in and out at any time. In the table below, there are some references to 'long term', which for practical purposes means 10 years.

Balanced Growth (Our default option)	<p>This option is designed for members who:</p> <ul style="list-style-type: none">• are seeking to invest in a wide range of asset classes including shares, debt and infrastructure with some property, private equity, alternatives and cash investments• are seeking over the long term, to earn an after-tax return after investment fees and indirect costs equivalent to or higher than CPI + 3.0% p.a.• are comfortable with a higher exposure to growth assets• are comfortable with exposure to a high-risk investment option with a probable number of negative annual returns¹ of between 4 to less than 6 over 20 years• would ideally invest in the option for a minimum investment timeframe of 5 to 7 years.
Conservative	<p>This option is designed for members who:</p> <ul style="list-style-type: none">• are seeking to invest in a wide range of asset classes with a higher allocation than Balanced Growth to debt and cash investments, with some shares, property, infrastructure, and alternatives investments• are seeking over the long term, to earn an after-tax return after investment fees and indirect costs equivalent to or higher than CPI + 1.5% p.a.• are comfortable with less exposure to growth assets and more exposure to defensive assets• are comfortable with exposure to a medium-risk investment option with a probable number of negative annual returns¹ of between 2 to less than 3 over 20 years• would ideally invest in the option for a minimum investment timeframe of 1 to 3 years.
Indexed Balanced Growth	<p>This option is designed for members who:</p> <ul style="list-style-type: none">• are seeking to invest in low-cost investment strategies that aim to closely match index returns• are seeking over the long term, to earn an after-tax return after investment fees and indirect costs equivalent to or higher than CPI + 2.0% p.a.• are comfortable with a high exposure to listed shares• are comfortable with exposure to a high-risk investment option with a probable number of negative annual returns¹ of between 4 to less than 6 over 20 years• would ideally invest in the option for a minimum investment timeframe of 5 to 7 years.
Sustainable Growth	<p>This option is designed for members who:</p> <ul style="list-style-type: none">• are seeking to avoid exposure to particular activities and tilt investment towards companies and assets whose activities are thematically aligned with one or more of the UN Sustainable Development Goals (SDGs)• are seeking to invest in shares, debt and property, with some private equity, alternatives, infrastructure and cash investments• are seeking over the long term, to earn an after-tax return after investment fees and indirect costs equivalent or higher than CPI + 3.0% p.a.• are comfortable with a higher exposure to growth assets• are comfortable with exposure to a high-risk investment option with a probable number of negative annual returns¹ of between 4 to less than 6 over 20 years• would ideally invest in the option for a minimum investment timeframe of 5 to 7 years.
High Growth	<p>This option is designed for members who:</p> <ul style="list-style-type: none">• are seeking to invest in a wide range of primarily Australian and international shares, infrastructure, and private equity, along with some exposure to alternatives, property, debt and cash• are seeking over the long term, to earn an after-tax return after investment fees and indirect costs, equivalent to or higher than CPI + 4.0% p.a.• are comfortable with the highest exposure to growth assets across our Ready-Made Options• are comfortable with exposure to a high-risk investment option with a probable number of negative annual returns¹ of between 4 to less than 6 over 20 years• would ideally invest in the option for a minimum investment timeframe of 7 to 10 years.

¹ the Standard risk measure

The following Your Choice options are designed to meet the needs of consumers who are seeking to create a customised portfolio or would like specific exposure to a certain asset class or asset classes to suit their financial needs and objectives. These investment options have limited diversification in their allocation to asset classes and may not suit members who are looking for their super to be invested across a number of different asset classes. Members can choose one or more option and can switch in and out at any time. In the table below, there are some references to 'long term', which for practical purposes means 10 years.

<p>Cash and Term Deposits</p>	<p>This option is designed for members who:</p> <ul style="list-style-type: none"> • are seeking a specific exposure to a range of cash products including but not limited to bank deposits, bank bills, debt securities and cash-like instruments with high liquidity • are seeking over the long term, to earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than the return (net of tax) of the Bloomberg Ausbond Bank Bill Index • are comfortable with exposure to a very low risk investment option with a probable number of negative annual returns² of less than 0.5 over 20 years • would ideally invest in the option for a minimum investment timeframe of less than 1 year.
<p>Diversified Bonds</p>	<p>This option is designed for members who:</p> <ul style="list-style-type: none"> • are seeking a specific exposure to, Australian and international government bonds and other debt • are seeking over the long term, to earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than the return (net of tax) of the combination of: <ul style="list-style-type: none"> • 50% Bloomberg AusBond Composite 0+ Year Index • 50% Bloomberg Global Aggregate ex Australia Index Hedged to \$A • are comfortable with exposure to a medium risk investment option with a probable number of negative annual returns² of between 2 to less than 3 over 20 years • would ideally invest in the option for a minimum investment timeframe of 1 to 3 years.
<p>Property and Infrastructure</p>	<p>This option is designed for members who:</p> <ul style="list-style-type: none"> • are seeking a specific exposure to, Australian and global property and infrastructure, along with a smaller allocation to cash • are seeking over the long term, to earn an after-tax return after investment fees and indirect costs, equivalent to or higher than CPI + 3.0% p.a. • are comfortable with exposure to a medium-to-high-risk investment option with a probable number of negative annual returns² of between 3 to less than 4 over 20 years • would ideally invest in the option for a minimum investment timeframe of 3 to 5 years.
<p>International Shares</p>	<p>This option is designed for members who:</p> <ul style="list-style-type: none"> • are seeking a specific exposure to, a range of companies listed on stock exchanges around the world • are seeking over the long term, to earn an after-tax return, after investment fees and costs, equivalent to or higher than the return (net of tax) of the MSCI All Country World Ex-Australia Index (unhedged in AUD) • are comfortable with exposure to a high-risk investment, with a probable number of negative annual returns² of between 4 to less than 6 over 20 years • would ideally invest in the option for a minimum investment timeframe of 7 to 10 years.
<p>Australian Shares</p>	<p>This option is designed for members who:</p> <ul style="list-style-type: none"> • are seeking a specific exposure to, a range of companies listed on the Australian stock exchange as well as a few that are not • are seeking over the long term, to earn an after-tax return, after investment fees and indirect costs, equivalent to or higher than the return (net of tax) of the S&P/ASX 300 Accumulation Index • are comfortable with exposure to a very high-risk investment, with a probable number of negative annual returns² of 6 or greater over 20 years • would ideally invest in the option for a minimum investment timeframe of 7 to 10 years.

² the Standard risk measure

Insurance options

Refer to the *HESTA Corporate Super Insurance Guide* at hesta.com.au/pds for detailed information.

The HESTA Corporate Super product provides eligible members access to the following types of insurance cover if they apply for insurance cover (or additional insurance cover) or receive default cover when eligible in the employer plan arrangement.

Death Cover	<p>This option is designed for members, aged between 15 and either 64, 66 or 69 (depending on the benefit design selected by the employer), who are seeking access to:</p> <ul style="list-style-type: none">• a lump-sum benefit to help their dependants with ongoing expenses and one-off costs if they were to die or become terminally ill• the ability to apply to increase their death cover with no limits on maximum cover levels.
Fixed Death Cover	<p>This option is designed for members, aged between 15 and either 64, 66 or 69 (depending on the benefit design selected by the employer), who are seeking access to:</p> <ul style="list-style-type: none">• a lump-sum benefit to help their dependants with ongoing expenses and one-off costs if they were to die or become terminally ill• a specific dollar value of death cover that will maintain the benefit amount as they age, with no limits on maximum cover levels.
Total and Permanent Disablement (TPD) Cover	<p>This option is designed for members, aged between 15 and 64 who hold death cover, who are seeking access to:</p> <ul style="list-style-type: none">• a lump-sum benefit if they were to become totally and permanently disabled and unlikely to ever be able to return to work• the ability to apply to increase their TPD cover to a maximum cover of \$5 million.
Fixed TPD Cover	<p>This option is designed for members, aged between 15 and 64 who hold death cover, who are seeking access to:</p> <ul style="list-style-type: none">• a lump-sum benefit if they were to become totally and permanently disabled and unlikely to ever be able to return to work• a specific dollar value of disability insurance cover that will maintain the benefit amount as they age, subject to a maximum cover limit of \$5 million. The cover reduces between the ages of 60 and 65.
Income Protection (IP) Cover	<p>This option is designed for members, aged between 15 and 64, who are seeking access to:</p> <ul style="list-style-type: none">• a monthly income benefit to help with their ongoing living expenses if they were to become temporarily or permanently disabled• the ability to apply to increase their IP cover up to the maximum monthly benefit of \$30,000 (capped at 87% of salary which includes a super contribution - referred to as a Superannuation Contribution Benefit)• the flexibility to apply to choose the benefit payment period and the waiting period. <p>Members who are eligible to receive a benefit, may have the benefit reduced by other income or benefits the member receives during the claim period such as benefits payable under other IP policies, workers compensation and motor accident compensation because IP claim payments cannot exceed the lesser of the sum insured and up to 87% of pre-disability income.</p>

The insurance options are subject to the terms, conditions, exclusions and eligibility criteria of the insurance policies. For more information on insurance, download the *HESTA Corporate Super Insurance Guide*, available at hesta.com.au/pds.

Consistency between target market and the product

HESTA believes that the Corporate Super product is likely to be consistent with the likely objectives, financial situation and needs of the type of members in the target market. The key terms and attributes of the product have been critically assessed and found to be consistent with the identified target market. This assessment included consideration of the varying levels of choice that members have in the product particularly with the investment and insurance features to cater to their personal situation and life stage.

HESTA regularly reviews:

- our investment options to provide members with the opportunity for competitive, risk-adjusted net long-term returns (returns after fees and costs)
- member engagement across the suite of investment options offered to ensure the appropriateness and need for a broad range of investment options appropriate for differing levels of risk tolerance and investment horizons of members
- administration fees and costs, including benchmarking against similar super funds
- insurance features, fees and costs to minimise the account erosion of our members, while providing appropriate insurance options for members
- the design of this product to ensure it is not complex and allows for a high degree of self-servicing.

4. How this product is distributed

Distribution channels

The HESTA Corporate Super product has been designed to be distributed directly to members through the following means:

- via their employer who has a corporate super arrangement with HESTA
- through representatives of the Trustee
- by a physical application form.

Distribution conditions

The HESTA Corporate Super product is distributed under the following circumstances where a member:

- is employed by an organisation with a corporate super arrangement with HESTA
- meets the relevant insurance eligibility criteria outlined in the Member Plan Schedule.

The HESTA Corporate Super product is not for distribution in jurisdictions outside of Australia.

Adequacy of distribution conditions and restrictions

HESTA believes that the HESTA Corporate Super product distribution conditions and restrictions ensure that only members who meet eligibility conditions enter this product because:

- the Corporate Super product is offered to employers who meet certain size and industry criteria and commit to reporting obligations that meet legislated requirements
- upon making an investment selection, questions are presented to members upon investment switch to increase the likelihood of distribution being consistent with the potential risks and returns associated with each investment option
- contact centre and member facing employees are trained on the key terms and attributes of the product, including the product eligibility.

The Trustee has determined that the distribution conditions and restrictions make it likely that members who join the product are in the target market for which it has been designed.

5. Reviewing this TMD

The Trustee will review this TMD in accordance with the below:

Annual review	20 December 2025
Periodic reviews	Annually before 20 December 2025
Review events	<p>An event or circumstances arising that would suggest the TMD is no longer appropriate. This includes:</p> <ul style="list-style-type: none">• significant changes in member engagement that suggest the target market is no longer appropriate• material change to the design or distribution of the product, including related documentation• occurrence of any significant dealings having considered reportable incidents, defined below, as notified by product distributors• an unexpectedly high level of complaints or adverse feedback from members about investment options, insurance options, fees and costs or the product in general that would suggest that the product is no longer appropriate• notification by the regulator of serious concerns about the distribution and design of the product• indications that the distribution conditions do not make it likely that the members who acquire the product are in the target market• outcomes from Member Outcomes Assessments and Business Performance Reviews, which indicate the product is not meeting stated member outcomes.

Where a review event has occurred, this TMD will be reviewed within 10 business days.

6. Reporting and monitoring this TMD

It is an obligation for a distributor of this product to provide the following information in relation to this TMD.

Note that these obligations do not apply to employers.

This information must be sent to HESTA via email at product@hesta.com.au.

Complaints	<p>Distributors must report quarterly (within 10 business days following the end of the quarter) the number and details of complaints received in relation to the product covered by this TMD.</p> <p>This will include the substance of complaints and general feedback relating to the product and its performance.</p>
Reportable Incidents	<p>Distributors will report incidents relating to the following within 10 business days, to assist the Trustee in its assessment of any Significant Dealings in relation to this TMD.</p> <p>Information to be reported:</p> <ul style="list-style-type: none">• the number of members who have acquired the product that are not in the target market• the number of members who have acquired the product that have characteristics that are specifically excluded from the target market• distribution conditions have regularly not been met• there is a consistent feature that identifies when or how members outside the target market acquire the product (e.g. at a particular time period; consistently from a particular adviser).

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