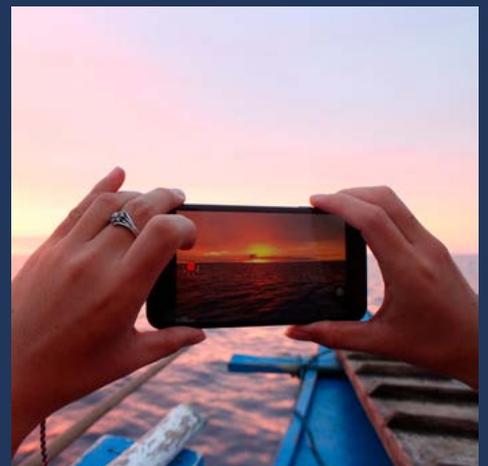
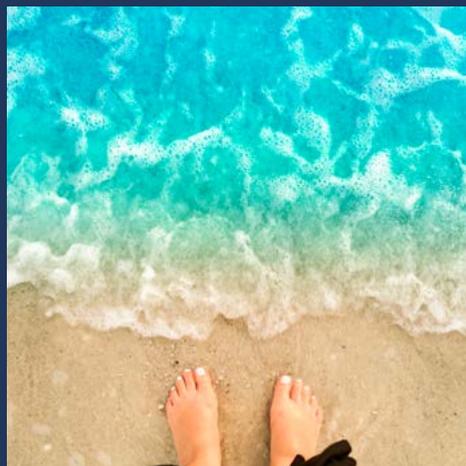


Your future's still waiting for you.

Hostplus Annual Report 2020



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Hostplus respectfully acknowledges the Wurundjeri people as the Traditional Owners of the Melbourne central business district where our head office is located. We pay our respects to leaders, past, present, and emerging, and we commit to caring for these ancient lands.

We believe we have a responsibility to honour their legacy by conducting our business with integrity, care, and inclusiveness.

And we strive to operate our trusted Fund in the spirit of the Wurundjeri ancestors who came before us.



Contact us

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Email info@hostplus.com.au
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About this report

We have used the International Integrated Reporting <IR> Framework as a guide to producing our 2019–20 Annual Report. Using the <IR> Framework allows us to provide a fuller picture of Hostplus' ability and actions to create value in the short, medium and long-term for our members and stakeholders.

Important information

This report was released in October 2020 and covers the operations of Hostplus from 1 July 2019 to 30 June 2020. Information contained within this report is general advice only and does not take into account your personal objectives, financial situation or needs. You should consider if this information is appropriate for you, in light of your circumstances, before acting on it. Please read the relevant Hostplus Product Disclosure Statement (PDS), available at hostplus.com.au before making a decision about Hostplus. Issued by Host-Plus Pty Limited ABN 79 008 634 704, AFSL 244392 as trustee for the Hostplus Superannuation Fund (the Fund) ABN 68 657 495 890, MySuper No 68 657 495 890 198.

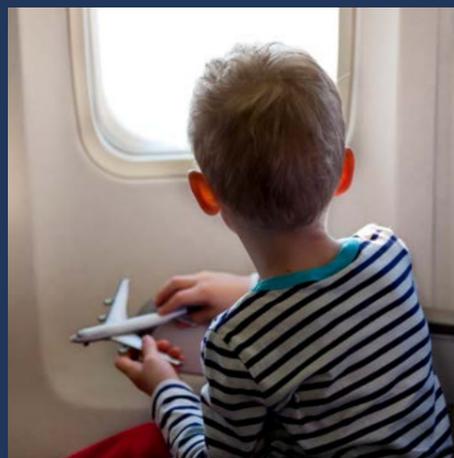
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Who we are

Hostplus Vision and Values

Hostplus was established in 1988 as the national industry superannuation fund for the hospitality, tourism, recreation and sport industries. Hostplus is proud of its industry fund heritage and is run only to benefit our members. Our 'members first' philosophy and ethos drives us and is reflected in our ongoing commitment to low fees and the best possible returns for our members, so they can look forward to a more comfortable and dignified retirement lifestyle.

Today, Hostplus is one of Australia's largest and increasingly diversified funds with 1.3 million members, 216 thousand contributing employers and nearly \$49 billion in funds under management (as at 30 June 2020). And our default Balanced (MySuper) option is one of the best-performing¹ investment options over the long-term.



Our Vision

With our origins in the hospitality and tourism industries, Hostplus continues to evolve as the lifetime fund of choice for all Australians, delivering retirement income security to our members.

As we evolve as a Fund, our vision for the future does too.

[Read more about our future plans on page 12.](#)

1. Source: According to the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60 – 76) Index, June 2020, our default Balanced (MySuper) option has ranked in the top five Balanced Funds over five, seven, 10, 15 and 20 year periods. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a fund.

Our Values

Our organisational values recognise and inspire the positive characteristics that make Hostplus such an incredible place to work.

These values inform the way we operate and work together to deliver better outcomes for our members, every single day.



Go for it.

We are optimistic and we focus on solutions, not problems.



Keep it real.

We are honest, genuine, straightforward and transparent.



We care.

We care about our work, our customers and our colleagues.



Better together.

We've got each other's backs, and we never walk alone.



Be proud.

We are proud of who we are and the work we do every single day.

Tomorrow, realised here

Our primary purpose has always been, and will continue to be, to put more money in our members' pockets for their retirement.

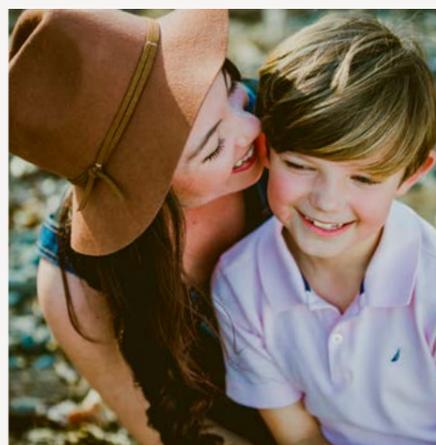
In part, our distinctive advantage stems from our membership, which on average is younger than many other funds. This gives Hostplus the ability to invest for the long-term, across diverse, and in some cases, difficult-to-access asset classes.

Our assets include essential infrastructure, like airports, utilities and roads, that deliver immediate social benefits today, as well as longer-term investment benefits for our members.

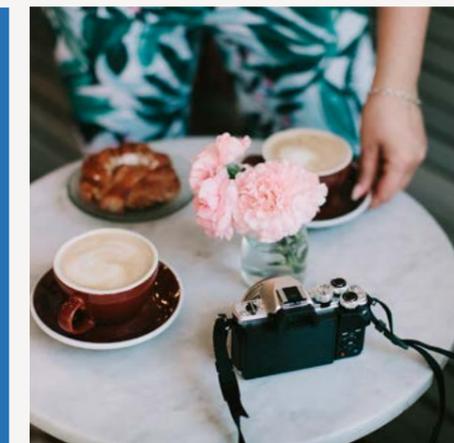
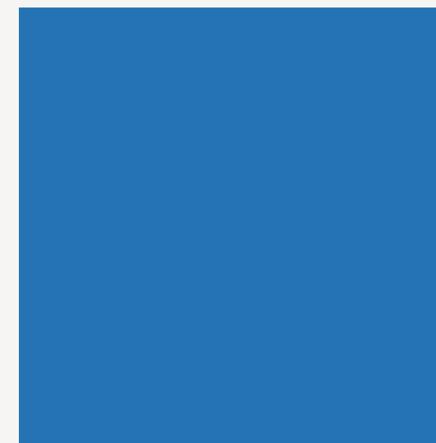
Over the next three years, industry super funds will be investing a forecast \$19.5 billion in projects that will create an estimated 200,000 jobs. These investments will not only help our economy recover from the current COVID-19 crisis, but will also play an important role in helping our members' super bounce back.

By continually innovating, investing, and improving our members' understanding of superannuation, at Hostplus, we don't just make the best of tomorrow.

Together, we make tomorrow happen.



Our primary purpose has always been, and will continue to be, to put more money in our members' pockets for their retirement.



Hostplus today

year ended 30 June 2020

\$49b

Funds under management

1.3m
members

275k
new member
accounts created

Where members are invested



216k
employers

How we're helping our members



739k
calls answered

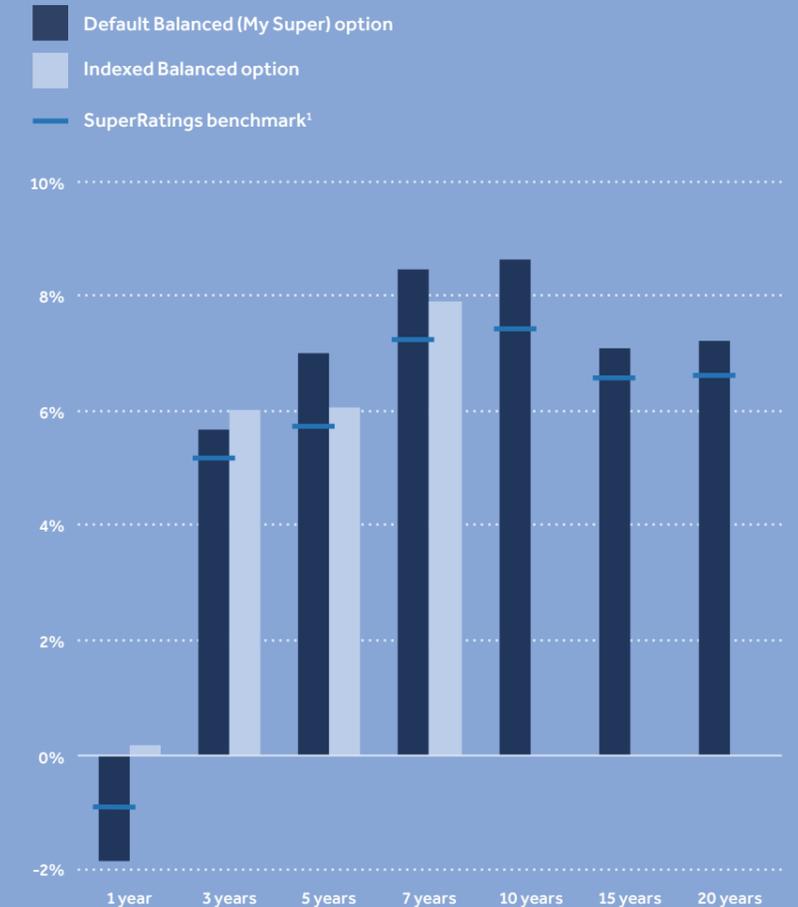


\$163m
insurance claims paid



\$549m
in retirement benefits paid

Our investment returns to 30 June 2020 p.a.¹



1. Hostplus returns shown above are net investment returns for our two most popular investment options, net of investment-related fees, costs and taxes compared to the SR50 median. All figures are taken from the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index, 30 June 2020. Indexed Balanced option launched 1 December 2010. Past performance is not a reliable indicator of future performance.

Early release of super



\$1.7b
paid to members



243k
applications paid



96%
processed within
five business days

CEO message



A warm welcome to all our members, and thank you for taking the time to read our latest annual report.

The past year has certainly been a remarkable period for our country and communities. As Australians, we can be very proud of the way we have confronted the social and economic challenges brought on by COVID-19. All of us have been affected in different ways by this health crisis and many Hostplus members are employed in sectors that have been hardest hit by it.

I'm very proud that Hostplus has been able to play its part in providing needed financial assistance, by paying out \$1.7 billion as of 30 June to more than 243,000 members who have made the difficult decision to access their super early via the federal government's 'Early Release of Superannuation' scheme.

As a profit-to-member Industry SuperFund, everything we do is done in the interests of our members.

Hostplus' purpose is clear: we aim to maximise members' superannuation outcomes so that they might enjoy a dignified retirement. As a profit-to-member Industry SuperFund, everything we do is done in the interests of our members, and we do not pay profits to shareholders or anyone else. During these uncertain times, it is reassuring to know some things remain unchanged. Our \$1.50 per week member administration fee hasn't changed for 16 years and is the lowest out of the top 20 industry super funds in Australia.¹ It is also a 'flat' fee, meaning unlike many other funds it is not calculated as a percentage of your balance, so it doesn't go up, even if your balance does. This low member administration fee, combined with strong long-term returns,² means more money in our members' pockets.

Our default Balanced (MySuper) option generated a negative return of -1.85% for the year to 30 June 2020 – its first negative return in 11 years, and only the fourth in its 32-year history. While the year was certainly a challenging one, Hostplus has remained a solid performer compared to Australia's leading superannuation funds over longer periods, with the default Balanced (MySuper) option having returned 8.61% per annum over ten years, as shown on [page 9](#).

Our popular Indexed Balanced option – which with a total investment fee of 0.06% is one of the lowest-cost diversified investment options available – has grown to over \$7 billion, as more and more Australians actively choose Hostplus as their preferred superannuation provider. Though financial markets were rocked by the COVID-19 pandemic and subsequent economic fallout, the Indexed Balanced option delivered a positive return of +0.19% over the past financial year.

As we continue to face the challenges of COVID-19, it is more important than ever for Australians to be able to confidently restore their retirement savings, which is why it is vital that the government implement the already legislated super guarantee increase from 9.5% to 10% from 1 July next year.

This year's annual report has been produced using the International Integrated Reporting <IR> Framework as a guide. The framework helps us clearly and concisely communicate how Hostplus delivers value to our members. We hope you enjoy it.

Thank you for your continued support during these challenging times, and take care.

David Elia
Chief Executive Officer

Chair message

It was certainly an eventful year for the global community. Putting aside COVID-19 for one moment, two key changes took place for superannuation funds and their members; the first being the introduction of the 'Putting Members' Interests First', legislation, which came into effect on 1 April 2020. The new rules are designed to protect members' balances from being unnecessarily eroded by inappropriate insurance premiums. If you've recently opened a superannuation account and are under 25, or have a balance under \$6,000, you may not be covered by insurance, so I encourage all our members to check their insurance arrangements by logging into Member Online or contacting our service centre.

The second big change was the federal government's 'Early Release of Superannuation' scheme. Across the country, since the scheme started in April, more than 2.4 million Australians have accessed some or all of their super early due to financial stresses brought on by COVID-19, withdrawing more than \$18 billion (as of 28 June 2020). In July, the government announced an extension of the scheme until 31 December 2020, and estimated that some \$42 billion may be withdrawn by then.

Despite the challenges of COVID-19, the Fund has continued to grow as an organisation, in terms of members and total assets. And as we grow, our members benefit, because we are able to use our increasing size and scale to negotiate cost savings that we can pass on for the benefit of all members.

We now manage nearly \$49 billion for 1.3 million Australians, as of 30 June. Hostplus members increasingly come from all walks of life and work in a variety of Australia's industries. For the first time in our history, members from outside our traditional industries of hospitality, tourism, recreation and sport, now outnumber members from within those core sectors. This diversity speaks to the

quality of our investment options, our low administration fees, and our strong, long-term investment returns.

With our sights firmly set on continuing to improve our members' experience, we've invested in a well-targeted and resourced business transformation program that includes uplifting our member-facing technology. This includes launching a new Hostplus mobile app, which you can read more about on [page 18](#).

And with enhanced member outcomes in mind, we have recently refreshed and updated our three-year business strategy, key elements of which are described on [page 12](#).

Hostplus members increasingly come from all walks of life and work in a variety of Australia's industries.

In March 2020 we held our first Annual Members' Meeting, which due to the COVID-19 restrictions was hosted online. It was a great opportunity to connect with our members and investors and provide an update on the Fund's performance and other matters. You can view the meeting online via our website. We will be holding the next Annual Members' Meeting in early December 2020.

Please enjoy this year's annual report. And on behalf of Hostplus' Board and management we wish you well and look forward to the privilege and important responsibility of continuing to manage your retirement savings.

David Elmslie
Chair of the Board



1. Source: Australian Prudential Regulation Authority (APRA) Annual fund-level Superannuation Statistics June 2019, issued 10 December 2019. Top 20 industry super funds (not for profit) based on total assets under management. Administration fees comparison using SuperRatings SMART fee calculator as at 30 June 2020, based on a super account balance of \$50,000.

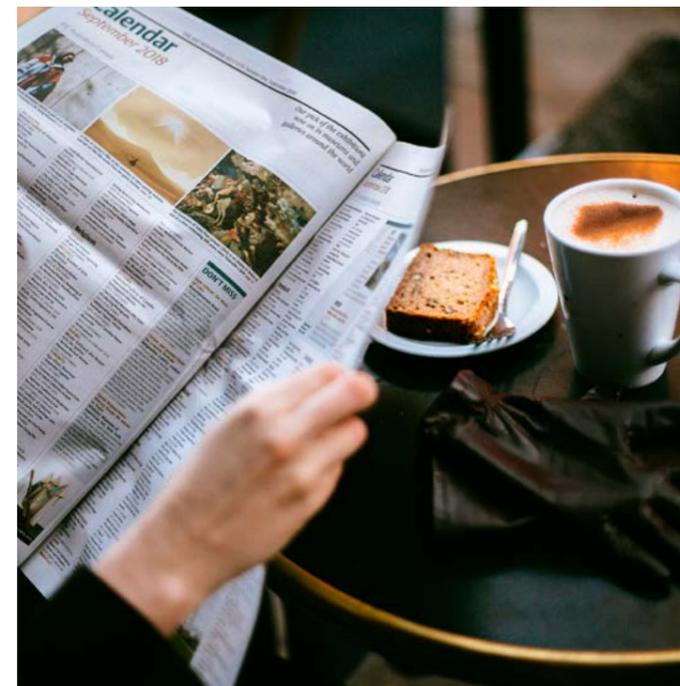
2. Source: According to the SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Balanced (60–76) Index, June 2020, our default Balanced (MySuper) option has ranked in the top five over five to 20 year time periods. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a fund.

How we deliver value

Our business strategy

Hostplus' leadership team comes together regularly to refresh the organisation's strategic plan. Our approach to strategic planning starts with a detailed analysis of our performance against our core objectives, as well as the key external forces impacting the Fund, to ensure we are well placed to help our members achieve the outcomes they deserve.

We have maintained one of the industry's lowest administration fees for superannuation members – a flat \$78 per year – for the past 16 years.



Meeting our core objectives



Optimise investment returns

Despite the significant health and economic crises associated with the COVID-19 pandemic, Hostplus has remained a solid performer compared to Australia's leading superannuation funds over the longer term. Our default Balanced (MySuper) option has been ranked in the top five over 5, 7, 10, 15 and 20-year periods.¹

1. Source: SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Balanced (60 – 76) Index, June 2020. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a fund.

2. Source: Australian Prudential Regulation Authority (APRA) Annual fund-level Superannuation Statistics June 2019, issued 10 December 2019. Top 20 industry super funds (not for profit) based on total assets under management. Administration fees comparison using SuperRatings SMART fee calculator as at 30 June 2020, based on a super account balance of \$50,000.



Grow the Fund to build scale for our members' benefit

Hostplus' total membership increased 6% over the past financial year to nearly 1.3 million members, with more Australians having chosen Hostplus as their preferred super provider. Hostplus' funds under management also grew by \$3.8 billion over the year, to reach \$48.8 billion. Our growth enables us to continue to develop innovative products and services while keeping costs low. These benefits accrue directly to our membership.



Keep our administration costs low

We are proud to have maintained one of the industry's lowest administration fees for superannuation members – a flat \$78 per year – for the past 16 years? And this year we reduced our administration fee for pension members by 40% to a low \$234 per year.

External environment

In addition to movements in investment markets, there are many external forces that can impact Hostplus and the wider superannuation industry. We account for these forces in our business strategy so that we're well positioned to serve our members' best interests. The following factors are a selection of external forces impacting Hostplus:

More Australians are exercising choice

Around 22% of our members have actively chosen Hostplus as their preferred super provider, compared to only 4% three years ago. Members who exercise choice tend to be more engaged: they expect tailored super solutions rather than default offerings, and have a stronger preference for self-servicing via digital channels.

Technological change

Technology is becoming a more central force in all our lives, especially of late, with many more Australians working remotely. In the superannuation industry, funds are making substantial investments in technology, to improve their customers' experience. Hostplus recently launched a new mobile app (featured on [page 18](#)) and we are developing a new website and member portal.

Regulatory change

As outlined by Hostplus Chair David Elmslie on [page 11](#), two key legislative changes took place this past year: 'Putting Members' Interests First' and the 'Early Release of Superannuation' scheme. Additionally, we have been working to implement the Australian Prudential Regulation Authority's (APRA's) 'Member Outcomes' standards. 'Optimising member outcomes for retirement' is central to our strategic plan.

This coming financial year, the super industry could face further unexpected regulatory changes, particularly as the government continues to address issues related to COVID-19.

Public health and the economy

COVID-19 has had a significant impact on the global and Australian economy, including lower employment and our first recession in 29 years.

As described further on [page 15](#), responding to the pandemic has been, and will continue to be, a central focus for us at Hostplus.

Hostplus vision and strategic objectives

Vision

With our origins in the hospitality and tourism industries, Hostplus continues to evolve as the lifetime fund of choice for all Australians, delivering retirement income security to its members.

Optimise member outcomes for retirement

Strategic objectives

Realise scale benefits by:

1	2			3
Responsibly optimising long-term net investment returns	Maintaining low administration fees			Delivering quality and affordable insurance and other benefits
	Grow membership and funds under management	Retain employers and members and create a fund for life	Through innovation, maximise operational efficiency and capability	

We've launched a refreshed three-year strategic plan

Our refreshed three-year strategic plan retains the features that helped produce outstanding results for Hostplus members over the past decade. In addition, we have placed greater emphasis on optimising member outcomes for retirement, and have revised several underlying components of the plan, including the Hostplus vision and strategic objectives.

The refreshed three-year strategic plan positions the Fund well to continue to serve our members with distinction in the years ahead.

Vision

Our new vision statement builds on the previous vision, with additional emphasis on delivering retirement income security to our membership that includes a broad cross section of Australians.

Strategic objectives

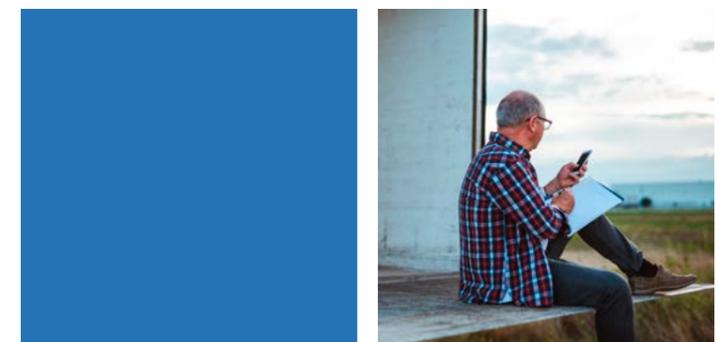
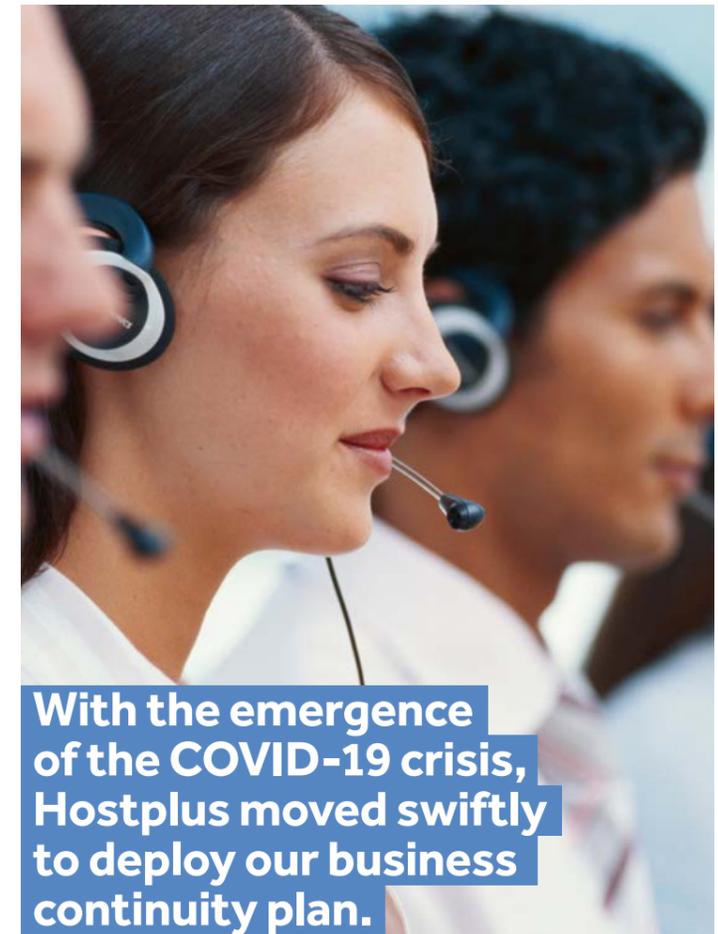
While retaining many of the previous strategic objectives, the new three-year strategic plan also highlights optimising member outcomes for retirement as Hostplus' fundamental objective. The strategy recognises that our ability to 'realise scale benefits' is fundamental to optimising member outcomes. In other words, as we grow as a Fund, we are able to use our size to negotiate better terms with third parties such as our external investment managers, technology providers, administrator and insurer, and can pass those cost savings on to members.

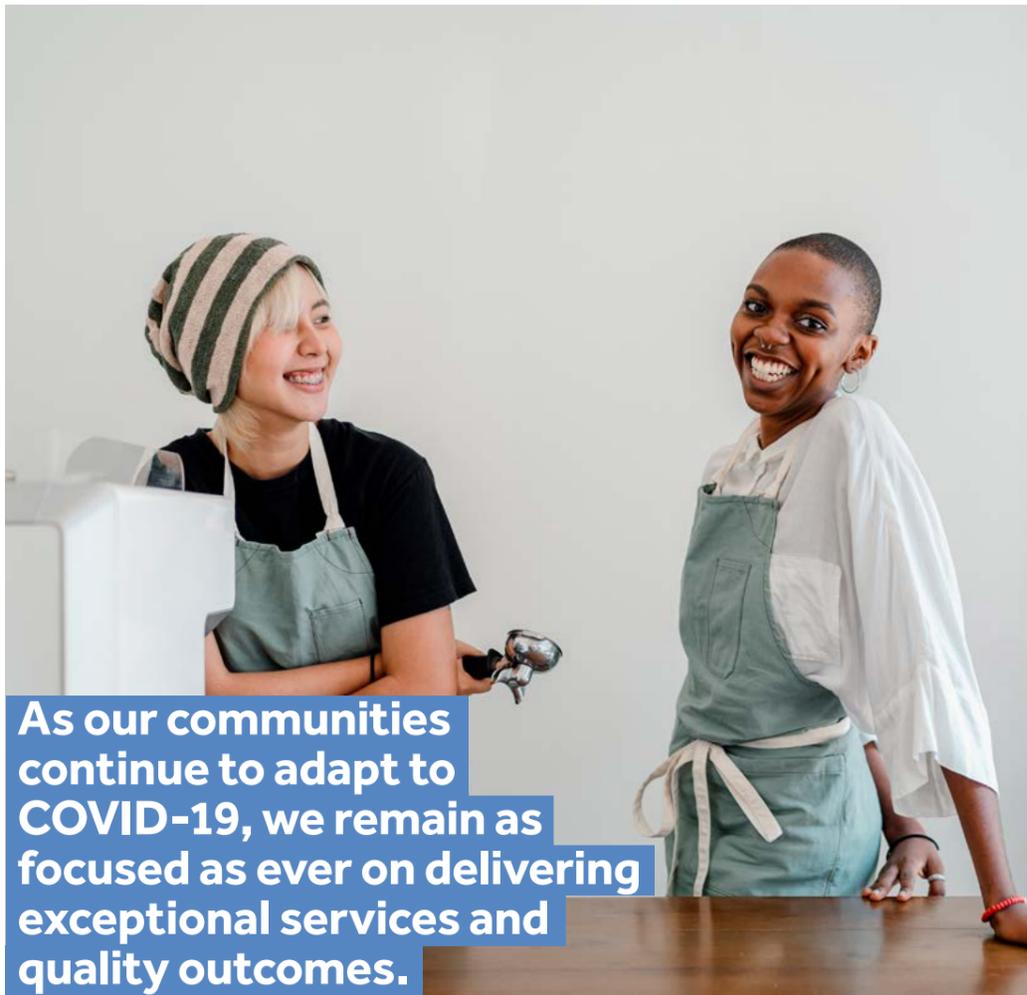
Service continuity through times of change

At Hostplus, achieving and maintaining service excellence is vital to our core philosophy. Over the past financial year, we've made considerable changes to the way we operate, to ensure we continue to deliver the high standards of service that our members expect and deserve.

With the emergence of the COVID-19 crisis, Hostplus moved swiftly to deploy our business continuity plan. This included activating our offsite service centre locations to ensure we could continue to service the needs of our members while protecting the health and safety of our employees and their families.

It also involved pivoting in a short space of time to working remotely. We adjusted our processes and IT infrastructure to successfully transition all of Hostplus' departments, teams and functions to work from home, including a significant portion of our dedicated, in-house, service centre. This transition was achieved through the commitment and drive of all our teams, who remained determined to deliver timely, responsive and empathetic member and employer services throughout this period.





As our communities continue to adapt to COVID-19, we remain as focused as ever on delivering exceptional services and quality outcomes.

Supporting our members when they need it most

Over recent months, many Australians found themselves experiencing sudden financial hardship as a result of the COVID-19 pandemic. Hostplus has proudly played its role in supporting our members through these difficult times. This includes directly assisting more than 243,000 Hostplus members who, as of 30 June, had made the difficult decision to access their super as part of the federal government's temporary 'Early Release of Superannuation (ERS)' scheme.

We worked with the Australian Taxation Office to ensure ERS payments were processed as quickly as possible, while maintaining our robust security and anti-fraud measures for the protection of our members. We also moved quickly to redeploy employees to frontline client service roles from other areas of our business and extended our working hours to respond to the dramatic increase in service and assistance requests.

To assist those who needed to make an insurance claim during this period we also implemented an online identity verification system, allowing claimants to more easily make their claim in safety and with streamlined documentation.

As our communities continue to work through the difficulties the COVID-19 pandemic has brought, we remain as focused as ever on delivering exceptional services and quality outcomes in the best interests of all our members. We also continue to actively review and enhance our services, processes and products over the short term to respond to the immediate needs of our members whilst ensuring our longer-term strategy and key performance objectives are met.

Awards

At Hostplus, delivering great outcomes for our members is the best reward of all. So, while we're not in it for the accolades, the awards and ratings we receive are welcomed endorsement and support for our achievements, and provide our members with confidence in their choice of super fund.

In 2019–20, we were pleased to be recognised for our efforts through a host of awards and ratings.

Awards and ratings are only one factor to be taken into account when choosing a super fund.

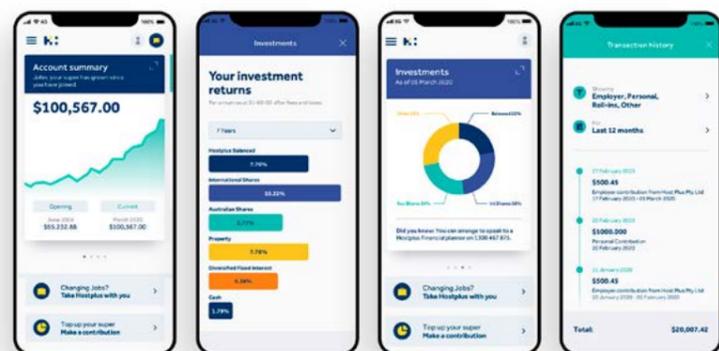
For further information about the methodology used by Chant West, see www.chantwest.com.au.

SuperRatings does not issue, sell, guarantee or underwrite this product. Go to www.superratings.com.au for details of its criteria.



Product and service innovations

The Hostplus mobile app



“Great initiative! This app will make it much more convenient to stay across my super quickly and easily, rather than having to log into the website.”

– Hostplus member, 2020



Mobile app

The end of the financial year marked an important milestone for Hostplus – it coincided with the launch of our first mobile app for our superannuation accumulation members. Rather than settling for an ‘off-the-shelf’ app with generic functionality, we invested the time and effort to ask our members what they wanted to see in their fund’s app. We used these customer-centered design insights to build a customised digital experience.

They say good things come to those who wait, and we believe this approach has paid off, with one surveyed member commenting: *“I’ve been waiting for this app for a long while and I love it. None of the features in there I don’t like... The best feature is when I get a monthly notification that my super has been paid. It’s especially good in the current financial climate.”*

When researching the design of our app, our members told us they wanted to see how much they were paying in fees and how much their investments were earning. So, we built a feature that clearly represents the amount earned from investment returns, compared to the amount paid in fees and insurance premiums over a 12 month period. You can also see how your investments have performed over various time periods, and if you’re invested in our default Balanced (MySuper) option, you can see how it has performed in relation to the industry median.

The first release of the Hostplus app allows members to:

- retrieve their member number and easily sign in using fingerprint or face recognition
- check their account balance and transaction history

- see how their investments are performing
- receive notifications when a contribution is made to their super account
- view their insurance details and beneficiaries
- easily update their contact details
- send a new employer their Hostplus details.

The Hostplus app is available now in the Apple and Google Play stores* making it easier than ever to manage your super.

Hostplus Self-Managed Invest

In 2019, Hostplus launched **Self-Managed Invest** (SMI), which in a short time has proved popular with Self-Managed Super Fund (SMSF) investors and their advisers.

Hostplus SMI provides SMSF investors with access to unique investments, generally inaccessible to retail and SMSF investors, with a level of flexibility and liquidity previously available to Hostplus members only.

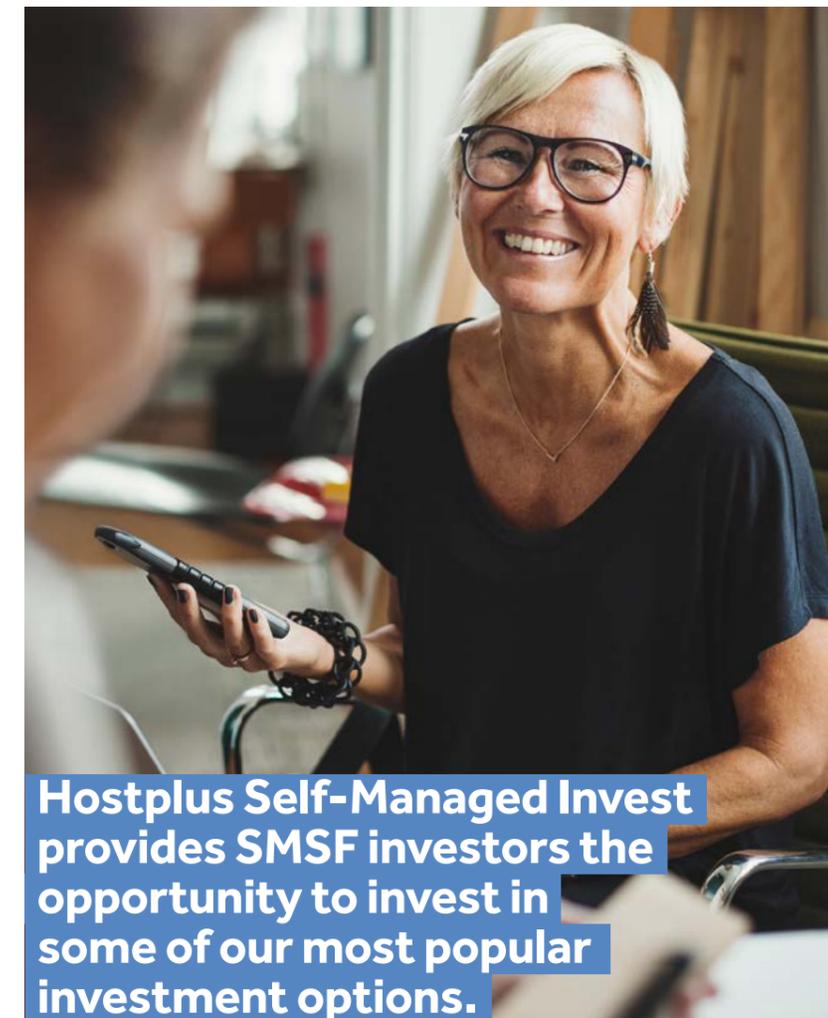
SMI Investors can select from a range of high-quality investment options, including our flagship Balanced option and our popular Indexed Balanced option, within the safety and security of a large, well-managed APRA-regulated fund.

By investing in Hostplus SMI, SMSF investors can enjoy the best of both worlds: the benefits of investing with one of Australia’s top superannuation providers,¹ while maintaining control of their SMSF.

SMI’s popularity is driven by a number of competitive features, including:

- a digital-first approach and a seamless online application, onboarding, and administration process
- a simple and cost-effective fee structure
- access to unique investment options, such as unlisted infrastructure assets not otherwise available to retail investors
- access to our award-winning² Balanced and low-cost Indexed Balanced options
- a low initial investment threshold and full liquidity on all investments including investment options with unlisted assets.

And we are proud that since its launch, Hostplus’ SMI has been recognised and awarded by leading independent research



Hostplus Self-Managed Invest provides SMSF investors the opportunity to invest in some of our most popular investment options.



and ratings agencies, including receiving SuperRatings’ ‘Best New Innovation 2020’ award, Money Magazine’s ‘Best Innovative Super Service’ award and Canstar’s ‘Innovation Excellence’ award 2020.

We are excited about SMI’s further expansion over the next few years, including continuing to develop and improve SMI by:

- enhancing its underlying platform technology to increase integration with key investment, adviser and SMSF platforms
- improving the level of information, disclosures, services and support available to investors
- enhancing the investment product menu and structure.

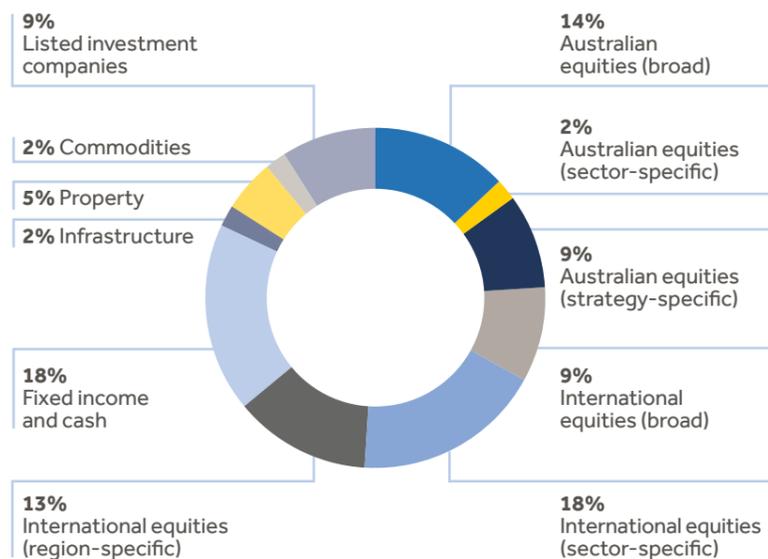
Awards and ratings are only one factor to be taken into account when choosing a super fund.

SuperRatings does not issue, sell, guarantee or underwrite this product. Go to superratings.com.au for details of its criteria.

1. Ratings agency SuperRatings has awarded Hostplus the ‘15-year platinum performance’ rating for 2005–2020.

2. Ratings agency SuperRatings has awarded Hostplus the ‘SR50 Best Balanced Return’ 2014–2019.

Choiceplus ETF and LIC Asset Diversification



Choiceplus: our direct investment solution

For members seeking greater choice and control and a more active role in the management of their superannuation or retirement balances, Hostplus offers the **Choiceplus** investment option.

Alongside our other pre-mixed, asset class and individual manager investment options, Choiceplus gives members the ability to invest some of their balances in:

- Australian shares (S&P/ASX 300)
- term deposits
- exchange traded funds (ETFs) and
- listed investment companies (LICs).

With a comprehensive investment menu offering access to a wide range of investment products, markets, asset classes and strategies – including the recent addition of Environmental, Social and Governance (ESG) ETFs – Choiceplus offers members the flexibility of an SMSF, at a market-leading competitive cost and with a lower administrative burden.

In addition, Choiceplus provides members with access to real-time trading data, extensive market information and independent research and investment tools, to help members make informed investment decisions or simply increase their financial literacy and investment knowledge.

A new investment option for Hostplus members: Infrastructure

On 1 December 2019, we introduced a new Infrastructure investment option for our superannuation and pension members.

Infrastructure has long been an asset class that has played an important role in contributing to our default Balanced (MySuper) option's long-term market-leading performance. Offering Infrastructure as a standalone new investment option provides members with access to a well-diversified, global portfolio of infrastructure assets and managers such as IFM Investors, First Sentier Investments, Queensland Investment Corporation and more, while aiming to generate income and capital growth.

In addition to working with external investment managers, Hostplus directly co-invests in a range of infrastructure assets within this option. This helps to reduce costs and allows additional exposure to high-quality, world-class assets that are often otherwise difficult to secure and maintain exposure to, and which we believe will continue to drive returns for our members over the long-term.

Servicing our retired members

Australia is seeing significant growth in its ageing population, and Hostplus' membership is no exception to this trend. While our current retirement division represents around 5% of Hostplus' funds under management, we expect that within five years, more than 100,000 Hostplus members, representing over \$10 billion in funds under management, will become eligible to be a part of this division.

To plan for this growth, along with the increasing complexity of members' retirement needs, Hostplus is taking proactive steps in engaging with its members to understand their requirements.

Earlier in 2020, we undertook research to better understand the retirement objectives, plans and income needs of our current and past members. This research aimed to understand and inform:

- the competing needs of members and how they prioritise those needs
- the key decisions that members make in their retirement and what factors influence those decisions
- how members plan for their retirement and how Hostplus can better assist in this planning process
- the role superannuation income is expected to play in their retirement, and
- how members engage with Hostplus and their expectations around the tools and support required.

As we come to better understand and address our members' retirement needs and expectations, we will apply these insights to further enhance and tailor our product solutions and our levels of service, support, education, guidance and advice. Based on member feedback



to date, Hostplus has already put these insights and learnings to work, and commenced work on the following:

- informing the further development of our retirement income strategy
- developing product solutions aimed at improving retirement income certainty while maintaining flexibility of access to capital
- digitising and enhancing our pension application and onboarding process, and
- developing retirement income projections and engagement tools to assist members in the lead-up to retirement.

We look forward to further engaging with members in 2020–21 and are seeking feedback and ideas as to how we can further improve Hostplus' products and services to better suit our members' objectives and requirements.



Insurance

At Hostplus, our members will always be our priority, and an important part of our offering is access to competitive, affordable and innovative insurance arrangements that provide security when it's needed most.

Our flexible insurance offering – through a combination of default insurance cover and options for voluntary additional cover – ensures that members' insurance needs are supported. Our default insurance cover is set at levels that provide an appropriate safety net of insurance cover to all eligible members of the Fund.

Hostplus provides eligible members with the following types of default (automatic) insurance cover:

Death cover

Also known as life insurance. Paid to your beneficiaries in the event of your death.

Terminal illness cover

An early payment of death cover in the event of a terminal illness or injury likely to result in your death within 24 months.

Total & Permanent Disability (TPD) cover

A lump sum payment if you become seriously disabled and are unlikely to ever work again.

Effective 1 April 2020, new members joining Hostplus need to be aged 25 or over and have an account balance of \$6,000 or more, to be eligible for automatic insurance cover to be provided. However, you can opt-in at any time before you become eligible for automatic cover.

You can also apply for Income Protection cover (also known as Salary Continuance) at any time. Income Protection cover helps to protect your income if you can't work because of illness or injury, by providing regular monthly payments to help you meet your living expenses.

It's important to get the right level of cover to suit your needs and your budget, taking into account your financial situation, your family circumstance, your health, your lifestyle and your age.

Information about our participation in the Insurance in Superannuation Voluntary Code of Practice can be found on [page 82](#).

A great claims process

Providing high quality, affordable and flexible insurance is only part of it. In the unfortunate circumstance that you need to make a claim, we are here to make that process as easy and as stress-free as possible by supporting you throughout your claim experience.

Hostplus' in-house claims experience team is dedicated to providing our members and their families with a caring, simple administration process and efficient case management, right from first contact and every step of the way through to the completion of their claim.

In the 12 months to 30 June 2020, Hostplus paid \$163 million in insurance claims to almost 1,600 Hostplus members, representing 96.1% of all assessed claims being accepted and paid by the insurer.

A more detailed breakdown of these paid claims for the five years ending 30 June 2020, split by age group, can be found on [page 70](#).

Changes to our insurance premiums

We regularly review our insurance offering to make sure it continues to meet the changing needs of our members and provides them with the best-value cover possible. Against a backdrop of the recently introduced 'Putting Members' Interests First' and 'Protecting Your Super' legislation reforms, we conducted a comprehensive review of our insurance premiums earlier this year. As a result, and in an environment where many of our competitors are increasing their insurance premiums, Hostplus has negotiated a new three year rate guarantee that most importantly has secured no change to our current Death and TPD premiums for the duration of the guarantee period.

The introduction of these reforms has however, resulted in a significant decrease in the number of members covered by our group insurance policy. Considering the reforms, changes to membership demographics and an increase in disability claim volumes, we have reluctantly had to increase the cost of our Income Protection premiums for non-default cover from 1 October 2020 for members in our Core and Personal Divisions and from 1 November for members in our Executive Division.

Information about our Premium Adjustment Mechanism can be found on [page 82](#).

Hostplus paid \$163 million in insurance claims to almost 1,600 Hostplus members, representing 96.1% of all assessed claims being accepted and paid by the insurer.



617k
Hostplus members
are insured

**Hostplus claims paid to members
(12 months ended 30 June 2020)**



Death claims
\$54.1m
501 members



**Terminal
illness claims**
\$15.2m
159 members



TPD claims
\$85.6m
743 members



**Income
protection claims**
\$8.0m
301 members

Checking your insurance cover

We want our members to check their insurance more often. Key life stages are a good trigger to check your level of insurance and Hostplus allows members to easily increase their insurance cover within six months of some specific life events occurring, including getting married, starting a family and taking out or increasing a mortgage.



Check your current level of cover and apply to increase, decrease or cancel your insurance quickly and easily through **Hostplus Member Online**



Check your current insurance details through the new **Hostplus mobile app**



Explore your insurance options **online** or call us to arrange a time to chat with a **financial planner**

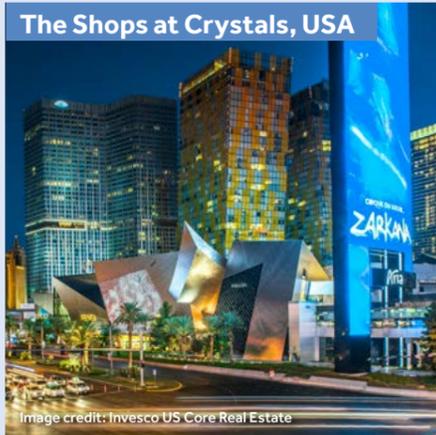


Use the **insurance calculator** on our website to get a guide on how much insurance cover you need



Stansted Airport, UK

Image credit: IFM Investors



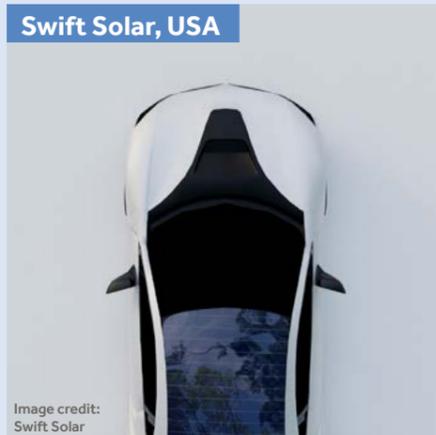
The Shops at Crystals, USA

Image credit: Invesco US Core Real Estate



Port Kembla, Australia

Image credit: IFM Investors



Swift Solar, USA

Image credit: Swift Solar

Your investments

CIO message

I'm Sam Sicilia, Hostplus' Chief Investment Officer and I'd like to update you on the Fund's performance over the past 12 months.

Financial markets around the world have been very volatile, experiencing big falls along with some unexpected rises. That volatility is due to a whole set of uncertainties beyond just COVID-19, including uncertainty about international trade and some geopolitical tensions.

After a consistently good run of positive net investment returns for Hostplus members over many years, our default Balanced (MySuper) option delivered a negative return of -1.85% for the past financial year ended 30 June. And while a negative return is never desirable, it is the first in 11 years – since the time of the global financial crisis, when the Balanced option fell by more than 13% in one year. Indeed, since Hostplus started back in 1988, the Balanced option had only three negative years. This is the fourth.

Our popular Indexed Balanced investment option delivered a small positive return over the year and has grown to more than \$7 billion in size.

While the short-term is always uncertain, superannuation is a long-term investment. And we know from past experience that over the long-term, the best approach is often to simply do nothing. What I mean by this is that, for some people it may be better to ride out periods of short-term uncertainty by staying invested in assets such as shares, which do involve a higher degree of short-term risk, but can potentially deliver better returns for members over time.

For me, our positive long-term results reinforce my belief that our approach is working very well. Our long-standing and

well-diversified investment strategy has helped to limit the negative impacts of financial markets, while allowing us to take advantage of investment opportunities as they arise. We choose to outsource the management of our investments as I strongly believe that having access to the valuable expertise of our external investment managers and consultants is the best outcome for Hostplus members.



Our positive long-term results reinforce my belief that our approach is working very well.

Hostplus' default Balanced (MySuper) option has nearly half of its investments in unlisted assets, such as property, infrastructure and private equity, that are not traded on public exchanges like the ASX. This past year, the majority of these unlisted assets fulfilled their intended role; that is, to counter the volatility of listed share markets in uncertain times such as these. As shown on [page 28](#) of this report, we invest in nation-building infrastructure projects and life-changing technologies – the essential assets that society needs, now more than ever – which is why we believe they can provide our members with sustainable and competitive returns over the long-term.

Thank you and take care.

Sam Sicilia
Chief Investment Officer

Responsible investment approach



Kim Farrant
Head of ESG

Hostplus is committed to responsible investment across all its investment activities. We understand that a responsible investment approach – that includes environmental, social, governance (ESG) considerations as part of an investment process of research, analysis, selection and monitoring of investments – helps us to better manage risks and to optimise retirement outcomes for our members.

During the 2019–20 financial year we significantly updated our **Responsible Investment Policy**, which can be found on our website at hostplus.com.au/investment-governance

Responsible investment pillars



ESG integration

We recognise the importance of considering ESG risks and include these when setting the investment strategy for our investment options, as well as when selecting and reviewing investment managers. In doing so, we are better able to protect and optimise our members' investments over the long-term.

Active ownership

When it comes to investing in company shares, we believe that active ownership – which involves company engagement and voting at company meetings – is critical to the governance of investments over the long-term. It can also positively influence company behaviour and performance, supporting the achievement of shareholder value.

- **Engagement** involves meeting with representatives of an investee company, usually members of the board or executive, in order to advocate for change. During 2019–20, Hostplus engaged with 189 companies either directly or through our specialist provider, the Australian Council of Superannuation Investors (ACSI). In late 2020, we will be significantly expanding our company engagement to include international equities.
- **Voting** on resolutions at shareholder meetings provides us with the opportunity to express our views to management. As a shareholder in many top-listed companies in Australia and overseas we voted on more than 79,000 items at more than 2,400 company meetings during the year.

Hostplus Socially Responsible Investment (SRI) option

Hostplus SRI – Balanced is our dedicated socially responsible investment option that gives our members access to responsible investing opportunities across a wide range of asset classes, including shares, property, fixed income, infrastructure, alternatives and cash.

The option excludes companies that make a material amount of their revenue (currently more than 10%) from tobacco, weapons, gambling, alcohol, live-animal export or pornography. The fossil fuel exclusion for the product has recently been strengthened. As a result, the option will soon exclude all companies that mine, produce or generate energy from coal, oil and gas, as well as those that receive more than 10% of revenue from servicing these sectors.

Addressing climate change risk

Climate change is one of the biggest challenges facing the world today. Hostplus recognises climate change as a financial risk, as well as an environmental and community one, the impact of which will be dependent on the extent of social and regulatory changes. We consider climate change in all aspects of the investment process, including our investment philosophy, strategic asset allocation process, stress testing, and investment manager selection and review.

We believe Hostplus members are best served by an orderly transition to a low-carbon economy. Rather than divesting or selling holdings in particular sectors, Hostplus uses its influence as a shareholder to create change within companies by encouraging and supporting this orderly transition and by investing in climate solutions.

Climate change reporting

Because we expect the companies in which we invest to disclose climate change risks and opportunities in accordance with the **Task Force on Climate-related Financial Disclosures (TCFD)** recommendations, it's only right that our members would expect the same from us. In the 2020–21 financial year, Hostplus will prepare its first report which outlines our approach to the management of climate change risk.

130 tonnes of CO₂e/A\$M

Weighted average carbon intensity of equities portfolio at June 2020¹



PRI A+ rating

This year, we achieved an A+ rating for our Responsible Investment Strategy and Governance from the PRI.



PRI is an independent body and the world's leading advocate for responsible investment, supported by the United Nations.



Engagement delivers outcomes

Engagement drives change. Recent outcomes of company engagement include:

18 of 20 target companies

improved disclosure of climate change risks

27 priority companies

improved their executive remuneration structures

34 companies appointed women

to their Boards, many for the first time

8 of 10 priority companies

addressed wage underpayments or modern slavery.

1. Based on 30 June 2020 AUD/USD exchange rate of 1.45 to convert company revenues.

Investing for the future

Hostplus' focus is on delivering the best retirement outcomes for our members. Our investment strategy is built for the long term and is diversified across a broad range of asset classes such as listed shares, property, infrastructure, credit, alternatives and private equity, which includes venture capital.

Unlisted assets, such as infrastructure, property and private equity, have long been an important part of our investment strategy. Put simply, they are assets not traded (listed) on public stock exchanges

Sustainable Development Goals (SDGs)

Set by the United Nations, the SDGs are ambitious goals to transform the world by 2030. They cover social and economic development issues including poverty, hunger, health, education, global warming, gender equality, water, sanitation, energy, urbanisation, environment and social justice.

A sample of Hostplus investments that contribute toward these goals are outlined on pages 29 to 31.



such as the ASX. Today, and into the future, we believe these assets can deliver investment growth as well as providing an important balance to listed assets, which can often be more volatile.

Our unlisted assets include airports and seaports, renewable energy, energy grids, shopping centres, transport, convention centres, offices and industrial buildings. These investments not only contribute to growing our members' retirement balances, but help to build and provide important infrastructure and services that directly contribute to our standard of living and way of life, here in Australia and internationally.

In seeking and securing investment opportunities that generate returns while also working to improve the world we live in, we recognise that many of these investments also support one or more of the UN Sustainable Development Goals.

Unlisted assets, such as infrastructure, property and private equity, have long been an important part of our investment strategy.

Private equity

As one of the largest Australian investors in venture capital, Hostplus has committed over \$1 billion to projects that aim to change our world for the better – in areas including medical therapies, alternative food sources, collaborative tech, robotics and clean energy – while delivering future investment returns for our members.



Image credit: Vaxxas

Australian-based Vaxxas is a medical technology company that has designed a needle-free vaccination device that works by applying a patch to the skin.

Their technology uses a powder-based vaccine, which has the added benefit of not requiring refrigeration, significantly reducing the cost and complexity of shipping temperature dependent vaccines around the world.

UN Sustainable Development Goals supported:



Image credit: Agerris

Agerris is an Australian 'Farm Robotics' company whose mission is to help farmers transform their on-farm operations through innovative robotic technologies and real-time artificial intelligence.

Their technology aims to increase farm productivity, reduce chemical requirements and labour costs, and help build an environmentally, socially and economically sustainable agriculture industry.



Image credit: Swift Solar

Swift Solar is a US start-up developing lightweight and flexible solar cells. They've invented new technology using a mineral called perovskite, which can be more efficient, more affordable, and more scalable than conventional solar technologies.

The company is well-positioned to initially serve high-value markets such as aerospace, electric vehicles and telecommunications, and if successful, could ultimately provide the lowest-cost source of zero-carbon electricity in the world.

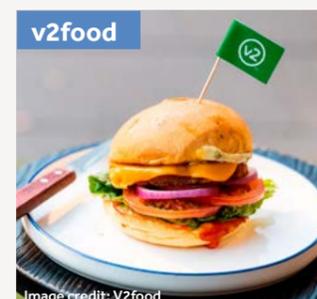


Image credit: V2food

v2 is an Australian company on a mission to tackle climate change by providing sustainably-sourced plant-based food. Their goal is to create a tasty plant-based alternative to animal meat that's better for consumers, and better for the planet.

v2 has launched the Rebel Whopper burger at over 400 Hungry Jack's restaurants across Australia, as well as a v2burger at Soul Burger restaurants and a range of smaller outlets.



The private equity investments displayed above are available in our Balanced option, Capital Stable option, Conservative Balanced option, and Shares Plus option.

Property

Hostplus invests \$5.9 billion in direct and indirect property assets around the world.¹ This is around 12.1% of our total funds under management. Due to our young membership demographic, our investment strategy is built around long-term investments, such as property, which we believe are well-placed to deliver competitive returns to our members over time.



The Reserve is a former Post Office facility in Playa Vista, Los Angeles, that has been converted to a creative office space. A model of sustainable re-use, the building incorporates several energy-saving improvements and is certified by LEED (Leadership in Energy and Environmental Design), an internationally recognised 'green building' certification system. Its amenities include a fitness center, electric vehicle stations and free bike rentals.

UN Sustainable Development Goals supported:



Available in our Balanced option, Capital Stable option, Conservative Balanced option, Shares Plus option, and Property option.



The International Towers Sydney are premium grade office buildings located on the harbour foreshore at Barangaroo, one of the world's most sustainable commercial precincts and Australia's first large-scale carbon-neutral community. The precinct is on track to deliver zero net waste to landfill and be 'water positive' by the end of 2020. Currently, 88% of all waste is reused, recycled or repurposed, well above the industry average.

UN Sustainable Development Goals supported:



Available in our Balanced option, Capital Stable option, Conservative Balanced option, Shares Plus option, Lendlease Managed Australian Prime Property Funds (Retail, Commercial and Industrial) – Property option and Property option.

Infrastructure

Hostplus has invested \$4.3 billion in a range of infrastructure projects both domestically and abroad, which is around 8.8% of our total funds under management.² We invest in nation-building projects, the essential assets that our members interact with every day, which aim to provide sustainable and competitive returns over the long-term.



The fourth largest UK water group, covering the east of England and Hartlepool. Anglian provides high quality drinking water and wastewater services to more than six million customers and employs over 5,000 people.

Anglian is committed to a range of ambitious environmental goals, including a pledge to reach a net zero carbon footprint by 2030 and has also been recognised for community initiatives.

UN Sustainable Development Goals supported:



The above infrastructure investments are available in our Balanced option, Capital Stable option, Conservative Balanced option, Shares Plus option and Infrastructure option.



PowAR aims to develop and own approximately 1,000 megawatts of large-scale renewable generation projects. The fund consists of four assets across wind energy and solar energy and will assist Australia's transition to a more sustainable energy future. Pictured here is the Silverton Wind Farm, owned by PowAR.

UN Sustainable Development Goals supported:



1. As at 30 June 2020.
2. As at 30 June 2020.

We work for you

Partnering with our industries

We're incredibly proud to support the industries that we so passionately serve; hospitality, tourism, recreation and sport. A year-round program of activities with our partners allows us to engage with existing members, non-members and our core employer groups.

Why partnerships matter

Superannuation is known for its low member engagement and high competition between funds. Partnerships form an integral part of how we interact with our members and employers, helping us to reach as many people as possible. The cost of these partnerships is covered solely by the member administration fee, just \$1.50 per week, which has remained unchanged for over 16 years.

The exposure Hostplus gets from our partnerships leads to increased membership and funds under management. As the Fund grows, we are better able to service our members, as we leverage our scale to negotiate better fees with investment managers and more competitive insurance offerings. This allows us to maintain our low member administration fees.¹

Who we partner with

Hostplus has a broad range of partners, including within the hospitality, tourism, recreation and sporting sectors in what we call our **Industry Alignment Partnership Program**. This program includes partnerships with the peak representative organisations, such as the Australian Hotels Association and United Workers Union, the Queensland Tourism Industry Council, Tourism Top End, Club Managers Association Australia and the Restaurant & Catering Association.

We are also very proud of our partnerships with several of Australia's iconic sports bodies and teams including: the AFL and AFL teams the Gold Coast SUNS and Richmond, NRL teams Melbourne Storm and South Sydney Rabbitohs, the A-League's Melbourne City, Netball's Sunshine Coast Lightning and the NBL's Sydney Kings and Brisbane Bullets.

We participate in a wide range of events across our partnership program and related networks, including member forums and seminars, annual awards nights and industry update briefings. These events allow us to engage with a diverse cross-section of our stakeholders and relevant audiences, helping to inform, educate, attract and retain members and employers, and assist us to continuously improve our services and outcomes.

As the Fund grows, we are better able to service our members.

Scholarships and awards

We have proudly partnered with the **Melbourne Food & Wine Festival** since 2011, who help drive our very own annual **Hostplus Hospitality Scholarship** program. This scholarship offers a talented young professional the opportunity to set off on a work experience adventure in three internationally acclaimed hospitality businesses. Upon their return, the scholarship winner is partnered with a local industry leader for a year-long mentorship. In 2019, **Julie Davaine**, general manager at Merivale, won this coveted award by demonstrating her dedication to ensuring the hospitality industry remains an attractive option for those with families. Julie plans on embarking on her overseas work experience trip in 2021.

The Melbourne Food & Wine Festival also drives our **Hostplus Trailblazer Award**. This Award recognises the contribution of a hospitality professional under 40 years of age who is leading the way in their chosen field early in their career.

The 2020 Hostplus Trailblazer Award was awarded to **Loretta Bolotin** from Free to Feed, a business she set up to create job opportunities for refugees and asylum seekers. Loretta's passion and dedication truly demonstrates how hospitality has the power to change lives and build communities.

We also partner with **William Angliss Institute**, a national specialist training provider for the foods, tourism, hospitality, events and hotel management industries. We provide two annual scholarships – the **Hostplus Indigenous Scholarship** and the **Hostplus 3 Star Scholarship** – awarding \$2,500 to two worthy recipients to support their training, travel, living and other study-related expenses. Pictured right is **Annabelle Warnock**, winner of the 2020 Hostplus 3 Star Scholarship. A truly deserving winner, Annabelle's passion is to be able to teach young children and adolescents how to bake. Selection for the Hostplus Indigenous Scholarship is currently taking place.

Hostplus proudly partners with the **International College of Management Sydney (ICMS)**, by providing the **Hostplus Scholarship for Bachelor Degree in Sport Management** and **Hostplus Scholarship for Bachelor Degree in Hospitality Management**. In addition to providing much-needed financial support, ICMS and Hostplus work with our network of industry contacts to match scholarship winners with potential employers. Previous winners Lauren Sullivan (Sport Management) and Madison Mader (Hospitality Management) have gone on to work at the South Sydney Rabbitohs and at One & Only Resorts Wolgan Valley, respectively. Congratulations to Katherine Van Niekerk, winner of the 2020 Scholarship for Hospitality Management, and Jessie Melrose, winner of the Scholarship for Sport Management.

We partnered with the **EJ Whitten Foundation** and their annual **Legends Game** in August 2019. The EJ Whitten Foundation is an Australian men's health charity, aiming to increase awareness of men's health and raise funds for research and treatment of prostate cancer.



Annabelle Warnock, winner of the 2020 Hostplus 3-Star Scholarship.



Loretta Bolotin from Free to Feed, winner of the Hostplus Trailblazer Award. Image credit: Kate Shanasey



1. Source: According to Australian Prudential Regulation Authority (APRA) Annual fund-level Superannuation Statistics June 2019, issued 10 December 2019, Hostplus has the lowest administration fee out of the top 20 industry super funds (not for profit) based on total assets under management. Administration fees comparison using SuperRatings SMART fee calculator as at 30 June 2020, based on a super account balance of \$50,000.

What it means to be an Industry SuperFund

Hostplus is a proud Industry SuperFund.

Everything we do at Hostplus is done with the best interests of our members in mind. From the products we provide and the services we deliver, to the investments we manage, we are proud of our heritage and reputation as one of Australia's largest, consistently well-performing funds.¹

Importantly, as an Industry SuperFund we're run only to benefit our members. Unlike bank-owned and other retail funds, we don't pay profits to shareholders. And other than the cost of running the Fund, all our profits are owned by and

benefit our members, principally delivered through our net investment returns to members' accounts.

Another important and distinctive advantage that helps to keep more money in our members' pockets is that we work hard to keep our fund administration fees low.

The administration fee we charge covers all administrative expenses in managing the Fund. That's everything – employee wages, the rent for our offices, our marketing and communication costs and utilities. A key reason we've been able to maintain this low, simple and transparent fee for over 16 years is our unwavering cost discipline and focus on growth, which in turn achieves scale benefits for all members.

In 2004 we elected to freeze our fund administration fee at just \$1.50 per week – or \$78 per year. And while doing so, we've been keen to also ensure that unlike

many other competitor funds today, Hostplus does not charge an asset-based administration fee in addition to our simple, low-cost fixed administration fee.²

Put simply, we don't believe our members' administration fee should increase simply because their balance does.

With super, long-term performance matters. Despite periods of market volatility over the years, including the unprecedented events of the 2019–20 financial year, our default Balanced (MySuper) option has delivered top quartile returns over five, seven, 10, 15 and 20 years.¹

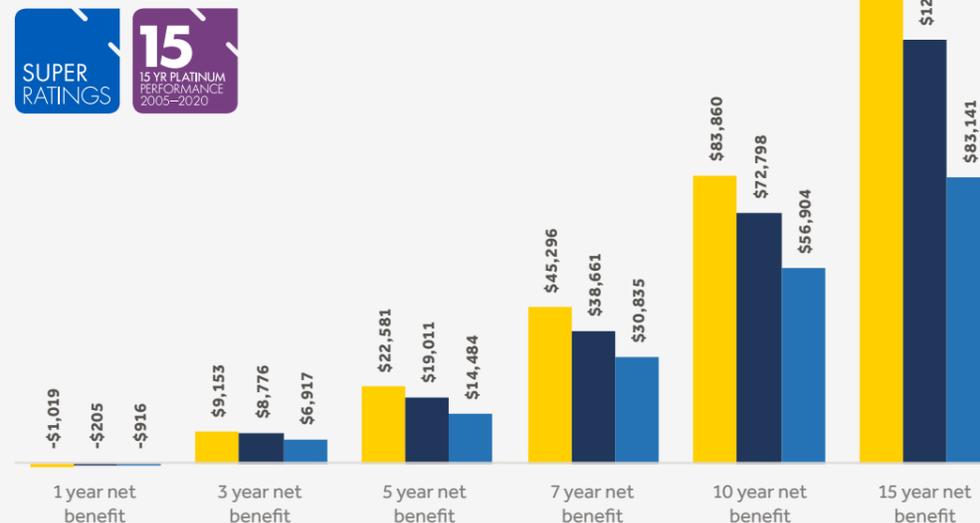
While our origins began in the hospitality and tourism industries, Hostplus today is increasingly the lifetime fund of choice for a broad cross-section of Australians in a diverse number of sectors of our economy. We're proud to help them save for their future and towards a dignified retirement.

So, your future is in good hands with Hostplus.

The net benefit for Industry SuperFund members

According to SuperRatings, based on a starting income of \$50,000 and a starting super balance of \$50,000, the average Industry SuperFund member is more than \$40,216 better off than the average retail super fund member over the past 15 years.³

- Hostplus default Balanced (MySuper) option
- Industry Fund average for balanced options
- Master Trust (retail funds) average for balanced options



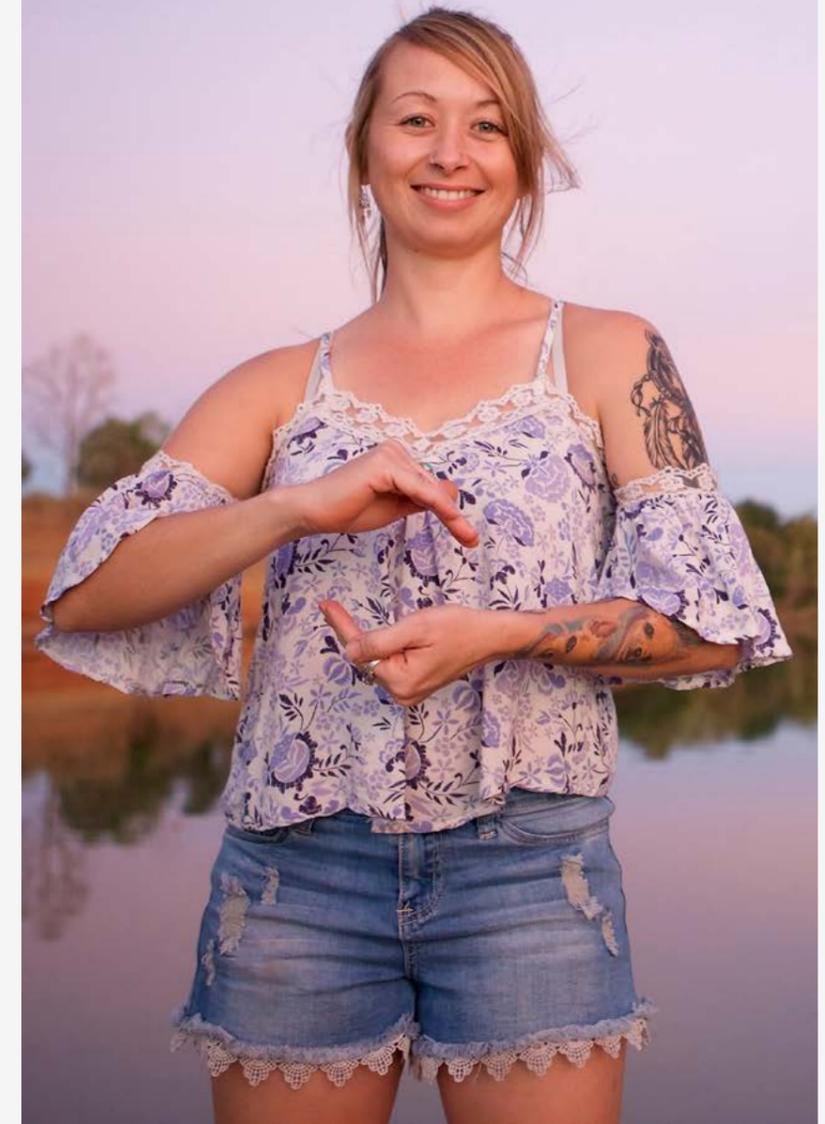
1. SuperRatings Fund Crediting Rate Survey SR50 Balanced (60-76) index as at 30 June 2020. Consider the relevant Hostplus Product Disclosure Statement available at hostplus.com.au and your objectives, financial situation and needs, which are not accounted for in this information, before deciding if Hostplus is appropriate for you. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

SuperRatings does not issue, sell, guarantee or underwrite this product. Go to superratings.com.au for details of its ratings criteria.

2. Source: According to Australian Prudential Regulation Authority (APRA) Annual fund-level Superannuation Statistics June 2019, issued 10 December 2019, Hostplus has the lowest administration fee out of the top 20 industry super funds (not for profit) based on total assets under management. Administration fees comparison using SuperRatings SMART fee calculator as at 30 June 2020, based on a super account balance of \$50,000.

3. Source: SuperRatings Net Benefit data as of 30 June 2020. This analysis compares the Hostplus Balanced (MySuper) option with the Industry Fund Average and the Master Trust Average. It shows average differences in net benefit of Hostplus' Balanced (MySuper) investment option and the main balanced options of industry and retail funds tracked by SuperRatings. It assumes employer contributions on a starting annual salary of \$50,000 and a \$50,000 starting balance and takes into account historical investment earnings (after administration and investment fees and taxes). Contribution fees, entry fees, exit fees, additional adviser fees or any other fees charged are excluded from this model. Outcomes may vary between individual funds. See industriysuper.com/assumptions for more details about modelling calculations and assumptions. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

When it comes to your super, there's only one symbol to look for.



Employers making a difference



Shane Delia, Providoor

For over 30 years we've been building meaningful relationships across our network.

Today, Hostplus partners with more than 216,000 employers across Australia. For over 30 years we've been passionate about building and fostering long-term relationships across our network of core sectors and beyond.

So over the past year it's been devastating to see many employers – especially those operating in hospitality, tourism, recreation and sport – badly affected by the natural disasters of last summer and then the arrival and spread of the COVID-19 pandemic and related shutdowns.

Despite these setbacks, the spirit and resilience shown by our employer partners has been a source of inspiration and hope, with many businesses finding creative ways to remain connected with their customers, employees and community.

Providoor

When COVID-19 restrictions severely disrupted hospitality businesses across Australia, including the temporary closure of many restaurants, Shane Delia, well-known chef, television presenter and charity and brand ambassador, led a game-changing initiative to bring some of Melbourne's best restaurants together to provide chef-prepared, ready to cook meals, straight to customers' doors.

Since launching in early 2020, Providoor has grown with new partners, customers and dining initiatives, such as the introduction of lockdown cooking classes, in partnership with Broadsheet.

"The industry can sit here and worry that things aren't going to be like they were, or we can pivot hard, not just to survive now, but to continue to thrive in the future," Shane says.



Image courtesy of Mike Belin



Image courtesy of James Gourley



Image courtesy of @Food_and_



Image courtesy of Gold Coast Convention and Exhibition Centre

Momento

This NSW pub group was forced to close its doors on 23 March. Putting their heads together, they created a drive-through contactless express service, selling unused stock, such as toilet paper, pasta sauces, BBQ meats and premixed cocktails. This enabled them to retain staff and stay connected with the community.

Momento also started virtual interactive cocktail experiences for corporate events, and set up a charity called Help Out Hospo, collecting donations for out-of-work hospitality workers in return for instructional online videos.

Accor

The team at Accor, the largest hotel operator in Australia and New Zealand, have put their facilities to good use throughout the COVID-19 crisis and opened their doors to provide vital shelter to those most in need. Accor hotels have accommodated front-line health workers, returning residents needing to quarantine, the homeless and disadvantaged, and vulnerable families.

In a further show of support for Australia's brave healthcare workers, in June Accor surprised 2,000 frontline staff at St Vincent's Hospital in Sydney with a much-needed and greatly appreciated mini break.

Cocktail Gastronomy

Changes to liquor licensing laws due to COVID-19 encouraged Perth-based award-winning event specialists, Cocktail Gastronomy, to innovate and begin offering home-delivered cocktails.

The popularity of their ISO-busting 'cocktail getaway' packages, themed on popular destinations such as New Orleans, Thailand, the Caribbean and Venice, saw them match themed cocktails and international cuisine that virtually transported their customers to a new and exotic destination each week.

Gold Coast Convention and Exhibition Centre

Another facility hit by COVID-19 cancellations and postponements, the Gold Coast Convention and Exhibition Centre provided free meals for those in need, while they were closed. With help from their partners and sponsors, the kitchen team shifted from preparing meals for major business events to serving over 50,000 meals to vulnerable members of the Gold Coast community.

While the centre has since reopened, its team is mentoring partner agencies in the community to keep the program going.

Member stories

At Hostplus, we pride ourselves on our commitment and dedication to making our members' lives better. This commitment is visible every day in our member, employer and insurance claims teams. When you call Hostplus you can rest assured you'll be speaking directly with a member of our team, someone who embodies our fund values and reflects our desire to provide great service.

Insurance claims

Having a dedicated in-house claims manager is so important for those members who have needed to make an insurance claim due to an accident, illness or the loss of a loved one, as it can provide peace of mind during a challenging time.

This past year, Michael,* suffering from poor health, reached out to our claims team as he was in unstable housing and at risk of homelessness. When Michael's claim was approved and he was able to secure stable housing, he was incredibly thankful.

"I just wanted to take the opportunity to thank you and explain my gratitude for the work done. I am super grateful!"

– Michael

After a Hostplus member was killed in a tragic accident, her partner Rachel* contacted Hostplus. Our claims team recognised the sensitive nature of the case and took a compassionate approach, prioritising approval of Rachel's claim.

"I really appreciate how kind you've been. Nothing will ever bring back my partner, but this outcome and your support will help my recovery and for that I cannot begin to thank you enough. From the bottom of my heart, thank you."

– Rachel



Member education

Our dedicated member education team works with our network of employers and members to deliver educational programs and financial literacy material. To support members through the challenges of COVID-19, the team has pivoted from face to face delivery of education to more recently delivering a series of online education sessions. These ensure members understand what services and benefits are available to them and offer solutions to maximise their retirement outcomes.

"Thank you! It was extremely informative and gave me a better picture on how my super is working and how I can make it work better for me in the future."
– Lisa, Hostplus member 2020.

"Very engaging speakers, thank you. And great overall brief about our super and how we can best manage it during these times."
– Steffi, Hostplus member 2020.

Financial planning

Hostplus' licensed professional financial planners can help you set financial goals and put the right strategies in place to help you achieve the retirement you've earned.

"Cara is highly professional and explained everything clearly. We could not be happier." – Hostplus member 2020.

"Matthew was very efficient, obliging and certainly knows his subject. Nothing was too much trouble and I would certainly recommend him to anyone interested in joining Hostplus."
– Hostplus member 2020.



Service centre

Our service centre team strives not only to answer your enquiries but to help you better understand the importance of superannuation. The team works to deliver great results for our super and pension members and our valued network of employers around the country.

"Nick was very knowledgeable, polite and patient at a time where everything is quite daunting. I was considering moving my funds elsewhere but absolutely wouldn't consider that now given the customer service received."
– Hostplus Member 2020

"Alice, you rock." – Hostplus member 2020

"I had no idea what I was doing – my partner and I have asked a lot of questions and took up a lot of Cedo's time and he was very thorough and took the time to answer all of my questions. He was also very patient, and we thank him greatly."
– Hostplus member 2020

"Thank you once again Megan for changing my life." – Hostplus member 2020

As an Industry SuperFund, our team members are genuinely motivated by the desire to support you at every opportunity – it's why they choose to work at Hostplus. It's feedback like this from our valued members that helps to make the work we do each and every day so rewarding.

 Our teams are available to assist on 1300 467 875 Monday to Friday 8am to 8pm AEST/AEDT and via info@hostplus.com.au when you need them. If you have any questions about your superannuation or require more information on any related topic, get in touch. We'd love to hear from you.

*Names have been changed to protect members' privacy.

We work for you

Our commitment to reconciliation



We respectfully acknowledge the Wurundjeri people as the Traditional Owners of the Melbourne CBD where our head office is located. We pay our respects to leaders, past, present and emerging, and we commit to caring for these ancient lands.

At Hostplus, we're committed to reconciliation. We recognise the current social and economic challenges faced by members of Aboriginal and Torres Strait Islander communities around the country – particularly in relation to financial wellbeing and retirement outcomes.

Reconciliation Action Plan

Our Reconciliation Action Plan (RAP) is a strategic document that supports Hostplus' reconciliation business plan. It is a roadmap that outlines initiatives we are committed to delivering, to raise awareness and help close the retirement savings gap between Aboriginal and Torres Strait Islander peoples and other Australians.

It also includes practical actions to drive our contribution to reconciliation more broadly, both internally and in the communities in which we operate. In 2016 we launched our first Hostplus 'Reflect' RAP, and in 2019 we launched our 'Innovate' RAP.

We continue to work with our industry and superannuation partners to close the gap for Aboriginal and Torres Strait Islanders.

What have we achieved?

A major achievement is having negotiated alternative identity verification for Indigenous persons. Not all Aboriginal people have access to standard identification documents, which makes it difficult for them to meet government requirements relating to super administration.

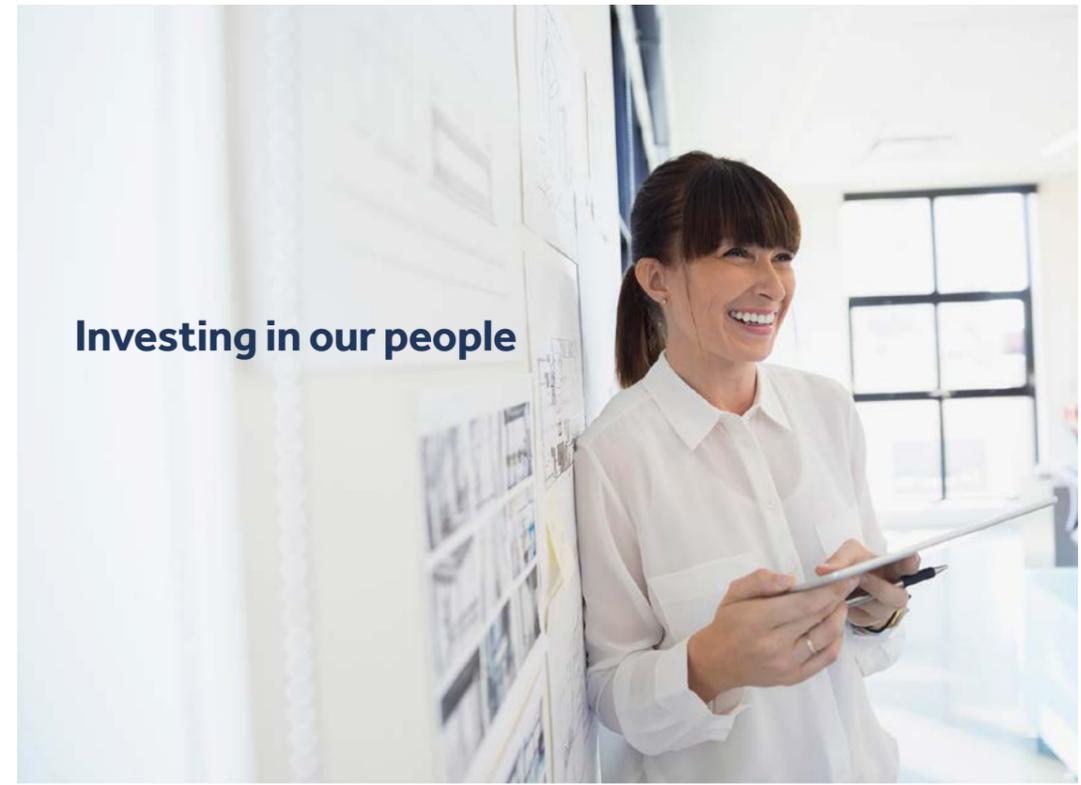
Now, Hostplus members from Aboriginal or Torres Strait Islander communities can prove their identity through a community referral or other approved alternative identification documents.

This year we also ran a range of activities internally at Hostplus during National Reconciliation Week, 27 May to 3 June. These included virtual morning teas to enhance employees' understanding of reconciliation. We also regularly conduct cultural awareness training for Hostplus employees.

In addition, we have invited our partner organisations to participate in social media activity surrounding reconciliation to help educate our employees and the wider Hostplus community. The first video in this series, posted across our social media channels, featured Gold Coast SUNS' player Jarrod Harbrow. It received the most positive engagement of all our posts over the past financial year, a testament to the power of both the message conveyed by Jarrod and his reputation and standing.

We continue to work with our industry and superannuation partners to close the gap for Aboriginal and Torres Strait Islanders, including the William Angliss Institute, the National Indigenous Culinary Institute, Souths Cares (an affiliate of the South Sydney Rabbitohs Rugby League Club), the International College of Management Sydney and the Insurance in Super Working Group.

Investing in our people



Hostplus employees are incredibly proud of what they do.

Each and every employee at Hostplus has a key role to play – either as an individual or as a part of a team – in improving the lives of our members by delivering services and outcomes that will help them enjoy a dignified retirement.

We recognise that in order to successfully achieve our objectives for our members and stakeholders, we must ensure that our employees are well-supported.

We believe that by investing in our people and providing them with a great place to work, where they are appreciated, engaged and productive, we not only foster and support our employees' wellbeing but create and maintain a distinctive competitive advantage that benefits our Fund and its members.

To achieve this, we've established a range of workplace initiatives and employee engagement strategies, including:

- Providing competitive terms and conditions for our employees. We recently received approval from the Fair Work Commission for a renewed **Enterprise Agreement**, which includes a competitive guaranteed annual salary increase for the life of the agreement and a number of other key benefits, such as additional paid carers and domestic violence leave.

- Having **people-focused goals** that are aligned with our member-first culture. These aim to develop our future leaders and increase employee engagement to help make Hostplus an even greater place to work.
- Providing **learning and succession opportunities**. We strive to recruit talent from within the business, including offering 18% of vacancies to internal employees in the past financial year.
- Providing our people with options that meet their individual needs through **flexible work arrangements**.
- Providing opportunities for our employees to give back to our communities through access to **paid volunteering leave**.
- Supporting our people when times are tough, through our **Hostplus Wellness Program** and **Employee Assistance Program (EAP)**.
- Connecting with our people through our **social committee activities**, building strong teams and encouraging collaboration.
- Celebrating and acknowledging exceptional effort through our employee recognition program, known as the **Super Achiever Awards**.



We recognise that in order to successfully achieve our objectives, we must ensure our employees are well-supported.

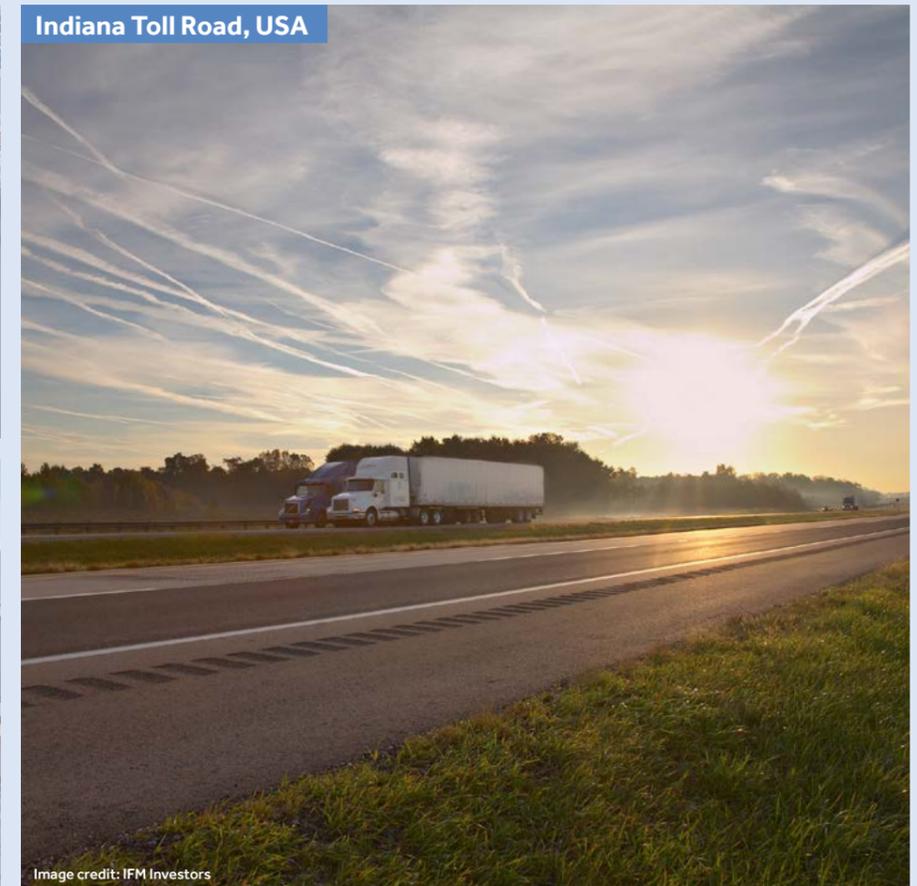
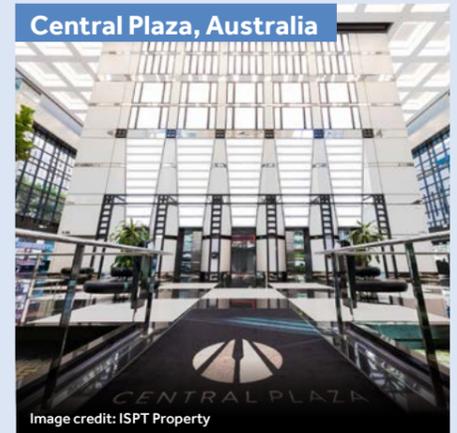
Diversity

We value diversity at Hostplus and we've set clear targets to achieve our objective of having fair gender representation across the business.

These include:

Area	Specific gender equality targets	Measure	Result
Overall	Increase employee satisfaction with gender diversity and inclusion	Employee engagement score relating to diversity >70%	82%
Board	To achieve gender balance in consultation with our sponsoring organisations	Maintain a minimum of 40% of each gender represented around the Board table	Currently 36% females and 64% males
Recruitment	Increasing gender diversity in the recruitment process	To have at least one female and one male candidate interviewed for each recruitment opportunity	This measure has been met in most instances, apart from a small number of roles where there were no suitable candidates to interview
Retention	Introduce a formal 'keep in touch' and 'welcome back' program for employees on parental leave	>85% of employees that have returned from parental leave, do not leave within 12 months	100%
Succession planning	Increase gender diversity in succession plans	From 1 July 2018, minimum of 40% of either gender to make up our future Group Executive Succession plan	46% of females and 54% of males make up our future Group Executive Succession plan
Remuneration	Conduct regular pay equity reviews	Review completed annually and recommendations taken to CEO	Review completed, recommendations made to the CEO and implemented in late 2019

Hostplus investment options



Your guide

Investment style	<p>Each of our investment options applies a certain style of investment. Some common descriptions of investment style are:</p> <p>Passive. Also known as index management. Seeks to equal a stock market index performance (like the S&P/ASX100, for example).</p> <p>Active. Aims to beat a market index benchmark performance through asset allocation and careful selection of investments.</p> <p>Enhanced passive. The benefits of active management but with the risk controls of passive management.</p>
Level of investment risk and likelihood of negative returns	With investments, risk and return are linked. In general, the lower the risk, the lower the expected return (or the lower the likelihood of a negative return). If you want to try for a higher possible return, you face increased risk and also expose your investments to a higher possibility of making a loss.
Return target p.a. on average	The return target outlines the net investment return we aim to achieve within the stated timeframe. Each investment option aims to achieve a certain level of return above the rate of inflation, which is measured by the Consumer Price Index (CPI). Returns can not be guaranteed.
Minimum suggested time frame	Generally, investment options with a higher level of investment risk are more suitable to be held over a longer time period.
Net return to 30 June 2020 p.a.	Net investment returns represent the rate of return on investments. They are net of all fees, costs and taxes. The returns may include income received from the investment and/or an increase or decrease in the capital value of the investment.
Net return since inception p.a.	This is the average annual net return since the investment option first started.
Total investment costs	These costs are separate from your member administration fee. They are made up of management fees and performance fees that we pay to external investment managers, as well as indirect costs (transaction costs and operational costs that are incurred during the process of buying, owning and selling investments). For a full breakdown of costs, please see the applicable Product Disclosure Statement.
Strategic Asset Allocation	In investment terms, assets are investments used to gain a return. They are divided into asset classes such as cash, fixed interest, property, infrastructure, equity and other (alternatives). Asset allocation means the spread of investments within an investment portfolio across various asset classes. Strategic Asset Allocation is the target mix of asset classes.
Growth / defensive asset mix	Growth assets (such as shares) are generally higher risk and more volatile but have the potential to grow in value over time. Defensive assets (such as cash and fixed interest) are those that are generally lower risk and less volatile than growth investments. Some assets, such as property, can be defined as a mixture of growth and defensive.

Pre-mixed options

For a glossary of terms used in investment summaries, see [page 44](#).

	Balanced (MySuper)				Capital Stable			
Investment style	A diversified investment portfolio, including some growth assets and some lower risk investments.				The most conservative and low risk of our pre-mixed investment options.			
Level of investment risk¹								
Likelihood of negative returns¹	3 to less than 4 years out of every 20 years				1 to less than 2 years out of every 20 years			
Return target p.a. on average	Accumulation		Pension		Accumulation		Pension	
	Over 10 yrs CPI + 3.0%	Over 20 yrs CPI + 4.0%	Over 10 yrs CPI + 3.5%	Over 20 yrs CPI + 5.0%	Over 20 yrs CPI + 2.5%	Over 20 yrs CPI + 3.5%		
Minimum suggested time frame²	5 years +		4 years +		3 years +		3 years +	
Net return to 30 June 2020 p.a.³								
Net return since inception p.a.	8.65% (1 Mar 1988)		9.02% (19 Sep 2009)		5.93% (1 Jul 1998)		6.60% (19 Sep 2009)	
Total investment costs⁴	1.10%		1.07%		0.54%		0.54%	
Strategic Asset Allocation								
	Asset class	Benchmark	Range %		Asset class	Benchmark	Range %	
Listed equities	Australian equities	21%	10–40%		Australian equities	8%	5–20%	
	International equities – Developed markets	21%	10–40%		International equities – Developed markets	8%	5–15%	
	International equities – Emerging markets	8%	0–15%		International equities – Emerging markets	3%	0–15%	
Unlisted assets	Property	13%	0–30%		Property	10%	0–20%	
	Infrastructure	12%	0–30%		Infrastructure	7%	0–20%	
	Private equity	8%	0–20%		Private equity	1%	0–5%	
	Credit	7%	0–20%		Credit	8%	0–10%	
	Alternatives	5%	0–20%		Alternatives	4%	0–20%	
Bonds and cash	Diversified fixed interest	0%	0–20%		Diversified fixed interest	26%	10–50%	
	Cash	5%	0–15%		Cash	25%	10–40%	
Growth / defensive asset mix	76% growth / 24% defensive				34% growth / 66% defensive			

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. Not all investment options will have returns reported for each period due to varying launch dates. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. A full breakdown of fees and costs for all investment options can be found on [page 68](#). Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Pre-mixed options

For a glossary of terms used in investment summaries, see [page 44](#).

	Conservative Balanced		Socially Responsible Investment (SRI) – Balanced	
Investment style	Contains roughly equal proportions of growth and defensive assets.		Responsible investment option that invests in companies that contribute to a socially and environmentally sustainable world by integrating environmental, social and ethical considerations, labour standards and corporate governance factors into the investment analysis.	
Level of investment risk¹				
Likelihood of negative returns¹	2 to less than 3 years out of every 20 years		4 to less than 6 years out of every 20 years	
Return target p.a. on average	Accumulation	Pension	Accumulation	Pension
	Over 20 yrs CPI + 3.0%	Over 20 yrs CPI + 4.0%	Over 20 yrs CPI + 3.5%	Over 20 yrs CPI + 4.0%
Minimum suggested time frame²	5 years +	4 years +	4 years +	3 years +
Net return to 30 June 2020 p.a.³				
Net return since inception p.a.	5.80% (1 Oct 2007)	7.98% (19 Sep 2009)	5.19% (28 Mar 2017)	5.62% (28 Mar 2017)
Total investment costs⁴	0.71%	0.71%	1.01%	1.01%
Strategic Asset Allocation				
	Asset class	Benchmark Range %	Asset class	Benchmark Range %
Listed equities	Australian equities	16% 10–30%	Australian equities	25% 15–45%
	International equities – Developed markets	16% 10–25%	International equities – Developed markets	34% 15–45%
Unlisted assets	International equities – Emerging markets	6% 0–10%	International equities – Emerging markets	3% 0–20%
	Property	10% 0–20%	Property	5% 0–20%
Bonds and cash	Infrastructure	8% 0–20%	Infrastructure	4% 0–20%
	Private equity	2% 0–10%	Private equity	0% 0–20%
Bonds and cash	Credit	6% 0–10%	Credit	8% 0–20%
	Alternatives	5% 0–20%	Alternatives	2% 0–20%
Growth / defensive asset mix	Diversified fixed interest	16% 10–40%	Diversified fixed interest	17% 0–30%
	Cash	15% 5–25%	Cash	2% 0–20%
	54% growth / 46% defensive		72% growth / 28% defensive	

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. The Socially Responsible Investment (SRI) – Balanced option was introduced on 28 March 2017, so does not report returns for all periods shown. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. A full breakdown of fees and costs for all investment options can be found on [page 68](#). Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

	Indexed Balanced		Shares Plus	
Investment style	A diversified investment portfolio, including some growth assets and some lower risk investments.		Contains the highest investment in assets with potential for capital growth.	
Level of investment risk¹				
Likelihood of negative returns¹	4 to less than 6 years out of every 20 years		4 to less than 6 years out of every 20 years	
Return target p.a. on average	Accumulation	Pension	Accumulation	Pension
	Over 20 yrs CPI + 2.5%	Over 20 yrs CPI + 3.5%	Over 20 yrs CPI + 4.5%	Over 20 yrs CPI + 5.5%
Minimum suggested time frame²	7 years +	6 years +	6 years +	4 years +
Net return to 30 June 2020 p.a.³				
Net return since inception p.a.	7.88% (1 Dec 2010)	8.73% (1 Dec 2010)	7.89% (1 Jul 1998)	9.93% (19 Sep 2009)
Total investment costs⁴	0.06%	0.06%	1.00%	1.00%
Strategic Asset Allocation				
	Asset class	Benchmark Range %	Asset class	Benchmark Range %
Listed equities	Australian equities	32% 25–55%	Australian equities	30% 20–40%
	International equities – Developed markets	43% 25–55%	International equities – Developed markets	30% 20–40%
Bonds and cash	International equities – Emerging markets	0% 0–10%	International equities – Emerging markets	11% 0–15%
	Diversified fixed interest	17% 10–30%	Property	8% 0–20%
Unlisted assets	Cash	8% 0–20%	Infrastructure	6% 0–20%
			Private equity	7% 0–15%
Bonds and cash			Credit	6% 0–10%
			Alternatives	2% 0–10%
Growth / defensive asset mix	Diversified fixed interest	0% 0–10%	Diversified fixed interest	0% 0–10%
	Cash	0% 0–10%	Cash	0% 0–10%
	75% growth / 25% defensive		89% growth / 11% defensive	

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. The Indexed Balanced option was introduced on 1 December 2010, so does not report returns for all periods shown. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. A full breakdown of fees and costs for all investment options can be found on [page 68](#). Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Pre-mixed options

For a glossary of terms used in investment summaries, see [page 44](#).

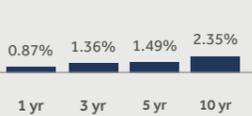
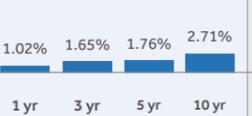
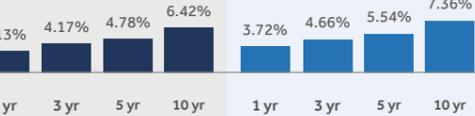
Hostplus Life comprises the Hostplus Balanced, Conservative Balanced, Capital Stable and Shares Plus investment options.

Hostplus Life			
Investment style	Throughout your younger years, investment is focused on long term capital growth, with a higher investment in shares and property. As you move closer to retirement, your superannuation will be invested in increasingly more defensive assets, with less exposure to risk, and more focus on providing a steady income and preserving capital.		
Level of investment risk¹			
Age bracket	Investment option	Level of risk	Number of years negative returns are expected (out of every 20 years)
Under 40	Shares Plus	High	4 to less than 6 years
40–49	Balanced	Medium to High	3 to less than 4 years
50–59	Conservative Balanced	Medium	2 to less than 3 years
60 and over	Capital Stable	Low to Medium	1 to less than 2 years
Return target			
Age bracket	Investment option	Objective	
Under 40	Shares Plus	CPI plus 4.5% per annum on average over 20 years	
40–49	Balanced	CPI plus 4% per annum on average over 20 years	
50–59	Conservative Balanced	CPI plus 3% per annum on average over 20 years	
60 and over	Capital Stable	CPI plus 2.5% per annum on average over 20 years	
Recommended minimum suggested time frame²			
Age bracket	Investment option	Minimum investment time frame	
Under 40	Shares Plus	6 years +	
40–49	Balanced	5 years +	
50–59	Conservative Balanced	5 years +	
60 and over	Capital Stable	3 years +	
Strategic Asset Allocation, net returns and investment costs			
Age bracket	Investment option	SAA	
Under 40	Shares Plus	Refer to the Shares Plus investment option summary on page 47	
40–49	Balanced	Refer to the Balanced investment option summary on page 45	
50–59	Conservative Balanced	Refer to the Conservative Balanced investment option summary on page 46	
60 and over	Capital Stable	Refer to the Capital Stable investment option summary on page 45	

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Sector investment options

For a glossary of terms used in investment summaries, see [page 44](#).

	Cash	Diversified Fixed Interest
Investment style	Cash investments could include deposits in a bank, investments in short-term money markets and other similar investments.	Usually a loan to a government or business with a fixed interest rate and the length of the loan agreed in advance.
Level of investment risk¹		
Likelihood of negative returns¹	0.5 out of every 20 years	3 to less than 4 years out of every 20 years
Return target p.a. on average	Accumulation	Pension
	Over 20 yrs CPI + 0.5%	Over 20 yrs CPI + 1.0%
Minimum suggested time frame²	2 years +	1 year +
	3 years +	4 years +
Net return to 30 June 2020 p.a.³		
		
Net return since inception p.a.	3.59% (1 Jul 2001)	2.82% (19 Sep 2009)
Total investment costs⁴	0.02%	0.12%
Strategic Asset Allocation		
	Asset class Benchmark Range %	Asset class Benchmark Range %
Bonds and cash	Cash 100% 0–100%	Diversified fixed interest 100% 0–100%
Growth / defensive asset mix	0% growth / 100% defensive	0% growth / 100% defensive

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. Not all investment options will have returns reported for each period due to varying launch dates. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. A full breakdown of fees and costs for all investment options can be found on [page 68](#). Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Sector investment options

For a glossary of terms used in investment summaries, see [page 44](#).

	Property		Infrastructure	
Investment style	An investment in property or buildings, either directly or via property trusts.		Long-term direct investment option that invests in tangible infrastructure assets, such as airports, sea-ports, toll roads, renewable energy and utilities, both within Australia and globally. ⁵	
Level of investment risk¹				
Likelihood of negative returns¹	4 to less than 6 years out of every 20 years		3 to less than 4 years out of every 20 years	
Return target p.a. on average	Accumulation	Pension	Accumulation	Pension
	Over 20 yrs CPI + 2.5%	Over 20 yrs CPI + 3.5%	Over 20 yrs CPI + 3.0%	Over 20 yrs CPI + 3.5%
Minimum suggested time frame²	7 years +	3 years +	5 years +	4 years +
Net return to 30 June 2020 p.a.³			N/A	
			N/A	
Net return since inception p.a.	7.17% (1 Jul 2001)	7.74% (19 Sep 2009)	0.96% (24 Sep 2019)	-0.13% (24 Sep 2019)
Total investment costs⁴	1.01%	1.01%	0.81%	0.81%
Strategic Asset Allocation				
	Asset class	Benchmark Range %	Asset class	Benchmark Range %
	Unlisted assets	Property 100% 0–100%	Unlisted assets	Infrastructure 100% 0–100%
Growth / defensive asset mix	30% growth / 70% defensive		60% growth / 40% defensive	

Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time. 1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. The Infrastructure option was introduced on 24 September 2019, so does not report returns for all periods shown. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. A full breakdown of fees and costs for all investment options can be found on [page 68](#). 5. Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

	Australian Shares		International Shares	
Investment style	Active management. ⁵		Active management. ⁵	
Level of investment risk¹				
Likelihood of negative returns¹	4 to less than 6 years out of every 20 years		4 to less than 6 years out of every 20 years	
Return target p.a. on average	Accumulation	Pension	Accumulation	Pension
	Over 20 yrs CPI + 5.0%	Over 20 yrs CPI + 6.5%	Over 20 yrs CPI + 4.0%	Over 20 yrs CPI + 5.0%
Minimum suggested time frame²	5 years +	4 years +	5 years +	5 years +
Net return to 30 June 2020 p.a.³				
Net return since inception p.a.	8.95% (1 Jul 2001)	8.90% (19 Sep 2009)	5.54% (1 Jul 2001)	11.61% (19 Sep 2009)
Total investment costs⁴	0.75%	0.75%	0.80%	0.80%
Strategic Asset Allocation				
	Asset class	Benchmark Range %	Asset class	Benchmark Range %
	Listed equities	Australian equities 100% 0–100%	Listed equities	International equities – Developed markets 73% 0–100%
			Listed equities	International equities – Emerging markets 27% 0–100%
Growth / defensive asset mix	100% growth / 0% defensive		100% growth / 0% defensive	

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. Not all investment options will have returns reported for each period due to varying launch dates. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. A full breakdown of fees and costs for all investment options can be found on [page 68](#). 5. Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Sector investment options

For a glossary of terms used in investment summaries, see [page 44](#).

	International Shares – Indexed ⁵				International Shares (Hedged) ⁶			
Investment style	Passive management.				Passive management.			
Level of investment risk¹								
Likelihood of negative returns¹	6 or greater out of every 20 years				6 or greater out of every 20 years			
Return target p.a. on average	Accumulation		Pension		Accumulation		Pension	
	Over 20 yrs CPI + 2.5%		Over 20 yrs CPI + 3.0%		Over 20 yrs CPI + 2.5%		Over 20 yrs CPI + 3.0%	
Minimum suggested time frame²	7 years +		6 years +		5 years +		5 years +	
Net return to 30 June 2020 p.a.³	4.64%		5.19%		1.61%		1.74%	
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 yr	3 yr	5 yr	10 yr	1 yr	3 yr	5 yr	10 yr
Net return since inception p.a.	10.17% (27 Sep 2017)		11.54% (27 Sep 2017)		6.30% (27 Sep 2017)		7.17% (27 Sep 2017)	
Total investment costs⁴	0.13%		0.13%		0.10%		0.10%	
Strategic Asset Allocation								
	Asset class	Benchmark	Range %		Asset class	Benchmark	Range %	
	Listed equities	International equities – Developed markets	100%	0–100%	Listed equities	International equities – Developed markets	100%	0–100%
Growth / defensive asset mix	100% growth / 0% defensive				100% growth / 0% defensive			

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. The International Shares – Indexed option and the International Shares (Hedged) – Indexed option were both introduced on 27 September 2017, so does not report returns for all periods shown. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. A full breakdown of fees and costs for all investment options can be found on [page 68](#). Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Individual manager options

For a glossary of terms used in investment summaries, see [page 44](#).

	Macquarie Investment Management – Australian Fixed Interest				BlackRock Asset Management – International Fixed Interest ⁶			
Investment style	Passive management. ⁵				Passive management. ⁵			
Level of investment risk¹								
Likelihood of negative returns¹	3 to less than 4 years out of every 20 years				4 to less than 6 years out of every 20 years			
Return target p.a. on average	Accumulation		Pension		Accumulation		Pension	
	Over 20 yrs CPI + 0.5%		Over 20 yrs CPI + 1.0%		Over 20 yrs CPI + 0.5%		Over 20 yrs CPI + 1.0%	
Minimum suggested time frame²	4 years +		2 years +		3 years +		2 years +	
Net return to 30 June 2020 p.a.³	3.67%	4.68%	4.07%	4.77%	4.38%	5.34%	4.56%	5.50%
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 yr	3 yr	5 yr	10 yr	1 yr	3 yr	5 yr	10 yr
Net return since inception p.a.	4.96% (1 Sep 2004)		5.73% (19 Sep 2009)		5.01% (1 June 2011)		5.72% (1 June 2011)	
Total investment costs⁴	0.01%		0.01%		0.17%		0.17%	
Strategic Asset Allocation								
	Asset class	Benchmark	Range %		Asset class	Benchmark	Range %	
	Bonds and cash	Diversified fixed interest	100%	0–100%	Bonds and cash	Diversified fixed interest	100%	0–100%
Growth / defensive asset mix	0% growth / 100% defensive				0% growth / 100% defensive			

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. The BlackRock Asset Management – International Fixed Interest option was introduced on 1 June 2011, so does not report returns for all periods shown. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. A full breakdown of fees and costs for all investment options can be found on [page 68](#). 5. Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time. 6. From the option's inception on 1 June 2011 to 14 January 2014, this option was invested in the BlackRock Indexed World Government Bond Fund, which tracked the Citigroup World Government Bond Index (hedged in AUD with net dividends reinvested). From 15 January 2014, this option has been invested in the BlackRock Global Bond Index Fund, which tracks the Barclays Global Aggregate Index (hedged in AUD with net dividends reinvested). Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Individual manager options

For a glossary of terms used in investment summaries, see [page 44](#).

	Industry Super Property Trust – Property		Lendlease managed Australian Prime Property Funds (Retail, Commercial and Industrial) – Property	
Investment style	The Fund has an income bias aiming to offer investors lower relative earnings volatility and a higher income yield. ⁵		Long-term direct investment in a quality portfolio of major regional core retail assets, commercial assets and industrial assets across Australia. ⁵	
Level of investment risk¹				
Likelihood of negative returns¹	4 to less than 6 years out of every 20 years		4 to less than 6 years out of every 20 years	
Return target p.a. on average	Accumulation	Pension	Accumulation	Pension
	Over 20 yrs CPI + 2.5%	Over 20 yrs CPI + 3.0%	Over 20 yrs CPI + 2.5%	Over 20 yrs CPI + 3.0%
Minimum suggested time frame²	7 years +	3 years +	7 years +	3 years +
Net return to 30 June 2020 p.a.³				
	1 yr	3 yr	5 yr	10 yr
Net return since inception p.a.	7.69% (1 Sep 2004)	9.21% (19 Sep 2009)	7.32% (1 Sep 2004)	7.98% (19 Sep 2009)
Total investment costs⁴	0.91%	0.91%	0.96%	0.96%
Strategic Asset Allocation				
	Asset class	Benchmark	Range %	
	Unlisted assets	Property	100%	0–100%
Growth / defensive asset mix	30% growth / 70% defensive		30% growth / 70% defensive	

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. Not all investment options will have returns reported for each period due to varying launch dates. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. A full breakdown of fees and costs for all investment options can be found on [page 68](#). 5. Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

	IFM – Australian Infrastructure		Balanced Equity Management – Australian Shares	
Investment style	Long-term direct investment option that invests in tangible infrastructure assets, such as airports, seaports, toll roads, renewable energy and utilities, across Australia. ⁵		Active management style based on fundamental analysis of stocks within the S&P/ASX100 Accumulation Index.	
Level of investment risk¹				
Likelihood of negative returns¹	3 to less than 4 years out of every 20 years		4 to less than 6 years out of every 20 years	
Return target p.a. on average	Accumulation	Pension	Accumulation	Pension
	Over 20 yrs CPI + 3.0%	Over 20 yrs CPI + 3.5%	Over 20 yrs CPI + 5.0%	Over 20 yrs CPI + 6.0%
Minimum suggested time frame²	5 years +	4 years +	5 years +	4 years +
Net return to 30 June 2020 p.a.³				
	1 yr	3 yr	5 yr	10 yr
Net return since inception p.a.	11.42% (25 May 2015)	12.32% (25 May 2015)	8.52% (1 Sep 2004)	8.20% (1 Sep 2004)
Total investment costs⁴	0.62%	0.62%	0.27%	0.27%
Strategic Asset Allocation				
	Asset class	Benchmark	Range %	
	Unlisted assets	Infrastructure	100%	0–100%
Growth / defensive asset mix	60% growth / 40% defensive		100% growth / 0% defensive	

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. The IFM – Australian Infrastructure option was introduced on 25 May 2015, so does not report returns for all periods shown. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. A full breakdown of fees and costs for all investment options can be found on [page 68](#). 5. Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Individual manager options

For a glossary of terms used in investment summaries, see [page 44](#).

	IFM – Australian Shares		Paradise Investment Management (Small Cap) – Australian Shares					
Investment style	Enhanced passive management. ⁵		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. ⁵					
Level of investment risk¹								
Likelihood of negative returns¹	6 or greater out of every 20 years		4 to less than 6 years out of every 20 years					
Return target p.a. on average	Accumulation	Pension	Accumulation	Pension				
	Over 20 yrs CPI + 4.0%	Over 20 yrs CPI + 5.5%	Over 20 yrs CPI + 5.0%	Over 20 yrs CPI + 6.0%				
Minimum suggested time frame²	5 years +	5 years +	5 years +	4 years +				
Net return to 30 June 2020 p.a.³								
Net return since inception p.a.	8.69% (1 Nov 2012)	9.51% (1 Nov 2012)	8.85% (1 Sep 2004)	9.64% (19 Sep 2009)				
Total investment costs⁴	0.03%	0.03%	1.49%	1.49%				
Strategic Asset Allocation								
	Asset class	Benchmark	Range %	Asset class	Benchmark	Range %		
	Listed equities	Australian equities	100%	0–100%	Listed equities	Australian equities	100%	0–100%
Growth / defensive asset mix	100% growth / 0% defensive		100% growth / 0% defensive					

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. The IFM – Australian Shares option was introduced on 1 November 2012, so does not report returns for all periods shown. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. A full breakdown of fees and costs for all investment options can be found on [page 68](#). 5. Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

	Neuberger Berman – International Shares			
Investment style	Seeks to maximise performance by constructing its portfolios with high quality, growing companies trading at attractive valuations, which have the potential to outperform the MSCI Emerging Markets Index at lower risk. ⁵			
Level of investment risk¹				
Likelihood of negative returns¹	6 or greater out of every 20 years			
Return target p.a. on average	Accumulation	Pension		
	Over 20 yrs CPI + 4.5%	Over 20 yrs CPI + 5.5%		
Minimum suggested time frame²	5 years +	5 years +		
Net return to 30 June 2020 p.a.³				
Net return since inception p.a.	7.95% (31 Oct 2011)	8.93% (31 Oct 2011)		
Total investment costs⁴	0.72%	0.72%		
Strategic Asset Allocation				
	Asset class	Benchmark	Range %	
	Listed equities	International equities – Emerging markets	100%	0–100%
Growth / defensive asset mix	100% growth / 0% defensive			

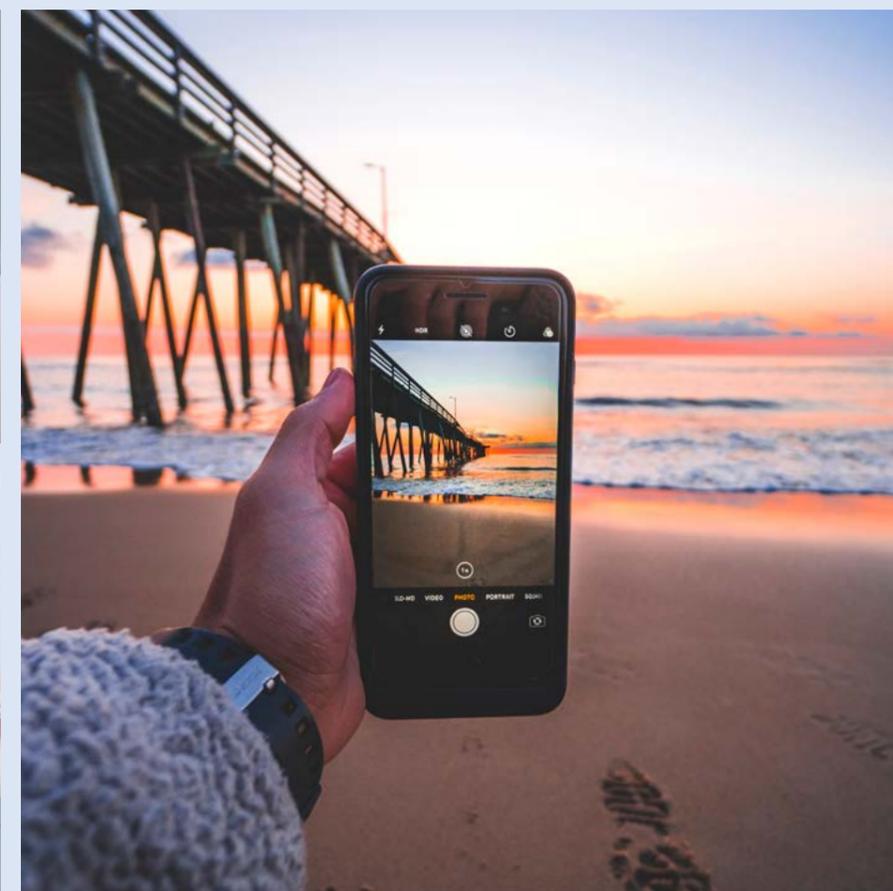
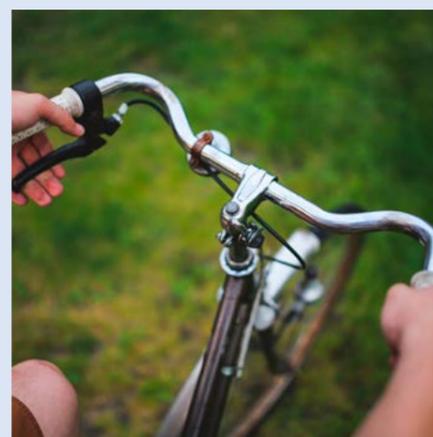
1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. The Neuberger Berman – International Shares option was introduced 31 October 2011, so does not report returns for all periods shown. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. A full breakdown of fees and costs for all investment options can be found on [page 68](#). 5. Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

Investment returns: Transition to Retirement pension

Net investment returns for Hostplus Transition to Retirement to 30 June ¹			
Investment options	1 year	3 years	Since inception
Capital Stable	-1.64%	2.90%	2.90%
Conservative Balanced	-0.21%	4.66%	4.66%
Socially Responsible Investment (SRI) – Balanced	-1.40%	4.71%	4.71%
Indexed Balanced	0.19%	5.99%	5.99%
Balanced	-2.01%	5.39%	5.39%
Shares Plus	0.51%	6.89%	6.89%
Cash	0.87%	1.41%	1.41%
Diversified Fixed Interest	3.20%	3.98%	3.98%
Property	0.66%	6.53%	6.53%
Australian Shares	-4.61%	5.33%	5.33%
International Shares	6.50%	9.12%	9.12%
International Shares – Indexed	4.40%	-	9.91%
International Shares (Hedged) – Indexed	1.60%	-	6.33%
Macquarie – Australian Fixed Interest	3.77%	4.56%	4.56%
BlackRock – International Fixed Interest	4.26%	3.78%	3.78%
Industry Super Property Trust – Property	0.34%	6.14%	6.14%
Lendlease Australian Prime Property Funds – Property	-0.49%	6.98%	6.98%
IFM – Australian Infrastructure	1.41%	8.33%	8.33%
Balanced Equity Management – Australian Shares	-6.53%	4.93%	4.93%
IFM – Australian Shares	-4.33%	6.20%	6.20%
Paradise Investment Management (Small Cap) – Australian Shares	-4.21%	4.75%	4.75%
Neuberger Berman – International Shares	-1.18%	4.80%	4.80%

1. Transition to Retirement was offered by Hostplus from 30 June 2017. Not all investment options will have investment returns reported against each investment period due to varying commencement dates. You can access full investment return information from inception at hostplus.com.au. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. Past performance is not a guide to future performance.

Our position at year end



Other investment information

Investment holdings

Please visit our website for more information on our investment holdings: hostplus.com.au/investment-holdings.

Pooled Superannuation Trust structure

The Hostplus Superannuation Fund invests via a Pooled Superannuation Trust ('PST') which is a type of unit trust regulated by the Australian Prudential Regulation Authority, and is used to facilitate the investment of assets of many superannuation funds, other PSTs, and other specified entities.

Currency hedging

International investments are vulnerable to currency fluctuations and, as such, hedging can reduce exposure to certain currencies. We hedge the currency component of the majority of Hostplus' international asset exposures through forward foreign exchange contracts.

Derivatives

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 that some of our managers use to manage risk and enhance returns. Derivatives are held by the Hostplus PST and will only be used where such use is consistent with Hostplus' investment strategy and guidelines.

Hostplus monitors the use of derivatives by our investment managers. We undertake an annual review of the controls of our investment managers to ensure that they have the appropriate controls to trade such instruments and that we are comfortable with the level of risk undertaken.

Investment manager allocations

We appoint a range of trusted, specialist investment managers to invest on the Fund's behalf. Each manager is assessed on its suitability in relation to the Fund's overall investment strategy. Each manager's investment performance is regularly reviewed, with changes made to our manager allocations where necessary.

The following investment managers have combined investments in excess of 5% of the Fund's total assets:

- IFM Investors Pty Ltd

The investment managers for each asset class as at 30 June 2020 (by investment vehicle) are listed in the following tables. These figures may include cash and accounting accruals.

Manager/Investment	% of total fund assets
Equity	57.1%
Australian shares	21.5%
Airlie Funds Management Pty Ltd (Active Australian Equity)	1.2%
Airlie Funds Management Pty Ltd (Industrial Australian Equity)	0.3%
Allan Gray Australia Pty Ltd	1.0%
Citigroup Transition Australian Equities	0.0%
Balanced Equity Management Pty Limited	1.5%
Greencape Capital Pty Ltd (Australian Equity)	2.0%
Firetrail Ltd (High Conviction)	1.0%
IFM Investors Pty Ltd (Buyback)	0.0%
IFM Investors Pty Ltd (Enhanced Indexed)	5.4%
IFM Investors Pty Ltd (Small Cap)	0.5%
L1 Capital Pty Ltd	0.8%
Paradice Investment Management Pty Ltd (Small Cap)	0.7%
Paradice Investment Management Pty Ltd (Mid Cap)	1.0%
Paradice Investment Management Pty Ltd (Large Cap)	1.7%
Pendal Group	1.7%
Tanarra Capital Australia Pty Limited	0.5%
Vinva Australian Equity Alpha Extension Fund – Vinva Investment Management Limited	0.8%
Yarra Capital Management Limited (Australian Equities)	0.9%
Yarra Capital Management Limited (Emerging Leaders)	0.6%

Investment manager allocations

Manager/Investment	% of total fund assets
International shares	27.9%
Apostle Dundas Global Equity Fund – Dundas Global Investors Limited	1.9%
Baillie Gifford Overseas Limited	3.5%
Citigroup Transition International Equities	0.0%
Hosking Partners LLP	2.1%
IFM Investors Pty Ltd (Indexed Global Equities)	4.0%
Independent Franchise Partners, LLP	2.6%
Ninety One Australia Pty Limited	0.9%
Martin Currie Investment Management Ltd	1.0%
Maverick Long Enhanced Fund Ltd – Maverick Long Enhanced Ltd	0.3%
Maverick Long Enhanced Fund Ltd – Series B – Maverick Long Enhanced Ltd	0.3%
Northcape Capital Pty Ltd	1.7%
Neuberger Berman Australia Pty Limited	1.1%
Orbis Global Equity Fund – Orbis Investment Management Limited	2.5%
Paradice Investment Management Pty Ltd (Global Small Cap)	1.0%
RWC Asset Management LLP	1.7%
T. Rowe Price Australia Limited	0.5%
Wellington International Management Company Pte Ltd (Asia ex-Japan Contrarian Equity)	0.9%
Wellington International Management Company Pte Ltd (Global Contrarian Equity)	1.8%
Private Equity	7.8%
Artesian Hostplus VC Fund 1, ILP – Artesian Venture Capital Fund of Funds Management, I.L.P	0.1%
Artesian Hostplus China Venture Capital Fund 1 – Artesian Venture Capital Fund of Funds Management, I.L.P	0.1%
Artesian Venture Capital Fund of Funds, ILP – Artesian AFOF Pty Ltd	0.0%
Artesian Venture Capital Fund 2, ILP – Artesian AFOF Pty Ltd	0.0%
Australia Private Equity Fund No.1 – Continuity Capital Partners Pty Limited	0.0%
Australia Private Equity Fund No.2 – Continuity Capital Partners Pty Limited	0.0%
Blackbird Ventures 2015 Follow-On Fund – Blackbird Ventures Pty Limited	0.2%
Blackbird Ventures 2015, LP – Blackbird Ventures Pty Limited	0.0%
Blackbird Hostplus Trust – Blackbird Ventures Pty Limited	0.4%
Blackbird Ventures 2018 Follow-On Fund – Blackbird Ventures Pty Limited	0.4%
Blackbird Ventures 2018, LP – Blackbird Ventures Pty Limited	0.0%
Blackbird After The Car Trust – Blackbird Ventures Pty Limited	0.0%
Carnegie Healthcare Fund, LP – M.H. Carnegie & Co. Pty Limited	0.0%
Carnegie Innovation Fund, LP – Carnegie Venture Capital Pty Limited	0.0%
Carnegie Innovation Fund II, LP – Carnegie Venture Capital Pty Limited	0.0%
Carnegie Private Opportunities Fund No.1 – M.H. Carnegie & Co. Pty Limited	0.0%
Carnegie Private Opportunities Fund No.2 – M.H. Carnegie & Co. Pty Limited	0.1%

Manager/Investment	% of total fund assets
Carthona Capital Venture Fund 1 (Part A) – Carthona Capital FS Pty Ltd	0.1%
Carthona Capital Venture Fund 1 (Part B) – Carthona Capital FS Pty Ltd	0.0%
Carthona Capital Venture Fund 1 (Part C) – Carthona Capital FS Pty Ltd	0.0%
Carthona Capital Venture Fund (HP) No.2 – Carthona Capital FS Pty Ltd	0.0%
Crown Co-Investment Opportunities PLC II – LGT Capital Partners (Ireland) Limited	0.1%
Crown Europe Middle Market II Plc – LGT Capital Partners (Ireland) Limited	0.1%
Crown European Buyout Opportunities II Plc – LGT Capital Partners (Ireland) Limited	0.0%
CSIRO Innovation Fund 1, LP – Main Sequence Ventures Ltd	0.0%
CSIRO Innovation Follow-On Fund 1 – Main Sequence Ventures Ltd	0.0%
Five V Fund (SF1) III, LP – Five V Capital Pty Ltd	0.0%
HL-HP Global Investments LP – HL-HP Global Investments GP LLC	0.0%
Hermes GPE PEC III LP – Hermes GPE LP	0.2%
Hermes GPE PEC IV LP – Hermes GPE LP	0.2%
Hostplus ROC Private Equity Trust – ROC Capital Pty Limited	0.1%
Hostplus US EM CI LP - Flexstone Partners, LLC	0.1%
Hostplus US EMP, LLC - Series 1 – Flexstone Partners, LLC	0.1%
Hostplus US EMP, LLC - Series 2 – Flexstone Partners, LLC	0.0%
HP Special Investment Fund S.C.Sp – LGT Capital Partners (Ireland) Limited	0.1%
Industry Super Holdings Pty Ltd	0.2%
IFM Australian Private Equity Fund 3 – IFM Investors Pty Ltd	0.0%
IFM Australian Private Equity Fund 4 – IFM Investors Pty Ltd	0.0%
IFM International Private Equity Fund 1 – IFM Investors Pty Ltd	0.0%
IFM International Private Equity Fund 2 – IFM Investors Pty Ltd	0.0%
IFM International Private Equity Fund 3 – IFM Investors Pty Ltd	0.0%
IPG Hostplus 2018 Trust Class A – IP2IPO Australia HP Pty Ltd	0.1%
IPG Hostplus 2018 Trust Class H – IP2IPO Australia HP Pty Ltd	0.1%
Kelso Investment Associates X, LP - Kelso & Company, L.P.	0.0%
Lexington Capital Partners VIII, L.P – Lexington Partners L.P	0.2%
Lexington Co-investment Partners III, L.P – Lexington Partners L.P	0.2%
Lexington Co-investment Partners IV, L.P – Lexington Partners L.P	0.3%
Members Equity Bank Pty Limited	0.4%
MHC Hostplus Co-Investment Trust – M.H. Carnegie & Co. Pty Limited	0.0%
MRCF 3 (HP) Trust – BCP3 Pty Ltd	0.1%
MRCF 5 - BCP3 Pty Ltd	0.0%
MRCF Hostplus BTF – BCP3 Pty Ltd	0.0%
Myriota Pty Ltd.	0.0%
Partners Group Secondary 2008 (EUR), S.C.A., SICAR – Partners Group Management Ltd	0.0%

Investment manager allocations

Manager/Investment	% of total fund assets
Partners Group Secondary 2011 (EUR), S.C.A., SICAR – Partners Group Management Ltd	0.1%
Partners Group Client Access 19 L.P. Inc. – Partners Group Management Ltd	0.0%
Partners Group Client Access 19A L.P. Inc. – Partners Group Management Ltd	0.0%
Partners Group Client Access 25 L.P. Inc. – Partners Group Management Ltd	0.0%
Partners Group Dandenong, L.P – Partners Group Management Ltd	0.0%
Partners Group Direct Investments 2012 (USD) ABC, L.P. – Partners Group Management Ltd	0.3%
Partners Group Direct Equity 2016 – Partners Group Management Ltd	0.5%
Private Equity US Opportunities II, L.P – Flexstone Partners, LLC	0.1%
Private Equity US Opportunities III, LP – Flexstone Partners, LLC	0.3%
ROC Asia Pacific Co-Investment Fund III – Roc Capital Pty Limited	0.1%
ROC China Growth Fund – Roc Capital Pty Limited	0.1%
Safar Partners Fund, L.P. – Safar Partners GP, LLC	0.1%
Safar Partners Hostplus Special Opportunity Fund, L.P. – Safar Partners GP, LLC	0.0%
Siguler Guff HP China Opportunities Fund LP – Siguler Guff HP China GP, LLC	0.3%
Siguler Guff HP Opportunities Fund II, LP – Siguler Guff HP II GP, LLC	0.6%
Siguler Guff Small Buyout Opportunities Fund II, L.P – Siguler Guff SBOF II GP, LLC	0.2%
Square Peg Australia 2015 LP – Square Peg Capital Pty Ltd	0.0%
Square Peg Global 2015 Trust – Square Peg Capital Pty Ltd	0.2%
Square Peg CI 2015 Trust – Square Peg Capital Pty Ltd	0.2%
Square Peg 2018, LP – Square Peg Capital Pty Ltd	0.0%
Square Peg Global 2018 Trust – Square Peg Capital Pty Ltd	0.1%
Stafford Cap TDCFII - Stafford Capital Partners	0.0%
Telstra Ventures Fund II Sidecar, L.P. – T Ventures Fund II GP, Ltd	0.0%
Wilshire Private Markets Funds – Wilshire Australia Pty Limited	0.1%
Wilshire Private Markets Asia No.1 Fund – Wilshire Australia Pty Limited	0.0%
Wilshire Private Markets Asia No.2 Fund – Wilshire Australia Pty Limited	0.0%
Infrastructure	8.8%
Campus Living Villages Fund – Campus Living Funds Management Limited	0.4% - 0.6%
FSI Infrastructure Fund (Anglian Water Group Sector) – First Sentier Investors (Australia) RE Ltd	0.2%
Darling Harbour – Capella Management Services Pty Ltd	0.2% - 0.4%
European Diversified Infrastructure Fund II SCSp – First Sentier Investors	0.5%
Gardior Fund A – Infrastructure Units (IU) – Gardior	0.1%
Gardior Fund B – Infrastructure Units B (IUB) – Gardior	0.0%
GDIF Hedged Feeder Fund 2 – First Sentier Investors	0.1%
GIP Gemini Fund LP – Global Infrastructure Partners	0.5%
IFM Australian Infrastructure Fund – IFM Investors Pty Ltd	2.6%
IFM International Infrastructure Fund – IFM Investors Pty Ltd	2.9%

Manager/Investment	% of total fund assets
Macquarie Global Infrastructure Fund III – Macquarie Specialised Asset Management Limited	0.0%
NSW Ports Consortium – Industry Funds Management Pty Ltd	0.2%
QGIF Iona Aggregator Trust – QIC Investments No. 1 Pty Ltd	0.1%
QIC Global Infrastructure Fund – QIC Limited	0.2%
QIC REV Investment Trust No. 1 – QIC Infrastructure Management No. 2 Pty Ltd	0.0%
Utilities Trust of Australia – H.R.L Morrison & Co Limited	0.6%
Property	11.8%
Australian Prime Property Funds (Retail, Commercial & Industrial) – Lendlease Investment Management	2.6%
Charter Hall Prime Industrial Fund – Charter Hall Funds Management Limited	1.0%
Charter Hall Prime Office Fund – Charter Hall Funds Management Limited	0.9%
ISPT Core Fund – ISPT Pty Ltd	3.4%
ISPT Development and Opportunities Fund II – ISPT Pty Ltd	0.0%
ISPT Non-Discretionary Residential Mandate – ISPT Pty Ltd	0.2%
ISPT Retail Australian Property Trust – ISPT Pty Ltd	0.6%
Invesco Core Real Estate USA (ICRE) Fund – Invesco Core Real Estate U.S.A., L.P.	0.5%
KAMOB Investors III, L.P. – Kayne Anderson Capital Advisors, L.P.	0.2%
Kayne Anderson Core Real Estate, L.P. – Kayne Anderson Core Real Estate Advisors I, LLC	0.4%
Lendlease Asian Retail Investment Fund 2 - Lendlease Investment Management	0.0%
Lendlease Asian Retail Investment Fund 3 - Lendlease Investment Management	0.6%
Lendlease Communities Fund 1 – Lendlease Investment Management	0.0%
Lendlease Sub-Regional Retail Fund – Lendlease Investment Management	0.2%
Long Weighted Investment Partnership (LWIP) Trust – Charter Hall Wholesale Management Limited	0.5%
Long Weighted Investment Partnership (LWIP) Trust II – Charter Hall Wholesale Management Limited	0.2%
Macquarie Real Estate Equity Fund 6 – Macquarie Admin Services Pty Limited	0.0%
QIC Australia Core Plus Fund – QIC Limited	0.0%
Select Property Portfolio No. 3 – AMP Capital Investors Limited	0.0%
U.S. Cities Multifamily Fund, L.P – U.S. Cities Multifamily Fund GP LLC	0.1%
U.S. Cities Multifamily Fund, L.P – U.S. Cities Industrial Fund GP LLC	0.3%
Fixed Income	4.0%
iShares Global Bond Index Fund – BlackRock Asset Management Australia Limited	2.3%
iShares Wholesale Aust Bond Index Fund – BlackRock Asset Management Australia Limited	1.4%
Macquarie True Index Australian Fixed Interest Fund – Macquarie Investment Management Australia Limited	0.3%
Super Loans Trust – ME Portfolio Management Ltd	0.0%

Investment manager allocations

Manager/Investment	% of total fund assets
Cash	9.1%
Citigroup Pty Ltd	1.4%
IFM Investors Pty Ltd	7.3%
Members Equity Bank Pty Ltd	0.4%
Alternatives	1.8%
Apollo/Athene Dedicated Investment Program (B), L.P. – Apollo ADIP Advisors L.P.	0.1%
Athora Holding Ltd.	0.2%
Autonomy Capital Global Macro Fund L.P. – Autonomy Capital International Limited	0.3%
Bridgewater Pure Alpha Fund II, Ltd – Bridgewater Associates, Inc	0.0%
Ethical Leaders Balanced Fund – AMP Capital Funds Management Limited	0.2%
Fitzroy Horizons Fund – International Asset Management Limited	0.0%
GMO Systematic Global Macro Fund – GMO Australia Limited	0.0%
GSA Capital Partners Trend Fund – GSA Capital Partners LLP	0.0%
IPM Systematic Macro Fund – Macquarie Investment Management Australia Limited	0.0%
QIC Liquid Alternatives Fund (H) – QIC Limited	0.0%
Renaissance Institutional Diversified Alpha Fund LLC – Renaissance Technologies LLC	0.0%
Resolution Life Group Holdings L.P. – Resolution Life Group Holdings Ltd.	0.4%
Select Market Access Fund – Tangency Capital Ltd	0.6%
Credit	5.8%
Apollo ST Fund Management LLC	0.8%
Apollo Offshore Structured Credit Recovery Fund IV Ltd – Apollo ST Fund Management LLC	0.7%
Barings LLC	1.4%
Cross Ocean Partners US SS Fund – Cross Ocean Partners Management LP	0.3%
IFM Specialised Credit Floating Feeder Fund – IFM Investors Pty Ltd	0.5%
Kayne Anderson Real Estate Debt II LP – Kayne Anderson Capital Advisors, L.P.	0.2%
Kayne Anderson Real Estate Debt III LP – Kayne Anderson Capital Advisors, L.P.	0.3%
Kayne Senior Credit III Offsh Fund L.P. – Kayne Anderson Capital Advisors, L.P.	0.3%
Loomis Sayles CLO II Ltd – Apollo ST Fund Management LLC	0.0%
Loomis Sayles Credit Opportunities Fund – Loomis, Sayles & Company LP	0.1%
Hayfin Hostplus L.P. – HayFin Hostplus GP Limited	0.0%
HayFin Special Opportunities Credit Fund LP – HayFin Special Opportunities GP Limited	0.0%
HayFin Special Opportunities Fund II LP – HayFin Special Opportunities Fund II GP LP	0.2%
HayFin Special Opportunities Fund II USD Co-Invest LP – HayFin Special Opportunities Fund II GP LP	0.0%
HPK Partners, LLC – Kayne Anderson Capital Advisors L.P.	0.1%
Redding Ridge Holdings LP	0.6%
Willow Tree Fund I (Offshore), LP – Willow Tree Fund I (Offshore) GP, LLC	0.2%

Manager/Investment	% of total fund assets
Currency	0.3%
Currency Overlay – Mesirow Financial Investment Management Inc.	0.3%
Choiceplus	1.2%
Choiceplus Cash	0.3%
Term Deposits	0.1%
Direct Equities (ASX 300 shares & ETFs)	0.9%
Total Investments	100.0%

Investment costs

Investment option	Investment fee			Indirect Cost Ratio (ICR)			Total investment cost ²
	Management fee	Performance fee ¹	Total investment fee	Transaction cost	Operational cost	Total Indirect Cost Ratio	
Balanced	0.55%	0.16%	0.71%	0.23%	0.16%	0.39%	1.10%
Pension Balanced	0.53%	0.17%	0.70%	0.21%	0.16%	0.37%	1.07%
Capital Stable	0.28%	0.04%	0.32%	0.14%	0.08%	0.22%	0.54%
Conservative Balanced	0.37%	0.06%	0.43%	0.18%	0.10%	0.28%	0.71%
Socially Responsible Investment (SRI) – Balanced	0.67%	0.00%	0.67%	0.24%	0.10%	0.34%	1.01%
Indexed Balanced	0.02%	0.00%	0.02%	0.03%	0.01%	0.04%	0.06%
Shares Plus	0.51%	0.14%	0.65%	0.22%	0.13%	0.35%	1.00%
Cash	0.02%	0.00%	0.02%	0.00%	0.00%	0.00%	0.02%
Diversified Fixed Interest	0.06%	0.00%	0.06%	0.05%	0.01%	0.06%	0.12%
Property	0.49%	0.02%	0.51%	0.29%	0.21%	0.50%	1.01%
Infrastructure	0.37%	0.12%	0.49%	0.11%	0.21%	0.32%	0.81%
Australian Shares	0.37%	0.06%	0.43%	0.26%	0.06%	0.32%	0.75%
International Shares	0.46%	0.05%	0.51%	0.19%	0.10%	0.29%	0.80%
International Shares – Indexed	0.02%	0.00%	0.02%	0.01%	0.10%	0.11%	0.13%
International Shares (Hedged) – Indexed	0.02%	0.00%	0.02%	0.04%	0.04%	0.08%	0.10%
Macquarie – Australian Fixed Interest	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%
BlackRock – International Fixed Interest	0.08%	0.00%	0.08%	0.08%	0.01%	0.09%	0.17%
Industry Super Property Trust – Property	0.27%	0.00%	0.27%	0.31%	0.33%	0.64%	0.91%
Lendlease Managed Australian Prime Property Funds	0.68%	0.00%	0.68%	0.17%	0.11%	0.28%	0.96%
IFM – Australian Infrastructure	0.37%	0.00%	0.37%	0.06%	0.19%	0.25%	0.62%
Balanced Equity Management – Aust. Shares	0.13%	0.00%	0.13%	0.09%	0.05%	0.14%	0.27%
IFM – Australian Shares	0.02%	0.00%	0.02%	0.00%	0.01%	0.01%	0.03%
Paradice Investment Management (Small Cap)	0.78%	0.00%	0.78%	0.64%	0.07%	0.71%	1.49%
Neuberger Berman – International Shares	0.61%	0.00%	0.61%	0.01%	0.10%	0.11%	0.72%

Investment option	Borrowing cost	Property operating cost
Balanced	0.18%	0.15%
Pension Balanced	0.19%	0.16%
Capital Stable	0.13%	0.11%
Conservative Balanced	0.12%	0.11%
Socially Responsible Investment (SRI) – Balanced	0.04%	0.02%
Shares Plus	0.11%	0.09%
Property	0.91%	1.10%
International Shares	0.01%	0.00%
Industry Super Property Trust - Property	0.52%	1.30%
Lendlease Managed Australian Prime Property Funds	0.61%	0.71%

1. The performance-based fee component comprises actual fees paid and estimates of fees to be paid for the financial year ended 30 June 2020.
2. The ICR and the investment fee is based on the expenses incurred 1 July 2019 to 30 June 2020. As a result, these figures are indicative only and may change in subsequent years depending on (for example) the performance of each option. These costs are deducted before the net investment return for each investment option is declared and applied (every six months) to members' accounts. For further information, see the Hostplus Product Disclosure Statement at pds.hostplus.com.au/6-fees-and-costs

Insurance summary

Lump sum insurance benefits paid to Hostplus members to 30 June 2020				
Claim type ¹	12 months to 30/06/2020		5 years to 30/06/2020	
	Members	Amount paid (\$'000)	Members	Amount paid (\$'000)
Death	501	\$54,113	2,549	\$296,474
Terminal illness	159	\$15,181	635	\$59,297
TPD	743	\$85,605	3,188	\$352,855

Lump sum insurance benefits paid to Hostplus members, by age group, to 30 June 2020					
Claim type ¹	Age group	12 months to 30/06/2020		5 years to 30/06/2020	
		Members	Amount paid (\$'000)	Members	Amount paid (\$'000)
Death	15-24	51	\$4,440	237	\$23,513
	25-34	84	\$16,570	460	\$97,648
	35-44	95	\$20,448	530	\$110,526
	45-54	113	\$7,742	611	\$45,062
	55-64	126	\$4,318	634	\$18,389
	65-69	32	\$594	77	\$1,335
Terminal illness	15-24	3	\$240	8	\$806
	25-34	10	\$1,812	59	\$12,531
	35-44	26	\$6,427	93	\$20,594
	45-54	62	\$4,652	249	\$18,087
	55-64	54	\$2,008	218	\$7,198
	65-69	4	\$41	8	\$81
TPD	15-24	22	\$2,599	89	\$9,665
	25-34	115	\$23,418	461	\$92,887
	35-44	202	\$37,162	860	\$156,598
	45-54	261	\$17,339	1170	\$74,647
	55-64	143	\$5,087	608	\$19,057

1. Income Protection (Salary Continuance) benefits paid have not been included in the above tables, as we do not have complete data for the past five years.

Financial summary

To make it easier for our members, we've provided a short financial summary below that includes the main points from Hostplus' annual financial statements for the past two financial years. If you'd like more detailed financial information, including the audited financial statements and auditor's report, you can find them online at hostplus.com.au/financialstatements. Copies of these can also be requested by calling us on 1300 467 875.

Changes in member benefits	2020 (\$'000)	2019 (\$'000)
Opening balance of member benefits	44,695,568	33,432,041
Add:		
Contributions	4,468,985	3,740,101
Transfers in	4,969,430	7,140,332
Insurance proceeds	156,049	146,741
Less:		
Net investment losses / (earnings)	858,266	(2,793,222)
Benefits paid [^]	4,081,123	1,712,717
Administration and other fees	74,659	94,200
Insurance premiums	228,697	255,511
Tax	598,929	494,441
Closing balance of member benefits	48,448,358	44,695,568

[^] In response to the financial impact of the COVID-19 pandemic, the Australian federal government introduced new 'Early Release of Superannuation' rules that allowed individuals in financial stress to access up to \$10,000 of their superannuation in the 2020 financial year. As at 30 June 2020, benefits paid under the early release rules totalled \$1.7 billion.

Income statement	2020 (\$'000)	2019 (\$'000)
Revenue		
Interest	2,671	3,176
Dividends and distributions	10,962	9,604
Changes in assets measured at fair value	(869,271)	2,782,642
Other income	1,051	609
Total revenue	(854,587)	2,796,031
Expenses		
Investment expenses	7,096	5,189
Administration expenses	120,825	115,724
Total expenses	127,921	120,913
Income tax (expense)/benefit	54,669	58,411
Profit/(loss) from operating activities after income tax	(927,839)	2,733,529
Less: Net benefits allocated to members' accounts	932,925	(2,699,022)
Profit/(loss) after income tax	5,086	34,507

Financial position	2020 (\$'000)	2019 (\$'000)
Investments	49,267,451	45,395,769
Cash at bank	61,516	48,823
Other assets	52,053	56,234
Less:		
Liabilities	577,287	477,440
Net assets available for members' benefits	48,803,733	45,023,386
Less: Members' benefits	48,448,358	44,695,568
Net assets	355,375	327,818
Equity		
Investment reserve	(2,938)	(1,469)
Administration reserve	182,975	173,399
ORFR Reserve	110,501	112,590
Insurance reserve	64,837	43,298
Total Equity	355,375	327,818

Reserve accounts

Hostplus maintains reserves to cover our day-to-day operations. The balance of all Fund reserves at 30 June for the last five years is outlined in the table below.

Reserves						
Year	Investment reserve (\$'000)	Administration reserve (\$'000)	ORFR reserve (\$'000)	Insurance reserve (\$'000)	RSE reserve (\$'000)	Total reserves (\$'000)
2020	(2,938)	182,975	110,501	64,837	-	355,375
2019	(1,469)	173,399	112,590	43,298	-	327,818
2018	6,542	174,427	75,443	20,276	-	276,688
2017	10,900	162,792	56,065	-	-	229,758
2016	854	121,955	46,968	-	100	169,877

Investment reserve

During the year, investment earnings are accumulated in an investment reserve and are allocated to members' accounts upon one of the following events:

- at 30 June and 31 December each year, as part of the Fund's periodic investment earnings allocation process
- when a member closes their account with Hostplus, or
- when a member initiates an investment switch from one investment option to another.

Administration reserve

The fees deducted from members' accounts are deposited into the administration reserve and the accumulated funds are used to pay for the operations of Hostplus. The Administration reserve is invested in the Balanced option.

Operational Risk Financial Requirement ('ORFR') reserve

An ORFR reserve is separately maintained to ensure the Fund has access to adequate financial resources in the event of losses arising from an operational risk event. An ORFR reserve has been established, as required by APRA, at a level representing 0.25% of the Fund's net assets.

Hostplus has an approved ORFR policy detailing what constitutes an operational risk event and how the ORFR reserve is accessed when an operational risk event occurs. The policy also outlines that monies held in the ORFR reserve are to be invested in the Balanced option.

Insurance reserve

An Insurance reserve is separately maintained to manage the insurance premiums paid to MetLife Insurance Limited under the Premium Adjustment Mechanism (PAM) agreement. The PAM agreement reduces the risk of the insurer and facilitates lower premiums for members.

The reserve is invested as per the policy governing the operation of the PAM and attracts interest at the rate of CPI (Consumer Price Index). The Trustee confirms that it has complied with its PAM Policy over the 2020 Financial Year.

Registrable superannuation entity (RSE) reserve

An RSE reserve was separately maintained to comply with the Fund's RSE licence condition of maintaining a balance of at least \$100,000 at all times in a reserve. During the year ended 30 June 2016, the Fund achieved a fully funded ORFR reserve, which resulted in its RSE licence conditions being varied. The Fund is no longer required to maintain an RSE reserve, and as a result, the RSE reserve was closed and the balance transferred to the ORFR reserve in the year ended 30 June 2017.

Penalties and fines

In the ordinary course of operations Hostplus may be required to pay a fine or penalty. To fulfill its payment obligation, the Trustee can elect to pay the fine or penalty from either the Administration reserve or the ORFR reserve. Over the financial year ended 30 June 2020, Hostplus was not subject to any regulatory penalties or fines. The penalties and fines paid from the Fund's reserves at 30 June for the last five years are outlined in the table below.

Year	Penalty or fine paid from:		Total penalties or fines (\$'000)
	Administration reserve (\$'000)	ORFR reserve (\$'000)	
2020	-	-	-
2019	12	-	12
2018	-	-	-
2017	-	-	-
2016	-	-	-

Board of directors

At Hostplus, we've always believed that, as a superannuation business, we principally offer trust. Trust in the nature and quality of our products, trust that our service will always be our best, trust that we'll look after our members' retirement savings over many years.

Good governance, transparency and commercial know-how are also fundamental pillars on which people can feel trust in their fund. And we believe we provide a genuine point of difference in this area.

Our Board is diverse, balanced, experienced and effective. And with our **three employer, three member, three independent** representative structure, Hostplus' board is recognised as leading the way in governance.

This structure, coupled with our member-first philosophy, gives confidence to our employers and members that decisions will be made for the right reasons, and, most importantly, in the best interests of members.

In order for the Hostplus Board to undertake its functions effectively and efficiently, the board members collectively possess a broad range of skills, knowledge and experience relevant to the management of the Fund. These include: investment experience, management experience, strategic planning, marketing and business development, accounting and finance, legal, risk management, industry knowledge and member engagement.

While it is not required or expected that each of the directors have skills and experience in all of these areas, each director is expected to make a contribution to enable the Trustee to satisfy its collective fitness requirements.

Independent directors



David Elmslie, Chairman



Alexandra Grayson



The Hon Peter Collins AM QC

Employer directors



Mark Robertson OAM



David Gibson



The Hon Mark Vaile AO

Employee directors



Tim Lyons



Bev Myers



Judith Ann Hill

Alternate directors



Neil Randall



Robyn Buckler

Our people

Executive team

Our group executive team is responsible for the day-to-day leadership and management of Hostplus' operations and the implementation of its corporate strategy. The executive team make sure Hostplus' operations are carried out to the highest possible standard.

For further information on the Hostplus leadership team, please visit: hostplus.com.au/leadership-team

For full details of our directors' and executives' remuneration, please visit: hostplus.com.au/remuneration-policy

Other directorships or appointments as directors and executives are detailed in the Register of Relevant Interests and Relevant Duties at: hostplus.com.au/register



David Elia,
Chief Executive Officer



Paul Watson,
Group Executive –
Member Experience



Kelly Cantwell,
Group Executive –
Administration Optimisation



Stuart Wilkinson,
Group Executive –
Strategy, Transformation
and Services



Sam Sicilia,
Chief Investment Officer



Natalie Strickland,
Group Executive –
People, Performance
and Culture



Lewis Tassone,
Group Executive –
Finance, Technology
and Operations



Norlena Brouwer,
Group Executive –
Risk and Compliance

At Hostplus, we believe strong and effective corporate governance is fundamental to ensuring the Fund is well led, managed and run to deliver long-term financial security for our members.

As an Industry SuperFund, Hostplus is run only to benefit our members. We're proud of our governance practices, which facilitate fairness, transparency and accountability.

Governance structure

Hostplus is governed by its duties as a trustee, by its constitution and the Hostplus Trust Deed. The Trust Deed is a legal document that sets out the governing rules for the establishment and ongoing operations of the Fund.

Hostplus holds the relevant licences and authorities required to operate, including:

- a registrable superannuation entity licence (RSE L0000093) from APRA
- an Australian financial services licence (AFSL 244392) issued by the Australian Securities and Investments Commission (ASIC).

In all matters, Hostplus acts in accordance with its constitution, Trust Deed and the authorisations and conditions of our regulatory licences.

Our Board

[Read more about our Board structure and composition on page 74.](#)

Board governance

The Board Charter details the key policies and processes the Board has in place for the governance of the Fund. These are designed to facilitate fairness, transparency and accountability in corporate governance.

The Charter outlines the key roles and responsibilities of the Board, which include development and monitoring of strategic plans, corporate and risk culture and monitoring and evaluation of management. The Charter's terms of reference govern Board proceedings, such as Board membership, roles and responsibilities, operating functions, appointment of the Chair, quorum requirements, voting entitlements and meeting arrangements.

Each year, the Board and committees employ the services of an external consultant to formally assess and benchmark their performance.

Board appointments and renewals

All directors are appointed on a non-executive basis, and nominations and appointments are made in accordance with our constitution and the Fit and Proper Policy:

- employer representative directors are nominated by the Australian Hotels Association (AHA)
- employee representative directors are nominated by United Workers Union
- independent directors are jointly selected by AHA and United Workers Union or, failing agreement, by the Selection Committee.

Directors are appointed for a three-year term. At the conclusion of each term, the nominating body either renews the term of the existing director or appoints another representative.

The Chair of our Board (who must be an independent director) is elected by the full Board.

Board committees

Under the Fund's Trust Deed, the Board has the ability to delegate its powers and responsibilities to the Board's committees. Members of these committees are appointed by the Board or, if permitted under the charter of the relevant committee, by the CEO. Each committee operates in accordance with its terms of reference.

At Hostplus, we believe strong and effective corporate governance is fundamental to ensuring the Fund is well led, managed and run to deliver long-term financial security for our members.

Hostplus' Board committees			
Committee	Chair	Members	Role
Audit, Risk and Compliance Committee (ARCC)	Peter Collins	Mark Robertson Tim Lyons	The role of the ARCC is to oversee the financial reporting and regulatory, legislative, risk management and taxation activities of the Fund.
Claims Review Committee (CRC)	Robyn Buckler	Robert Hinkley Collin Cassidy	The role of the CRC is to review members' claims rejected by the insurer.
People and Remuneration Committee (PRC)	David Gibson	David Elmslie Tim Lyons	The role of the PRC is to oversee the Fund's remuneration strategies and make recommendations to the Board in relation to executive remuneration.
Nomination and Board Renewal Committee (NBRC)	David Elmslie	Mark Robertson Tim Lyons	The role of the NBRC is to make recommendations to the Board on the appointment of representatives to the Board's subcommittees and any organisations to which the Board makes appointments (eg. entities in which Hostplus invests).
Operations Committee (OC)	Alexandra Grayson	Bev Myers Mark Vaile	The role of the OC is to assist the Board in relation to the development, implementation and review of certain products and services, including administration, marketing and communications, and group insurance, provided to members and employers. The committee ensures Hostplus' members'-first focus and key values are applied as relevant to all matters under consideration.
Special Investment Group (SIG)	Rotating	David Elmslie Mark Robertson Tim Lyons David Gibson	The SIG is responsible for considering, reviewing and approving recommendations from the Trustee's Investment Adviser relating to direct investments and co-investments in property, infrastructure and private equity asset classes via pooled investment vehicles or mandates. All investment decisions by the SIG on behalf of the Board must be made in accordance with the investment policies approved by the Board.

[You can find out more about Hostplus' governance and disclosures at \[hostplus.com.au/governance\]\(https://hostplus.com.au/governance\)](https://hostplus.com.au/governance)

Other important information

Trustee of the Fund

Host-Plus Pty Limited was the trustee of Hostplus Superannuation Fund for the reporting period. Its registered address: Level 9, 114 William Street, Melbourne VIC 3000.

Trustee indemnity insurance

Pioneer Insurance Group Pty Ltd, 2016 QBE Syndicate, Nexus Ltd and Dual Australia Pty Ltd underwriters provided trustee insurance cover from 1 July 2019 to 30 June 2020.

Significant event notices

Hostplus will always advise members of any material changes to the Fund, particularly when an outcome will affect their retirement savings.

A change or event includes any decision that will affect a member's investment, including a change to the fees or costs; the benefit design, such as insurance cover and premiums; or instances where a member's benefit may be transferred without their consent.

A message sent to affected members announcing the decisions and impacts associated with such a change or event is referred to as a 'significant event notice'. Our aim is to provide information to members in a clear concise manner that will enable our members to understand the nature of the change or event and the effect it could have on them.

 All significant event notices issued during the reporting period are contained on our website at hostplus.com.au/sen

Eligible rollover fund (ERF)

During the financial year, Hostplus transferred some account balances to our nominated ERF, AUSfund. This was done in some circumstances where a member's account balance was less than \$6,000 and we had not received contributions into the account for more than 18 months. We wrote to members who had a current address on file, to give them the opportunity to reactivate their account before transferring their Hostplus account to AUSfund.

Where superannuation benefits were transferred to AUSfund, the account holder's personal information will be used by AUSfund so they can establish and manage the account, process contributions, pay benefits, provide membership benefits and services, and correspond with the account holder.

An account that was transferred to AUSfund may affect the account holder's benefits in the following ways:

- they will cease to be a member of Hostplus
- any insurance cover with Hostplus will cease
- they will become a member of AUSfund and be subject to its governing rules
- AUSfund has a different investment strategy from Hostplus
- AUSfund does not offer insured benefits in the event of death or disability.

A copy of the AUSfund PDS can be obtained from the AUSfund website. For information about the administration fee and other costs associated with an AUSfund membership, please visit ausfund.com.au/about-ausfund/account-fees-and-costs/

You can also contact AUSfund through the following channels:

AUSfund Administration
Locked Bag 5132
Parramatta NSW 2124
Australia

By phone: **1300 361 798** (8:30am – 5pm, Monday to Friday). If calling from outside Australia: + 61 3 9067 2525.

From 1 July 2019, all inactive low-balance accounts and unclaimed super money will be transferred to the Australian Tax Office (ATO) on a twice-yearly basis. For more information on this process, refer to the Hostplus PDS.

Superannuation surcharge

The superannuation surcharge was abolished from 1 July 2005. From August 2017, no new super surcharge assessments will issue from the ATO. However, if applicable, any surcharge amounts will be deducted from an employer's contribution (or other deductible contributions) and members will see reference to it on their benefit statement.

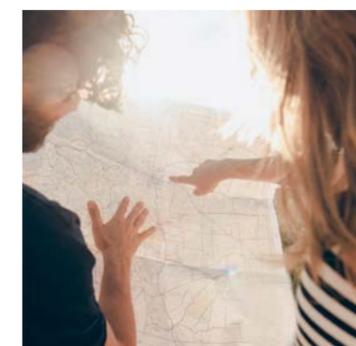
Enquiries and complaints

If you have an enquiry or complaint, please call **1300 467 875** 8am-8pm AEST Monday to Friday. We will attend to your matter promptly and courteously. If you are not happy with the way your matter is handled, we want to know.

Please write to:

Hostplus Resolutions Officer
Locked Bag 9
Carlton South VIC 3053
or email
resolutions@hostplus.com.au

We aim to resolve all complaints within 90 days of receipt. However, if you are not satisfied with either the way we handle your complaint or its resolution, you may contact the Australian Financial Complaints Authority (AFCA). AFCA provides free, fair, and independent financial complaint resolution services to Hostplus members and their beneficiaries.



Other important information

You can contact AFCA via:

Website: www.afca.org.au

Email: info@afca.org.au

Phone: **1800 931 678**

In writing to:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Hostplus is committed to the Insurance in Superannuation Voluntary Code of Practice

The **Insurance in Superannuation Voluntary Code of Practice** (the Code) is the superannuation industry's commitment to high standards when providing insurance to fund members.

The Code provides a framework to ensure the insurance cover superannuation funds offer their members is affordable and appropriate to their needs.

The Code recognises the significant benefits of insurance in superannuation and aims to improve these offerings by promoting industry standards and expectations on a range of key issues, including:

- simpler processes for members to opt out of automatic insurance
- improved communications including about the impact of insurance fees on retirement outcomes
- increased help for members making a claim.

Hostplus implemented the code in December 2019. Further information is available on our website: hostplus.com.au/insurance/code-of-practice.

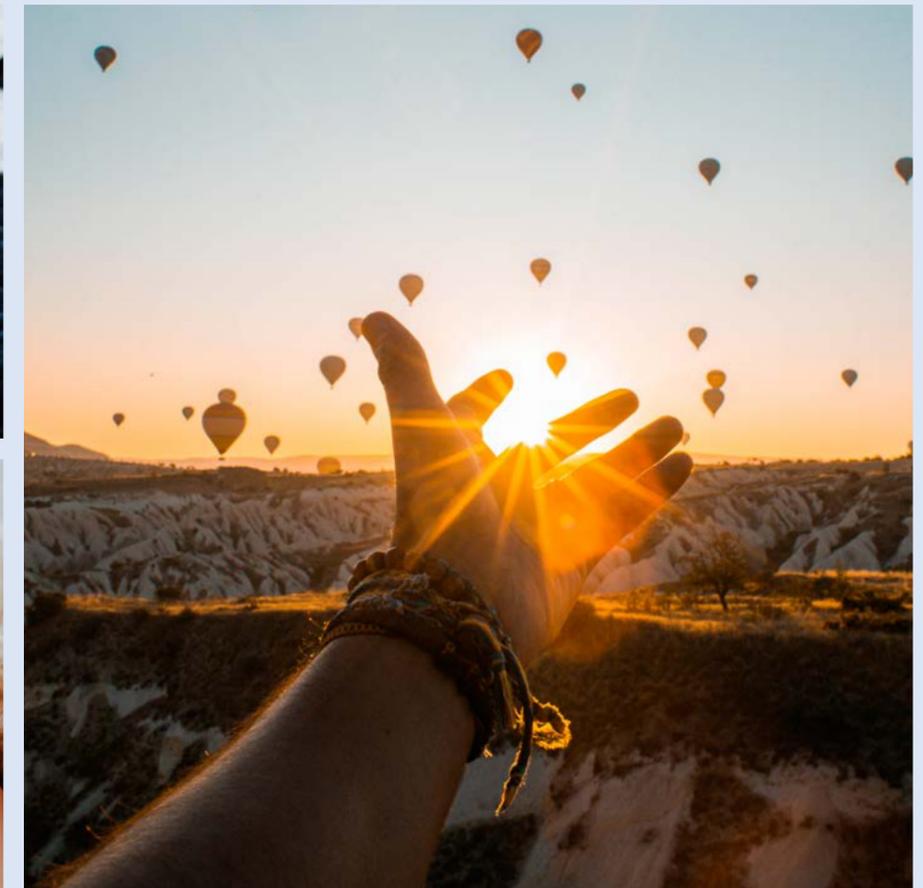
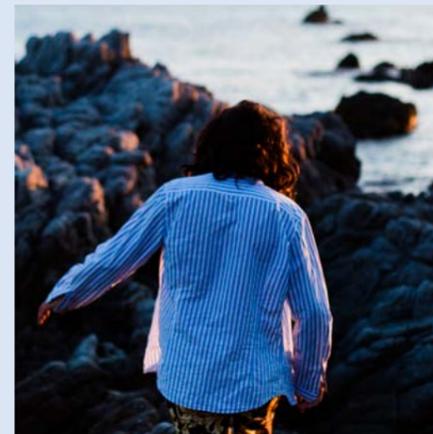
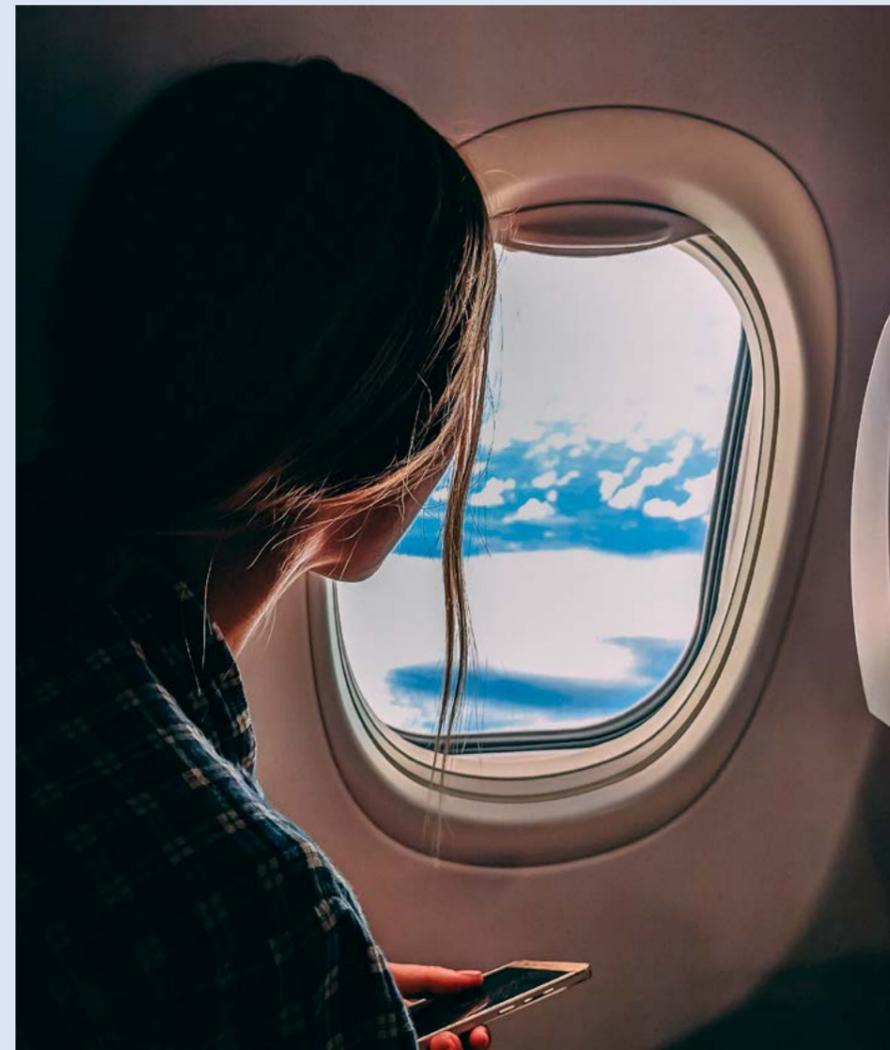
Hostplus Insurance Premium Adjustment Mechanism (PAM)

On 1 July 2017 Hostplus entered into an arrangement with our insurer, MetLife, that included a Premium Adjustment Mechanism (PAM) in respect of the default Death and Total & Permanent Disability (TPD) insurance cover and the non-default Salary Continuance insurance cover. This agreement reduces the insurer's risk exposure due to claims volatility and allows Hostplus to negotiate lower overall premiums for members.

Any premium adjustment payment made to us is allocated to a separate insurance reserve for this arrangement and is governed by our reserving policy. Our reserving policy requires that any premium adjustment payments we receive from the insurer are only passed on to members through future premiums charged. The Hostplus Board is responsible for approving the use and/or distribution of any of the PAM payments.

In setting the final Death, TPD and non-default Salary Continuance (Income Protection) premium rates that will apply from 1 October 2020, Hostplus has utilised the PAM payment received by the Fund that relates to the period 1 July 2017 to 30 June 2019. The use of this payment has enabled us to maintain the current Death and TPD premium rates and limit the increases to the non-default Salary Continuance premiums as much as possible.

📍 For details of the amount of the PAM payments received by the Fund, refer to page 4 of the financial statements found at hostplus.com.au/financialstatements.



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