

annual report

for the financial year ended 30 June 2009



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Super performance

While the global financial crisis continues to affect super returns and the markets remain volatile, HOSTPLUS maintains commitment to our members in the areas we can control – such as guaranteeing no fee increases until at least 31 December 2010.

Markets go up and down, so it's important to remember that super is a long-term investment and that investment cycles need to be viewed over the longer term, not judged by what has occurred in the past few months. Throughout these cycles, HOSTPLUS remains dedicated to the future benefit of our members.

Our Balanced (default) option investment performance is above average over the longer term, ie. 3, 5, 7 and 10 years according to SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, 27 July 2009.

And HOSTPLUS membership continues to grow. Over the last 12 months, our member base has grown from 900,000 to over 925,000.

We were also proud to receive two of our industry's highest accolades – SuperRatings Fund of the Year and *Money* magazine's Best of the Best award for Best Super Fund Manager for the third year in a row. We also hold premium ratings – a AAA fund quality rating from Rainmaker, 5 Apples from Chant West and SuperRatings Platinum rating. These are the highest ratings in their categories.

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For more information or help

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Market update

Supplied by JANA Investment Advisors Pty Ltd.
July 2009.

The past financial year was a year of extremes: the worst financial crisis and global recession since the 1930s, one of the worst bear markets.

In response: the biggest fiscal and monetary easing since World War II. This huge level of support has managed to stabilise economic activity, and now there are signs that the impact on growth is starting to dissipate. It is encouraging that consumers responded to the fiscal stimulus and lower interest rates. This is certainly evident in Australia where retail sales are up 7% year-on-year, car sales have turned the corner and various housing indicators have improved dramatically.

In the US, retail sales have not collapsed (despite the rise in unemployment), car sales are showing signs of recovering and consumer sentiment has started to improve and there are even signs that the housing market may be starting to bottom out.

Share markets suffered the worst 12 months on record, with Australian shares falling to levels 50% below their peak in late 2007, while global shares were also hard hit. Fortunately there has been a solid recovery since early March as investors flocked to take advantage of the good value that seemed implicit in these markets, and the financial year to June ended with Australian shares down 20.3% while global shares fell 15.6%, with the fall in the value of the AUD having a positive impact.

The AUD suffered the worst few months in post-float history between July and October 2008, falling from a high of over USD98c to a low of USD60c in a few weeks. However, by the end of the financial year, it has recovered sharply to around USD80c.

Bond markets have also been exceptionally volatile. Government bond yields fell to record low levels in early 2009, followed by a large sell-off where rates rose by almost 2% in a very short time. Despite this, the return on bonds for both Australian and global bond indices were close to 11% over the year. The bond market was characterised by a total lack of liquidity in late 2008, as investors feared the total collapse of the financial system and banks around the world struggled to avoid default and bankruptcy. Many of these banks, especially in Europe, have been effectively nationalised while in the USA the investment bank sector in its pre-2008 form has been completely wiped out. Fortunately Australian banks have been in much better shape and although profits have suffered from a rise in bad debts, none of them is in danger of collapse.

Property has seen a wide divergence between the returns of Listed Property Trusts and Unlisted Property Trusts. The first half of the year saw Listed Property Trusts down 60% before staging a partial recovery to be 42% lower over the year, while Unlisted Property performed relatively well in the first half before rising capitalisation rates and downward revaluations saw a reversal in the second half of the financial year.

There are emerging views among many commentators that shares still appear attractive relative to cash. Bonds have become more attractive following the rise in yields, while non-government bonds seem to represent good value, despite the recent recovery in prices. Additionally a potential economic recovery in 2010 could underpin an eventual improvement in profits.



Super update

2009 legislative changes

New legislation has been passed resulting in some new rules to superannuation applicable from 1 July 2009.

Contribution caps

The concessional contributions cap is to be halved from 2009–2010 financial year. Concessional caps currently at \$50,000 will be limited to \$25,000 for those under 50 years of age. This cap will be indexed.

For those aged 50 and above, the figure will drop from \$100,000 to \$50,000.

The transitional cap will not be indexed. From 2012, the concessional contributions cap for those aged 50 and over will revert to the lower \$25,000 cap or applicable indexed amount at that time.

These contributions include superannuation guarantee (SG) contributions, salary sacrifice arrangements and deductible personal contributions covered by a valid s290–170 notice.

The non-concessional contributions cap will remain at \$150,000 for 2009–2010 (or \$450,000 over 3 years) and will only increase when the new lower \$25,000 cap is increased by indexation. It will be calculated as six times the level of the (indexed) concessional contributions cap.

Temporary reduction of government co-contributions

From 1 July 2009 the government has temporarily reduced the matching rate for co-contributions.

Co-contribution levels have changed as follows:

- Reduced from 150% to 100% for the financial years 2010–12. The maximum co-contributions payable will be \$1,000.
- Increased to 125% for contributions made in the 2013–14 financial years. The maximum co-contributions payable will be \$1,250.
- The co-contribution matching rate and maximum payable will return to 150% for contributions made from 1 July 2014 onwards.

For the 2009–10 financial year the co-contribution will be matched to \$1 for every \$1 contributed up to a maximum co-contribution of \$1,000 for those on incomes up to \$31,920.

The amount is reduced by 3.333 cents for each dollar of income over \$31,920 and phases out once your income reaches \$61,920.

For more information visit www.ato.gov.au/super

Assessable income

From 1 July 2009 the concept of assessable income has changed. This will mean that for some government benefits eg. the co-contribution and spouse contribution tax offset, total assessable income now is the sum of:

- assessable income for the income year
- reportable fringe benefits total for the income year
- the total of the person's reportable employer superannuation contributions (this now includes salary sacrifice contributions).

Assessable income is 'ordinary' income and includes:

- salary and wages
- bank interest
- dividends and other income from investments
- bonuses and overtime paid to an employee
- gross business income
- commissions.

Fringe benefits become 'reportable' when the total taxable fringe benefits provided to an employee is more than \$2,000 in the year of income. When this threshold is exceeded the amount is included in the person's payment summary (group certificate) as a grossed up amount. A popular example would be where an employee may have car parking benefit.

Reportable employer superannuation contributions include contributions an employer makes on behalf of its employees under a salary sacrifice arrangement and that are additional to the minimum contributions they must make under:

- super guarantee law
- an industrial agreement (the amount could be higher than 9%)
- the trust deed or governing rules of a super fund, or
- federal, state or territory law.

These are essentially employer contributions in excess of the compulsory contributions normally payable by the employer. For more information visit www.ato.gov.au/super

Other super changes

Changes to Ordinary Time Earnings (OTE) definitions

Your superannuation guarantee (SG) contributions made by your employer are based on the definition of OTE. Generally, this means the total of the employee's earnings from ordinary hours of work and earnings consisting of over-award payments, shift loadings, commissions or bonuses.

Parental leave

SG contributions are not required to be paid for parental leave whether under current awards or agreements or under any statutory paid parental leave scheme. Parental leave includes maternity leave, paternal leave, pre-adoption leave and other leave taken by partners at the time of birth or adoption. Payments for service with the Defence Force Reserves and payment for eligible community service activity eg. jury service are also excluded from SG contributions.

Salary continuance insurance – note the concessional contribution cap

With the new concessional contribution cap of \$25,000, members with salary continuance insurance who've nominated to receive a monthly benefit of 90% of their salary (where up to 15% is paid into their super) should be aware of how much they are contributing to their super over 12 months and the taxation impact of any contributions over the cap when on claim.

Super rules for temporary residents

While temporary residents remain in Australia their superannuation will remain in the fund. However temporary residents must claim their superannuation from the fund within six months of departing Australia, otherwise their account balance is paid to the Australian Tax Office (ATO) as unclaimed money. Departed residents can claim back their super from the ATO at any time. For more information visit www.ato.gov.au/super

The trustee is relying on the exemption from legislation (class order CO 09/437) to not provide departed temporary resident members whose benefits are paid to the ATO with notices or exit statements at the time of or after the benefits have been paid to the ATO.

However if former temporary resident members have any queries, they should contact **HOSTPLUS**.

Delays to co-contribution payment for some members

Some members may experience a delay in the payment of their co-contribution for the 2008–09 financial year due to an ATO system problem. Approximately 20,000 people Australia-wide are estimated to be affected and the ATO is working to clear the backlog of payments.

Maximum superannuation contribution base

This is the maximum limit used to calculate the SG contribution on any employee's earnings base for each quarter of the financial year. Employers do not have to pay SG contributions for any earnings above this limit. For the 2009–10 income year the maximum per quarter is \$40,170.

Weekly switching between investment options

From 1 May 2009 **HOSTPLUS** members can switch between investment options as often as once a week without charge. When making a switch, the request will become effective the following Monday.

When switching between investment options the latest available declared net fund earning rate will be used to allocate earnings to members' accounts.

Weekly net fund earning rates

The declared net fund earning rate is based on the actual investment performance data for the previous week ending Sunday, less any applicable fees and taxation.

The declared net fund earning rate can be positive or negative depending on investment performance. A negative earning rate can result in a reduction in your account balance.

Trust deed amendments

Certain sections of the trust deed were varied to include the calculation of the benefit of the account based pension plan and to incorporate the changes to the definition of same-sex couples.

Update your insurance online

HOSTPLUS members generally receive automatic Death and Total & Permanent Disability (TPD) insurance cover. But is that enough protection?

Members can now apply to increase or take out other forms of insurance cover online at hostplus.com.au

This is an easy way for members to keep insurance cover in line with their changing circumstances.

HOSTPLUS offers Death and TPD and Death Only cover (both of which include Terminal Illness cover) as well as Salary Continuance cover.

The taxable components of lump sum benefits

New low rate caps are applicable from 1 July 2009.

Where 15% contribution tax has been paid

Age	Tax treatment of lump sum benefits for 1 July 2008 – 30 June 2009	Tax treatment of lump sum benefits for 1 July 2009 – 30 June 2010
Below preservation age	21.5%	21.5%
Preservation age – 59	Nil up to \$145k* 16.5% for amounts over \$145k	Nil up to \$150k* 16.5% for amounts over \$150k
60 and over	Tax free	Tax free

* This is the low cap rate, which is indexed in line with Average Weekly Ordinary Time Earning, but only increases in increments of \$5,000. The tax rate figures above include the 1.5% Medicare levy.

HOSTPLUS Pension Plan

Members can stay with **HOSTPLUS** as they transition to retirement when the **HOSTPLUS** Pension Plan is launched later in the year.

Looking after your super investment

We've designed investment options with different investment objectives, strategies and risk profiles. We utilise high quality investment managers and together with our asset consultant, JANA Investment Advisers Pty Ltd (JANA), we monitor and review the performance of our options and make whatever changes are necessary to deal with the changing economic outlook.

Founded in 1987, JANA is one of Australia's leading asset consulting firms with approximately A\$125 billion under advice. JANA assists **HOSTPLUS** in establishing the overall investment strategy and investment objectives of all the fund's investment options.

The fund's investments are held by a custodian: JPMorgan Chase Bank N.A. – a leading global financial services firm with assets of US\$2 trillion and operations in more than 50 countries. JPMorgan is a leading global provider with more than US\$13.5 trillion in assets under custody. The firm is also a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. The performance of the investment managers chosen by the fund is monitored by the custodian. A list of the investment managers and investments utilised for **HOSTPLUS** investment options can be found in the table on pages 28–29.

Before you consider making an investment choice, you may like to learn more about our investment process, outlined next.

1. Developing the investment strategy

The Directors of **HOSTPLUS** meet on a regular basis with JANA. JANA assists in establishing the overall investment strategy and the investment objectives of each investment option.

The Directors meet to determine the fund's strategic asset allocation. This involves the setting of the allocation between growth and defensive assets for the pre-mixed investment options. They decide which asset classes the fund will invest in and the mix of investment styles. They also set constraints on allocations to investments within each asset class.

2. Appointment and ongoing review of investment managers

Professional investment managers are selected based on a detailed assessment by the investment adviser and the Directors of **HOSTPLUS**. Once appointed, the investment managers are given detailed guidelines to follow and invest according to the strategy and risk profile stipulated.

The performance of the investment managers is constantly monitored. In fact, a monthly performance report is prepared for the fund's Directors by the custodian and a quarterly report by the investment adviser. The performance of each investment option and investment manager is also regularly reviewed to ensure it is achieving the agreed investment objectives.

3. The fund's earning rates

Pages 9–10 of this report details the earning rates for each investment option for the financial year ended 30 June 2009.

Net fund earning rates to 30 June 2009

Pre-mixed options

Year	Capital Stable	Conservative Balanced	Balanced	Shares Plus
2009	-3.8%	-6.5%	-13.1%	-14.5%
2008	3.1%	1.0%*	-3.6%	-5.4%
2007	9.8%	–	16.8%	19.6%
2006	8.1%	–	15.5%	18.8%
2005	10.3%	–	14.0%	14.6%
6 mth	0.7%	2.4%	-2.6%	2.3%
3 yr p.a.	2.9%	–	-0.7%	-1.1%
5 yr p.a.	5.4%	–	5.2%	5.7%
7 yr p.a.	5.8%	–	6.3%	6.2%
10 yr p.a.	5.9%	–	6.6%	6.0%

*This option was introduced on 1 October 2007, therefore this performance figure was for the nine months to 30 June 2008. Past performance is not a guide to future performance. All net fund earning rates are after fees and taxes.

Explanation of terms

Net fund earning rate. This is the rate allocated to your account which could be positive or negative. The net fund earning rates are calculated using the effective compound rate.

Effective compound rate. A method of calculating earnings in each period where earnings are calculated on both the principal (the initial investment) and any amounts previously earned. The calculation assumes actual earnings are applied at a constant rate on both the principal and any amounts subsequently earned. The method assumes any subsequent earnings are reinvested on an ongoing basis for the life of the investment. For example, you invest \$1,000 in an account and it earned an effective compound rate of 10% per annum, the next year you will earn 10% on the original \$1,000 plus the \$100 in earnings received in the first year and so on.

Net fund earning rates to 30 June 2009 (cont)

Sector investment options

Year	Cash	Diversified Fixed Interest	Property	Australian Shares	International Shares
2009	5.0%	4.7%	-10.4%	-10.7%	-22.0%
2008	6.6%	5.8%	9.7%	-10.2%	-11.6%
2007	5.9%	4.5%	14.6%	27.8%	16.0%
2006	5.4%	2.7%	12.2%	22.4%	21.8%
2005	5.2%	9.0%	11.1%	24.3%	6.3%
6 mth	2.0%	3.0%	-9.7%	12.0%	3.8%
3 yr p.a.	5.8%	5.0%	4.0%	0.8%	-7.2%
5 yr p.a.	5.6%	5.3%	7.0%	9.3%	0.7%
7 yr p.a.	5.2%	5.9%	7.8%	9.8%	1.7%

Past performance is not a guide to future performance. All net fund earning rates are after fees and taxes.

Individual manager options

Option	2009	2008	2007	2006	2005	6 mth	3 yr p.a.	5 yr p.a.
Macquarie Investment Management – Australian Fixed Interest	9.4%	3.8%	3.4%	2.8%	4.9%	-0.9%	5.5%	4.8%
Bridgewater Associates – Diversified Fixed Interest	4.4%	10.9%	3.2%	1.5%	9.4%	-0.6%	6.1%	5.8%
Lend Lease Managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property	-10.1%	12.2%	17.4%	11.0%	10.7%	-10.7%	5.8%	7.8%
Industry Super Property Trust Core Fund – Property	-13.7%	8.0%	16.2%	13.7%	9.9%	-7.7%	2.7%	6.2%
Balanced Equity Management – Australian Shares	-10.9%	-13.4%	26.1%	21.8%	23.4%	8.9%	-0.9%	7.9%
Macquarie Investment Management – Australian Shares	-16.1%	-9.8%	27.4%	22.0%	22.5%	8.7%	-1.2%	7.6%
Paradise Investment Management (Small Cap) – Australian Shares	-15.8%	-20.8%	33.4%	25.2%	17.9%	12.5%	-3.8%	5.6%
Perpetual Investment Management – Australian Shares	-9.4%	-6.6%	23.7%	25.7%	19.3%	14.2%	1.5%	9.4%
AllianceBernstein – International Shares	-24.0%	-21.6%	8.6%	22.7%	7.7%	-4.8%	-13.5%	-3.1%
Marvin & Palmer Associates – International Shares	-27.5%	-1.8%	13.4%	33.2%	5.3%	10.0%	-6.9%	2.5%

Past performance is not a guide to future performance. All net fund earning rates are after fees and taxes. Net earnings for 2005 were not calculated as a full year as HOSTPLUS individual manager investment options were first offered on 1 September 2004.

Declared net fund earning rate

The declared net fund earning rate is based on the actual investment performance data for the previous week ending Sunday, less any applicable fees and taxation. However, for the last two weeks of June the declared net fund earning rate will not be finalised until 20–25 business days after 30 June.

The declared net fund earning rate can be positive or negative depending on investment performance. A negative earning rate can result in a reduction in your account balance.

Allocating net fund earnings to a member's account

Net fund earnings are allocated to your account:

- as at 30 June and 31 December each year (a statement is sent to you in approximately September and March respectively)
- when you switch between investment options
- when you fully withdraw (exit) or fully transfer out of HOSTPLUS.

Declared net fund earning rates are calculated on the daily balance of your account and are compounded daily. This is important as it is likely that you will have different closing balances in your account throughout the year as a result of transactions in your account (eg. contributions, taxation, insurance, account keeping fee, etc).

The declared net fund earning rates can be positive or negative depending on investment performance. A negative earning rate can result in a reduction in your account balance.

Note: Earnings are not allocated at the time of a partial withdrawal (exit) or partial transfer out of the fund.

Earnings allocated when you switch between investment options

You can switch between investment options as often as once a week free of charge.

When you switch between investment options, your request to switch is effective from the following Monday. The latest available declared net fund earning rate will be used to allocate earnings to your account.

Calculating earnings on partial withdrawals or partial transfers out of HOSTPLUS

When you are invested only in the Balanced option

The latest available declared net fund earning rate will be used to allocate earnings for the amount of the partial withdrawal or partial transfer. However this rate may be adjusted (positively or negatively) with the actual declared net fund earning rate for the applicable period when the first of any of the following events occur:

- 30 June and 31 December each year (a statement is sent to you in approximately September and March respectively)
- when you switch between investment options, or
- when you fully withdraw (exit) or fully transfer out of HOSTPLUS.

When you have made an investment choice other than the Balanced option

Earnings are not allocated to your account at the time of a partial withdrawal or partial transfer out of HOSTPLUS. The amount of the partial withdrawal or partial transfer is simply withdrawn from your account at the time. Earnings will be allocated when the first of the following events occur:

- 30 June and 31 December each year (a statement is sent to you in approximately September and March respectively)
- when you switch between investment options, or
- when you fully withdraw (exit) or fully transfer out of HOSTPLUS.

Your investment options as at 30 June 2009

Pre-mixed options

	<i>Capital Stable</i>			<i>Conservative Balanced</i>		
Investment objectives and strategies	<ul style="list-style-type: none"> Achieve positive returns that exceed the return on cash over rolling three year periods. Provide stable returns through an asset mix that maximises the prospect of positive rate of return each financial year. Achieve returns that are above the average returns of other similar funds. 			<ul style="list-style-type: none"> Achieve positive returns that exceed the return of the Capital Stable option over rolling three year periods. Provide a good prospect of positive returns each financial year. Achieve returns that are above the average returns of other similar funds. 		
Risk/return profile	<ul style="list-style-type: none"> Low to medium. Likelihood of a negative annual return in any one year: one in every 10 to 11 years. 			<ul style="list-style-type: none"> Medium. Likelihood of a negative annual return in any one year: one in every five to six years. 		
Investment style	<ul style="list-style-type: none"> Most conservative and low-risk of the HOSTPLUS pre-mixed investment options. Contains a higher percentage of defensive assets (cash and diversified fixed interest) than the Conservative Balanced, Balanced and Shares Plus options. 			<ul style="list-style-type: none"> Contains roughly equal proportions of growth and defensive assets. 		
Asset mix		Range	Benchmark		Range	Benchmark
	Growth assets		30%	Growth assets		50%
	Australian shares	5 – 20%	11%	Australian shares	15 – 30%	21%
	International shares	5 – 15%	9%	International shares	10 – 25%	17%
	Unlisted assets			Unlisted assets		
	– Infrastructure	0 – 10%	4%	– Infrastructure	0 – 10%	4%
	– Private equity	0 – 5%	0%	– Private equity	0 – 10%	2%
	– Alternatives	0 – 10%	1%	– Alternatives	0 – 10%	1%
	Property	0 – 10%	5%	Property	0 – 10%	5%
	Defensive assets		70%	Defensive assets		50%
	Unlisted assets			Unlisted assets		
	– Infrastructure	0 – 5%	1%	– Infrastructure	0 – 5%	1%
	– Alternatives	0 – 5%	2%	– Alternatives	0 – 5%	3%
	Property	0 – 15%	7%	Property	0 – 15%	8%
	Australian fixed interest	10 – 30%	20%	Australian fixed interest	5 – 25%	14%
	International fixed interest	10 – 30%	20%	International fixed interest	5 – 25%	14%
	Cash	10 – 40%	20%	Cash	5 – 20%	10%

All net fund earning rates are after fees and taxes.

	<i>Balanced (default)</i>			<i>Shares Plus</i>		
Investment objectives and strategies	<ul style="list-style-type: none"> Achieve positive returns that exceed the return of the Conservative Balanced option over rolling three year periods. Maximise the prospect of positive returns each financial year. Achieve returns that are above the average return of other similar funds. 			<ul style="list-style-type: none"> Achieve high, long-term returns that exceed the return of the Balanced option over rolling five year periods and acknowledging the chance of significant fluctuations in returns. Invest in long-term growth assets, accepting the prospect of negative returns is increased. Achieve returns that are above the average return of other similar funds. 		
Risk/return profile	<ul style="list-style-type: none"> Medium to high. Likelihood of a negative annual return in any one year: one in every four to five years. 			<ul style="list-style-type: none"> High. Likelihood of a negative annual return in any one year: one in every three to four years. 		
Investment style	<ul style="list-style-type: none"> Aims to produce consistent returns. Investments through diversified investment portfolio, including some growth assets and some lower risk investments. 			<ul style="list-style-type: none"> Pre-mixed option. Contains the highest investment in assets with potential for capital growth. 		
Asset mix		Range	Benchmark		Range	Benchmark
	Growth assets		74%	Growth assets		85%
	Australian shares	25 – 45%	31%	Australian shares	30 – 50%	38%
	International shares	10 – 30%	23%	International shares	20 – 40%	34%
	Unlisted assets			Unlisted assets		
	– Infrastructure	0 – 10%	7%	– Infrastructure	0 – 10%	3%
	– Private equity	0 – 10%	4%	– Private equity	0 – 15%	6%
	– Alternatives	0 – 10%	3%	– Alternatives	0 – 10%	1%
	Property	0 – 15%	6%	Property	0 – 10%	3%
	Defensive assets		26%	Defensive assets		15%
	Unlisted assets			Unlisted assets		
	– Infrastructure	0 – 5%	2%	– Infrastructure	0 – 5%	1%
	– Alternatives	0 – 10%	7%	– Alternatives	0 – 5%	3%
	Property	0 – 15%	8%	Property	0 – 10%	5%
	Australian fixed interest	0 – 20%	3.5%	Australian fixed interest	0 – 10%	3%
	International fixed interest	0 – 20%	3.5%	International fixed interest	0 – 10%	3%
	Cash	0 – 10%	2%	Cash	0 – 10%	0%

All net fund earning rates are after fees and taxes.

Your investment options as at 30 June 2009 (cont)

Sector investment options

	<i>Cash</i>			<i>Diversified Fixed Interest</i>		
Investment objectives and strategies	<ul style="list-style-type: none"> Maintain the invested capital. To provide positive returns. 			<ul style="list-style-type: none"> Aim to provide a high level of capital protection and returns that over the medium term exceed those available from investing solely in cash type investments. 		
Risk/return profile	<ul style="list-style-type: none"> Lowest risk with corresponding expectation of lower returns. Likelihood of a positive return being achieved each year. 			<ul style="list-style-type: none"> Moderate risk investment. Generally less volatile than property and shares over the short term, but also provides a lower level of return. Likelihood of a negative annual return in any one year: one in every six to seven years. 		
Investment style	<ul style="list-style-type: none"> Cash investments could include deposits in a bank, investments in short-term money markets and other similar investments. 			<ul style="list-style-type: none"> Usually a loan to a government or business with a fixed interest rate and the length of the loan agreed in advance. 		
Asset mix		Range	Benchmark		Range	Benchmark
	Growth assets		0%	Growth assets		0%
	Defensive assets		100%	Alternatives	0 – 10%	0%
	Cash	0 – 100%	100%	Defensive assets 100%		
			Australian and international fixed interest	90 – 100%	100%	

	<i>Property</i>			<i>Australian Shares</i>		
Investment objectives and strategies	<ul style="list-style-type: none"> To provide exposure to the rental income and capital growth arising from property and land assets. 			<ul style="list-style-type: none"> To provide exposure to predominantly Australian shares with the potential for a high level of growth over the long term. Outperform the S&P/ASX 300 Accumulation Index over rolling three year periods. 		
Risk/return profile	<ul style="list-style-type: none"> Moderate to high risk investment. Corresponding moderate to high return. Likelihood of a negative annual return in any one year: one in every six to seven years. 			<ul style="list-style-type: none"> High to very high. Corresponding high returns. Likelihood of a negative annual return in any one year: one in every two to three years. 		
Investment style	<ul style="list-style-type: none"> An investment in property or buildings, either directly or via property trusts. 			<ul style="list-style-type: none"> Active management. 		
Asset mix		Range	Benchmark		Range	Benchmark
	Growth assets		40%	Growth assets		100%
	Property	0 – 100%	40%	Australian shares	0 – 100%	100%
	Defensive assets		60%	International shares	0 – 10%	0%
	Property	0 – 100%	60%	Defensive assets 0%		

All net fund earning rates are after fees and taxes.

	<i>International Shares</i>		
Investment objectives and strategies	<ul style="list-style-type: none"> To provide exposure to international shares with the potential for a high level of growth over the long term. Outperform the MSCI World Accumulation Index (ex-Australia) over rolling three year periods. 		
Risk/return profile	<ul style="list-style-type: none"> High to very high. Corresponding high returns. Likelihood of a negative annual return in any one year: one in every two to three years. A component of this investment is exposed to currency fluctuations. 		
Investment style	<ul style="list-style-type: none"> Active management. 		
Asset mix		Range	Benchmark
	Growth assets		100%
	International shares	0 – 100%	100%
	Defensive assets		0%

All net fund earning rates are after fees and taxes.

Your investment options as at 30 June 2009 (cont)

Individual manager options

	Macquarie Investment Management – Australian Fixed Interest			Bridgewater Associates – Diversified Fixed Interest		
Investment objectives and strategies	<ul style="list-style-type: none"> Guarantee the return of the UBS Composite Bond Index (All Maturities). Underperformance of the index by the underlying portfolio is reimbursed by the manager. Any out-performance of the index is retained by the manager. 			<ul style="list-style-type: none"> Outperform the Barclays Global Aggregate Index hedged in Australian Dollars over rolling three year periods. 		
Risk/return profile	<ul style="list-style-type: none"> Low to medium. Likelihood of a negative annual return in any one year: one in every six to seven years. 			<ul style="list-style-type: none"> Medium. Likelihood of a negative annual return in any one year: one in every six to seven years. 		
Investment style	<ul style="list-style-type: none"> Passive management. 			<ul style="list-style-type: none"> Active management with positions in Australian and international indexed or nominal bond markets, and in currencies, that offer good value. For diversification purposes the manager may also invest in alternatives. 		
Asset mix		Range	Benchmark		Range	Benchmark
	Growth assets		0%	Growth assets		0%
	Defensive assets		100%	Alternatives	0 – 10%	0%
	Australian fixed interest	–	100%	Defensive assets		100%
				Diversified fixed interest	90 – 100%	100%

All net fund earning rates are after fees and taxes.

	Lend Lease Managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property			Industry Super Property Trust Core Fund – Property		
Investment objectives and strategies	<ul style="list-style-type: none"> Long-term investment in quality-diversified portfolios of retail, commercial and industrial properties in Australia. Provide returns superior to the Mercer Unlisted Property Fund Index. 			<ul style="list-style-type: none"> Provide returns superior to the Mercer Unlisted Property Fund Index. 		
Risk/return profile	<ul style="list-style-type: none"> Moderate to high risk investment Corresponding moderate to high returns Likelihood of a negative annual return in any one year: one in every six to seven years. 			<ul style="list-style-type: none"> Moderate to high risk investment. Corresponding moderate to high returns. Likelihood of a negative annual return in any one year: one in every six to seven years. 		
Investment style	<ul style="list-style-type: none"> Long-term direct investment in a quality portfolio of substantially major regional core retail, commercial and industrial assets across Australia. 			<ul style="list-style-type: none"> Diversified direct property investments in commercial, retail and industrial assets. 		
Asset mix		Range	Benchmark		Range	Benchmark
	Growth assets		100%	Growth assets		100%
	Australian property	–	100%	Australian property	–	100%
	Defensive assets		0%	Defensive assets		0%

	Balanced Equity Management – Australian Shares			Macquarie Investment Management – Australian Shares		
Investment objectives and strategies	<ul style="list-style-type: none"> To outperform the S&P/ASX100 Accumulation Index over rolling three year periods. 			<ul style="list-style-type: none"> Match the return of the S&P/ASX300 Accumulation Index. 		
Risk/return profile	<ul style="list-style-type: none"> High to very high. Corresponding high returns. Likelihood of a negative annual return in any one year: one in every two to three years. 			<ul style="list-style-type: none"> High to very high. Corresponding high returns. Likelihood of a negative annual return in any one year: one in every two to three years. 		
Investment style	<ul style="list-style-type: none"> Active management style based on fundamental analysis of stocks within the S&P/ASX100 Index. 			<ul style="list-style-type: none"> Enhanced passive management. 		
Asset mix		Range	Benchmark		Range	Benchmark
	Growth assets		100%	Growth assets		100%
	Australian shares	–	100%	Australian shares	–	100%
	Defensive assets		0%	Defensive assets		0%

All net fund earning rates are after fees and taxes.

Your investment options as at 30 June 2009 (cont)

Individual manager options (cont)

	<i>Paradise Investment Management (Small Cap) – Australian Shares</i>			<i>Perpetual Investment Management – Australian Shares</i>		
Investment objectives and strategies	<ul style="list-style-type: none"> To exceed the S&P/ASX ex-100 Leaders Accumulation Index over rolling three year periods. 			<ul style="list-style-type: none"> To outperform the S&P/ASX300 Accumulation Index over rolling three year periods. 		
Risk/return profile	<ul style="list-style-type: none"> High to very high. Corresponding high returns. Likelihood of a negative annual return in any one year: one in every two to three years. 			<ul style="list-style-type: none"> High to very high. Corresponding high returns. Likelihood of a negative annual return in any one year: one in every two to three years. 		
Investment style	<ul style="list-style-type: none"> Specialises in investing in companies outside the ASX top 100 stocks as defined by market capitalisation, as well as having the capacity to invest in New Zealand stocks. 			<ul style="list-style-type: none"> Active value driven bottom up stock picking management based on internal research. Invests predominantly in Australian shares, but has the capacity to invest in securities listed in stock exchanges other than the Australian Stock Exchange. 		
Asset mix		Range	Benchmark		Range	Benchmark
	Growth assets		100%	Growth assets		100%
	Australian/NZ shares	–	100%	Australian/International shares	–	100%
	Defensive assets		0%	Defensive assets		0%

All net fund earning rates are after fees and taxes.

	<i>AllianceBernstein – International Shares</i>			<i>Marvin & Palmer Associates – International Shares</i>		
Investment objectives and strategies	<ul style="list-style-type: none"> Outperform the MSCI World (ex-Australia) Index in Australian Dollars over rolling three year periods. 			<ul style="list-style-type: none"> Outperform the benchmark, which is MSCI Emerging Markets Index in Australian Dollars over rolling three year periods. 		
Risk/return profile	<ul style="list-style-type: none"> High to very high. Corresponding high returns. Likelihood of a negative annual return in any one year: one in every three to four years (although losses could be more frequent over shorter periods). Investment is fully exposed to currency fluctuations. Manager is permitted to invest a limited proportion of the portfolio in emerging countries. 			<ul style="list-style-type: none"> High to very high. Corresponding high returns. Likelihood of a negative annual return in any one year: one in every two to three years. Investment is fully exposed to currency fluctuations. Manager is to invest in emerging countries. 		
Investment style	<ul style="list-style-type: none"> Active style blend of value and growth global equity manager that aims to deliver long-term growth of capital on a total return basis using a barbell structure of high conviction growth and value stocks. 			<ul style="list-style-type: none"> Very active growth manager investing in countries and shares that the manager believes offer the best opportunity for capital appreciation. 		
Asset mix		Range	Benchmark		Range	Benchmark
	Growth assets		100%	Growth assets		100%
	International shares	–	100%	International shares	–	100%
	Defensive assets		0%	Defensive assets		0%

All net fund earning rates are after fees and taxes.

Investments greater than 5% of total fund assets

Individual

Industry Super Property Trust Core Fund manage investments in excess of 5% of total fund assets.

Combined

These investment managers have combined investments in excess of 5% of total fund assets:

Industry Funds Management Pty Ltd.
Industry Superannuation Property Trust
ING Investment Management Ltd.
Lend Lease Investment Management
Macquarie Investment Management Ltd.

Investment expenses

Investment option	Investment Management costs	Performance Fees*	Total Investment Management costs before applicable tax deduction	Total Investment Management costs after applicable tax deduction
Pre-mixed options				
Capital Stable	0.62%	0.04%	0.66%	0.56%
Conservative Balanced	0.65%	0.06%	0.71%	0.60%
Balanced	0.75%	0.06%	0.81%	0.69%
Shares Plus	0.77%	0.07%	0.84%	0.71%
Sector investment options				
Cash	0.01%	0.00%	0.01%	0.01%
Diversified Fixed Interest	0.95%	0.00%	0.95%	0.81%
Property	0.69%	0.00%	0.69%	0.59%
Australian Shares	0.59%	0.14%	0.73%	0.62%
International Shares	0.64%	0.00%	0.64%	0.54%
Individual manager options				
Macquarie Investment Management – Australian Fixed Interest	0.00%	0.00%	0.00%	0.00%
Bridgewater Associates – Diversified Fixed Interest	0.61%	0.00%	0.61%	0.52%
Lend Lease Managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property	0.77%	0.09%	0.86%	0.73%
Industry Super Property Trust Core Fund – Property	0.23%	0.00%	0.23%	0.20%
Balanced Equity Management – Australian Shares	0.24%	0.00%	0.24%	0.20%
Macquarie Investment Management – Australian Shares	0.19%	0.00%	0.19%	0.16%
Paradise Investment Management (Small Cap) – Australian Shares	0.73%	0.00%	0.73%	0.62%
Perpetual Investment Management – Australian Shares	0.86%	0.00%	0.86%	0.75%
AllianceBernstein – International Shares	0.58%	0.00%	0.58%	0.49%
Marvin & Palmer Associates – International Shares	0.46%	0.00%	0.46%	0.39%

Most superannuation funds pay fees to investment managers to invest and manage their assets.

Investment expenses are deducted from investment returns before returns are applied to your account. All returns declared are net of these expenses.

The table to the left shows the investment expenses paid for the financial year ended 30 June 2009, based on the funds under management in each investment option.

The costs for each of the investment options are in addition to the \$1.50 per week member fee (\$78 per year).

As the investment management costs attract a tax deduction, the total investment management costs after applicable tax deduction is the amount incurred by members. These costs are deducted before the net earnings for each investment option are declared and applied to members' accounts.

The expenses that will be payable for the 2009 – 10 financial year will be calculated as at 30 June 2010.

PricewaterhouseCoopers have performed independent procedures over the calculation of the above investment costs and confirmed that they were calculated in accordance with the trustee's policy.

*The performance based cost component comprises actual fees paid and estimates of fees to be paid for the financial year ending 30 June 2009.

Important information about your super

When can you access your superannuation savings?

Generally, your super must be kept in a complying superannuation account until you reach your preservation age and have permanently retired from the workforce.

Depending on your date of birth, your preservation age varies, as the table opposite shows.

Date of birth	Preservation age
After June 1964	60
July 1963 – June 1964	59
July 1962 – June 1963	58
July 1961 – June 1962	57
July 1960 – June 1961	56
Before July 1960	55

Are all contributions preserved?

Generally, contributions made by your employer, and earnings allocated on all amounts, must be preserved. Until 30 June 1999, personal contributions were not usually preserved. However personal contributions made from 1 July 1999 are preserved. Any amounts that were non-preserved at 1 July 1999 will remain non-preserved, but the earnings allocated will be preserved. The table below provides a summary. Your twice-yearly **HOSTPLUS** statement will show the preserved and non-preserved components of your account.

	Up to 30 June 1999	From 1 July 1999
Employer contributions	Preserved	Preserved
Personal contributions	Non-preserved	
Net earnings on personal contributions	Non-preserved	
Net earnings on all other contributions	Preserved	

Can you access your superannuation in other situations?

You can apply to access your superannuation in a number of situations including:

- termination of employment after turning age 60 without necessarily retiring permanently
- once you reach the age of 65, even if you're still working
- in the event of your death
- permanent incapacity
- a terminal medical condition exists
- on the grounds of severe financial hardship subject to certain conditions and trustee approval
- on compassionate grounds as approved by the Australian Prudential Regulation Authority
- on termination of your employment with an employer sponsor where your preserved benefit is less than \$200
- on your permanent departure from Australia if you are an eligible temporary resident, or
- on complying with any other condition of release specified under superannuation law.

Please call **1300 HOSTPLUS (1300 467 875)** for more information.

Eligible rollover fund

In accordance with legislation and the fund's policy, if your account balance is less than \$400 (subject to change) and we have not received contributions for you for more than 18 months, we may transfer your account balance to our eligible rollover fund (ERF). Our nominated ERF is AUSfund. However, if we have a current address we will write to you and give you the option to reactivate your account before transferring your **HOSTPLUS** account to AUSfund.

Their contact details are:

AUSfund Administration
PO Box 2468
KENT TOWN SA 5071

Phone: 1300 361 798

Fax: 1300 366 233

Email: admin@ausfund.net.au

Web: www.unclaimedsuper.com.au

If your superannuation benefits are transferred to AUSfund, your personal information will be used by AUSfund to establish your membership account and manage your superannuation balance, process your contributions, pay benefits, provide you with membership benefits and services, and correspond with you.

Being transferred to AUSfund may affect your benefits because:

- You'll cease to be a member of **HOSTPLUS**.
- Your insurance arrangements with **HOSTPLUS** will cease.
- You'll become a member of AUSfund and be subject to its governing rules. If **HOSTPLUS** can provide AUSfund with current contact details, AUSfund will send you their Product Disclosure Statement (PDS). You can also ask AUSfund for a copy.

- Accounts of \$50 or more attract a levy of \$10 per year or part-year, while lower balances are not subject to the levy but do not earn earnings. AUSfund protects all accounts from erosion due to the administration levy, so that the levy cannot exceed the earnings allocated to each account.
- AUSfund has a different investment strategy to **HOSTPLUS**, which is explained in their PDS.
- AUSfund does not offer insured benefits in the event of death or disablement.

For more information about AUSfund see the **HOSTPLUS** Member Guide PDS dated 29 June 2009. You can download a copy at hostplus.com.au

Unclaimed money

HOSTPLUS wants to keep in touch with you and makes every effort to do so. However, if you reach qualifying age for the age pension and are eligible to claim your super, but we cannot find you, then your investment becomes unclaimed money and must be paid to the Australian Tax Office (ATO) every six months.

You can enquire about unclaimed benefits by contacting the ATO on 13 10 20 or visit ato.gov.au/super.

If you believe you may have unclaimed money which may have been paid before 1 July 2007 please contact:

Registrar of Unclaimed Moneys
State Revenue Office
GPO Box 1641
MELBOURNE VIC 3001

Phone: 13 21 61

Web: www.sro.vic.gov.au

Lost members

The ATO has established a lost member register. This register contains details of the super accounts for members that funds cannot locate and certain members for whom contributions have ceased. All superannuation funds report lost members to the ATO twice a year.

You are classified as lost if no contributions or rollovers have been received for you during the past five years and we have lost contact with you.

If you think a fund may have lost contact with you, you can check with the ATO to see if you're registered as a lost member.

If you have inactive accounts in any other super fund, eligible rollover fund or retirement savings account, you may consolidate them into your HOSTPLUS account.

You can make enquiries at the ATO if you have lost contact with a fund and think you may be entitled to a benefit. Just call 13 10 20 or visit www.ato.gov.au/super and use SuperSeeker, the ATO's online tool to search for lost super.

Trustee indemnity insurance

Chubb Insurance Company Australia Ltd, Liberty International and Dual underwriters provided trustee insurance cover from 30 September 2008 until 30 September 2009.

Audit

The annual audit of the HOSTPLUS financial statements is currently being completed. We expect the auditor to issue an unqualified audit opinion on the financial statements and the auditor's report is expected to be finalised by 31 October 2009. The audited financial statements and auditor's report are available on request.

Fund documentation

If you would like to view a copy of the HOSTPLUS Trust Deed or other fund documentation, please call 1300 HOSTPLUS (1300 467 875).

Confirmation of transactions on your HOSTPLUS account

Some transactions, like rollovers and transfers, are confirmed in writing with you directly when they occur. Other transactions, such as contributions, can be verified by checking your half-yearly benefit statements. You can also confirm transactions by accessing your account at hostplus.com.au. To register for this service, call HOSTPLUS on 1300 HOSTPLUS (1300 467 875).

Surcharge payments

The payment of superannuation surcharge will be deducted from member accounts if applicable.

Reserve accounts

The fund maintains reserves to cover the day-to-day operations of HOSTPLUS which are invested in a manner consistent with the fund's investment strategy in the Balanced option and in a manner that allows the fund to discharge its liabilities as they fall due. The total value of all reserve amounts at 30 June for the last four years has been:

2009:	\$72,719,316
2008:	\$66,786,013
2007:	\$61,220,329
2006:	\$49,971,422

Investment account

HOSTPLUS allocates investment earnings to members' accounts at 30 June and 31 December each year, when an account is closed, or when an amount is switched to another investment option. During the year, investment earnings are accumulated in an investment account, pending this allocation process. After six months, all investment earnings are allocated to members' accounts. The total value of this investment account at 30 June for the last four years was:

2009:	\$1,968,281
2008:	\$2,123,621
2007:	\$2,013,531
2006:	\$3,170,736

Administration reserve account

The fees deducted from your account are deposited into the administration reserve account and the accumulated funds are utilised to pay for the operations of HOSTPLUS. Over the last four years, the administration reserve balance at 30 June has been:

2009:	\$70,751,035
2008:	\$64,662,392
2007:	\$59,206,798
2006:	\$46,800,686

Our professional partners

HOSTPLUS works closely with the following professional organisations to achieve our investment and administration objectives effectively and cost-efficiently:

- Administrator: Superpartners Pty Ltd
- Investment adviser: JANA Investment Advisers Pty Ltd
- Auditor: PricewaterhouseCoopers
- Insurer: ING Australia Limited
- Legal advisers: Deacons, IFS Legal
- Tax advisers: KPMG
- Master custodian: JPMorgan Chase Bank, N.A.

Derivatives

The fund permits the use of derivatives to manage risk and enhance returns.

Derivatives are financial instruments linked to the future purchase or sale of securities, such as shares and other assets. They are common risk management tools.

Derivatives will only be utilised where such use is consistent with:

- the investment strategy adopted for that portion of the fund managed by the relevant manager
- the investment powers of the fund, and
- the strategy as agreed between the fund and the respective investment managers.

Some HOSTPLUS investment managers use derivatives to achieve their investment objectives and manage risk, while always complying with the asset sector investment guidelines. Derivatives may be used in the management of the fund's investment portfolio but may not be used to gear the portfolio or create net short positions.

The Australian Prudential Regulation Authority (APRA), sets standards for the prudent management of super funds and requires super funds to develop a policy to ensure proper use of derivative risk statements. HOSTPLUS has the Derivatives Risk Statements Part A and Part B as required by APRA. These summarise the policies, amongst other details, that HOSTPLUS has in place covering the use of derivatives.

Protecting small accounts

If at any time your account balance is less than \$1,000, HOSTPLUS member protection rules apply. If your account includes or has included SG or award contributions, the management costs deducted won't exceed the net fund earning rate applied to your account for that year.

During periods of poor investment returns, management costs are limited to any positive investment return plus \$10 per protected account. Management costs don't include insurance premiums and taxes, which will be deducted from your account as applicable.

Important information about your super (cont)

HOSTPLUS Directors

Independent Directors

 **David Elmslie**
Chairman

 **The Hon Peter Collins AM QC**

 **Bob Hinkley**

Employee Representative Directors

 **Brian Daley**
Deputy Chairman

 **Tim Ferrari**
4 August 2002 –
19 June 2009

 **Robyn Buckler**

Employer Representative Directors

 **John Nicholson**
4 June 2003 –
16 November 2008

 **Mark Robertson**
Deputy Chairman

 **Bevan Douglas**

 **Neil Randall**
Appointed
17 November
2008

Host-Plus Pty Limited was the trustee of the HOSTPLUS superannuation fund for the reporting period.

Corporate governance

HOSTPLUS follows a strict corporate governance policy for investments in Australian shares. Our policy provides proxy voting guidelines for mandated investment managers and our custodian concerning the major portion of investments HOSTPLUS makes in the Australian share market. It also includes extended reporting on pooled investment vehicles.

For international shares, HOSTPLUS monitors the corporate governance policies of our managers.

Earnings on accounts

The trustee is entitled to retain any earnings earned on any monies paid to the fund that are later required to be returned, eg. refunds due to overpayments or those payments made in error to the trustee.

Currency hedging

International investments are vulnerable to currency fluctuations. Hedging removes the currency exposure of international investments.

HOSTPLUS partially hedges the currency exposure of all international asset exposures.

Your privacy is important to us

HOSTPLUS operates under stringent privacy guidelines and takes every step possible to protect your privacy. There are instances when we need to give information about you to third parties (such as the ATO), however, there are strict controls on how they can use this information. Our complete privacy guidelines can be viewed at hostplus.com.au or you can obtain a copy by calling 1300 HOSTPLUS (1300 467 875).

Enquiries and complaints

If you have an enquiry or complaint, call 1300 HOSTPLUS (1300 467 875), 8am–8pm, Monday to Friday. We'll do everything in our power to deal with your query promptly and courteously. If you're not happy with how your query is handled then we want to know. Please call us or write to:

Complaints Officer
HOSTPLUS
Locked Bag 3
Carlton South VIC 3053

Important information about your super (cont)

Investments and investment managers at 30 June 2009

Cash & capital guaranteed

- ING Investment Management Ltd
- JPMorgan Chase Bank, N.A.

Diversified fixed interest

- Alternative Fixed Income Fund – Industry Funds Management Pty Ltd
- Apostle Loomis Sayles Credit Opportunities Fund – Loomis, Sayles & Company, L.P.
- Bridgewater Associates, Inc*
- Macquarie True Index Fund – Macquarie Investment Management Ltd*
- SMHL Private Placement Trust – ME Portfolio Management Limited
- Super Loans Trust – ME Portfolio Management Limited

Property

- Australian Prime Property Funds (Retail, Commercial & Industrial) – Lend Lease Corporation Ltd*
- Colonial First State Property Opportunistic Partnership – Colonial First State Property Ltd
- Goodman Australia Industrial Fund – Goodman Funds Management Australia Limited
- Hotel Leisure Tourism Trust Australia Pty Ltd
- Industry Superannuation Property Trust (Core fund) – ISPT Pty Ltd*
- ISPT Development and Opportunities Fund I & II – ISPT Pty Ltd
- Lend Lease Asian Retail Investment Fund – Lend Lease Investment Management
- Lend Lease Communities Fund 1 – Lend Lease Real Estate Investments Limited

- Macquarie Real Estate Equity Fund 3, 5 & 6 – Macquarie Administration Services Ltd
- MGPA Asia Fund III – MGPA
- Retirement Villages Group – Macquarie Capital Advisers Limited
- Select Property Portfolio 1, 2 & 3 – AMP Henderson Global Investors Ltd
- Stockland Residential Estates Equity Fund No. 1 – Stockland Funds Management Ltd
- Wholesale Property

Unlisted assets

Alternatives

- Aurora Offshore Fund Ltd II – BISYS Hedge Funds (Ireland) Ltd
- Bridgewater All Weather Fund (Australia) – Bridgewater Associates, Inc
- GMO Multi Strategy Trust – GMO Australia Ltd

Infrastructure

- Campus Living Villages Fund – Campus Living Funds Management Ltd
- CFS Infrastructure Fund (Anglian Water Group Sector) – Colonial First State Property Limited
- Industry Funds Management Australian and International Private Equity and Infrastructure – Industry Funds Management Pty Ltd
- Macquarie Global Infrastructure Fund III – Macquarie Specialised Asset Management Limited
- Utilities Trust of Australia – Hastings Fund Management Ltd

Private equity

- Crown European Buyout Opportunities II Plc – LGT Capital Partners (Ireland) Limited
- IFBT
- Industry Funds Administration Trust
- Industry Funds Management Australian and International Private Equity – Industry Funds Management Pty Ltd
- Wilshire Private Markets Group – US, European, Asian and Australian Private Equity – Wilshire Australia Pty Ltd

Australian shares

- 452 Capital Pty Ltd
- Acadian Wholesale Australian Equity Long Short Fund – Acadian Asset Management (Australia) Limited
- Balanced Equity Management Pty Ltd*
- BNY Mellon Australian Equity 130/30 Trust – BNY Mellon Asset Management Australia
- Greencap Capital Limited
- Industry Funds Management Pty Ltd (enhanced index)
- Industry Funds Management Pty Ltd (strategic Australian equities)
- Macquarie Investment Management Ltd*
- Orbis Investment Management (Australia) Pty Ltd
- Paradise Investment Management Pty Ltd (Small Cap)*
- Paradise Investment Management Pty Ltd (Mid Cap)
- Paradise Investment Management Pty Ltd (Large Cap)

- Perpetual Investment Management Limited*

International shares

- AllianceBernstein*
- Apostle Global Small-Mid Cap Fund – Highclere International Investors Ltd – Vaughan Nelson Investment Management, L.P.
- Baillie Gifford Overseas Limited
- BGI Fission Index Funds – Barclays Global Investors
- Bridgewater Pure Alpha Fund II, Ltd – Bridgewater Associates, Inc
- Esemplia Emerging Markets
- Goldman Sachs JBWere Hedged Global Long Short Fund – Goldman Sachs JBWere Managed Funds Ltd
- Marvin & Palmer Associates, Inc.*
- Orbis Institutional Global Equity Fund – Orbis Investment Management Ltd
- QIC Active Currency Trust – QIC
- Wellington International Management Company Pte Ltd
- Wellington Management Portfolios – Wellington Management

Currency overlay

- Bridgewater Associates, Inc

* Managers available as individual manager investment options.

Financials

Statement of financial position at 30 June		
	2009	2008
Investments	\$6,499,023,833	\$6,949,353,816
Other assets		
Cash at bank	\$8,225,503	\$10,629,797
Prepayments	\$298,990	\$296,367
Other receivables	\$2,268,794	\$1,716,955
Operating assets	\$1,813,651	\$1,955,262
Deferred tax asset	\$130,365,917	\$6,250,971
Total other assets	\$142,972,855	\$20,849,352
Total assets	\$6,641,996,688	\$6,970,203,168
Liabilities		
Accounts payable	\$30,508,207	\$28,280,528
Current tax liabilities	\$11,092,202	\$61,138,154
Deferred tax liabilities	0	\$5,438,588
Total liabilities	\$41,600,409	\$94,857,270
Net assets available to pay benefits	\$6,600,396,279	\$6,875,345,898
Represented by: Liability for accrued benefits		
Balanced	\$6,000,964,133	\$6,462,847,116
Shares Plus	\$112,318,572	\$120,012,831
Capital Stable	\$47,494,206	\$39,497,502
Conservative Balanced	\$13,645,154	\$4,801,383
Cash	\$171,847,644	\$34,813,223
Diversified Fixed Interest	\$23,657,692	\$10,160,917
Property	\$19,659,651	\$19,448,832
Australian Shares	\$62,907,718	\$53,726,358
International Shares	\$15,427,153	\$15,727,753
Individual managers	\$59,755,040	\$47,523,970
Reserves	\$72,719,316	\$66,786,013
Total liability for accrued benefits	\$6,600,396,279	\$6,875,345,898

Operating statement for the year ended 30 June		
	2009	2008
Revenue from ordinary activities		
Net investment revenue		
Interest	\$20,878,990	\$15,394,710
Dividends and distributions	\$267,795,648	\$293,721,484
Other income	\$11,164,669	\$3,021,265
Changes in net market value	(\$1,318,408,955)	(\$599,190,052)
Direct and other investment expenses	(\$17,408,871)	(\$25,249,106)
Total net revenue – investments	(\$1,035,978,519)	(\$312,301,699)
Contribution revenue		
Employer	\$935,877,461	\$852,676,863
Member	\$76,122,526	\$115,832,705
Transfers from other superannuation funds	\$183,655,872	\$227,527,768
Total revenue – contributions	\$1,195,655,859	\$1,196,037,336
Other revenue		
Sundry income	\$92,556	\$44,051
Proceeds from insurance	\$36,368,537	\$25,637,674
Total revenue – other	\$36,461,093	\$25,681,725
Total revenue from ordinary activities	\$196,138,433	\$909,417,362
<i>Less</i>		
Expenses from ordinary activities		
Superannuation contributions surcharge	(\$2,713)	\$349,247
Insurance	\$67,560,343	\$45,677,488
Administration	\$64,203,677	\$57,251,017
Total expenses from ordinary activities	\$131,761,307	\$103,277,752
Benefits accrued as a result of operations before income tax	\$64,377,126	\$806,139,610
<i>Less</i>		
Income Tax Expense	(\$18,689,526)	\$66,559,949
Benefits accrued as a result of operations	\$83,066,652	\$739,579,661