

target market determination



30 September 2025

For HESTA Super product

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

Trustee of Superannuation Fund	H.E.S.T. Australia Ltd
Fund name	HESTA
Trustee 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 product referred to in the *HESTA Super PDS* and the supplementary documents available at hesta.com.au/pds.

2. Important dates

Date from when this TMD is effective	30 September 2025
Date when this TMD was last reviewed	30 September 2025
Latest date when this TMD will be next reviewed	30 September 2026

3. Target market

Consumers that fall within this target market

The HESTA Super product is designed for consumers who:

- are looking to save for their retirement within the superannuation system
- 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
- have an employer that makes superannuation guarantee (SG) contributions on their behalf
- may wish to access insurance cover.

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

The product is appropriate for those transitioning to retirement and for those who may take career breaks or on the expiry of an employment arrangement after joining the product.

Consumers for whom this product is not appropriate

This product is not appropriate for consumers looking to invest in pension phase products that allow them to draw a regular income from 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 age 75 and over wanting death cover;
- are age 67 and over wanting income protection cover;
- are age 70 and over wanting total and permanent disability cover;
- require total and permanent disability cover that is not combined with death cover.

Consumers working in high-risk occupations (as determined by our insurer) may be eligible for default insurance cover but will not be accepted for any additional insurance cover.

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 default insurance cover (if eligible) as well as the ability to apply for additional insurance cover (if eligible) to suit their personal financial situations and needs.

Objectives, financial situation and needs

Investment options

Refer to *Investment choices* 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 options 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)	This option is designed for members who: • 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 + 3.5% p.a. • are comfortable with a higher exposure to growth assets compared to defensive assets • are comfortable with exposure to a medium to high-risk investment option with a probable number of negative annual returns¹ of between 3 to less than 4 over 20 years • would ideally invest in the option for a minimum investment timeframe of 5 to 7 years.
Conservative	This option is designed for members who: • 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	This option is designed for members who: • 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 + 3.0% 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	This option is designed for members who: • 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 + 3.5% p.a. • are comfortable with a higher exposure to growth assets compared to defensive 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	This option is designed for members who: • 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 options 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.

Cash and Term Deposits	This option is designed for members who: • 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.
Diversified Bonds	This option is designed for members who: • 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: • 50% Bloomberg AusBond Composite 0+ Year Index • 50% Bloomberg Global Aggregate ex Australia Index Hedged to \$A • are comfortable with exposure to a low to medium risk investment option with a probable number of negative annual returns² of between 1 to less than 2 over 20 years • would ideally invest in the option for a minimum investment timeframe of 1 to 3 years.
Property and Infrastructure	This option is designed for members who: • 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.
International Shares	This option is designed for members who: • 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.
Australian Shares	This option is designed for members who: • 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 high-risk investment, with a probable number of negative annual returns² of 4 to less than 6 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 *Insurance options* at hesta.com.au/pds for detailed information.

The HESTA 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.

Default Cover	Designed to provide a minimum amount of cover for members in the event of the member's illness or injury and for a member's dependants in the event of death. Default Cover provides eligible members with: • a monthly income benefit to help with ongoing living expenses if they were to become temporarily or permanently disabled • death cover to assist with the financial impact their death would have on their dependants.
Income Protection (IP) Cover	This option is designed for members, aged between 15 and 66, who are seeking access to: • 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 cover of \$25,000 (capped at 85% of pre-disability income) • the flexibility to apply to choose the age their cover stops (age 60 or age 67), the benefit payment period (up to 2 years, up to 5 years, up to age 60 or up to age 67) and the waiting period (30, 60 or 90 days). Members who are eligible to receive a benefit, may have the benefit reduced if they are receiving income from other sources such as benefits payable under other IP policies, workers' compensation and motor accident compensation. This is because IP claim payments cannot exceed 85% of pre-disability income. If a member is able to resume partial duties on a reduced income, the IP benefit payment combined with their other earnings cannot exceed 100% of pre-disability income.
Death Cover	This option is designed for members, aged between 15 and 74, who are seeking access to: • 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 to a maximum cover of \$3 million • either unitised cover (each unit provides an amount of cover that reduces in value as they age) or fixed cover (specific dollar value of death cover that maintains the benefit amount as they age).
Total and Permanent Disablement (TPD) Cover	This option is designed for members, aged between 15 and 69 who hold Death Cover, who are seeking access to: • the ability to apply for 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 subject to a maximum cover of \$2 million • either unitised cover (each unit provides an amount of cover that reduces in value as they age) or fixed cover (specific dollar value of disability insurance cover that maintains the benefit amount as they age). Fixed TPD cover reduces between the ages of 60 and 70.

The insurance options are subject to the terms, conditions, exclusions and eligibility criteria of the insurance policies. Members working in professional and white-collar occupations can apply to pay insurance fees at a lower cost to better reflect their reduced claims risk. Some options are not designed for members who are in high-risk occupations as determined by our insurer. For more information on insurance, refer to *Insurance options*, available at hesta.com.au/pds.

Consistency between target market and the product

HESTA believes that the HESTA Super product is likely to be consistent with the likely objectives, financial situation and needs of the 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 fees and features 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 Super product has been designed to be distributed directly to members and on an advised basis through the following means:

- via their employers
- through representatives of the Trustee
- by an online or physical application form
- by third-party financial advisers and other regulated persons (holding an AFSL) who engage in retail product distribution.

Distribution conditions

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

- the employer is registered with HESTA
- the individual meets the relevant insurance eligibility criteria outlined in the PDS
- through the join process the applicant has answered the required questions relating to employment status and insurance eligibility.

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

Adequacy of distribution conditions and restrictions

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

- the join process requires individuals to answer questions relating to employment status and insurance eligibility, directing them to the correct product based on their response
- upon making an investment selection or switch, questions are presented to members 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	30 September 2026
Periodic reviews	Annually before each 30 September.
Review events	An event or circumstances arising that would suggest the TMD is no longer appropriate. This includes: - 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 consumers 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	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. This will include the substance of complaints and general feedback relating to the product and its performance.
Reportable Incidents	Distributors are required to report incidents within 10 business days of becoming aware of them to help the Trustee assess whether a Significant Dealing of this product has occurred. Information that must be reported upon becoming aware of an incident: - 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 - where distribution conditions were not met, details of the conditions that were not met and the number of instances - where there is a consistent feature identifying when or how members outside the target market have acquired the product (e.g. at a particular time period; consistently from a particular adviser), details of that feature.

contact us

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