



HOSTPLUS ANNUAL REPORT THAT'S A PLUS+

For the financial year ending 30 June 2021

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.

About this report

We have used the International Integrated Reporting <IR> Framework as a guide to producing our 2020–21 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 released in October 2021 covers the operations of Hostplus from 1 July 2020 to 30 June 2021. 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. For a description of the target market, please read the Target Market Determination (TMD), available at hostplus.com.au. 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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Hostplus' origins are in the hospitality, tourism, recreation and sports sectors. Today, we're widely recognised as the lifetime fund of choice for Australians from a broad range of backgrounds and industries. This year we got even bigger – now with 1.3 million members, \$62 billion in funds under management and 236,000 contributing employers.¹

We've been helping our members save for retirement for 33 years. Our continued growth shows how much people value our investment expertise and performance, and our reputation as a super fund of choice. The scale of our members and employers allows the Fund to continue to invest in and deliver new and innovative products and services, while also maintaining a low and fixed administration fee.

We are one of Australia's biggest super fund investors in venture capital, with over \$2.2 billion currently committed to the sector.¹ Our investments in start-ups and other ground-breaking companies, like revolutionary design platform Canva and Athena Home Loans, drive innovation and deliver excellent, long-term returns for members.

As a proud Industry SuperFund, we're committed to low fees and strong, long-term returns. In 2020–21 our default Balanced (MySuper) option returned 21.32% – its best result ever. The Balanced option is ranked in the industry's top three balanced options over 5, 7, 10, 15 and 20 years.² These results are a strong, independent validation that our investment beliefs, strategy and approach have served us well, and delivered market-leading outcomes for our members.

That's a plus.

1. Source: Hostplus.

2. Source: SuperRatings Accumulation Fund Crediting Rate Survey - SR50 Balanced (60 – 76) Index, 30 June 2021.



WHO WE ARE





OUR VALUES

At Hostplus we're driven by our values. We have a real desire to improve lives and help our members achieve a great retirement. Our people live our values every time they interact with our members, employers, partners and stakeholders. For us, members come first.

We also work on having a fantastic workplace culture – celebrating and recognising employees who lead by example:



Go for it

We are optimistic and focus on solutions, not problems.



Keep it real

We are honest, genuine, straightforward and transparent.



We care

We care about our work, our members 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 day.

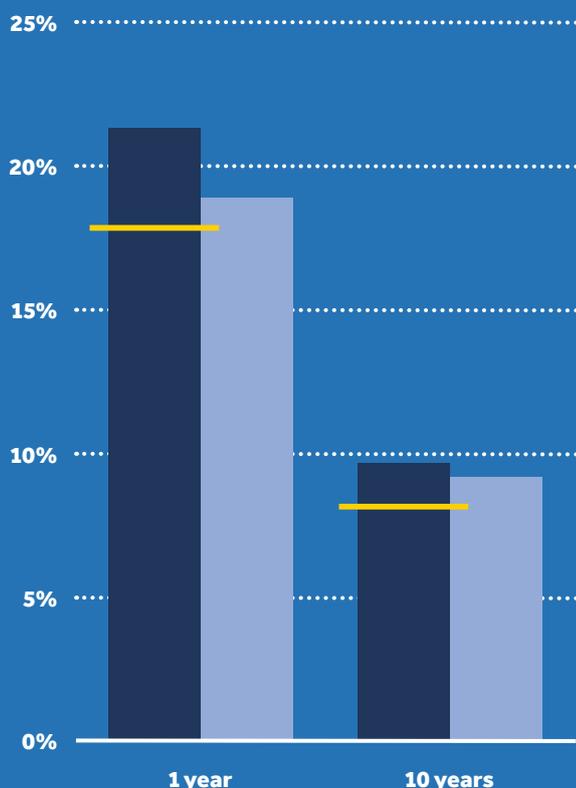
OUR VISION

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. Read more about our plans for the future on page 12.

HOSTPLUS

TODAY YEAR ENDED 30 JUNE 2021

21.32%
DEFAULT BALANCED (MYSUPER) OPTION
OUR BEST EVER SINGLE-YEAR RETURN#



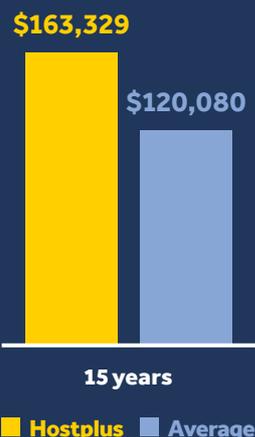
Where members are invested

+69%
Balanced option¹

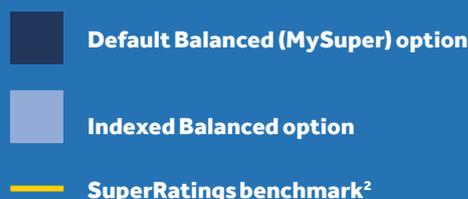
+16%
Indexed Balanced option

+15%
Other investment options

Hostplus Balanced (MySuper) vs average of all other funds
 net benefit outcomes at June 2021²



Our investment returns to 30 June 2021 p.a.³



Past performance is not a reliable indicator of future performance. Please see pages 36–49 for more details about our investment returns.

1. Includes accumulation default and MySuper.

2. Source: SuperRatings Net Benefit data as of 30 June 2021. It shows the difference in net benefit outcomes over 15 years between Hostplus' Balanced (MySuper) investment option and the average net benefit outcome of all competing funds' Balanced options as 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. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

3. Hostplus returns shown above are net investment returns for our two biggest investment options, net of investment-related fees, costs and taxes compared to the median of the SR50 Balanced (60–76) Index. All figures are taken from the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60–76) Index, 30 June 2021. Indexed Balanced option launched 1 December 2010.

\$1.50

PER WEEK ACCOUNT-BASED ADMIN FEE

**THE LOWEST OF
THE 10 BIGGEST
INDUSTRY SUPER FUNDS[^]**

[^] Source: Biggest 10 industry fund MySuper options based on Total Assets in Table 1a and administration fees in Table 3, Australian Prudential Regulation Authority (APRA) Quarterly MySuper Statistics, March 2021 (reissued 30 June 2021). Total administration fees based on a balance of \$50,000. A further \$30.64 p.a. is deducted from the Fund's Administration Reserve throughout the year to cover other costs; this does not impact member accounts.

236k

employers

1.3m

members

200k

new member
accounts created

\$62b

Funds under management

\$68b

Funds under management,
including other investments
managed by the Hostplus
Pooled Superannuation Trust

Early release of super (ERS) in FY2021



\$1.4b

paid to
members



178k

members
assisted

A total of \$3.1 billion was paid to members under ERS across FY2020 and FY2021.

How we're helping our members



433k

calls answered



\$193.2m

insurance claims paid



\$478m

retirement benefits paid



CHAIR MESSAGE

Welcome to Hostplus' 2020–21 Annual Report.

It's been a testing year for many of our members, their employers and our communities. Australia's hospitality, tourism and allied industry sectors have been hit especially hard by the economic challenges of the COVID-19 pandemic. However, our results this year represent an exceptionally positive outcome for our members' retirement funds. The excellent returns we have been able to provide for the vast majority of our members, in part reflect the competitive advantages of scale and stability and the importance of a robust, long-term investment strategy to weather volatility and unexpected events.

Hostplus continues to grow

Despite the recent challenges, Hostplus has achieved remarkable growth over the last five years. This is in no small measure due to our solid investment track record, the quality of our investment options, our customised member and employer engagement and servicing approach, and an unwavering focus on always acting in our members' best financial interests.

Over half of Hostplus' members now work outside our traditional hospitality, tourism, recreation and sport sectors. This diversity is developing into a great strength that sets Hostplus apart and further grows our reputation as a super fund of choice for all working Australians.

Changes to superannuation

The last year heralded a number of important changes to our retirement income system, arguably the most since the introduction of the Superannuation Guarantee (SG) some thirty years ago. You can read more on page 22 about these, but here's a quick overview:

- On 1 July 2021, the SG increased from 9.5% to 10%, its first increase in seven years, with a scheduled rise to 12% by 2025.
- From July 2022, the current \$450 minimum monthly income threshold to receive SG payments will be removed, benefiting around 300,000 lower-paid workers – many in our traditional sectors.
- From 1 July 2021, the Australian Prudential Regulation Authority (APRA) will start benchmarking default 'MySuper' products against an annual performance test. Any funds with products that fail must tell their members.
- From November 2021, new entrants to the workforce will be 'stapled' to their first fund while existing workers will be stapled to their current fund. This means members take their existing fund from job to job, unless they decide otherwise.

I'm very confident that Hostplus is in a strong position to not only respond positively to these changes, but continue to grow and succeed.

Looking ahead

Following the Board's review of our strategic and operational business plans earlier this year, I believe our future is bright. This review has focused our fund's efforts and activities on key strategic projects over 2021–22, established to support the achievement of our strategic plan objectives. Read more on page 12.

Finally, I want to acknowledge the professionalism of my fellow Board members, the executive team and staff. The Board is very proud to be the stewards of our members' retirement savings and to continue to build on a 33-year legacy that has always placed members' financial interests at the heart of every decision.

David Elmslie
Chair of the Board





CEO MESSAGE

Proudly helping members when they really need it

The early economic, social and investment market shock of COVID-19 united the world in a committed effort to defeat a sudden, invisible enemy.

Many members found the past year very challenging. Hit hard by the pandemic, they took the tough decision to withdraw some, or all, of their super to make ends meet. When the Early Release of Superannuation scheme ended on 31 December 2020, Hostplus had paid \$3.1 billion to 312,000 members over two financial years.

The good news is that the vaccine rollout has begun and investment markets and members' retirement savings have been bouncing back. We hope everyone will soon be back on their feet.

Our best returns ever

I'm proud to be part of the team that delivered 90% of our 1.3 million members their highest annual return ever.¹

Our default Balanced (MySuper) option returned 21.32% – its top result in our 33-year history.² Other investment options also had their best outcomes – 18.88% for our popular low-cost Indexed Balanced option and 21.82% for our sustainability-focused SRI Balanced option.³ Others like Conservative Balanced, Shares Plus, and Australian and International Equities broke records too.⁴

Results like this are outstanding, but superannuation requires a long-term focus. That's why we're so happy our Balanced (MySuper) option again ranks as one of the top three balanced options over rolling 5, 7, 10, 15 and 20 year periods.³ And as a further endorsement of our long-term net investment performance, our Balanced option has decisively passed APRA's new performance benchmark test. You can read more about the test and other superannuation reforms on page 22.

Stunning membership growth delivers leverage and scale

Over the past five years, Hostplus grew from 985,000 members in June 2016 to 1.3 million by 30 June 2021. The funds we manage in our Pooled Superannuation Trust (PST) have more than tripled from \$19.9 billion to \$68 billion in this time. I am proud that, despite current uncertainties, accumulation phase members still pay only \$1.50 a week in account-based administration fees – the same for 17 years.

The majority of Hostplus' members now come from outside our traditional sectors. Our broader appeal as a lifetime fund of choice makes us stronger and confirms that people highly regard our excellent long-term returns and low fees. It gives us the ability to invest in world-class assets, innovative product development and quality service – sharing costs across more members.

We're working hard to be the first fund of choice, and a fund for life, for even more Australians and their employers.

This past year, a new strategic partnership with Maritime Super means our Pooled Superannuation Trust now manages Maritime Super's investments. We also welcomed Australia's largest eligible rollover fund, AUSfund. In November 2021, Hostplus is on track to merge with Intrust Super and in mid-2022, Statewide Super.

Next year will bring new opportunities. Everyone at Hostplus is ready to continue securing members' financial futures and helping them set up for a dignified retirement. We are as focused as always on delivering strong results and high-quality services.

Let's build your future together.

David Elia
Chief Executive Officer



1. Calculation based on Hostplus investment data as at 30 June 2021, and includes accumulation members invested in Balanced, Indexed Balanced, Socially Responsible, International Shares, Shares Plus and Australian Shares investment options.

2. Source: SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Balanced (60–76) Index, June 2021.

3. Source: SuperRatings Accumulation Fund Crediting Rate Survey, June 2021.

4. Source: Hostplus.



OUR BUSINESS STRATEGY

Optimising member outcomes for retirement

Hostplus' leadership team regularly reviews and updates the Fund's strategic plan. It starts with a detailed analysis of our performance against our core objectives, while accounting for the influence and impact of key external forces.

This work helps to ensure we are assessing and adjusting to the changing superannuation landscape, keeping us on track to achieve our objective of optimising member outcomes in retirement.

Maximising members' net benefit

Our most important measure of success is maximising the difference between investment returns and our fees and charges – this is known as the net benefit.

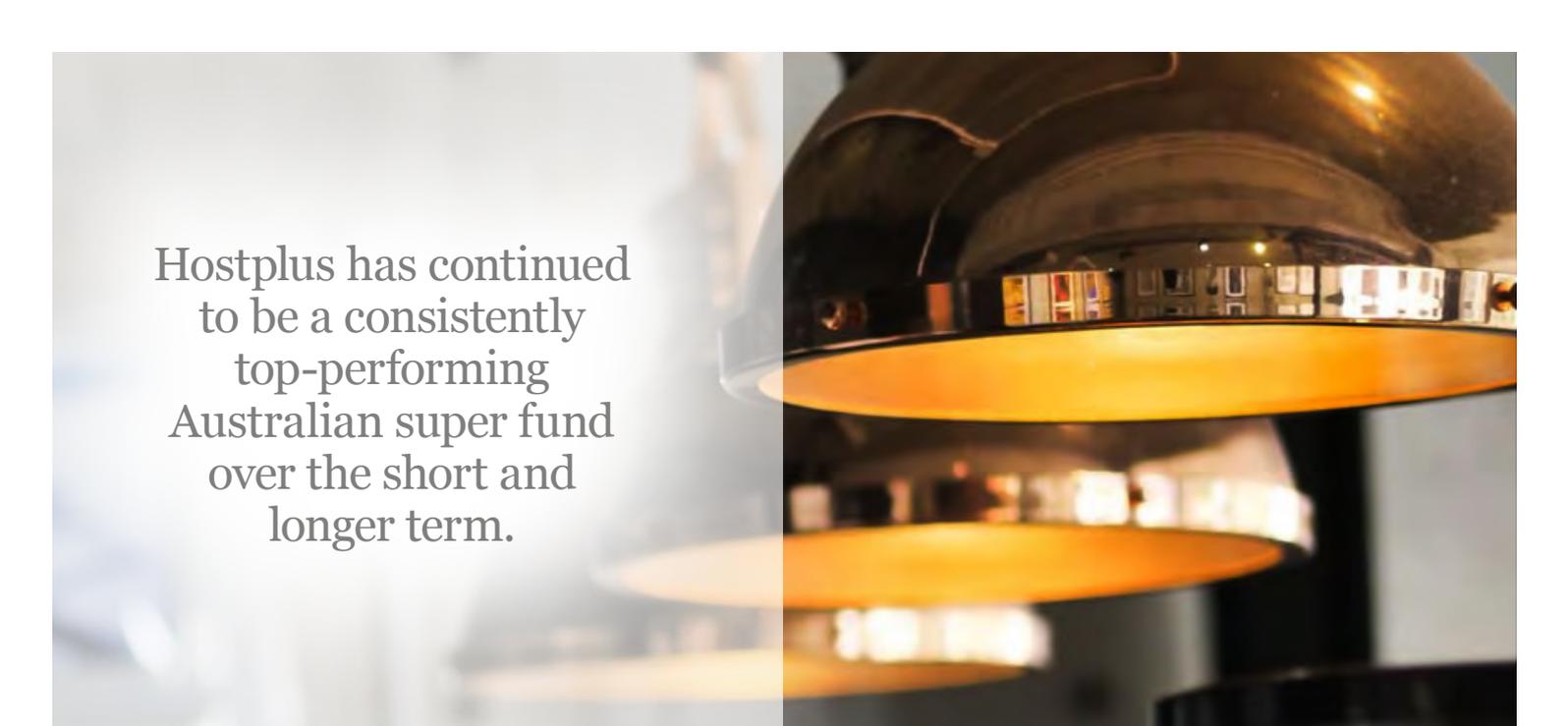
According to SuperRatings, a Hostplus member in our default Balanced option is \$26,000 better off than the average Industry SuperFund member and \$63,000 better off than the average retail super fund member over the past 15 years.¹

1. Source: SuperRatings Net Benefit data as of 30 June 2021. 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.



HOW WE DELIVER VALUE





Hostplus has continued to be a consistently top-performing Australian super fund over the short and longer term.

Getting the best possible returns for members

Despite the challenges of the COVID-19 pandemic, Hostplus has continued to be a consistently top-performing Australian super fund over the short and longer term. Our default Balanced (MySuper) option was not only ranked in the top three of Australia's largest default super funds for the past financial year, but also over 5, 7, 10, 15 and 20-year periods.²

Growing size and scale to benefit our members

This year our membership grew to over 1.3 million. Meanwhile, funds under management grew 39.8% to \$62 billion.

This positive net growth allows us to continue to offer competitive and innovative products and services, and pass these benefits on to members.

Keeping administration costs low

We are proud to have maintained one of the industry's lowest account-based administration fees for accumulation members – a flat \$78 per year – for the past 17 years.³ And our annual fixed administration fee for pension members is just \$234.⁴

The external environment

Our business strategy considers the many external forces that impact Hostplus and super in general, to ensure we keep our members' funds secure and growing. These include:

More Australians exercising choice

Today, one in four of our members have actively chosen Hostplus as their fund of choice,⁵ and we anticipate this trend will grow over the coming years. Members who actively choose their fund tend to be more engaged and expect their fund's products, services and competitiveness to be market leading and high performing. They also prefer to be able to engage with their fund directly in a way that suits them.

Regulatory changes

During the year we implemented the Australian Prudential Regulation Authority's (APRA's) 'Member Outcomes' standards, with the first Hostplus Member Outcomes Assessment completed and published in February 2021. This inaugural assessment is available for all members to view on our website. Optimising member outcomes for retirement is central to our strategic plan. This assessment plays a material role in informing our targeted objectives and reporting our achieved outcomes.

The super industry will need to meet the Australian Securities and Investments Commission's (ASIC's) Design and Distribution Obligations (DDO) for choice products by October 2021. This is aimed at ensuring super choice products meet members' needs.

The government's Your Future, Your Super (YFYS) legislative reforms are among the most significant reforms since the Superannuation Guarantee was introduced in 1992.

Read more about DDO, YFYS and other regulatory changes on page 22.

2. Source: SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Balanced (60–76) Index, June 2021.

3. Source: APRA Annual MySuper Statistics June 2020, issued 16 December 2020. Top 10 MySuper options based on total assets under management. Administration fees comparison using APRA Quarterly MySuper Statistics September 2020 (Issued 24 November 2020 based on a super account balance of \$50,000).

4. A further \$30.64 p.a. (superannuation) and \$40.38 (pension) is deducted from the Fund's Administration Reserve throughout the year to cover other costs; this does not impact member accounts.

5. Source: Hostplus.



Public health and the economy

COVID-19 continues to significantly impact the global and Australian economy. Australia's recession in 2020 was relatively short, with headline employment returning to pre-pandemic levels. However, lockdowns and border closures continue to affect many businesses and employees, particularly within hospitality and tourism. It's our view that these impacts will continue throughout FY22.

Technological change

Technology is becoming central in all our lives, especially as more Australians work, connect and socialise remotely. Our substantial technology investment is set to improve members' experience and our operational efficiency. We're also continuously improving our mobile app, and our refreshed website and member portal will go live in 2022.

Our three-year strategic plan reviewed and confirmed

In 2020, we refreshed our three-year strategic plan spanning FY21–23. While maintaining the core elements and features of the strategy that has driven our exceptional results of the past decade, we revised our vision and strategic objectives to emphasise the fundamental importance of optimising retirement outcomes for members who represent a broad cross section of Australian society.

The strategy recognises that our ability to 'realise scale benefits' is fundamental to achieving the best member outcomes. In other words, we can use our growing size to negotiate better terms with third parties – external investment managers, technology providers, administrators and insurers – and pass those savings to members.

In February 2021, we confirmed that our vision and strategic plan continues to be fit-for-purpose, despite COVID-19's ongoing impacts and changes to regulations.

Hostplus vision and strategic objectives

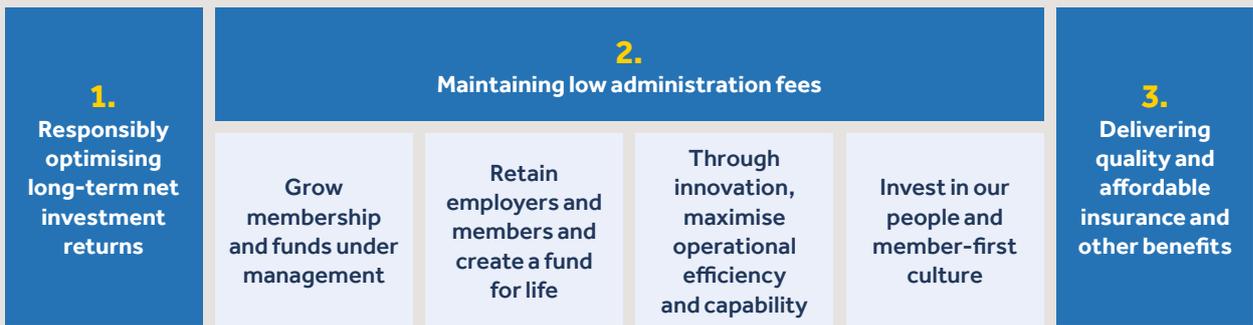
Vision

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 our members.

Strategic objectives

Optimise member outcomes for retirement

Realise scale benefits by:





RISK MANAGEMENT

Identifying and managing risk

Hostplus has a dedicated and robust program that embeds a sound risk culture across the Fund, placing risk management at the forefront of everything we do.

Our Risk Management Framework identifies, measures and monitors key strategic, operational, financial, regulatory and third-party risks, to ensure we operate within the Board's risk appetite as guided by our members' best financial interests.

For Hostplus, the resilience and stability of our investment strategy is a key factor in managing risk. The extraordinary investment returns we achieved for our members this year, despite the global pandemic's unprecedented social and economic impacts and market volatility, highlighted the strategy's strength and our capacity to implement it.

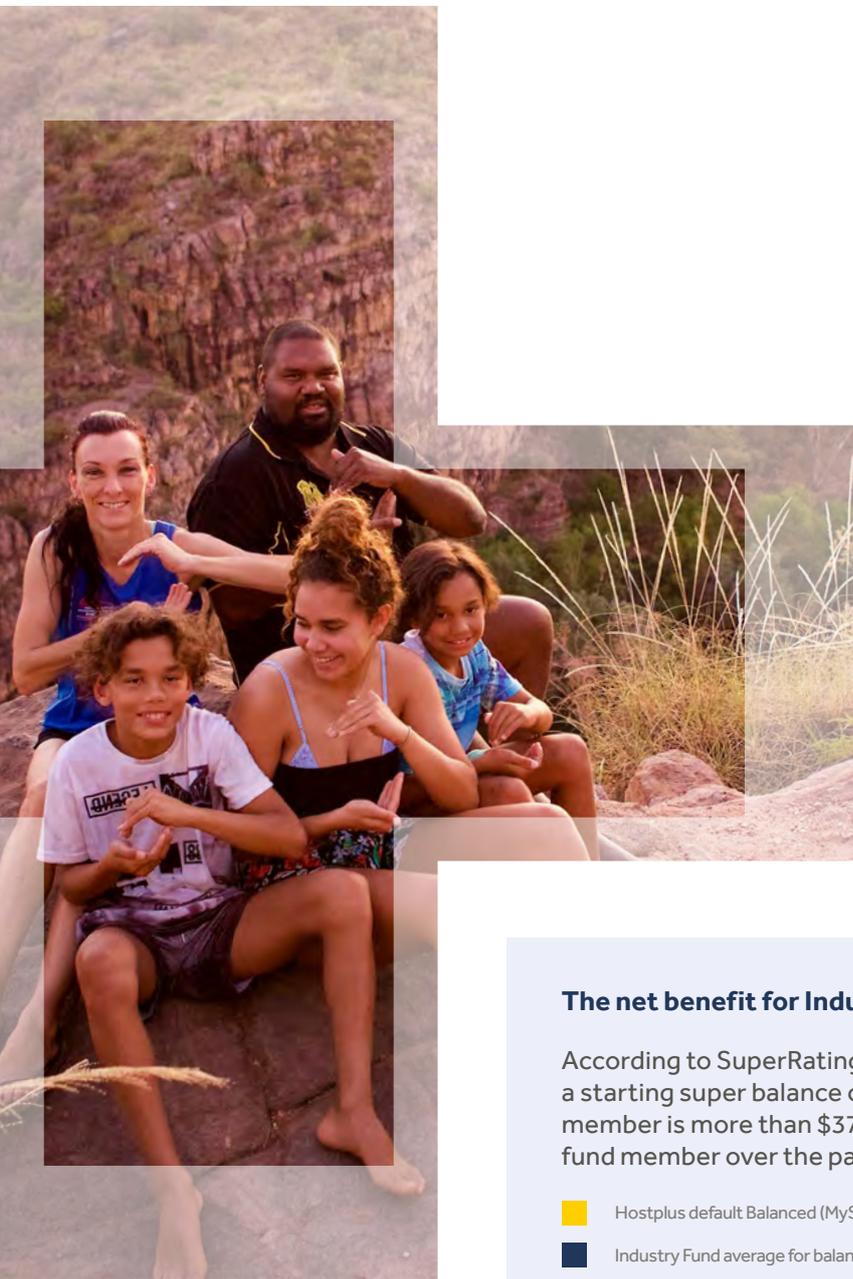
To help us manage the risk of exposure to modern slavery practices, our inaugural Modern Slavery Statement outlines our current activities with a specific plan to reduce our exposure. We also recently published our inaugural Hostplus Member Outcomes Assessment outlining how our strategy and its implementation promotes our members' best financial interests.

Supported by a strong risk program, in 2021–22 we will again meet and deliver on a significant regulatory change program, in addition to a strategic agenda that continues our strong organic growth and leverages opportunities for market consolidation.

YOUR INDUSTRY SUPERFUND

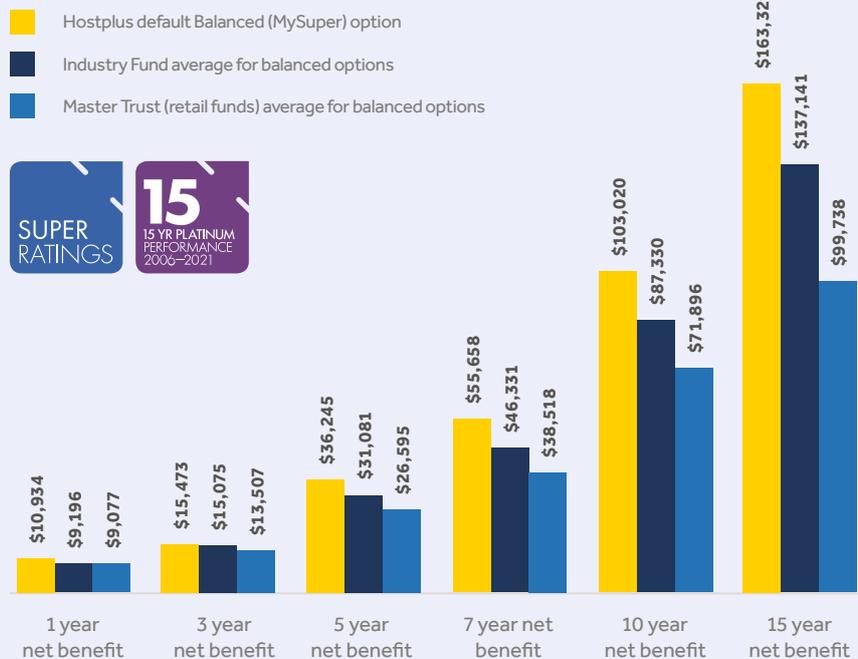
Hostplus is a proud Industry SuperFund.

As an Industry SuperFund, our purpose will always be putting more money in members' pockets for their retirement. Employers and members pay money into the Fund, which we invest to benefit members. Unlike bank-owned and other retail funds, we don't pay profits to shareholders. All our profits are owned by and benefit members – principally delivered through net investment returns to members' accounts.



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 \$37,000 better off than the average retail super fund member over the past 15 years.¹



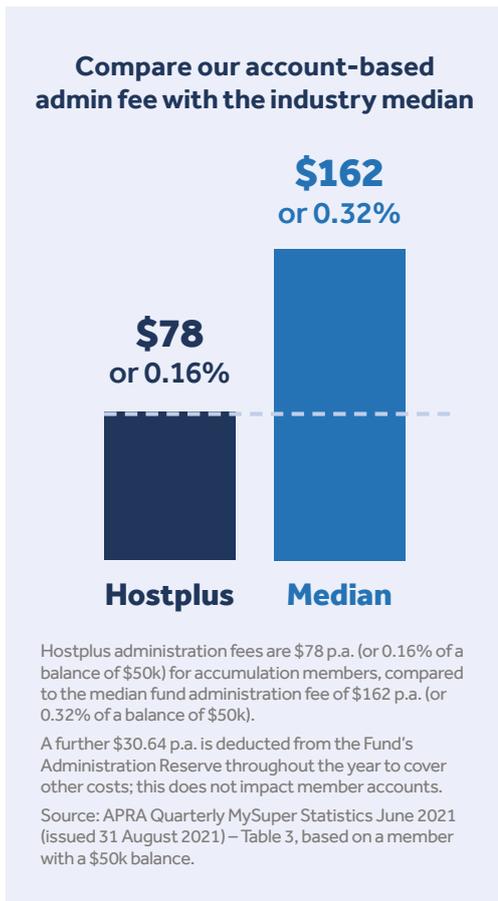
1. Source: SuperRatings Net Benefit data as of 30 June 2021. This analysis compares the Hostplus Balanced (MySuper) option with the Industry Fund Average and the Master Trust Average. It shows the difference in net benefit outcomes of Hostplus' Balanced (MySuper) investment option and the average net benefit outcomes for the Balanced options of industry and retail funds as 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 industrysuper.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.



Our admin fees

In 2004, we froze our account-based administration fee for accumulation members at just \$1.50 per week – or \$78 per year.² Hostplus has the lowest administration fee of the 10 biggest industry super funds.³ Better still, our administration fee stays fixed, even as your balance grows.

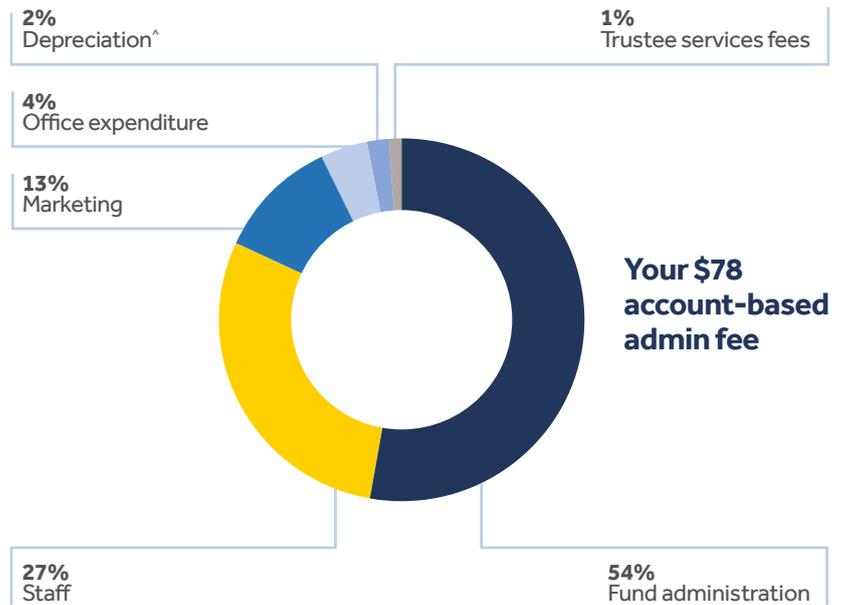


Our flat administration fee covers administrative expenses incurred in managing the Fund. This includes:

- processing contributions and payments
- member service and other staff
- IT systems and security
- member communications, including statements and account updates
- marketing
- legislative levies.

As a profit-to-member fund, all our profits belong to members and are delivered through our net investment returns to your account.

Your admin fee in detail⁴



We focus on keeping costs down and growing the Fund – because the more members we have, the more cost-effective it is to deliver benefits. New members help to grow the Fund and bring benefits of scale to every member. Costs come out of your admin fee – your investment returns belong to you and aren't used to maintain your account or run the Fund.

You can see a full outline of fees in your super at hostplus.com.au

Reconciliation

At Hostplus, we recognise the social and economic challenges faced by First Nations people, particularly in terms of financial wellbeing and retirement outcomes. Our Reconciliation Action Plan commits the Fund to dignified retirements for all Aboriginal and Torres Strait Islander peoples. We are proud to play our part in closing the gap:

- In August, we partnered with First Nations Foundation and their digital platform indigenoussuper.com.au. Indigenous Super offers culturally relevant superannuation information and assistance to Indigenous Australians.
- During National Reconciliation Week 2021, Hostplus delivered two **First Nations Peoples and Hostplus – building a better future with super** webinars. The webinar promotions were well received by both members and employers.
- Hostplus staff joined the National Indigenous Culinary Institute **Cook from Home** immersion experience on 12 November, as part of NAIDOC Week. Twins, Luke (sous chef, Rosetta) and Sam Bourke (Chef de Partie, Rockpool Bar and Grill), delivered special meal boxes and led participants on a virtual journey, creating unique Indigenous flavours.
- Yothu Basket Project – In September, Hostplus staff donated toward mum and bub essential baskets for Yolngu babies born on Galiwin'ku. Baskets were delivered in November.

2. A further \$30.64 p.a. (superannuation) is deducted from the Fund's Administration Reserve throughout the year to cover other costs; this does not impact member accounts.

3. Source: Biggest 10 industry fund MySuper options based on Total Assets in Table 1a and administration fees in Table 3, APRA Quarterly MySuper Statistics, March 2021 (reissued 30 June, 2021). Total administration fees based on a balance of \$50,000.

4. Source: Hostplus financial statements, 30 June 2021.

[^] Depreciation is how assets (such as office equipment) lose value over time. It counts as an annual cost in accounting terms.

OUR SERVICE COMMITMENT



Achieving and maintaining service excellence is vital to our core philosophy at Hostplus. We're always working to improve on and sustain the high standards our members expect and deserve.

The financial fall-out from COVID-19 continues to be felt across our broad membership, especially those within our traditional hospitality, tourism, recreation and sport sectors. When the federal government's Early Release of Superannuation scheme ended on 31 December 2020, Hostplus had assisted 312,000 members – paying out \$3.1 billion.² We were pleased to have helped these members quickly, and with compassion, during this difficult time.

'Allan managed to tell me exactly where to go to find out what I needed to know and assist me in reinvesting my super. Thank you Allan. You made the process so easy. You were also extremely patient. Thank you. I am a business trainer and your customer service was excellent.'

Madonna[^]
Hostplus Member



Hostplus Service Excellence Centre

Since 2006, Hostplus' internal Service Centre has been a valued part of how we service our ongoing relationships with members and employers. Increasing expectations from our members and staff for a better 'digital-first', multi-channel experience, called for a new strategy and significant new investments in systems, technology, and operational efficiencies.

To excel in this increasingly competitive environment we have partnered with our administrator, Link Group (Link), to run and deliver the Hostplus Service Excellence Centre (HSEC).

Link has significant experience, state-of-the-art technology and a roadmap for further innovation and world-class customer service. We're confident this decision will enable us to cost-effectively deliver a broader, multi-channelled, communication experience for our 1.3 million members and 236,000 contributing employers. Other key advantages of partnering with Link include:

- AI-enabled communications
- best practice telephony with call-back functionality and queue announcements
- virtual assistants answering routine questions digitally, or directing members to the right place
- click-to-chat functionality
- 24/7 web-based self-service interactive voice response
- next best conversation services with analytics, conversation triggers and response capture
- ability to tailor messages for specific members, to deliver a more customised experience.

Our contact centre, communications, complaints and employer services staff moved to the HSEC in March. HSEC's operations are closely overseen by Hostplus to ensure we continue to offer the best possible customer service.

As rated by our members¹

Hostplus' professionalism and knowledge

8.5 out of 10

Likelihood to stay with Hostplus in the next 12 months

8.7 out of 10

1. Average score from exit surveys conducted with members who used the Hostplus Service Excellence Centre (HSEC) in June 2021.

2. Source: Hostplus.

[^] Names have been changed to protect members' privacy.

‘The person I spoke with helped me with everything I didn’t know and answered all my questions easily in a way that I could understand. It was clear they really cared.’

Vicki[^]
Hostplus Member



Reaffirming our Fund administration partnership

In challenging times, it’s more important than ever that our members continue to receive the support they need. That’s why we were proud to extend our partnership with Australian Administration Services Pty Ltd (member of the Link Group of companies) for five more years. They will continue to perform core Fund administration services on our behalf.

Financial advice and member education

Hostplus is committed to helping members make informed decisions about their financial futures. We have financial planners servicing every state and territory, focused on delivering ‘blue ribbon’ member experiences and services that are suited to a range of different preferences, whether it be face to face, online or over the phone advice. Please see page 18 for more about how our advice and financial planning team can help.

[^] Names have been changed to protect members’ privacy.

INDUSTRY AWARDS

We measure our success by what we deliver for our members. Simple.

However, it’s great that other industry bodies also celebrate our high standards of achievement. In 2020–21 we won awards across a range of products.



Awards and ratings are only one factor to be considered when choosing a super fund. chantwest.com.au has more about the methodology used.

The rating is issued by SuperRatings Pty Ltd ABN 95 100 192 283 AFSL 311880 (SuperRatings). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and SuperRatings assumes no obligation to update. SuperRatings uses objective criteria and receives a fee for publishing awards. Visit superratings.com.au for ratings information and to access the full report.

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FINANCIAL PLANNING

Hostplus' Financial Advice and Planning – Your Advice, Your Way

At Hostplus, we're committed to helping our members build the confidence and clarity they need to set their financial goals and achieve a dignified retirement. A recent strategic review of our financial advice services presented opportunities to better align our services to the needs and preferences of our members. As a result, our enhanced advice operating model will further assist us to deliver accessible, high-quality and affordable advice services that members want and require, and support Hostplus' strategic objective of being a 'fund for life' for our members.

Our comprehensive advice services cover areas including:

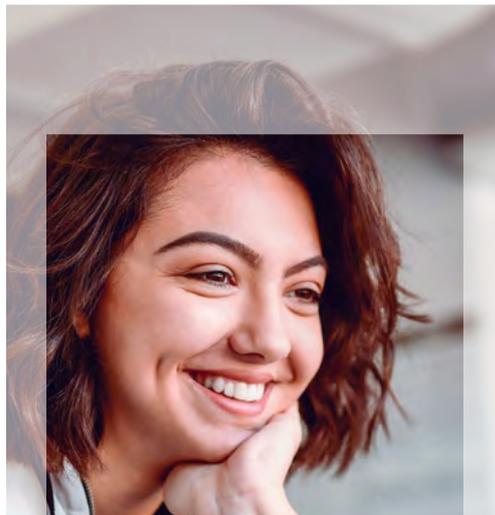
- consolidating super
- investment selection
- wealth accumulation
- transition to retirement
- planning for retirement
- insurance
- social security
- cash flow and debt management, and more.

Our commitment to educating, and improving the financial literacy of, our members continues through webinars with our experienced financial planners. These have been attended by thousands of members and cover a range of topics, such as:

- navigating your super
- women and super
- getting super fit
- insurance that fits you
- making the most of transition to retirement strategies
- how contributions can build your super.

We're continuously expanding our general education program based on the changing needs of our members, as well as the evolving retirement and legislative landscapes.

Over the past year, we've supported thousands of members to improve their financial outcomes, whether they're in the accumulation or retirement stage of their life.



Getting the right advice



Job starters

20–31
years

Opening your super account or 'starting your super journey'

Consolidating your super accounts

Contributing to build your balance



Wealth builders

31–44
years

Tax-effective contributing

Exploring the right investments

Ensuring you're insured



Pre-retirees

45–64
years

Building your balance effectively

Preparing for retirement

Transitioning to retirement



Retirees

65+
years

Establishing tax-effective retirement income streams

Maximising government benefits

Estate planning

Aged care



How Hostplus can help you



1



Meet

Meet your financial planner to discuss your current situation, goals and strategies.

2



Define

Define your goals so we can draw up your personalised Statement of Advice (SoA).

3



Discuss

Your financial planner takes you through the detailed strategies in your SoA.

4



Implement

Implement your strategy to put you on the right path for a brighter financial future.

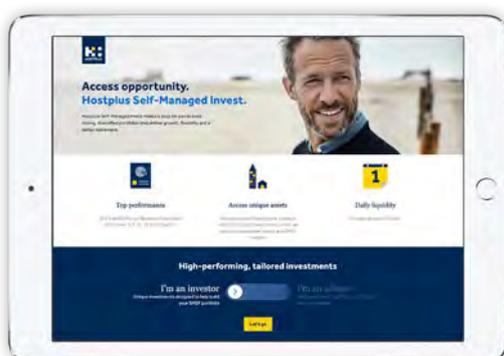
PRODUCT AND SERVICE INNOVATION

Hostplus Self-Managed Invest (SMI)

Hostplus SMI provides self-managed super fund (SMSF) investors access to unique infrastructure, property and private equity investments which are ordinarily unavailable to retail and SMSF investors. Launched in 2019, SMI is steadily growing in popularity with both SMSF trustees and advisers. Despite the impacts of COVID-19 and associated investor challenges, SMI grew an impressive 83% (\$111m)¹ in 2020–21. To further support this continued growth and the value SMI delivers, Hostplus continues to improve SMI investors' user experience.

The new SMI site

smi.hostplus.com.au helps SMI investors and advisers more easily access the information they need. It includes a comprehensive summary of each investment option, with key documents, investment objectives and strategies, associated costs, how to join and more.



Improving access for advisers

Improved access for financial advisers helps them more easily manage their clients' SMI investments.

Support staff access: This allows an adviser's administration staff to manage a client's SMI investments more efficiently and securely. Advisers can delegate platform access permissions to a staff member who can then create applications, administer and report on the client's portfolio.

Principal adviser access: This gives business owners or advice principals within an advice business, total oversight of their practice's entire SMI investments.

In 2021–22, Hostplus will continue developing and improving the SMI investment experience, including data feed integration for financial planning and wealth management software Xplan and other ways to make investing in SMI easier and more efficient.

Choiceplus

Choiceplus remains one of the market's fastest growing Industry SuperFund-offered direct investment options.² During the last financial year Hostplus focused on further expanding Choiceplus' approved investment menu and the platform's user experience.

Choiceplus investment menu changes

Hostplus, with the assistance of Lonsec Research, one of Australia's most experienced investment researchers, regularly and comprehensively reviews Choiceplus' Approved Product List (APL). This ensures its diversified and high-quality investment options meet members' expectations.

This year's review focused on providing better access to new markets and strategies. The updated Choiceplus APL gives members greater diversification and access to major international markets and sector-specific strategies. Most of the new additions relate to sector-specific Exchange Traded Funds (ETFs) – an area of significant growth over the past year.

Following the 2021 APL review we removed one listed investment company and added nine new ETFs. Read more at hostplus.com.au/choiceplus-faq

During the year we also improved notifications to members for corporate actions, maturing investments and general account administration.

In 2021–22 we plan to add Choiceplus to our already popular mobile app and continue to add functions and investments that members say they would use and value.

1. Source: Hostplus Pooled Superannuation Trust (PST) Financial Statements 30 June 2021.

2. Source: UBS.



Socially Responsible Investment (SRI) – Balanced option

This financial year we surveyed over 3,000 members to help us further develop and improve our SRI option. We incorporated this feedback into a significant refresh of our SRI Balanced option in February 2021. Among other factors, this saw the option:

- exclude fossil fuel investments
- avoid companies breaching human or labour rights standards
- avoid companies with poor ESG practices or investments in controversial weapons
- invest more in assets that contribute to sustainable outcomes.

Read more about these improvements on page 29.

Innovative retirement solutions

CPIplus

Following extensive member research, product design and development, we were pleased to launch our new retirement investment option, CPIplus, on 1 July 2021. This innovative solution is designed for retired members and those approaching retirement who are considering their post-retirement income needs.

With a return target equal to or approximating the Consumer Price Index (CPI) + 3% over the long term, CPIplus aims to provide greater certainty and risk protection than traditional market-linked investment options, within the simplicity, flexibility and liquidity of an account-based pension.

A return higher than inflation can reduce the impact on the value and purchasing power of the investment over time. Over the long term, CPIplus is designed to deliver more certain returns than growth assets like shares, but higher returns than conservative ones like cash, term deposits and fixed interest. Importantly, CPIplus' daily return floor of zero means that even if CPIplus' underlying assets earn less than the pre-determined return, CPIplus' returns won't be negative.

To learn more, read the CPIplus Product Disclosure Statement on our [website](#).



Regulatory changes

During 2020–21 a number of regulatory changes were introduced.

Design and Distribution Obligations (DDO)

DDO commences on 5 October 2021. It's a major shift in how super funds must design and market their products – including investment options and insurance packages. DDO requires super funds to design and distribute products consistent with the likely objectives, financial situation and needs of the consumer.

Super funds will also be required to assess each product against its objectives, to ensure it's meeting the needs of the members that it's designed for.

Hostplus will publish a series of Target Market Determinations on our website covering key products we offer to members, outlining the product's target market and purpose.

Transfer balance cap changes

From 1 July 2021 the amount of super savings that can be transferred into a retirement pension rose from \$1.6 million to \$1.7 million. Hostplus has made the system adjustments to accommodate this change.

Contribution cap changes

From 1 July 2021 the annual concessional contribution cap increased from \$25,000 to \$27,500 and the non-concessional cap rose from \$100,000 to \$110,000. Members wishing to learn more about the new contribution caps and how these may affect them should consider talking to a Hostplus Superannuation Adviser.

Retirement Income Framework and Covenant

As a key part of the federal government's retirement income framework, it is expected to introduce a Retirement Covenant, which would take effect from 1 July 2022.

The covenant will set requirements and obligations for superannuation trustees to improve retirement outcomes for their members, while enabling choice and competition in the retirement phase more broadly. The government also proposes that superannuation trustees develop a retirement income strategy for members of their fund who are retired or approaching retirement.

Hostplus will develop its retirement income strategy during 2021–22. The strategy will cover how the Fund formulates, reviews and gives effect to its retirement income products and services and how these assist the Fund's pension members and members approaching retirement.

Hostplus has already commenced work in this space, having embarked on several exciting initiatives this financial year. Our extensive member research in 2020 led us to create CPIplus (see page 21), with more tools and calculators for members coming online to help them plan a better retirement.

Your Future, Your Super

The federal government's Your Future, Your Super (YFYS) reforms came into effect on 1 July 2021.

The major changes are:

New performance testing:

From 1 July 2021, all super funds' MySuper options will be measured against a new annual performance benchmark set by the superannuation industry regulator, APRA. Where a MySuper product fails the performance test, the fund must formally advise its members. If it fails APRA's benchmark test for two consecutive years, the fund must advise its members of this and will be prohibited from accepting new members into that product until it has passed a subsequent performance test.

In a great result for Hostplus members, our MySuper Balanced option has emphatically exceeded APRA's initial performance test.

Additionally, the ATO's 'Your Super' comparison website ranks Hostplus' MySuper Balanced option as one of the top performers over the seven years to 30 June 2021. This is after all fees and taxes have been accounted for.

Super fund stapling:

From 1 November 2021, workers will be 'stapled' to the first super fund they join, unless they make arrangements with their employer to join another one. Previously, employers typically opened a new super account for a new employee. YFYS requires employers to now check with the ATO to see if a new employee is already 'stapled' to an existing super fund. If not, and the employee doesn't want to nominate one, the employer can put them into their default fund, which the employee can take from job to job. While employees can change funds when they wish to, 'stapling' aims to reduce the number of multiple accounts people might otherwise have, assisting them to save on fees and costs.

Best financial interest duty:

From 1 July 2021, trustees of super funds are also required to act in the best financial interests of their members. Hostplus has always acted in members' best financial interests and as such we are well placed to meet this legally required standard.

INSURANCE

Hostplus provides important insurance protection

Hostplus members can access quality and affordable Total and Permanent Disablement insurance, Income Protection, and Death insurance. For many members, the insurance within their super offers crucial protection for their income during serious illness or injury, or for their family in the event of death.

It is voluntary for members under 25, or those who have less than \$6,000 in super, to have at least a base level of Death cover through their super fund. Super funds are required to cancel a member's insurance if their account is inactive and hasn't had a contribution for at least 16 months.

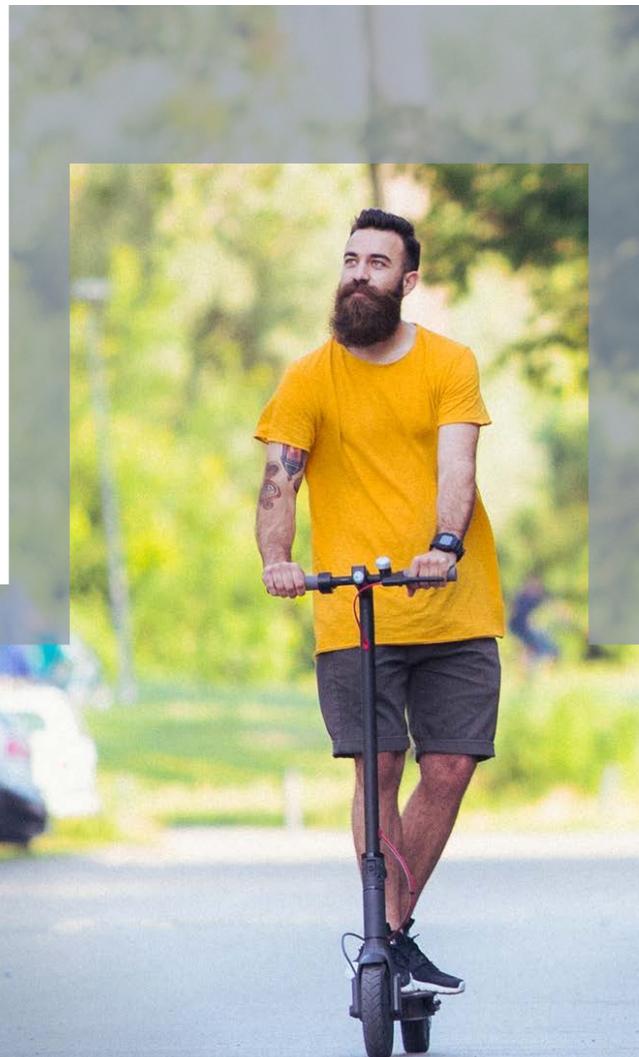
While these requirements ensure many young, low-balance and inactive members aren't paying for insurance that they may not need, it puts the responsibility on them to opt-in to insurance cover if they wish to have it.

Most other members receive our default ('automatic') insurance cover with base level protection depending on their age, sex and other factors. Default insurance, for a specified amount, is generally available without medical checks.

We encourage all Hostplus members to actively consider their insurance needs. They can also pay extra for customisation if they need to, and can reduce or cancel their cover if less insurance is needed. The information, education and digital tools we provide help our members take control, ultimately supporting overall financial wellbeing.

Hostplus and MetLife insurance partnership

MetLife Australia is a leading global provider of life insurance products and services. It has a proud 150+ year history, operating in over 40 countries, serving 90 million customers and employing 49,000 people. MetLife has been Hostplus' group insurance partner since 2013, providing members standard and quality life insurance, and related services.





Helping to understand insurance needs

Working out what kind of insurance you need isn't always easy. MetLife's 2019 'Insurance Inside Super' research showed most members can't confidently calculate how much life insurance they need. To help, we've developed a [web-based calculator](#). Our digital advice tool, *Super Adviser* also provides a more detailed assessment and recommendations, as can our dedicated superannuation advisers. Learn more by visiting our site, getting in touch or logging in to our [Member Online](#) portal.

5 steps to review insurance



1 Check

Check your current insurance by looking at your statement, logging in to the secure portal at [hostplus.com.au](#) or by calling us on 1300 467 857.



2 Choose

Think about what type of insurance you may need:

- Total and Permanent Disablement – for serious accidents or illnesses that permanently stop you working
- Income Protection – provides a regular payment (based on your income) during prolonged injury or illness
- Death (sometimes called life insurance).



3 Calculate

It's not as tricky as you think. Use the [calculator on our website](#) to guide you toward the cover you need. You'll also see the cost of the insurance, which will come from your super account. No need to pay separately.



4 Apply

Log in to [hostplus.com.au](#) and apply for insurance. You'll answer questions relating to your health so we can assess your application.



5 Confirm

Once you've submitted your application, you'll get confirmation of your cover, or learn if there are any other steps required.



Making a claim

Quality and affordable insurance is important, but so is being able to rely on us when it comes to claiming. We're always there for members when they need us and pride ourselves on delivering a caring, courteous and responsive claims service during very difficult and stressful times.

In partnership with MetLife, we aim to pay every valid claim that we accept, as fast as we can, with compassion and care. In the 12 months to 30 June 2021, Hostplus paid \$193.2 million in insurance claims to 1,769 Hostplus members and their families for Death, Terminal Illness, Total and Permanent Disablement (TPD) and Income Protection.



Death claims
\$55.6m

493 members
98.6% accepted



Terminal Illness claims
\$11.2m

94 members
96.9% accepted



TPD claims
\$118.0m

911 members
85.2% accepted



Income Protection claims
\$8.4m

271 members
91.4% accepted

Hostplus remains 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.

Hostplus adopted the Code in 2018 and implemented numerous enhancements to improve the experience of our members. The Fund was compliant with the key elements of the Code by December 2019, well ahead of the scheduled effective date of 1 January 2022.

Since its development, the majority of the requirements in the Code have been overtaken by legislative and regulatory reforms. For this reason, in July 2021 the Code Owners¹ announced that they were [replacing the Code with guidance notes](#).

The guidance notes address the Code requirements not covered by legislation. These include improving outcomes for vulnerable members and claims handling for members who have life insurance in superannuation.

While the Code has been replaced, Hostplus remains strongly committed to the principles of the Code, our voluntary adherence to the Code and the new guidance notes.

1. The Code Owners are the Association of Superannuation Funds of Australia (ASFA), the Australian Institute of Superannuation Trustees (AIST) and the Financial Services Council (FSC).



YOUR INVESTMENTS





CIO MESSAGE

My thirteenth year as Hostplus' CIO has seen challenges and triumphs. But despite the ever-present shadow cast by COVID-19, the Fund's performance was extraordinary.

Historic low interest rates, government stimulus and shifts in consumer behaviours provided investment markets with plenty of drive. Our default MySuper Balanced option delivered a net 21.32% return. That's after taxes and after investment management fees – the highest return in its 33-year history. It was a similar best-ever result for several of our other popular options, including the Indexed Balanced option and the SRI Balanced option. Collectively, more than 9 out of 10 Hostplus members enjoyed their best-ever return.

While we're proud to deliver these shorter-term results, we're even more pleased with our longer-term track record, which includes a top three position for our default Balanced option over 5, 7, 10, 15 and 20 years.¹ Our Capital Stable option and Shares Plus options delivered top five returns over a 20-year period; while the Conservative Balanced option ranked sixth over 10 years.²

A long-term approach pays off

When it comes to saving for retirement, it's time in the market, not timing the market, which is key to longer-term sustainable growth. This truism was reinforced loud and clear this year and reminded us all not to react to short-term market noise and extraordinary events. I believe that remaining focused on the long-term was again the right decision, as shown by the excellent returns our members received.

Unlike many other funds, Hostplus' broadly younger member demographic allows us to take a long-term, patient approach to investing. We can invest more in asset classes like unlisted property, infrastructure, private equity and venture capital. Broadening our diversification into assets like these, builds the resilience of our investment portfolios. So, while the Fund's performance dipped in early 2020 due to markets' early reaction to COVID-19, holding tight paid off.

Investing in innovation

Hostplus is one of the largest institutional investors in venture capital, both here and globally. I'm excited to see how our venture capital and private equity assets will grow over the coming years, and the returns our members will receive. Much of our venture capital portfolio is in life sciences – biotechnology, pharmaceuticals, medical devices and genetics. The global demand for these life-saving innovations is accelerating faster than ever.

We invest responsibly

Investing the retirement savings of over 1.3 million Australians carries responsibility. We need to invest responsibly, in the best financial interests of our members and with the interests of our country and community embedded in our policies.

This includes incorporating environmental, social and governance (ESG) considerations in all of the investments we make and across all asset class reviews that we undertake.

Pleasingly in 2020, our efforts were recognised by an A+ rating for our responsible investment strategy from the Principles for Responsible Investment.³

Our SRI Balanced option also allows members to invest in line with their values – like avoiding fossil fuel companies or those using uncertified palm oil or tobacco – without compromising their returns. This year our SRI Balanced option returned an outstanding 21.82% and ranked in the top 10 Australian ESG super funds.⁴ Page 28 has more about our responsible investing approach.

Thank you and take care.

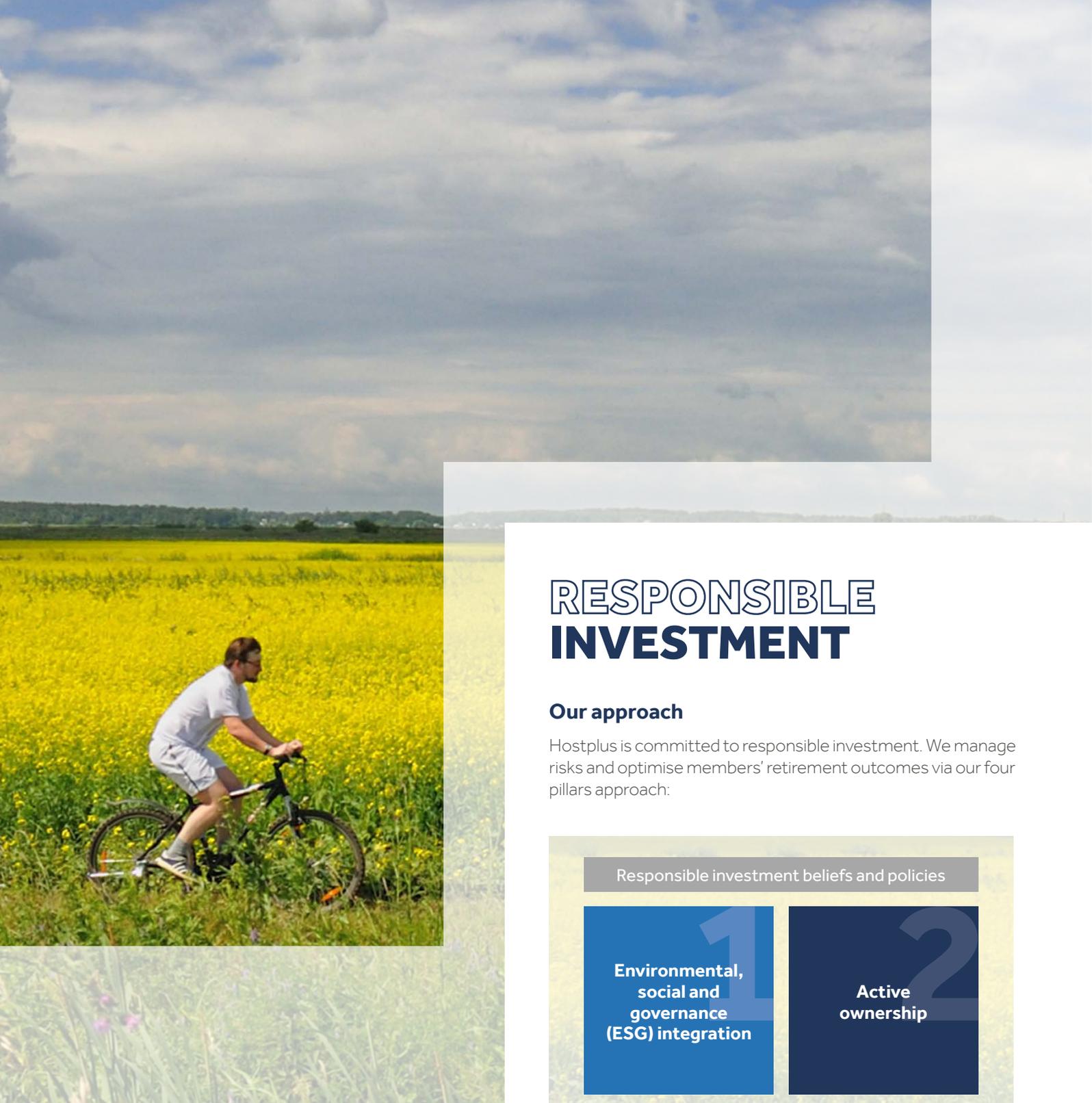
Sam Sicilia
Chief Investment Officer

1. Source: SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Balanced (60–76) Index, June 2021.

2. Source: SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Capital Stable (20–40) Index, Growth (77–90), Conservative Balanced (41–59), June 2021.

3. Principles for Responsible Investment is a United Nations-supported international organisation and network of investors, working together to implement a number of key aspirational ESG-based investment principles.

4. According to independent researcher Rainmaker Information's ESG Superannuation Study.



RESPONSIBLE INVESTMENT

Our approach

Hostplus is committed to responsible investment. We manage risks and optimise members' retirement outcomes via our four pillars approach:

Responsible investment beliefs and policies

1
Environmental, social and governance (ESG) integration

2
Active ownership

3
Building Australia's future

4
Member values

Transparency and reporting



ESG integration

ESG considerations are an integral part of how we research, analyse, select and monitor investments. We consider ESG risks when we set the strategy for our investment options and when selecting and reviewing investment managers. ESG integration helps make us accountable over the long term.

Active ownership

When it comes to investing in company shares, we believe active ownership is critical to long-term governance and ESG outcomes. It involves:

- Engagement – meeting with representatives of an investee company, usually board members or executives, to advocate for change. During the financial year, Hostplus engaged with 913 companies either directly, or through our specialist providers, the Australian Council of Superannuation Investors and Hermes Equity Ownership Services.
- Voting – expressing our views to the management of an investee company by voting on resolutions. As a shareholder in many top-listed Australian and overseas companies, we voted on more than 31,000 proposals at more than 2,500 company meetings this financial year.

Active ownership can positively influence company behaviour and performance, supporting shareholder value.

Engagement delivers outcomes

Company engagement is very effective in creating change. Recent outcomes Hostplus members have indirectly contributed to include:

- 14 target companies committing to net zero emissions by 2050
- strong scrutiny of executive bonuses during the pandemic
- a greater awareness and focus, within the mining sector, on cultural heritage
- board changes in response to concerns over performance and oversight
- increased diversity on boards, with women now making up 30% of directors of ASX300 companies.

Socially responsible investment option

[Our Socially Responsible Investment \(SRI\) – Balanced option](#) means members can align their superannuation investment with their personal values. Following a member survey, we significantly refreshed the SRI – Balanced option to bring it in line with our members' values regarding fossil fuels, human rights standards, the environment, controversial weapons and other issues.

Members also wanted more investment in areas that contribute to sustainable outcomes, particularly renewable energy, green buildings and health care and medical solutions. We're doing that too.

Principles for responsible investment A+ rating

In 2020, we achieved an A+ rating for our responsible investment strategy and governance from the Principles for Responsible Investment (PRI).¹ Supported by the United Nations (UN), PRI is an independent body and the world's leading advocate for responsible investment. The 2021 ratings are being released by PRI in 2022.

[Read more about PRI on our website.](#)

Signatory of:



1. Source: UN PRI.



Sustainable Development Goals (SDGs)

The United Nations' ambitious sustainable development goals (SDGs) seek to improve 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 [31 to 33](#).

Addressing climate change risk

Climate change is one of the world's biggest challenges. It poses a material, direct and current financial risk relevant to Hostplus' investment strategy, governance and portfolio management on behalf of members. In line with both science and regulatory guidance, we incorporate climate change factors into all aspects of the investment process. Specifically:

- We consider climate change as part of our investment philosophy, strategic asset allocation process, stress testing and investment manager selection and review.
- We use our shareholder influence to seek change within companies – encouraging and supporting an orderly and sustainable transition to a low-carbon economy.
- We seek to capitalise on opportunities for investing in a clean energy future.
- Through our SRI Balanced option members can choose not to invest in fossil fuels.
- We're committed to measuring and reporting our emissions.

1. Based on 30 June 2021 USD/AUD exchange rate of 1.33 to convert company revenues.

**152 tonnes
of CO₂e/A\$M**

Weighted average carbon intensity
of equities portfolio at 30 June 2021¹

INVESTING FOR THE FUTURE

Investing in the energy transition through infrastructure

As a Hostplus member, your savings are invested in a broad range of assets, including major infrastructure projects across Australia and the world. Our \$5.6 billion infrastructure portfolio helps support Australia's transition to a more sustainable energy future. Investments include renewable energy, innovative waste solutions, and more.



PoWAR is Australia's largest renewable energy business, with more than 1,300MW of operational capacity and greater than 3,500MW of development assets across solar, battery storage, and peaking capacity. PowAR will generate enough power to run approximately 1,000,000 Australian homes a year. Its 58 turbine Silverton Wind Farm in NSW can generate 780,000 megawatt hours of clean, renewable electricity a year – enough to power 136,000 homes. Its soon-to-be-completed 453-megawatt Coopers Gap Wind Farm in Queensland - one of Australia biggest - could power 264,000 homes a year.

UN Sustainable Development Goals supported:



Terra-Gen owns, operates and develops 26 renewable and clean energy production storage facilities covering wind and solar farms, geothermal power plants and battery storage facilities, delivering clean energy to California, and the broader western US.

Terra-Gen's expanding facilities generate over 1.5 gigawatts (GW) a year. It has over 3 GW of projects in development, like Edwards Sanborn energy project, the world's largest standalone solar and energy storage project. If you're in any of our pre-mixed options (except Indexed Balanced), you're investing in Terra-Gen.

UN Sustainable Development Goals supported:



Your super savings are also invested in critical infrastructure that supports a cleaner environment and provides solutions to the world's growing waste problems.

enfinium is the largest pure-play energy-from-waste company in the UK. It owns and operates four energy-from-waste power plants and has three sites in advanced stages of development. These sites convert waste into partially renewable power. They have a waste processing capacity of 2.3 million tonnes per annum, and have recovered 1.8 million MWh of energy from waste.

UN Sustainable Development Goals supported:





Four themes shaping our private equity investments

As one of the largest Australian investors in venture capital, Hostplus has committed over \$2.2 billion to projects that aim to change our world for the better, while delivering future investment returns for our members.

Here are four ways your super is contributing to improving our world.

Theme 1: Combating COVID-19



Our investment in **Oxford Nanopore Technologies** is helping to revolutionise DNA and RNA sequencing. The UK company makes products that deliver real-time genetic analysis, including handheld devices which scientists can use anywhere – the lab, the field and even in space.

The company's products add value in areas like biomedical research, healthcare, food security and environmental analysis.

Oxford Nanopore Technologies also played a role in combating COVID-19. As of September 2021, more than 500,000 of the COVID-19 sequences in the global genomic database of influenza virus platform (GISAID) were sequenced on a Nanopore device.

UN Sustainable Development Goals supported:



Theme 2: Energy transformation



We're investing in two fusion technology companies. This exciting field of physics and engineering could produce the most efficient form of energy ever.

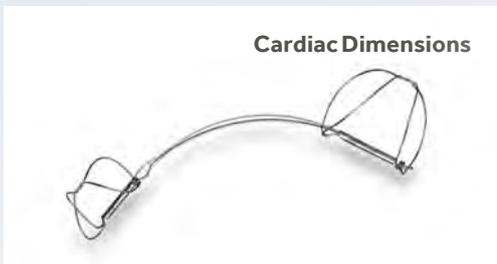
Commonwealth Fusion Systems (CFS) is developing a new generation of high-temperature superconducting magnets, to be used in smaller, more economical fusion reactors. Our investment will accelerate CFS' path towards commercial fusion energy. In 2021, CFS successfully tested one of these magnets. With this historic breakthrough, CFS is now on course to establish the first test plant to achieve sustained fusion energy generation by 2025.

First Light Fusion (FLF) is focused on the 'inertial confinement' approach to generating fusion energy. This involves firing very high velocity projectiles at specially shaped fuel pellets to create a self-imploding shock wave. This concentrating wave is theoretically strong enough to create a fusion reaction and, with further development, sustainable carbon-free electrical power.

UN Sustainable Development Goals supported:



Theme 3: Fighting cardiac disease



EBR Systems develops therapies for patients with heart failure. Its wireless cardiac resynchronisation device addresses longstanding issues with conventional cardiac therapy. In turn, patients suffering from cardiac rhythm diseases will have access to superior, cost-effective and reliable treatment.

Cardiac Dimensions is reimagining the solutions available to patients suffering from heart failure by providing a therapy which allows patients to live longer, higher quality lives. Their product, the Carillon Mitral Contour System, is a groundbreaking, non-surgical device developed to treat the millions of patients who suffer from mitral valve insufficiency, in a safe and effective manner. When the Carillon device is inserted around the heart, the pressure it applies helps shape the heart and in the process reduces mitral regurgitation. Carillon therapy is the only indirect, no-touch mitral valve repair option available to patients which is designed to treat the underlying aspects of heart failure and not simply manage symptoms.

UN Sustainable Development Goals supported:



Theme 4: Reducing plastic waste



Radical Plastics is making a meaningful contribution in the battle against plastic with its patented catalyst. The naturally-occurring catalyst, which is derived from mining waste, turns ordinary plastics into fully biodegradable material – a simple solution to the environmental damage caused by plastic waste that doesn't break down.

Field trials of mulch film produced using Radical Plastics' patented technology are in progress. These films function just like conventional mulch, but at the end of the growing season, they can be tilled into the soil where they fully biodegrade leaving no residue, no toxic substances and no microplastics.

Radical Plastics aims to replace existing, non-degradable plastics with their biodegradable compounds, enabling manufacturers to enjoy the economics, performance, and recyclability of conventional plastic with the added benefit of complete biodegradability.

UN Sustainable Development Goals supported:





HOSTPLUS INVESTMENT OPTIONS as at 30 June 2021

YOUR GUIDE¹

Investment style

Each of our investment options applies a certain style of investment. Some common descriptions of investment style are:

Passive. Also known as index management. Seeks to equal a stock market index performance (like the S&P/ASX100, for example).

Active. Aims to beat a market index benchmark performance through asset allocation and careful selection of investments.

Enhanced passive. The benefits of active management but with the risk controls of passive management.

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 time frame. 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 cannot 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 2021 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.

1. The information in this section relates to the Fund's investments as at 30 June 2021. Any changes to the investment options after this date will be included in the most recent product disclosure statement available at hostplus.com.au

PRE-MIXED OPTIONS

For a glossary of terms used in investment summaries, see [page 35](#).

	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	<p>Very low Medium to high Very high</p>	<p>Very low Low to medium Very high</p>				
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				
	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 +	5 years +	5 years +	5 years +		
Net return to 30 June 2021 p.a.³	<p>21.32% (1yr), 8.33% (3yr), 10.12% (5yr), 9.67% (10yr), 7.88% (20yr)</p>	<p>25.55% (1yr), 9.66% (3yr), 11.50% (5yr), 10.75% (10yr)</p>	<p>8.61% (1yr), 3.51% (3yr), 5.05% (5yr), 5.74% (10yr), 5.87% (20yr)</p>	<p>10.13% (1yr), 4.05% (3yr), 5.79% (5yr), 6.51% (10yr)</p>		
Net return since inception p.a.	9.01% (1 Mar 1988)	10.33% (19 Sep 2009)	6.04% (1 Jul 1998)	6.89% (19 Sep 2009)		
Total investment costs⁴	0.99%	0.96%	0.53%			
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%	0–5%
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 the date on which that option commenced. 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 59](#). 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

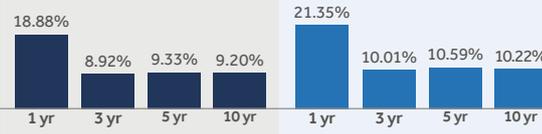
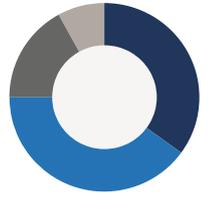
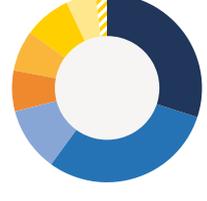
For a glossary of terms used in investment summaries, see [page 35](#).

	Conservative Balanced	Socially Responsible Investment (SRI) – Balanced																																																																									
Investment style	Contains roughly equal proportions of growth and defensive assets.	Responsible investment option invested through diversified investment portfolio, including some growth assets and some lower risk investments. Seeks to exclude particular industries and invest in assets that contribute to sustainable outcomes.																																																																									
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																																																																									
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Growth / defensive asset mix	54% growth / 46% defensive	76% growth / 24% defensive																																																																									

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PRE-MIXED OPTIONS

For a glossary of terms used in investment summaries, see [page 35](#).

	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	Accumulation																																																										
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Bonds and cash	Diversified fixed interest	0%	0–10%																																																									
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Growth / defensive asset mix	75% growth / 25% defensive	89% growth / 11% defensive																																																										

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PRE-MIXED OPTIONS

For a glossary of terms used in investment summaries, see [page 35](#).

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 4.0% per annum on average over 20 years
50–59	Conservative Balanced	CPI plus 3.0% per annum on average over 20 years
60 and over	Capital Stable	CPI plus 2.0% per annum on average over 20 years

Recommended minimum suggested time frame²

Age bracket	Investment option	Minimum investment time frame
Under 40	Shares Plus	5 years +
40–49	Balanced	5 years +
50–59	Conservative Balanced	5 years +
60 and over	Capital Stable	5 years +

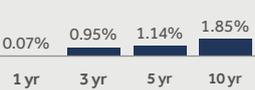
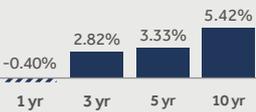
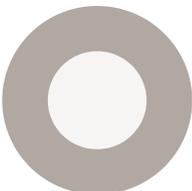
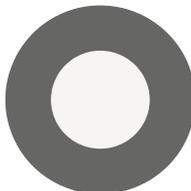
Strategic Asset Allocation, net returns and investment costs

Age bracket	Investment option	SAA
Under 40	Shares Plus	Refer to the Shares Plus investment option summary on page 38
40–49	Balanced	Refer to the Balanced investment option summary on page 36
50–59	Conservative Balanced	Refer to the Conservative Balanced investment option summary on page 37
60 and over	Capital Stable	Refer to the Capital Stable investment option summary on page 36

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 35](#).

	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	<table border="1"> <thead> <tr> <th>Accumulation</th> <th>Pension</th> </tr> </thead> <tbody> <tr> <td>Over 20 yrs CPI + 0.0%</td> <td>Over 20 yrs CPI + 0.5%</td> </tr> </tbody> </table>	Accumulation	Pension	Over 20 yrs CPI + 0.0%	Over 20 yrs CPI + 0.5%	<table border="1"> <thead> <tr> <th>Accumulation</th> <th>Pension</th> </tr> </thead> <tbody> <tr> <td>Over 20 yrs CPI + 0.5%</td> <td>Over 20 yrs CPI + 1.0%</td> </tr> </tbody> </table>	Accumulation	Pension	Over 20 yrs CPI + 0.5%	Over 20 yrs CPI + 1.0%				
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Accumulation	Pension													
Over 20 yrs CPI + 0.5%	Over 20 yrs CPI + 1.0%													
Minimum suggested time frame²	2 years +	2 years +												
Net return to 30 June 2021 p.a.³														
Net return since inception p.a.	3.41% (1 Jul 2001)	5.94% (1 Jul 2001)												
Total investment costs⁴	0.02%	0.10%												
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Asset class	Benchmark	Range %												
Cash	100%	0–100%												
Asset class	Benchmark	Range %												
Diversified fixed interest	100%	0–100%												
Growth / defensive asset mix	0% growth / 100% defensive	0% growth / 100% defensive												

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SECTOR INVESTMENT OPTIONS

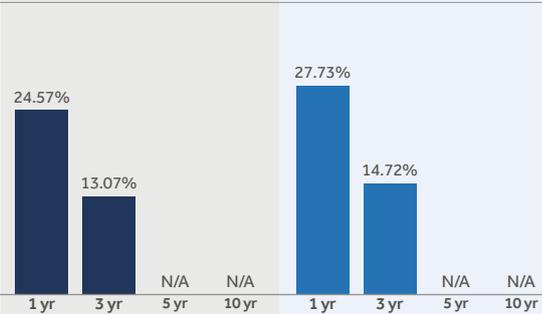
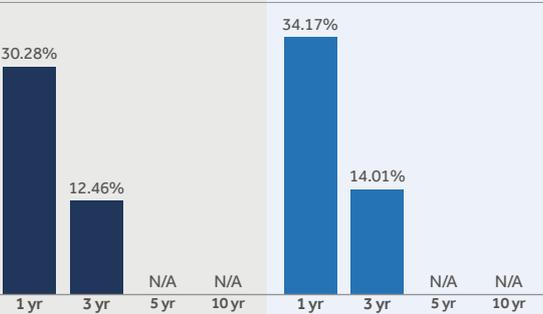
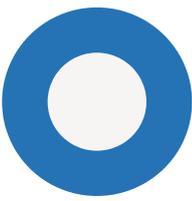
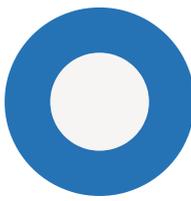
For a glossary of terms used in investment summaries, see [page 35](#).

	Australian Shares		International Shares			
Investment style	Active management.		Active management.			
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 +		5 years +			
Net return to 30 June 2021 p.a.³						
Net return since inception p.a.	9.86% (1 Jul 2001)	10.70% (19 Sep 2009)	6.65% (1 Jul 2001)	13.33% (19 Sep 2009)		
Total investment costs⁴	0.80%		0.67%			
Strategic Asset Allocation						
	Asset class	Benchmark	Range %	Asset class	Benchmark	Range %
Listed equities	Australian equities	100%	0–100%	International equities – Developed markets	73%	0–100%
				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 the date on which that option commenced. 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 59](#). 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

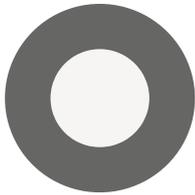
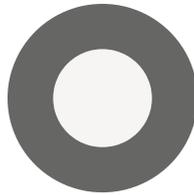
For a glossary of terms used in investment summaries, see [page 35](#).

	International Shares – Indexed	International Shares (Hedged) – Indexed				
Investment style	Passive management.	Passive management.				
Level of investment risk¹						
Likelihood of negative returns¹	4 to less than 6 years 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	5 years +	5 years +	5 years +	5 years +		
Net return to 30 June 2021 p.a.³						
Net return since inception p.a.	13.83% (27 Sep 2017)	15.63% (27 Sep 2017)	12.20% (27 Sep 2017)	13.77% (27 Sep 2017)		
Total investment costs⁴	0.07%		0.07%			
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. Not all investment options will have returns reported for each period due to the date on which that option commenced. 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 59](#). 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

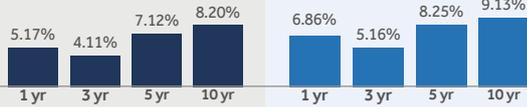
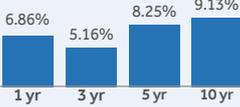
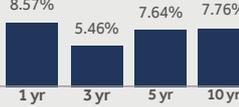
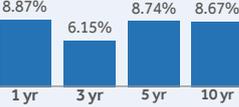
For a glossary of terms used in investment summaries, see [page 35](#).

	Macquarie Investment Management – Australian Fixed Interest	BlackRock Asset Management – International Fixed Interest ⁵																																
Investment style	Passive management.	Passive management. The manager invests in securities that form the Barclays Global Aggregate Index, using an index tracking approach to manage securities.																																
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	<table border="1"> <thead> <tr> <th>Accumulation</th> <th>Pension</th> </tr> </thead> <tbody> <tr> <td>Over 20 yrs CPI 0.0%</td> <td>Over 20 yrs CPI + 1.0%</td> </tr> </tbody> </table>	Accumulation	Pension	Over 20 yrs CPI 0.0%	Over 20 yrs CPI + 1.0%	<table border="1"> <thead> <tr> <th>Accumulation</th> <th>Pension</th> </tr> </thead> <tbody> <tr> <td>Over 20 yrs CPI 0.0%</td> <td>Over 20 yrs CPI + 1.0%</td> </tr> </tbody> </table>	Accumulation	Pension	Over 20 yrs CPI 0.0%	Over 20 yrs CPI + 1.0%																								
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Minimum suggested time frame²	5 years +	5 years +																																
Net return to 30 June 2021 p.a.³	<table border="1"> <thead> <tr> <th>1 yr</th> <th>3 yr</th> <th>5 yr</th> <th>10 yr</th> </tr> </thead> <tbody> <tr> <td>-0.80%</td> <td>3.58%</td> <td>2.71%</td> <td>4.21%</td> </tr> <tr> <th>1 yr</th> <th>3 yr</th> <th>5 yr</th> <th>10 yr</th> </tr> <tr> <td>-0.86%</td> <td>4.18%</td> <td>3.10%</td> <td>4.85%</td> </tr> </tbody> </table>	1 yr	3 yr	5 yr	10 yr	-0.80%	3.58%	2.71%	4.21%	1 yr	3 yr	5 yr	10 yr	-0.86%	4.18%	3.10%	4.85%	<table border="1"> <thead> <tr> <th>1 yr</th> <th>3 yr</th> <th>5 yr</th> <th>10 yr</th> </tr> </thead> <tbody> <tr> <td>-0.22%</td> <td>3.26%</td> <td>2.19%</td> <td>4.51%</td> </tr> <tr> <th>1 yr</th> <th>3 yr</th> <th>5 yr</th> <th>10 yr</th> </tr> <tr> <td>-0.28%</td> <td>3.84%</td> <td>2.57%</td> <td>5.15%</td> </tr> </tbody> </table>	1 yr	3 yr	5 yr	10 yr	-0.22%	3.26%	2.19%	4.51%	1 yr	3 yr	5 yr	10 yr	-0.28%	3.84%	2.57%	5.15%
1 yr	3 yr	5 yr	10 yr																															
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1 yr	3 yr	5 yr	10 yr																															
-0.28%	3.84%	2.57%	5.15%																															
Net return since inception p.a.	4.61% (1 Sep 2004)	5.16% (19 Sep 2009)	4.48% (1 June 2011)	5.11% (1 June 2011)																														
Total investment costs⁴	0.01%	0.15%																																
Strategic Asset Allocation	 <table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark</th> <th>Range %</th> </tr> </thead> <tbody> <tr> <td>Diversified fixed interest</td> <td>100%</td> <td>0–100%</td> </tr> </tbody> </table>	Asset class	Benchmark	Range %	Diversified fixed interest	100%	0–100%	 <table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark</th> <th>Range %</th> </tr> </thead> <tbody> <tr> <td>Diversified fixed interest</td> <td>100%</td> <td>0–100%</td> </tr> </tbody> </table>	Asset class	Benchmark	Range %	Diversified fixed interest	100%	0–100%																				
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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 the date on which that option commenced. 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 59](#). 5. 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 35](#).

	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.	Long-term direct investment in a quality portfolio of major regional core retail assets, commercial assets and industrial assets across Australia.				
Level of investment risk¹	 Very low High Very high	 Very low High Very high				
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 + 2.0%	Over 20 yrs CPI + 3.0%	Over 20 yrs CPI + 2.0%	Over 20 yrs CPI + 3.0%		
Minimum suggested time frame²	7 years +	7 years +	7 years +	7 years +		
Net return to 30 June 2021 p.a.³	 1 yr 3 yr 5 yr 10 yr	 1 yr 3 yr 5 yr 10 yr	 1 yr 3 yr 5 yr 10 yr	 1 yr 3 yr 5 yr 10 yr		
Net return since inception p.a.	7.54% (1 Sep 2004)	9.01% (19 Sep 2009)	7.39% (1 Sep 2004)	8.05% (19 Sep 2009)		
Total investment costs⁴	0.39%		1.13%			
Strategic Asset Allocation						
	Asset class	Benchmark	Range %	Asset class	Benchmark	Range %
	 Property	100%	0–100%	 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 the date on which that option commenced. 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 59](#). 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 35](#).

	IFM – Australian Infrastructure	IFM – 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.	Enhanced passive management.																														
Level of investment risk¹	 <p>Very low Medium to high Very high</p>	 <p>Very low High Very high</p>																														
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	Accumulation																														
	Pension	Pension																														
	Over 20 yrs CPI + 2.5%	Over 20 yrs CPI + 4.0%																														
	Over 20 yrs CPI + 3.5%	Over 20 yrs CPI + 5.5%																														
Minimum suggested time frame²	5 years +	5 years +																														
Net return to 30 June 2021 p.a.³	 <table border="1"> <tr> <th>Period</th> <th>1 yr</th> <th>3 yr</th> <th>5 yr</th> <th>10 yr</th> </tr> <tr> <td>Accumulation</td> <td>8.38%</td> <td>7.16%</td> <td>8.77%</td> <td>N/A</td> </tr> <tr> <td>Pension</td> <td>11.53%</td> <td>9.78%</td> <td>10.13%</td> <td>N/A</td> </tr> </table>	Period	1 yr	3 yr	5 yr	10 yr	Accumulation	8.38%	7.16%	8.77%	N/A	Pension	11.53%	9.78%	10.13%	N/A	 <table border="1"> <tr> <th>Period</th> <th>1 yr</th> <th>3 yr</th> <th>5 yr</th> <th>10 yr</th> </tr> <tr> <td>Accumulation</td> <td>25.74%</td> <td>10.02%</td> <td>11.28%</td> <td>N/A</td> </tr> <tr> <td>Pension</td> <td>28.80%</td> <td>10.97%</td> <td>12.45%</td> <td>N/A</td> </tr> </table>	Period	1 yr	3 yr	5 yr	10 yr	Accumulation	25.74%	10.02%	11.28%	N/A	Pension	28.80%	10.97%	12.45%	N/A
Period	1 yr	3 yr	5 yr	10 yr																												
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Net return since inception p.a.	10.92% (25 May 2015)	12.19% (25 May 2015)	10.53% (1 Nov 2012)	11.58% (1 Nov 2012)																												
Total investment costs⁴	0.57%		0.03%																													
Strategic Asset Allocation	 <table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark</th> <th>Range %</th> </tr> </thead> <tbody> <tr> <td>Unlisted assets</td> <td>Infrastructure</td> <td>100%</td> </tr> <tr> <td></td> <td></td> <td>0–100%</td> </tr> </tbody> </table>		Asset class	Benchmark	Range %	Unlisted assets	Infrastructure	100%			0–100%	 <table border="1"> <thead> <tr> <th>Asset class</th> <th>Benchmark</th> <th>Range %</th> </tr> </thead> <tbody> <tr> <td>Listed equities</td> <td>Australian equities</td> <td>100%</td> </tr> <tr> <td></td> <td></td> <td>0–100%</td> </tr> </tbody> </table>		Asset class	Benchmark	Range %	Listed equities	Australian equities	100%			0–100%										
Asset class	Benchmark	Range %																														
Unlisted assets	Infrastructure	100%																														
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Asset class	Benchmark	Range %																														
Listed equities	Australian equities	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.
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 4. A full breakdown of fees and costs for all investment options can be found on [page 59](#). 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 35](#).

	Paradise Investment Management (Small Cap) – Australian Shares		Neuberger Berman – International Shares					
Investment style	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.		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. The style can best be characterized by Growth at a Reasonable Price (GARP).					
Level of investment risk¹	 Very low High Very high		 Very low High Very high					
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 + 6.0%	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 2021 p.a.³								
Net return since inception p.a.	10.12% (1 Sep 2004)		11.69% (19 Sep 2009)					
Total investment costs⁴	1.16%		0.60%					
Strategic Asset Allocation								
	Asset class	Benchmark	Range %	Asset class	Benchmark	Range %		
	Listed equities	Australian equities	100%	0–100%	Listed equities	International equities – Emerging 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. Not all investment options will have returns reported for each period due to the date on which that option commenced. 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 59](#). Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

CPIplus OPTION

For a glossary of terms used in investment summaries, see [page 35](#).

CPIplus ¹	
Return target	CPIplus 3.0% per annum on average over 20 years.
Level of Investment risk¹	
Likelihood of negative returns¹	Negative returns expected in less than 0.5 of every 20 years
Investment style	<p>CPIplus is an innovative Hostplus account-based pension investment option that aims to deliver consistent returns over the long term.</p> <p>CPIplus' target return objective is designed to increase the consistency of investment returns while maintaining the simplicity, flexibility, and liquidity of an account-based pension.</p> <p>The returns of the CPIplus option are set for specified Return Periods (usually a year), based on a predetermined return formula. Its returns, for any Return Period, are unaffected by the returns on the underlying investments of the option. This means the returns of CPIplus are not adversely impacted by any potential underperformance of its underlying investments (and similarly does not obtain the benefit of investment returns on underlying assets if these exceed the predetermined return).</p>
Who is this investment suitable for?	This option may suit pension members who are looking for a low-risk option targeting a consistent and competitive return above inflation over time while retaining the simplicity, flexibility and liquidity (ready access to funds) of an account-based pension.
Minimum suggested time frame[#]	2 years plus.
Asset mix	The assets of the CPIplus option are invested in the same pool and alongside the Balanced option in the pension phase. However, the return for the CPIplus option is set at a predetermined rate above CPI for specified Return Periods, based on a predetermined return formula. This means that its return for any Return Period is unaffected by the returns on the underlying investments of the option.
Past performance	The CPIplus investment option was introduced to members on 1 July 2021, therefore no past performance information is available at this time.

CPIplus is a Pension-only investment option and is not available to Transition to Retirement (TTR) members. The investment option is implemented by investing in CPIplus units in the Hostplus Pooled Superannuation Trust (PST). 1. The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period.

The minimum suggested time frame is based on the risk and return profile of the option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. To view previous Hostplus Pension unit prices, please visit hostplus.com.au/investment/our-investment-performance/investment-returns.

INVESTMENT RETURNS: TRANSITION TO RETIREMENT PENSION

Net investment returns for Hostplus Transition to Retirement to 30 June 2021 ¹			
Investment options	1 year	3 years	Since inception
Capital Stable	8.93%	3.57%	4.37%
Conservative Balanced	14.49%	6.26%	7.04%
Socially Responsible Investment (SRI) - Balanced	22.47%	8.98%	8.89%
Indexed Balanced	18.78%	8.87%	9.05%
Balanced	22.44%	8.44%	9.41%
Shares Plus	26.41%	10.62%	11.46%
Cash	0.07%	0.95%	1.07%
Infrastructure	9.66%	-	5.28%
Diversified Fixed Interest	-0.41%	2.82%	2.87%
Property	8.06%	5.40%	6.91%
Australian Shares	28.61%	9.01%	10.72%
International Shares	30.10%	13.58%	14.02%
International Shares - Indexed	24.86%	12.90%	13.70%
International Shares (Hedged) - Indexed	30.23%	12.47%	12.22%
Macquarie Investment Management - Australian Fixed Interest	-0.77%	3.56%	3.20%
BlackRock Asset Management - International Fixed Interest	-0.26%	3.29%	2.75%
Industry Super Property Trust Core Fund - Property	6.18%	4.62%	6.15%
Lend Lease managed Australian Prime Property Funds (Retail, Commercial & Industrial) - Property	7.98%	5.49%	7.23%
IFM - Australian Infrastructure	12.09%	8.60%	9.26%
IFM - Australian Shares	24.19%	9.74%	10.43%
Paradise Investment Management (Small Cap) - Australian Shares	31.76%	6.85%	10.93%
Neuberger Berman - International Shares	19.21%	7.15%	8.22%

1. Transition to Retirement has been available since 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. It 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 a proportion of our 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

Hostplus Superannuation Fund

The Hostplus Superannuation Fund invests via a Pooled Superannuation Trust ('PST').

The following investment vehicles comprise more than 5% of the Hostplus Superannuation Fund's total assets:

- Hostplus Pooled Superannuation Trust

The investment vehicles held by the Hostplus Superannuation Fund are listed in the following table. These figures may include cash and accounting accruals.

Investment vehicle	% of total investments
Hostplus Pooled Superannuation Trust	98%

Hostplus Pooled Superannuation Trust

We appoint a range of trusted, specialist investment managers to invest on the PST's behalf. Each manager is assessed on its suitability in relation to the PST'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 PST's total assets:

- IFM Investors Pty Ltd

The investment managers for each asset class as at 30 June 2021 (by investment vehicle) are listed in the following tables. These figures may include cash and accounting accruals.

Manager/Investment	% of total PST investments
Equity	61.3%
Australian shares	23.3%
Airlie Funds Management Pty Ltd (Active Australian Equity)	1.1%
Airlie Funds Management Pty Ltd (Industrial Australian Equity)	0.6%
Allan Gray Australia Pty Ltd	1.1%
Citigroup Global Markets Australia Pty Limited	2.1%
Greencape Capital Pty Ltd (Australian Equity)	1.9%
Firetrail Ltd (High Conviction)	1.4%
IFM Investors Pty Ltd (Buyback)	0.0%
IFM Investors Pty Ltd (Enhanced Indexed)	7.0%
IFM Investors Pty Ltd (Small Cap)	0.8%
IFM Investors Pty Ltd (SRI)	0.1%
L1 Capital Pty Ltd	0.7%
Paradise Investment Management Pty Ltd (Small Cap)	0.7%
Paradise Investment Management Pty Ltd (Mid Cap)	1.0%
Paradise Investment Management Pty Ltd (Large Cap)	1.6%
Pendal Institutional Limited	1.5%
Spark Infrastructure Group NPV	0.0%
Tanarra Capital Australia Pty Limited	0.4%
UBS Securities Australia Limited	0.0%
Vinva Australian Equity Alpha Extension Fund – Vinva Investment Management Limited	0.8%
Yarra Capital Management Limited (Australian Equities)	0.0%
Yarra Capital Management Limited (Emerging Leaders)	0.5%

Investment manager allocations

Manager/Investment	% of total PST investments
International shares	29.5%
Apostle Dundas Global Equity Fund – Dundas Global Investors Limited	1.7%
Baillie Gifford Overseas Limited	2.7%
Citigroup Global Markets Australia Pty Limited	0.1%
Hosking Partners LLP	2.1%
IFM Investors Pty Ltd (Indexed Global Equities)	7.6%
IFM Investors Pty Ltd (SRI)	0.2%
Independent Franchise Partners, LLP	2.3%
Ninety One Australia Pty Limited	0.9%
Martin Currie Investment Management Ltd	0.9%
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	1.6%
Neuberger Berman Australia Pty Limited	0.9%
Orbis Global Equity Fund – Orbis Investment Management Limited	2.3%
Paradise Investment Management Pty Ltd (Global Small Cap)	1.0%
RWC Asset Management LLP	1.6%
T. Rowe Price Australia Limited	0.5%
UBS Securities Australia Limited	0.0%
Wellington International Management Company Pte Ltd (Asia ex-Japan Contrarian Equity)	0.8%
Wellington International Management Company Pte Ltd (Global Contrarian Equity)	1.7%
Private Equity	8.5%
Artesian Hostplus China Venture Capital Fund 1 – Artesian Venture Capital Fund of Funds Management, I.L.P	0.1%
Artesian Hostplus VC Fund 1, ILP – Artesian Venture Capital Fund of Funds Management, I.L.P	0.0%
Artesian Venture Capital Fund 2, ILP – Artesian AFOF Pty Ltd	0.0%
Artesian Venture Capital Fund of Funds, 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 After The Car Trust – Blackbird Ventures Pty Limited	0.0%
Blackbird Hostplus Trust – Blackbird Ventures Pty Limited	0.4%
Blackbird Ventures 2015 Follow-On Fund – Blackbird Ventures Pty Limited	0.3%
Blackbird Ventures 2015, LP – Blackbird Ventures Pty Limited	0.0%
Blackbird Ventures 2018 Follow-On Fund – Blackbird Ventures Pty Limited	0.4%
Blackbird Ventures 2018, LP – Blackbird Ventures Pty Limited	0.0%
Blackbird Ventures 2020 Follow-On Fund Trust	0.1%
Blackbird Ventures 2020 LP	0.0%
Carnegie Healthcare Fund, LP – M.H. Carnegie & Co. Pty Limited	0.0%
Carnegie Innovation Fund II, LP – Carnegie Venture Capital Pty Limited	0.0%
Carnegie Innovation Fund, 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	0.0%
Carthona Capital Venture Fund (HP) No.2 – Carthona Capital FS Pty Ltd	0.1%

Investment manager allocations

Manager/Investment	% of total PST investments
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	0.1%
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 Europe Middle Market III PLC	0.1%
Crown European Buyout Opportunities II Plc – LGT Capital Partners (Ireland) Limited	0.0%
CSIRO Innovation Follow-On Fund 1 – Main Sequence Ventures Ltd	0.0%
CSIRO Innovation Fund 1, LP – Main Sequence Ventures Ltd	0.0%
CSIRO Innovation Fund 2, LP	0.0%
Five V Fund (SF1) III, LP – Five V Capital Pty Ltd	0.0%
Harbour Vest Partners Co-Investment	0.1%
Hermes GPE PEC III LP – Hermes GPE LP	0.1%
Hermes GPE PEC IV LP – Hermes GPE LP	0.2%
HL-HP Global Investments LP – HL-HP Global Investments GP LLC	0.1%
Hostplus ROC Private Equity Trust – Roc Capital Pty Limited	0.1%
Hostplus US EM CI LP - Flexstone Partners, LLC	0.2%
Hostplus US EMP, LLC - Series 1 – Flexstone Partners, LLC	0.1%
Hostplus US EMP, LLC - Series 2 – Flexstone Partners, LLC	0.1%
HP Special Investment Fund S.C.Sp – LGT Capital Partners (Ireland) Limited	0.1%
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%
Industry Super Holdings Pty Ltd	0.2%
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.	0.2%
Lexington Capital Partners VIII, L.P – Lexington Partners L.P	0.1%
Lexington Co-investment Partners III, L.P – Lexington Partners L.P	0.1%
Lexington Co-investment Partners IV, L.P – Lexington Partners L.P	0.2%
Lexington Co-Investment Partners V LP	0.0%
Members Equity Bank Pty Limited	0.3%
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 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	0.2%
Partners Group Direct Equity 2016	0.5%

Investment manager allocations

Manager/Investment	% of total PST investments
Partners Group Direct Equity 2016 – Partners Group Management Ltd	0.2%
Partners Group Direct Investments 2012 (USD) ABC, L.P. – Partners Group Management Ltd	0.4%
Partners Group Secondary 2008 (EUR), S.C.A., SICAR – Partners Group Management Ltd	0.0%
Partners Group Secondary 2011 (EUR), S.C.A., SICAR – Partners Group Management Ltd	0.1%
Partners Group Secondary 2011 (USD)	0.0%
Partners Group Secondary 2015 (USD)	0.1%
Private Equity US Opportunities II, L.P – Flexstone Partners, LLC	0.1%
Private Equity US Opportunities III, LP – Flexstone Partners, LLC	0.2%
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	0.2%
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	0.7%
Siguler Guff Small Buyout Opportunities Fund II, L.P – Siguler Guff SBOF II GP, LLC	0.1%
Square Peg 2018, LP – Square Peg Capital Pty Ltd	0.1%
Square Peg 2020, LP	0.0%
Square Peg Australia 2015 LP – Square Peg Capital Pty Ltd	0.0%
Square Peg CI 2015 Trust – Square Peg Capital Pty Ltd	0.4%
Square Peg Global 2015 Trust – Square Peg Capital Pty Ltd	0.1%
Square Peg Global 2018 Trust – Square Peg Capital Pty Ltd	0.1%
Square Peg Global 2020 Trust – Square Peg Capital Pty Ltd	0.0%
Square Peg Opportunities 2020 Trust – Square Peg Capital Pty Ltd	0.0%
Stafford Cap TDCFII - Stafford Capital Partners	0.0%
Stafford International One Fund	0.0%
Telstra Ventures Fund II Sidecar, L.P. – T Ventures Fund II GP, Ltd	0.0%
Terra Australis Property Fund	0.0%
Virtual Communities Pty Ltd	0.0%
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%
Wilshire Private Markets Funds – Wilshire Australia Pty Limited	0.0%
Wollemi Co-Investment Fund S.C.C.P.	0.1%

Investment manager allocations

Manager/Investment	% of total PST investments
Infrastructure	7.6%
Campus Living Villages Fund	0.3% - 0.4%
AMP Capital Community Infrastructure'	0.1%
FSI Airport Fund	0.2%
FSI Infrastructure Fund (Anglian Water Group Sector)	0.1%
Darling Harbour – Capella Management Services Pty Ltd	0.1% - 0.3%
European Diversified Infrastructure Fund II SCSp	0.4%
European Diversified Infrastructure Fund	0.5%
Gardior Fund A – Infrastructure Units (IU) – Gardior	0.0%
Gardior Fund B – Infrastructure Units B (IUB) – Gardior	0.0%
GDIF Hedged Feeder Fund 2	0.3%
GIP Gemini Fund LP	0.3%
Golden NA Power Holdings LLC	0.1%
IFM Australian Infrastructure Fund	2.0%
IFM International Infrastructure Fund	1.9%
NSW Ports Consortium	0.2%
QGIF Iona Aggregator Trust	0.1%
QIC Global Infrastructure Fund	0.2%
QIC REV Investment Trust No. 1	0.1%
Utilities Trust of Australia	0.6%
Property	8.6%
Australian Prime Property Funds (Retail, Commercial & Industrial)	1.9%
Charter Hall Prime Industrial Fund	0.8%
Charter Hall Prime Office Fund	0.9%
ISPT Core Fund	1.9%
ISPT Development and Opportunities Fund II	0.0%
ISPT Non-Discretionary Residential Mandate	0.1%
ISPT Retail Australian Property Trust	0.4%
AMP Capital Diversified Property Fund 2	0.0%
QIC Property Fund	0.1%
Franklin International Real Estate	0.0%
AMP Capital Diversified Property Fund	0.2%
Eureka Property Fund 1	0.0%
AMP Ethical Leaders Private Asset Fund	0.0%
Invesco Core Real Estate USA (ICRE) Fund	0.3%
KAMOB Investors III, L.P.	0.1%
Kayne Anderson Core Real Estate, L.P.	0.3%
Lendlease Asian Retail Investment Fund 2	0.0%
Lendlease Asian Retail Investment Fund 3	0.4%
Lendlease Communities Fund 1	0.0%
Lendlease Sub-Regional Retail Fund	0.1%

Investment manager allocations

Manager/Investment	% of total PST investments
Long Weighted Investment Partnership (LWIP) Trust	0.5%
Long Weighted Investment Partnership (LWIP) Trust II	0.2%
Macquarie Real Estate Equity Fund 6	0.0%
QIC Australia Core Plus Fund	0.0%
Select Property Portfolio No. 3	0.0%
U.S. Cities Multifamily Fund, L.P.	0.1%
U.S. Cities Multifamily Fund, L.P.	0.3%
Fixed Income	4.0%
iShares Global Bond Index Fund	2.2%
iShares Wholesale Aust Bond Index Fund	1.3%
iShares ESG Global Index E	0.0%
iShares ESG Aust Index E	0.0%
IFM AUS BOND FUND	0.1%
PIMCO GLOBAL BOND FUND	0.1%
Macquarie True Index Australian Fixed Interest Fund	0.3%
Cash	10.5%
Citigroup Pty Ltd	3.3%
IFM Investors Pty Ltd	6.8%
Members Equity Bank Pty Ltd	0.4%
Alternatives	2.0%
Apollo/Athene Dedicated Investment Program (B), L.P.	0.1%
Athora Holding Ltd.	0.3%
Autonomy Capital Global Macro Fund L.P.	0.0%
Bridgewater Pure Alpha Fund II, Ltd	0.0%
Fitzroy Horizons Fund	0.4%
Wellington Aus Global Total Rtrn Fund	0.2%
Ardea Pure Alpha I	0.2%
Blackrock Multi Opportunity	0.0%
GMO Systematic Global Macro Fund	0.0%
GSA Capital Partners Trend Fund	0.0%
QIC Liquid Alternatives Fund (H)	0.0%
Renaissance Institutional Diversified Alpha Fund LLC	0.0%
Resolution Life Group Holdings L.P.	0.4%
Tangency Capital Select Market Access Fund	0.4%

Investment manager allocations

Manager/Investment	% of total PST investments
Credit	4.6%
Apollo ST Fund Management LLC	0.6%
Apollo Offshore Structured Credit Recovery Fund IV Ltd	0.4%
Barings LLC	1.1%
Bain Capital High Income Feeder	0.1%
Blue Ocean Fund Class I	0.0%
Blue Ocean Fund Class I-B USD	0.0%
Quentin Ayers Highland Credit Opportunity	0.0%
Cross Ocean Partners US SS Fund	0.3%
Cross Ocean Global SIF (H) L.P.	0.1%
Cross Ocean USSS Fund I (A) Cayman	0.1%
IFM Specialised Credit Floating Feeder Fund	0.1%
Kayne Anderson Real Estate Debt II LP	0.1%
Kayne Anderson Real Estate Debt III LP	0.2%
Kayne Senior Credit III Offsh Fund L.P.	0.2%
Loomis Sayles CLO II Ltd	0.0%
Hayfin Hostplus L.P	0.1%
HayFin Special Opportunities Credit Fund LP	0.0%
HayFin Special Opportunities Fund II LP	0.3%
HayFin Special Opportunities Fund II USD Co-Invest LP	0.0%
Kayne Anderson HPK Partners, LLC	0.2%
Redding Ridge Holdings LP	0.6%
Willow Tree Fund I (Offshore), LP	0.1%
Currency	-0.3%
Currency Overlay – Mesirow Financial Investment Management Inc.	-0.3%
Choiceplus	1.2%
Choiceplus Cash	0.2%
Term Deposits	0.0%
Direct Equities (ASX 300 shares & ETFs)	1.0%
Total Investments	100.0%

INVESTMENT COSTS

Investment option ¹	Investment fees and costs (excluding Transaction costs)	Transaction costs	Total investment cost
Balanced	0.89%	0.10%	0.99%
Balanced Pension	0.86%	0.10%	0.96%
Capital Stable	0.46%	0.07%	0.53%
Conservative Balanced	0.57%	0.09%	0.66%
Socially Responsible Investment (SRI) – Balanced	0.25%	0.07%	0.32%
Indexed Balanced	0.04%	0.02%	0.06%
Shares Plus	0.88%	0.11%	0.99%
Cash	0.02%	0.00%	0.02%
Diversified Fixed Interest	0.05%	0.05%	0.10%
Property	0.62%	0.23%	0.85%
Infrastructure	0.57%	0.04%	0.61%
Australian Shares	0.66%	0.14%	0.80%
International Shares	0.57%	0.10%	0.67%
International Shares – Indexed	0.07%	0.00%	0.07%
International Shares (Hedged) – Indexed	0.07%	0.00%	0.07%
Macquarie – Australian Fixed Interest	0.01%	0.00%	0.01%
BlackRock – International Fixed Interest	0.07%	0.08%	0.15%
Industry Super Fund Property Trust – Property	0.35%	0.04%	0.39%
Lendlease Managed Australian Prime Property Funds	0.73%	0.40%	1.13%
IFM – Australian Infrastructure	0.57%	0.00%	0.57%
IFM – Australian Shares	0.03%	0.00%	0.03%
Paradice Investment Management (Small Cap)	0.91%	0.25%	1.16%
Neuberger Berman – International Shares	0.60%	0.00%	0.60%
CPIplus	0.86%	0.10%	0.96%

1. Hostplus has early-adopted the revised format of fees and cost disclosure in accordance with Regulatory Guide 97 [ASIC Corporations (Disclosure of Fees and Costs) Instrument 2019/1070].

INSURANCE SUMMARY

Lump sum insurance benefits paid by MetLife & OnePath to Hostplus members to 30 June 2021¹

Claim type ²	12 months to 30/06/2021		5 years to 30/06/2021	
	Members	Amount paid (\$'000)	Members	Amount paid (\$'000)
Death	486	\$54,825	2,540	\$288,304
Terminal illness	94	\$11,219	620	\$59,695
TPD	855	\$112,309	3,504	\$417,631

Lump sum insurance benefits paid by MetLife & OnePath to Hostplus members, by age group, to 30 June 2021¹

Claim type ²	Age group	12 months to 30/06/2021		5 years to 30/06/2021	
		Members	Amount paid (\$'000)	Members	Amount paid (\$'000)
Death	15-24	29	\$2,135	224	\$20,718
	25-34	77	\$14,959	446	\$91,995
	35-44	109	\$23,705	515	\$108,928
	45-54	123	\$9,025	613	\$46,141
	55-64	122	\$4,359	639	\$18,545
	65-69	26	\$642	103	\$1,976
Terminal illness	15-24	0	\$0	7	\$693
	25-34	9	\$2,840	49	\$10,970
	35-44	15	\$2,518	92	\$19,466
	45-54	30	\$4,015	250	\$20,722
	55-64	35	\$1,422	209	\$7,339
	65-69	5	\$424	13	\$505
TPD	15-24	25	\$2,742	98	\$10,838
	25-34	131	\$27,947	528	\$110,938
	35-44	255	\$50,531	975	\$184,825
	45-54	291	\$24,814	1257	\$88,189
	55-64	152	\$6,264	645	\$22,831
	65-69	1	\$10	1	\$10

1. This page does not include claims paid by AMP, MLC, AIA (Commlnsure) or Windsor, for which a detailed age group breakdown is not available.

2. 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 last 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	2021 (\$'000)	2020 (\$'000)
Opening balance of member benefits	48,448,358	44,695,568
Add:		
Contributions	4,948,685	4,468,985
Transfers in	2,469,510	4,969,430
Net investment earnings/(losses)	9,926,114	(858,266)
Insurance proceeds	181,243	156,049
Less:		
Benefits paid [^]	3,820,324	4,081,123
Administration and other fees	84,674	74,659
Insurance premiums	226,602	228,697
Tax	656,652	598,929
Closing balance of member benefits	61,185,658	48,448,358

[^] In response to the financial impact of the coronavirus pandemic, the Australian federal government introduced the early release of superannuation scheme, which allowed individuals in financial stress to access up to \$10,000 of their superannuation in both the 2020 and 2021 financial years. As at 30 June 2021, benefits paid under the early release of superannuation scheme totalled \$3.1 billion (FY21: \$1.4m and FY20: \$1.7m).

Income statement	2021 (\$'000)	2020 (\$'000)
Revenue		
Interest	1,888	2,671
Dividends and distributions	13,639	10,962
Changes in assets measured at fair value	10,379,397	(869,271)
Other income	1,040	1,051
Total revenue	10,395,964	(854,587)
Expenses		
Investment expenses	7,417	7,096
Administration expenses	123,138	120,825
Total expenses	130,555	127,921
Income tax (expense)/benefit	38,152	54,669
Profit/(loss) from operating activities after income tax	10,303,561	(927,839)
Less: Net benefits allocated to members' accounts	(9,841,439)	932,925
Profit/(loss) after income tax	462,122	5,086

Financial summary

Financial position	2021 (\$'000)	2020 (\$'000)
Investments	62,567,444	49,267,451
Cash at bank	40,427	61,516
Other assets	32,635	52,053
Less:		
Liabilities	648,954	577,287
Net assets available for members' benefits	61,991,552	48,803,733
Less: Members' benefits	61,185,658	48,448,358
Net assets	805,894	355,375
Equity		
Investment reserve	381,187	(2,938)
Administration reserve	217,473	182,975
ORFR reserve	154,172	110,501
Insurance reserve	53,062	64,837
Total Equity	805,894	355,375

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)	Total reserves (\$'000)
2021	381,187	217,473	154,172	53,062	805,894
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	-	229,757

Investment reserve

During the year, investment earnings are accumulated in an investment reserve and 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 Investment 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 the Australian Prudential Regulation Authority (APRA), at a level representing 0.25% of the Fund's net assets.

Hostplus has an 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 Investment 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 insurer's risk exposure from claim volatility and allows Hostplus to negotiate 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 Consumer Price Index (CPI). The Trustee confirms that it has complied with its PAM policy over the 2021 financial year.

Penalties and fines

In the ordinary course of operations, Hostplus may be required to pay a fine or penalty. To meet 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 2021, Hostplus was not subject to any regulatory penalties or fines. 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:		
	Administration Reserve (\$'000)	ORFR Reserve (\$'000)	Total Penalties or Fines (\$'000)
2021	-	-	-
2020	-	-	-
2019	12	-	12
2018	-	-	-
2017	-	-	-



INVESTING IN OUR PEOPLE

Hostplus employees are united in their commitment to a shared objective of supporting members and delivering great outcomes.

At Hostplus we regularly seek feedback from our people to ensure we remain focused on supporting and developing them. As an employer of choice, we want to know what staff care about the most.

Through engagement surveys, our employees have regularly commented on how important our 'member first' philosophy and strong sense of team are. These factors also encourage people to apply for roles at Hostplus and keep our employees in long-term, rewarding careers.

Hostplus strongly emphasises our people's professional and personal development and invests in their futures. The benefits we offer include:

- competitive terms and conditions via our enterprise agreement
- Board-endorsed, people-focused, projects aligned with our 'invest in our people and member-first culture' strategic objective, targeted at increasing employee engagement
- leadership excellence and capability frameworks to help develop leaders
- learning and career pathway opportunities – recruiting talent from within the business
- flexible work arrangements
- paid volunteering leave to create opportunities for giving back to our communities
- a wellness and employee assistance program – support when people face difficulties
- connection through social programs and strong teams to foster collaboration
- community contribution through actions like donation, raising awareness or participation
- celebration of wins and acknowledgement of exceptional effort and behaviours through our employee recognition program – the Super Achiever Awards.

Diversity

Hostplus supports and celebrates diversity throughout our organisation and in the wider community. We're committed to creating and sustaining a diverse and inclusive workforce where the backgrounds, perspectives and life experiences of our people help us to:

- forge strong connections with all members and employers
- innovate and deliver value-adding products, services and experiences
- make enhanced decisions for our business.

As Hostplus continues to advance an inclusive culture that respects diversity, clear policy, practices, targets and measures are key:

Area	Specific gender equality targets	Measure	Result
Overall	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 40% of each gender represented around the Board table	The Board has: <ul style="list-style-type: none"> • six males (55%) • five females (45%).
Recruitment	Increasing gender diversity in recruitment interviews	To have at least one female and male candidate per interview	This KPI was met in all instances.
Retention	Introduction of a formal 'keep in touch' and 'welcome back' program for employees on parental leave	>85% of employees who return from parental leave, do not leave within 12 months	100%
Succession planning	Increasing gender diversity on succession plans	From 1 July 2018, minimum 40% of each gender included in our Group Executive succession plan	Group Executive succession plan: <ul style="list-style-type: none"> • 46% female • 54% male.
Remuneration	Conduct of regular pay equity reviews (including regular analysis and monitoring)	Annual review completed and recommendations taken to CEO	Review completed. Recommendations actioned.

BOARD OF DIRECTORS

Hostplus' founding shareholders are the Australian Hotel Association (AHA) and the United Workers Union (UWU). Together, the AHA and the UWU laid the foundations for one of Australia's largest and best-performing Industry SuperFunds. Read more about Board appointments and renewals on page 67.

Our Board is diverse, balanced, experienced and effective, with an industry-leading structure that includes three employer directors, three member (employee) directors and three independent directors.

This structure, coupled with our member-first philosophy, gives our employers and members confidence that we'll always make the right decisions and, most importantly, do so with their best financial interests firmly in mind.

Our Board has a broad range of collective skills, expertise and experience. This includes extensive experience with investing, management, strategic planning, marketing, business development, accounting and finance, legal, risk management, industry knowledge and member engagement.

There were several changes to the Board in 2021. Judith Ann Hill, Peter Collins, Mark Robertson, Mark Vaile and Neil Randall all concluded their service. They have been ably replaced by Imogen Beynon, David Attenborough, Craig Laundy, Janet Whiting and Brian Kearney.

We'd like to express our appreciation for this year's departing Board members and thank them for their service and contribution to the Fund.

Independent directors



**David Elmslie,
Chairman**



Alexandra Grayson



Janet Whiting

Appointed 1 July 2021

Employer directors



David Gibson



Craig Laundy

Appointed 1 July 2021



David Attenborough

Appointed 1 July 2021

Member directors



Tim Lyons



Bev Myers



Imogen Beynon

Appointed 1 February 2021

Alternate directors



Brian Kearney

Appointed 1 July 2021



Robyn Buckler



The Hon Peter Collins AM QC
Departed on 30 June 2021



Mark Robertson OAM
Departed on 30 June 2021



The Hon Mark Vaile AO
Departed on 30 June 2021



Neil Randall
Departed on 30 June 2021



Judith Ann Hill
Departed on 31 January 2021.



EXECUTIVE MANAGEMENT TEAM

Hostplus' day-to-day leadership, management, operations and corporate strategy implementation are an executive team responsibility. The executive team makes sure Hostplus' operations are carried out to the highest possible standard.

hostplus.com.au/leadership-team provides more information about our leadership team.

Directors' and executives' remuneration are detailed at hostplus.com.au/remuneration-policy

hostplus.com.au/register details other directorships, or appointments as directors and executives, in the Register of Relevant Interests and Relevant Duties.



David Elia,
Chief Executive Officer



Sam Sicilia,
Chief Investment Officer



Paul Watson,
Group Executive –
Member Experience



Natalie Strickland,
Group Executive –
People, Performance
and Culture



Kelly Cantwell,
Group Executive –
Administration
and Services



Lewis Tassone,
Group Executive –
Finance and Technology



Stuart Wilkinson,
Group Executive –
Strategy and
Transformation



Norlena Brouwer,
Group Executive –
Risk and Compliance

Currently on maternity leave



Arthur Antonellas,
Group Executive –
Client Relationships
and New Business

Appointed 28 September 2020,
ceased 30 June 2021

Appointed Executive Manager,
Strategic Partnerships, 1 July 2021



Mark Abramovich,
Group Executive –
Risk and Compliance
(Contract)

Appointed 1 June 2021



GOVERNANCE

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' Board (Trustee), executive team and staff are collectively governed in their responsibilities, duties and accountabilities by Hostplus' constitution, trust deed and related governing rules and policies. Along with the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and other relevant law, these collectively set out the rules governing the Fund's establishment and ongoing operation.

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 including the SIS Act, *Corporations Act (2001)* and other relevant law.

Our Board

 [Read more about our Board structure and composition on page 65.](#)

Board governance

The Board's charter details its key policies and processes for the Fund's governance. These are designed to ensure fairness, transparency and accountability.

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 its membership, roles and responsibilities, operating functions, appointment of the Chair, quorum requirements, voting entitlements and meeting arrangements.

Each year, the Board and its 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 Hostplus' constitution and the Board's Fit and Proper Policy, which include:

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

At the conclusion of each director's three-year term, the director's nominating body either renews the term or appoints a new director. The Chair is elected by the Board and is an independent director.

Board committees

Under the Fund's Trust Deed, the Board can establish and delegate its powers and responsibilities to Board committees. Members of these 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.

Hostplus' Board committees			
Committee	Chair	Members	Role
Risk and Compliance Committee (RCC)	Tim Lyons	Janet Whiting David Attenborough	The role of the RCC is to oversee the financial reporting and regulatory, legislative, risk management and taxation activities of the Fund.
Audit Committee (AC)	Janet Whiting	David Attenborough Tim Lyons	The role of the AC includes overseeing and reviewing APRA statutory reporting, the integrity of all financial statements, financial reporting, external reporting and the effectiveness of the internal control environment.
Claims Review Committee (CRC)	Robyn Buckler	Robert Hinkley Colin Cassidy	The role of the CRC is to review members' claims declined by the insurer.
People and Remuneration Committee (PRC)	David Gibson	David Elmslie Imogen Beynon	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	Craig Laundry 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 Craig Laundry	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 Craig Laundry	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.



OTHER

IMPORTANT INFORMATION

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 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 enables them 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

Trustee of the Fund

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

Trustee indemnity insurance

The Trustee holds indemnity insurance cover to protect the Fund and its directors and officers.

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 5046
Parramatta NSW 2124
or email
resolutions@hostplus.com.au

Currently, we aim to resolve all complaints within 90 days of receipt. From 5 October 2021, new requirements mean our aim will be to resolve all superannuation complaints within 45 days of receipt, and all Death benefit objections 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.

You can contact AFCA via:

Website: 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 Insurance Premium Adjustment Mechanism (PAM)

Hostplus has an arrangement with our insurer, MetLife that includes a Premium Adjustment Mechanism (PAM) in respect of the default Death and Total and Permanent Disability (TPD) insurance cover and the non-default Salary Continuance (Income Protection insurance) cover. This agreement reduces the insurer's risk exposure from 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 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 PAM payments.

In setting the final Death, TPD and non-default Salary Continuance premium rates that applied from 1 October 2020, Hostplus utilised the PAM payment received by the Fund relating 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 increases to 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

Hostplus Annual Members' Meeting

The second Hostplus Annual Members' Meeting was held on 3 December 2020. Due to COVID-19 restrictions, the meeting was held online with over 800 members registering their attendance.

It was a great opportunity for our members and investors to hear from our Board on the Fund's achievements, milestones, and performance over the last year. We outlined the Fund's strategy and key objectives and addressed events impacting investment markets and the global community.

Members were invited to submit questions, some of which were answered during the meeting when time allowed. Written responses to all questions were made available on our website.

Our third Annual Members' Meeting will again be an online event and is scheduled for 1 December 2021.





HOSTPLUS ANNUAL REPORT **THAT'S A PLUS+**



Mail Locked Bag 5046, Parramatta NSW 2124
Phone 1300 467 875
Email hostplus.com.au/help/contact-us

hostplus.com.au

