



HOSTPLUS

# Hostplus Self-Managed Invest

Annual report for the financial  
year ended 30 June 2019

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

## Directory

### Trust

Hostplus Pooled Superannuation Trust (PST)  
ABN 13 140 019 340, RSE R1076257

### Issuer and Trustee

Host-Plus Pty Limited (Trustee).  
ABN 79 008 634 704, AFSL 244392, RSE L0000093

This Annual Report (Report) provides the fund information required under the Corporations Act 2001 and has been prepared by the Trustee in February 2020 for unitholders in the PST. In this Report, 'we', 'us', 'our' and 'Hostplus' are references to the Trustee and/or the Hostplus PST.

The PST is a pooled superannuation trust as defined under the Superannuation Industry (Supervision) Act 1993 (SIS Act) and is designed to pool assets of eligible complying superannuation entities to invest in high-quality assets managed by the Trustee and selected external investment managers.

The PST is governed by the terms of the Hostplus Pooled Superannuation Deed (Trust Deed) (dated 7 February 2014) and any subsequent amendments and relevant law, which determines the operation of Hostplus SMI and the rights and obligations of investors and the Trustee.

### Contact details

Host-Plus Pty Ltd,  
GPO Box 764, Melbourne, VIC 3001  
Call (03) 8636 7777  
Email [smi@hostplus.com.au](mailto:smi@hostplus.com.au)

### Important notes and disclaimer

This information 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 Hostplus Self-Managed Invest (SMI) Product Disclosure Statement (PDS), available at [www.hostplus.com.au/smi](http://www.hostplus.com.au/smi) [www.hostplus.com.au/smi](http://www.hostplus.com.au/smi) before making a decision about Hostplus SMI.

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# Message from the CEO.

It gives me great pleasure to present the annual report for Hostplus Self-Managed Invest (SMI).

SMI provides Self Managed Super Fund (SMSF) investors with unique access and listed market-like liquidity on high-performing investments, previously available to Hostplus Superannuation Fund (Fund) members only. By investing in Hostplus SMI, you can enjoy the benefits of investing with one of Australia's top superannuation providers, while maintaining control of your SMSF.

## **The year in review**

SMI was formally launched in June 2019 with an impressive response. In just a few short months the platform has grown in both investor numbers and funds under management (FUM). As of December 2019, SMI has over 600 SMSFs collectively investing more than \$110 million.

Investor interest in SMI has validated our belief in the value of this solution and paves the way for a bright future for the product.

SMI has been designed with an investor first experience in mind and provides investors a fully digital application and onboarding process and account setup. The introduction of BPAY facility for payments in September 2019 proved to be an immediate benefit to users.

Other enhancements, such as the launch of an adviser portal, designed to better facilitate third party adviser registration and investor management, will further simplify and streamline the investor and adviser experience.

SMI was recently the proud winner of SuperRatings 'Best New Innovation 2020' and Money Magazine's 'Best Innovative Super Service'.

These awards acknowledged the SMI offering as unique, highlighting that SMSFs can take advantage of top performing investment options while maintaining their independence.

The 2018–19 financial year has delivered some truly impressive results for the Hostplus SMI.

The opportunity for SMSF investors to invest in SMI's well-diversified investment options, brings the benefit of our growth, scale and investment expertise.

These factors provide us greater leverage to negotiate even better value for investors, including fees paid to Investment Managers and other third-party providers.

### The year ahead

We now set our sights to 2019–20, and as we move forward, we remain confident that our long-term investment strategies will continue to serve as a strong foundation on which we can build a bigger, brighter future for our investors.

The financial year 2018–19 has been a truly phenomenal one, and I say sincerely, thank you for your support. The trust you place in us is something we will never take for granted and we look forward to serving your investment needs now and in the years to come.

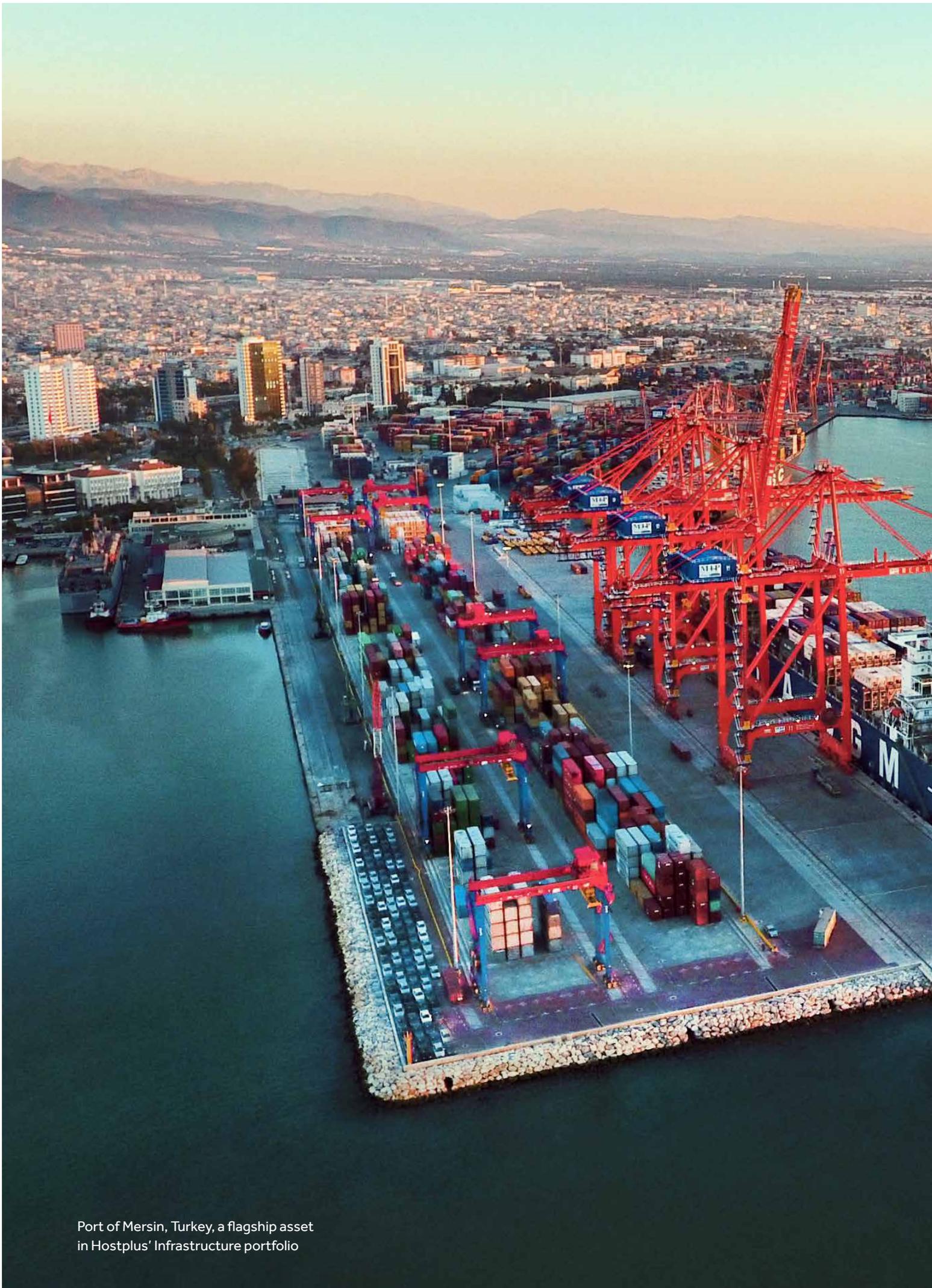
Thank you.



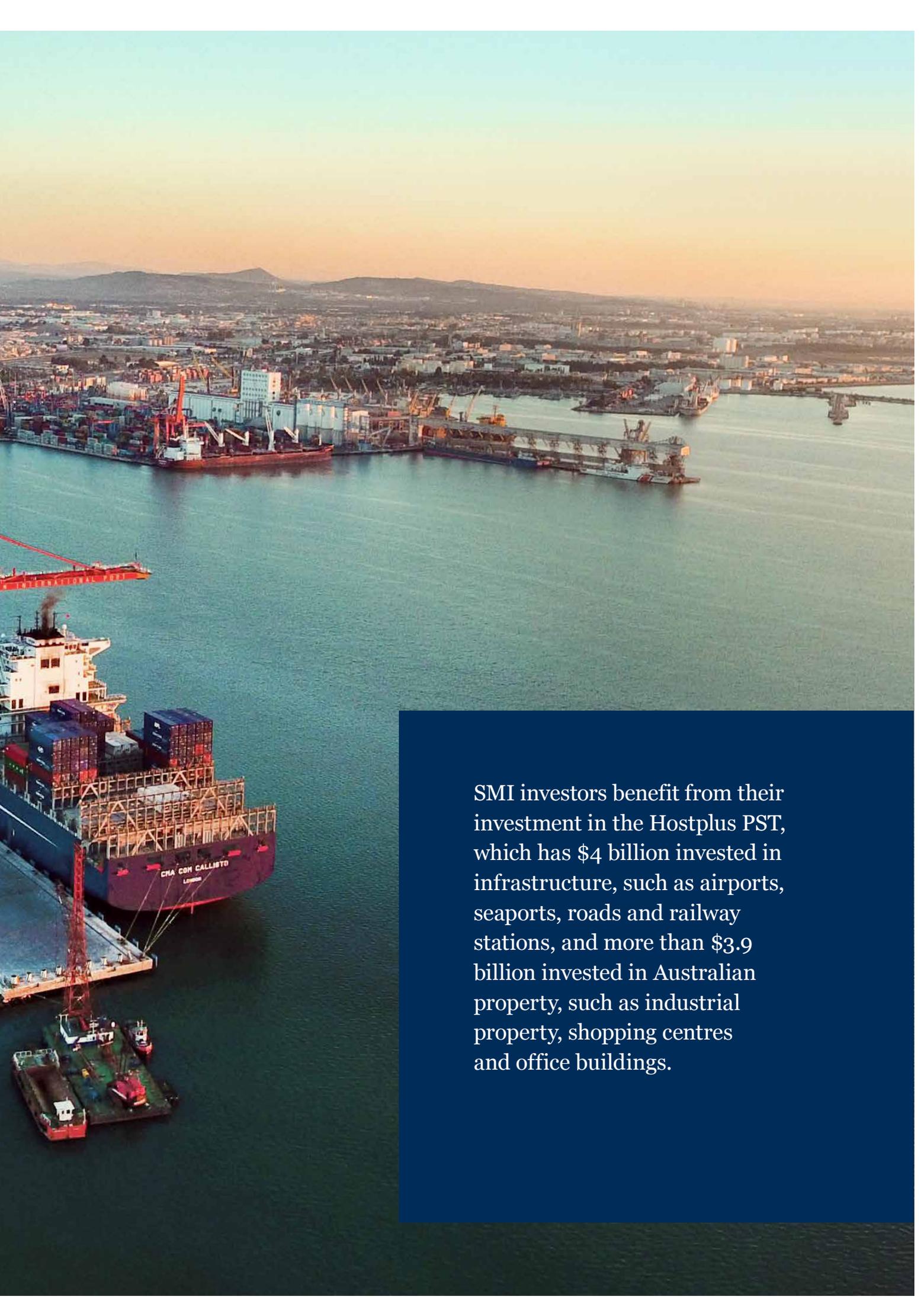
**David Elia**  
Chief Executive Officer



SMI was recently awarded SuperRatings ‘Best New Innovation 2020’ and Money Magazine’s ‘Best Innovative Super Service’, recognising the uniqueness of the SMI offering.



Port of Mersin, Turkey, a flagship asset in Hostplus' Infrastructure portfolio



SMI investors benefit from their investment in the Hostplus PST, which has \$4 billion invested in infrastructure, such as airports, seaports, roads and railway stations, and more than \$3.9 billion invested in Australian property, such as industrial property, shopping centres and office buildings.

# Message from the Chair.

## Industry update

The past year has been a significant one for the superannuation industry. Macro-economic headwinds and geopolitical forces have influenced investment markets, which have been increasingly challenging and volatile.

Domestically, the Productivity Commission concluded its review into the efficiency and competitiveness of the Australian superannuation system, and an impending further review has been commissioned by the federal government to examine Australia's retirement income system.

Additionally, following the conclusion of the Financial Services Royal Commission with the release of its Final Report in February 2019, we have seen a significant focus on the role, performance and behaviours of the broader financial services sector and those entities that regulate and oversee it.

The repercussions of the Commission's more significant findings and recommendations are likely to influence legislative changes, governance practices and fiduciary oversight in the foreseeable future.

## Hostplus investment philosophy

SMI Investors benefit from Hostplus' key competitive edge in the form of our comparatively young membership demographic. This young membership base and the strong net positive cashflows that are commensurate with these underlying demographic fundamentals, allows us to take a truly patient, long-term, capital investment view. This, in turn, provides us the capacity – more so than many other funds – to apply our investment beliefs, which include leveraging the illiquidity premium that investing in top-tier real assets (eg. property, infrastructure, private equity and venture capital) affords us.

Our investments are world class, consistently delivering top quartile returns over the longer term. We invest locally in nation-building projects, as well as internationally in the global market to support innovation and emerging technologies. Despite the turbulent investment environment and potential short-term volatility and uncertainty, the Board is confident that our investment strategy, beliefs and execution will continue to secure positive outcomes for our investors.

I'd like to acknowledge and thank the other Board directors for their hard work, passion and diligence over the past year. On behalf of the Board, I'd also like to recognise and thank our CEO, David Elia, his executive team and Hostplus' staff for their collective efforts and tireless commitment to our investors.

Thank you.



**David Elmslie**  
Chair of the Board



# Message from the CIO.

The current marketplace represents a new world of investment with constrained inflation, low interest rates and underlying tensions between the US and an ascendant China well and truly out in the open. The market is in a permanent state of disruption with new technologies transforming the way we live and work, and climate change affecting all of us in increasingly significant ways.

However, within this disruption is opportunity, especially for nimble, forward-thinking investors willing to embrace, accept and even anticipate change.

There are risks in following this path, but the greater risk would be to do nothing and to expect the world to remain the same. These are stark challenges indeed, and it's clear that portions of the market are fearful of this new environment.

At Hostplus though, we proceed with caution and not with fear. We express this caution via broad investment diversification to ensure that whatever path eventuates, we remain well placed to endure and thrive.

Our strong venture capital program also enables us to be ahead of the curve, especially with regard to technological disruption.

And while we expect future returns over the long term to be lower than those of the recent past, this does not mean that higher short-term returns are not possible or even probable.

Globally, \$17 trillion is now invested in negative yielding bonds, meaning investors are happy to accept less money in the future than they've invested today. In this new world, positive yielding assets like our infrastructure, property and even equities will continue to command a premium for investors willing to look over the horizon to the long term.

## **Investing in the future**

The Hostplus Balanced option holds 52% in listed equities including Australian and international shares – in both developed and emerging markets. However, a key differentiator is our investments in unlisted asset classes, such as private equity and infrastructure, which offer not only quality

investment opportunities but also put us in the privileged position of helping to drive innovation and to build Australia.

Our growing investments in Venture Capital (VC) make us one of the largest institutional investors in local VC. As at 30 June 2019, we have committed over \$1 billion to Australian VC managers in areas such as emerging technology and biomedical engineering. In addition to the financial benefit to investors, these investments help foster a VC ecosystem, keeping jobs, businesses and intellectual property in Australia rather than offshore, and building vital industries fit for a technology-focused future.

Strong cash inflows enable us to take a long-term investment focus: a requirement to invest in unlisted/illiquid assets. As the PST has \$4 billion invested in infrastructure such as airports, seaports, roads and railway stations, and more than \$3.9 billion invested in Australian property, such as industrial property, shopping centres and office buildings, the SMI benefits as an investor in the PST.

These investments in nation-building infrastructure contribute to our economic, social and environmental future.

In addition to ongoing investments in energy efficient buildings and renewable energy infrastructure, we have invested in clean energy funds to create new ways to produce, store, distribute, own and trade renewable energy.

For example, we have recently invested in a company that is developing fusion technology, a carbon-free, non-combustion source of energy where hydrogen atoms undergo fusion to create energy with zero carbon emission, a possible replacement for fossil fuels in the future.

We remain committed to long-term investing, as we believe this provides our investors with the greatest opportunity to experience long-term capital growth and wealth accumulation to provide for their retirement benefits.

Thank you.



**Sam Sicilia**  
Chief Investment Officer

**Our growing investments in Venture Capital (VC) make Hostplus one of the largest institutional investors in local VC. As at 30 June 2019, we have committed over \$1 billion to Australian VC managers in areas such as emerging technology and biomedical engineering.**



# Other important information.

## **Annual members' meeting**

Hostplus will hold our inaugural annual members meeting at 9am (AEST) on 26 March 2020 and extends an invitation for SMI Investors to attend.

### **Location**

Sofitel Melbourne on Collins  
Collins Place  
25 Collins Street,  
Melbourne VIC 3000

### **Time**

Commencing 9:00am AEST

The meeting will provide an opportunity to ask questions of our key personnel and receive important updates. More information about the meeting and its agenda will be available on our website.

## **Investor rights and liabilities**

As an investor holding units in an investment option you have a proportional beneficial interest in that option, but do not have an interest or ownership of the underlying funds that it invests

in, its assets, management or operation. An investor's entitlements as a unit holder are in the Hostplus PST as a whole and not any particular investment option.

An investor's liability is limited by the Trust Deed to the value of their units. Further, an investor must indemnify the Trustee for any liability, overpayment or failure to provide for tax because of a reliance on information given to us by that investor.

## **The Hostplus PST Trust Deed**

To view the Trust Deed, and for such information as the powers and indemnity of the Trustee, contact the SMI Service team on **1300 350 819**, 8am-8pm (AEST) Monday to Friday.

## **Transactions, fees and costs**

Information on the fees and costs associated with your investment is available in the SMI Product Disclosure Statement available at [hostplus.com.au/smi](http://hostplus.com.au/smi)

## **Financial Services Guide (FSG)**

The FSG provides adequate information about the financial services being offered by the Trustee. It contains information about the services we offer, how we are paid, any potential conflict of interest we may have, and our internal and external dispute resolution procedures and how you can access them.

If you need more information or clarification of any matters raised in the FSG, please contact us.

## **Related party transactions and conflicts of interest**

Under law the Trustee is required to manage any conflicts of interest. The role and aim of the Trustee's Board of Directors is to develop frameworks to avoid and manage conflicts of interest. However, there might be circumstances where the avoidance of conflicts of interest will not always be possible or prudentially practical.

## Other important information (continued)

The Board will identify, analyse and evaluate all such conflicts and then determine whether to avoid a particular conflict of interest or accept and act notwithstanding the conflict of interest, subject to any management controls. Any conflict of interest that cannot be avoided must be managed, as is reasonable in the circumstances, but always so that priority is given firstly to the interests of investors.

### Service Providers

The Trustee has engaged the key service providers listed below to assist in delivering Hostplus SMI. An outsourcing policy is in place to assist in the appointment, oversight and management of these providers.

### Trustee indemnity insurance

Pioneer Insurance Group Pty Ltd, 2016 QBE Syndicate, Nexus Ltd and Dual Australia Pty Ltd are the underwriters who provided professional indemnity insurance to the Trustee from 30 September 2018 to 30 September 2019.

| Services Outsourced | Provider                             | ABN            |
|---------------------|--------------------------------------|----------------|
| Administrator       | Citigroup Pty Limited                | 88004325080    |
| Custodian           | Citigroup Pty Limited                | 88004325080    |
| External Auditor    | PricewaterhouseCoopers               | 52780433757    |
| Internal Auditor    | KPMG Australia                       | 51194660183    |
| Investment Adviser  | Jana Investment Advisers Pty Limited | 97006717568    |
| Legal Advisers      | Norton Rose Fulbright Australia      | 32 720 868 049 |
| Tax Advisers        | KPMG Australia                       | 51194660183    |

### **Enquiries and complaints**

If you have an enquiry or complaint, please call 1300 467 875. We'll attend to your matter promptly and courteously. If you are not happy with the way your matter is handled, we want to know. Please write to:

Hostplus Resolutions Officer  
Locked Bag 9  
Carlton South VIC 3053

or email  
[resolutions@hostplus.com.au](mailto:resolutions@hostplus.com.au)

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

You can contact AFCA via:

Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Phone: 1800 931 678

In writing to:  
Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

### **Notification of material changes**

In the event of a material change occurring to any information regarding Hostplus SMI, irrespective of whether it is adverse or not, the Trustee will notify existing investors in writing within the time frames required by law.

A change or event which does not relate to an increase to a fee or charge or constitutes a significant event will be sent as soon as possible but not later than three months after the change or event occurs. A change or event which does increase a fee or charge will be sent at last 30 days before it occurs.

All significant changes are available on our website at [hostplus.com.au/smi/sen](http://hostplus.com.au/smi/sen)

### **PST investment strategy**

The PST's investment strategy involves a strong focus upon the long-term investment horizon, which is embodied via:

- a strong tolerance for unlisted assets, which can provide attractive risk adjusted returns and diversification benefits

- a deep conviction in the long term efficacy of active management, and
- strong risk management via broad diversification across asset classes, corporate structures, industries, geographies and investment styles.

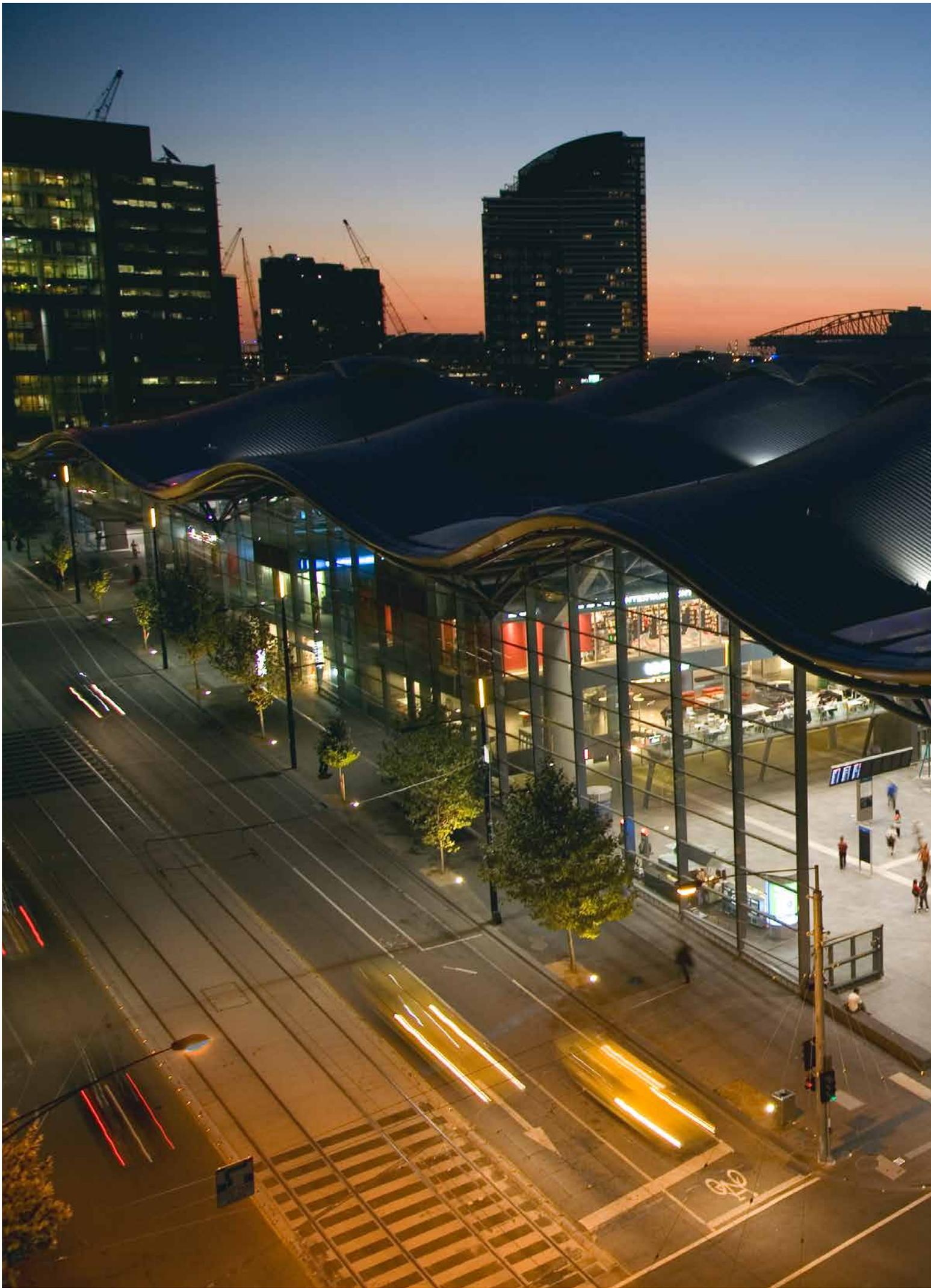
For further information about our investment strategy please contact us on **1300 350 819**.

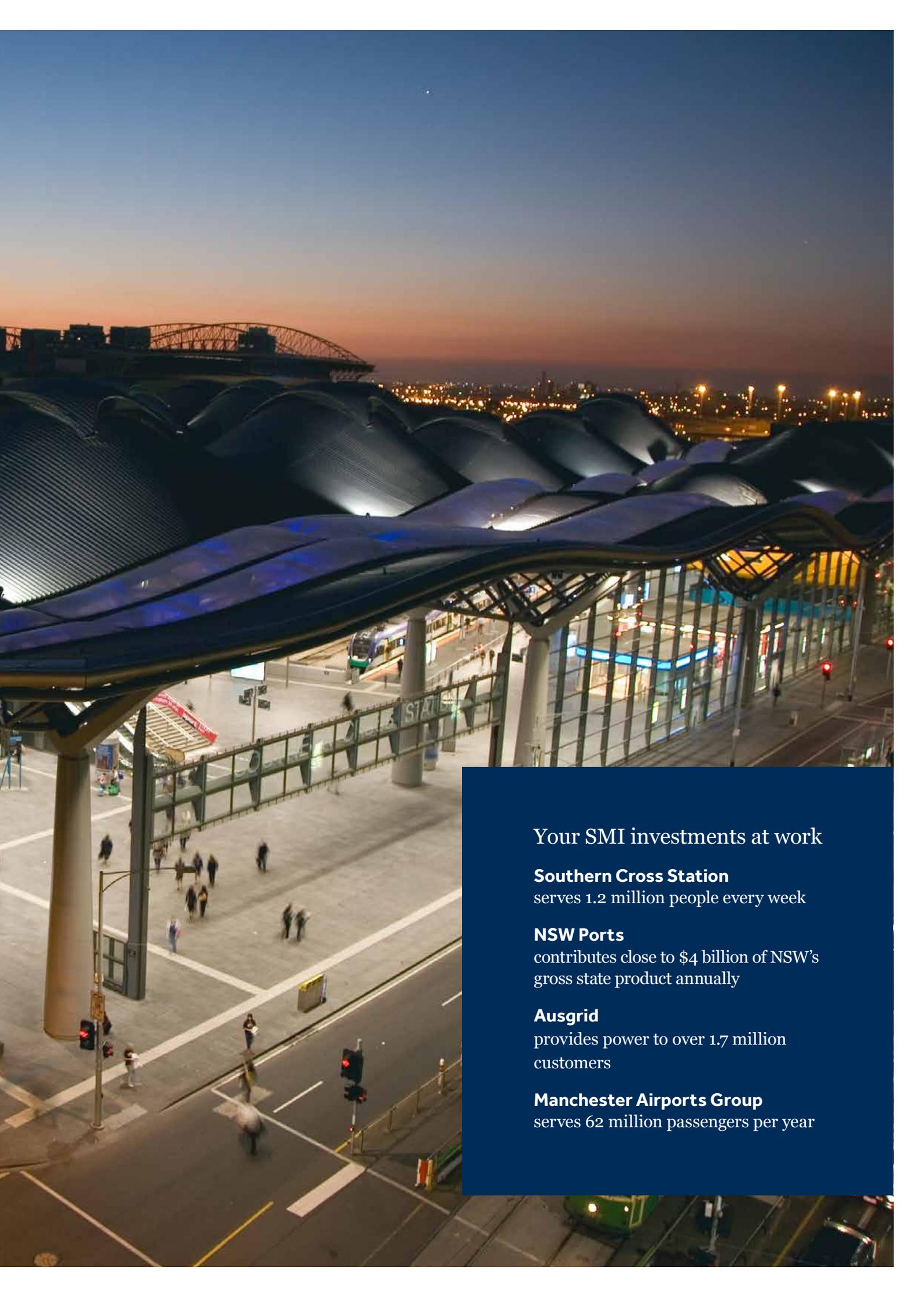
### **Other related reports**

The Annual Report for the Hostplus Fund is available on our website at [hostplus.com.au/annualreport2019](http://hostplus.com.au/annualreport2019)

You can find further information on Hostplus' governance and disclosures, investments social and governance considerations, our Board of Directors and Executive team at [hostplus.com.au](http://hostplus.com.au)

Other information relating to the management, financial condition and investment performance of Hostplus SMI is available on request.





Your SMI investments at work

**Southern Cross Station**

serves 1.2 million people every week

**NSW Ports**

contributes close to \$4 billion of NSW's gross state product annually

**Ausgrid**

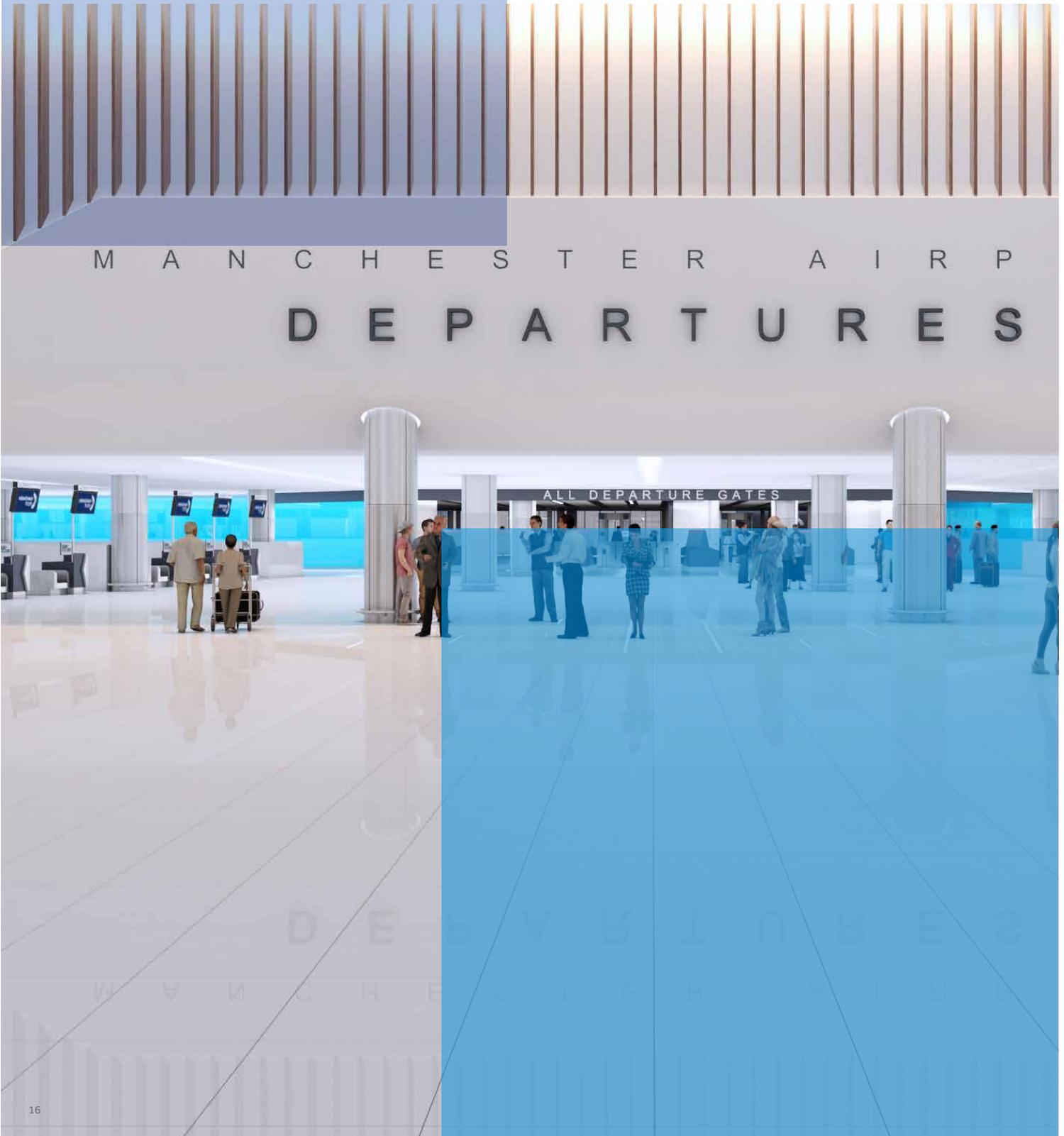
provides power to over 1.7 million customers

**Manchester Airports Group**

serves 62 million passengers per year

# Investments.

The Hostplus SMI investment options are reviewed annually. The following investment option descriptions were approved by the Hostplus board on 26 July 2019, and first published in the SMI Product Disclosure Statement on 20 September 2019.



## SMI investment options

| Balanced                                  |  |                                      |
|---|--|--------------------------------------|
| Return target Accumulation                | CPI plus 3% per annum on average over 10 years<br>CPI plus 4% per annum on average over 20 years   |                                      |
| Return target Pension                     | CPI plus 3.5% per annum on average over 10 years<br>CPI plus 5% per annum on average over 20 years   |                                      |
| Level of investment risk <sup>1</sup>     | Medium to High<br>(negative returns expected for 3 to less than 4 years out of every 20 years)   |                                      |
| Investment style                          | This option invests through a diversified investment portfolio, that includes some growth assets and some lower risk investments.  |                                      |
| Who is this investment suitable for?      | <p>This option is diversified across a range of growth and defensive assets and aims to produce consistent returns over time.</p> <p>This option may suit Accumulation members who have a five year plus investment time horizon.</p> <p>This option may suit Pension members who have a four year plus investment time horizon.</p> |                                      |
| Minimum suggested time frame <sup>2</sup> | Accumulation: 5 years +<br>Pension: 4 years +  |                                      |
| Asset Class                               | Range  | Strategic Asset Allocation Benchmark |
| Australian Shares                         | 15–45%   | 22%                                  |
| International Shares – Developed Markets  | 10–30%   | 22%                                  |
| International Shares – Emerging Markets   | 0–15%  | 8%                                   |
| Property                                  | 0–30%  | 13%                                  |
| Infrastructure                            | 0–30%  | 12%                                  |
| Private Equity                            | 0–15%  | 8%                                   |
| Credit                                    | 0–20%  | 7%                                   |
| Alternatives                              | 0–20%  | 8%                                   |
| Diversified Fixed Interest                | 0–20%  | 0%                                   |
| Cash                                      | 0–10%  | 0%                                   |
| <b>Growth Assets</b>                      |  | <b>76%</b>                           |
| <b>Defensive Assets</b>                   |  | <b>24%</b>                           |

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.

## SMI investment options (continued)

| Indexed Balanced                          |   |                                      |
|---|---|--------------------------------------|
| Return target Accumulation                | CPI plus 2.5% per annum on average over 20 years  |                                      |
| Return target Pension                     | CPI plus 3.5% per annum on average over 20 years  |                                      |
| Level of investment risk <sup>1</sup>     | High<br>(negative returns expected for 4 to less than 6 years out of every 20 years)  |                                      |
| Investment style                          | This option has a diversified investment portfolio that includes some growth assets and some lower risk investments.  |                                      |
| Who is this investment suitable for?      | <p>This option is diversified across a range of growth and defensive assets, and aims to produce consistent returns over time.</p> <p>This option may suit Accumulation members who have a seven year plus investment time horizon.</p> <p>This option may suit Pension members who have a six year plus investment time horizon.</p> |                                      |
| Minimum suggested time frame <sup>2</sup> | Accumulation: 7 years +<br>Pension: 6 years +   |                                      |
| Asset Class                               | Range   | Strategic Asset Allocation Benchmark |
| Australian Shares                         | 25–55%  | 32%                                  |
| International Shares – Developed Markets  | 25–55%  | 43%                                  |
| International Shares – Emerging Markets   | 0–10%   | 0%                                   |
| Diversified Fixed Interest                | 10–30%  | 15%                                  |
| Cash                                      | 0–20%   | 10%                                  |
| Growth Assets                             |   | 75%                                  |
| Defensive Assets                          |   | 25%                                  |

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.

## SMI investment options (continued)

| Property                                  |   |                                      |
|---|---|--------------------------------------|
| Return target Accumulation                | CPI plus 2.5% per annum on average over 20 years  |                                      |
| Return target Pension                     | CPI plus 3.5% per annum on average over 20 years  |                                      |
| Level of investment risk <sup>1</sup>     | High<br>(negative returns expected for 4 to less than 6 years out of every 20 years)  |                                      |
| Investment style                          | This option invests in property or buildings, either directly or via property trusts.   |                                      |
| Who is this investment suitable for?      | <p>This option aims to achieve income returns and capital growth over the longer term.</p> <p>This option may suit Accumulation members who have a seven year plus investment time horizon.</p> <p>This option may suit Pension members who have a three year plus investment time horizon.</p> |                                      |
| Minimum suggested time frame <sup>2</sup> | <p>Accumulation: 7 years +</p> <p>Pension: 3 years +</p>  |                                      |
| Asset Class                               | Range   | Strategic Asset Allocation Benchmark |
| Property                                  | 0–100%  | 100%                                 |
| Growth Assets                             |   | 30%                                  |
| Defensive Assets                          |   | 70%                                  |

Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.

2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

## SMI investment options (continued)

| Industry Super Property Trust – Property  |   |                                      |
|---|---|--------------------------------------|
| Return target Accumulation                | CPI plus 2.5% per annum on average over 20 years  |                                      |
| Return target Pension                     | CPI plus 3% per annum on average over 20 years  |                                      |
| Level of investment risk <sup>1</sup>     | High<br>(negative returns expected for 4 to less than 6 years out of every 20 years)  |                                      |
| Investment style                          | This option has an income bias that aims to offer investors lower relative earnings volatility and a higher income yield.   |                                      |
| Who is this investment suitable for?      | <p>This option aims to achieve income returns and capital growth over the longer term.</p> <p>This option may suit Accumulation members who have a seven year plus investment time horizon.</p> <p>This option may suit Pension members who have a three year plus investment time horizon.</p> |                                      |
| Minimum suggested time frame <sup>2</sup> | <p>Accumulation: 7 years +</p> <p>Pension: 3 years +</p>  |                                      |
| Asset Class                               | Range   | Strategic Asset Allocation Benchmark |
| Property                                  | 0–100%  | 100%                                 |
| Growth Assets                             |   | 30%                                  |
| Defensive Assets                          |   | 70%                                  |

Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.

2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

## SMI investment options (continued)

| Infrastructure <sup>1</sup>               |   |               |
|---|---|---------------|
| Return target Accumulation                | CPI plus 3% per annum on average over 20 years  |               |
| Return target Pension                     | CPI plus 3.5% per annum on average over 20 years  |               |
| Level of investment risk <sup>2</sup>     | High<br>(negative returns expected for 4 to less than 6 years out of every 20 years)  |               |
| Investment style                          | This option has long-term direct investments in tangible infrastructure assets, such as airports, seaports, toll roads, renewable energy and utilities, both within Australia and globally.   |               |
| Who is this investment suitable for?      | <p>This option has a higher risk and return profile than the Balanced option and aims to achieve income returns and capital growth over the longer term.</p> <p>This option may suit Accumulation members who have a five year plus investment time horizon.</p> <p>This option may suit Pension members who have a four year plus investment time horizon.</p> |               |
| Minimum suggested time frame <sup>3</sup> | Accumulation: 5 years +<br>Pension: 4 years +   |               |
| Asset mix                                 | Range   | SAA benchmark |
| Infrastructure                            | 0 – 100%  | 100%          |
| Growth assets                             |   | 55%           |
| Defensive assets                          |   | 45%           |

Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.

1. The option may be closed to new investors if a cap of 3% of total funds under management for the PST is reached.

2. 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.

3. 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.

## SMI investment options (continued)

| IFM – Australian Infrastructure <sup>1</sup> |   |                                      |
|--|---|--------------------------------------|
| Return target Accumulation                   | CPI plus 3% per annum on average over 20 years  |                                      |
| Return target Pension                        | CPI plus 3.5% per annum on average over 20 years  |                                      |
| Level of investment risk <sup>2</sup>        | High<br>(negative returns expected for 4 to less than 6 years out of every 20 years)  |                                      |
| Investment style                             | This option has long-term direct investments in tangible infrastructure assets, such as airports, seaports, toll roads, renewable energy and utilities across Australia.  |                                      |
| Who is this investment suitable for?         | <p>This option has a higher risk and return profile than the Balanced option and aims to achieve income returns and capital growth over the longer term.</p> <p>This option may suit Accumulation members who have a five year plus investment time horizon.</p> <p>This option may suit Pension members who have a four year plus investment time horizon.</p> |                                      |
| Minimum suggested time frame <sup>3</sup>    | Accumulation: 5 years +<br>Pension: 4 years +   |                                      |
| Asset Class                                  | Range   | Strategic Asset Allocation Benchmark |
| Infrastructure                               | 0–100%  | 100%                                 |
| Growth Assets                                |   | 55%                                  |
| Defensive Assets                             |   | 45%                                  |

Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.

1 The option may be closed to new investors if a cap of 3% of total funds under management for the PST is reached.

2. 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.

3. 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.

## SMI investment returns

| <b>Net investment returns for Self-Managed Invest Accumulation to 30 June 2019<sup>1</sup></b> | <b>6 mth</b> | <b>2019</b> | <b>Since inception p.a.</b> |
|--|--------------|-------------|-----------------------------|
| Balanced   | 10.31%       | 6.60%       | 8.16%                       |
| Indexed Balanced   | 12.86%       | 8.50%       | 7.70%                       |
| Property   | N/A          | N/A         | 0.25%                       |
| Industry Super Property Trust  | 2.98%        | 6.25%       | 8.95%                       |
| Infrastructure   | N/A          | N/A         | 2.27%                       |
| IFM – Australian Infrastructure  | 9.38%        | 11.12%      | 12.35%                      |

| <b>Net investment returns for Self-Managed Invest Pension to 30 June 2019<sup>1</sup></b> | <b>6 mth</b> | <b>2019</b> | <b>Since inception p.a.</b> |
|---|--------------|-------------|-----------------------------|
| Balanced  | 9.85%        | 7.08%       | 8.12%                       |
| Indexed Balanced  | 14.59%       | 9.57%       | 8.89%                       |
| Property  | N/A          | N/A         | 0.30%                       |
| Industry Super Property Trust   | 2.88%        | 8.50%       | 9.76%                       |
| Infrastructure  | N/A          | N/A         | 0.15%                       |
| IFM – Australian Infrastructure   | 6.86%        | 16.19%      | 14.09%                      |

Hostplus PST investment options for external investors commenced on 27 November 2017, therefore three year investment returns are not available. For the latest SMI investment returns visit [hostplus.com.au/smi/investment-returns](http://hostplus.com.au/smi/investment-returns)

The Trustee has included the effective rate of net earnings for each investment option for the SMI since its inception (as this is less than 3 years).

1. 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](http://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.



## Your SMI investments at work

### **Melbourne Airport**

A record 37.3 million people travelled through Melbourne Airport in the 2018-19 financial year with over 35 carriers travelling non-stop to and from more than 70 domestic and international destinations.



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QANTAS

## Hostplus PST investment holdings

The below tables represent investment holdings at Hostplus PST level (SMI investors hold investment units in the Hostplus PST).

| Australian Equities – 100 Largest Holdings as at 30 June 2019 |                                |                       |                  |                |
|---|--------------------------------|-----------------------|------------------|----------------|
| Rank  | Name                           | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| 1   | COMMONWEALTH BANK OF AUSTRALIA | \$662.5m              | 6.3%             | 1.5%           |
| 2   | BHP GROUP ORD                  | \$575.2m              | 5.5%             | 1.3%           |
| 3   | WESTPAC BANKING CORPORATION OR | \$498.7m              | 4.8%             | 1.1%           |
| 4   | AUSTRALIA NEW ZEALAND BANKING  | \$445.8m              | 4.3%             | 1.0%           |
| 5   | CSL ORD                        | \$410.7m              | 3.9%             | 0.9%           |
| 6   | NATIONAL AUSTRALIA BANK ORD    | \$341.3m              | 3.3%             | 0.8%           |
| 7   | RIO TINTO ORD                  | \$230.7m              | 2.2%             | 0.5%           |
| 8   | TELSTRA CORPORATION ORD        | \$217.3m              | 2.1%             | 0.5%           |
| 9   | WOODSIDE PETROLEUM ORD         | \$185.4m              | 1.8%             | 0.4%           |
| 10  | ARISTOCRAT LEISURE ORD         | \$178.9m              | 1.7%             | 0.4%           |
| 11  | MACQUARIE GROUP ORD            | \$171.9m              | 1.6%             | 0.4%           |
| 12  | WOOLWORTHS GROUP ORD           | \$171.5m              | 1.6%             | 0.4%           |
| 13  | NEWCREST MINING ORD            | \$163.1m              | 1.6%             | 0.4%           |
| 14  | ORIGIN ENERGY ORD              | \$159.0m              | 1.5%             | 0.4%           |
| 15  | TRANSURBAN GROUP STAPLED UNT   | \$143.4m              | 1.4%             | 0.3%           |
| 16  | SANTOS ORD                     | \$139.8m              | 1.3%             | 0.3%           |
| 17  | WESFARMERS ORD                 | \$134.3m              | 1.3%             | 0.3%           |
| 18  | QANTAS AIRWAYS ORD             | \$126.6m              | 1.2%             | 0.3%           |
| 19  | WORLEYPARSONS ORD              | \$119.5m              | 1.1%             | 0.3%           |
| 20  | QBE INSURANCE GROUP ORD        | \$117.9m              | 1.1%             | 0.3%           |
| 21  | AMCOR CDI                      | \$112.6m              | 1.1%             | 0.2%           |
| 22  | JAMES HARDIE INDUSTRIES CDI    | \$108.5m              | 1.0%             | 0.2%           |
| 23  | BRAMBLES ORD                   | \$103.5m              | 1.0%             | 0.2%           |
| 24  | SUNCORP GROUP ORD              | \$89.8m               | 0.9%             | 0.2%           |
| 25  | ALUMINA ORD                    | \$87.5m               | 0.8%             | 0.2%           |
| 26  | THE STAR ENTERTAINMENT GROUP O | \$86.4m               | 0.8%             | 0.2%           |
| 27  | DOWNER EDI ORD                 | \$83.5m               | 0.8%             | 0.2%           |
| 28  | ATLAS ARTERIA STAPLED UNT      | \$83.4m               | 0.8%             | 0.2%           |
| 29  | SIMS METAL MANAGEMENT ORD      | \$78.7m               | 0.8%             | 0.2%           |
| 30  | SEEK ORD                       | \$73.8m               | 0.7%             | 0.2%           |
| 31  | OIL SEARCH ORD                 | \$73.4m               | 0.7%             | 0.2%           |
| 32  | CYBG PLC CDI                   | \$68.1m               | 0.6%             | 0.2%           |

## Hostplus PST investment holdings (continued)

| Australian Equities – 100 Largest Holdings as at 30 June 2019 |                                |                       |                  |                |
|---|--------------------------------|-----------------------|------------------|----------------|
| Rank  | Name                           | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| 33  | CLEANAWAY WASTE MANAGEMENT ORD | \$65.5m               | 0.6%             | 0.1%           |
| 34  | INSURANCE AUSTRALIA GRP ORD    | \$62.3m               | 0.6%             | 0.1%           |
| 35  | FORTESCUE METALS GROUP ORD     | \$61.8m               | 0.6%             | 0.1%           |
| 36  | COMPUTERSHARE ORD              | \$60.6m               | 0.6%             | 0.1%           |
| 37  | RELIANCE WORLDWIDE CORPORATION | \$59.1m               | 0.6%             | 0.1%           |
| 38  | INCITEC PIVOT ORD              | \$58.8m               | 0.6%             | 0.1%           |
| 39  | LEND LEASE GROUP NPV (STAPLED) | \$58.3m               | 0.6%             | 0.1%           |
| 40  | COLES GROUP ORD                | \$57.2m               | 0.5%             | 0.1%           |
| 41  | JB HI-FI ORD                   | \$55.5m               | 0.5%             | 0.1%           |
| 42  | CALTEX AUSTRALIA ORD           | \$55.4m               | 0.5%             | 0.1%           |
| 43  | SCENTRE GROUP STAPLD UNIT      | \$53.7m               | 0.5%             | 0.1%           |
| 44  | RESMED CDI                     | \$53.1m               | 0.5%             | 0.1%           |
| 45  | SOUTH32 ORD G                  | \$52.1m               | 0.5%             | 0.1%           |
| 46  | RAMSAY HEALTH CARE ORD         | \$51.9m               | 0.5%             | 0.1%           |
| 47  | GOODMAN GROUP UNT              | \$51.8m               | 0.5%             | 0.1%           |
| 48  | VOCUS GROUP ORD                | \$50.1m               | 0.5%             | 0.1%           |
| 49  | GPT GROUP STAPLED UNT          | \$48.7m               | 0.5%             | 0.1%           |
| 50  | TREASURY WINE ESTATES ORD      | \$48.6m               | 0.5%             | 0.1%           |
| 51  | ILUKA RESOURCES ORD            | \$48.3m               | 0.5%             | 0.1%           |
| 52  | SYDNEY AIRPORT STAPLED UNIT    | \$47.6m               | 0.5%             | 0.1%           |
| 53  | METCASH ORD                    | \$46.0m               | 0.4%             | 0.1%           |
| 54  | CHORUS ORD                     | \$45.7m               | 0.4%             | 0.1%           |
| 55  | ORORA ORD                      | \$44.4m               | 0.4%             | 0.1%           |
| 56  | NEXTDC ORD                     | \$42.0m               | 0.4%             | 0.1%           |
| 57  | BORAL ORD                      | \$41.7m               | 0.4%             | 0.1%           |
| 58  | A2 MILK COMPANY ORD            | \$41.6m               | 0.4%             | 0.1%           |
| 59  | APA GROUP STAPLED UNT          | \$41.1m               | 0.4%             | 0.1%           |
| 60  | MINERAL RESOURCES ORD          | \$41.1m               | 0.4%             | 0.1%           |
| 61  | NINE ENTERTAINMENT CO HOLDINGS | \$40.3m               | 0.4%             | 0.1%           |
| 62  | EVOLUTION MINING ORD           | \$40.2m               | 0.4%             | 0.1%           |
| 63  | VICINITY CENTRES STAPLED UNT   | \$39.8m               | 0.4%             | 0.1%           |
| 64  | AURIZON HOLDINGS ORD           | \$39.4m               | 0.4%             | 0.1%           |

## Hostplus PST investment holdings (continued)

| Australian Equities – 100 Largest Holdings as at 30 June 2019 |                                |                       |                  |                |
|---|--------------------------------|-----------------------|------------------|----------------|
| Rank  | Name                           | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| 65  | TABCORP HOLDINGS ORD           | \$39.3m               | 0.4%             | 0.1%           |
| 66  | ORICA ORD                      | \$36.9m               | 0.4%             | 0.1%           |
| 67  | FLIGHT CENTRE TRAVEL GROUP ORD | \$36.5m               | 0.3%             | 0.1%           |
| 68  | LYNAS CORP ORD                 | \$35.5m               | 0.3%             | 0.1%           |
| 69  | TPG TELECOM ORD                | \$35.2m               | 0.3%             | 0.1%           |
| 70  | BLUESCOPE STEEL ORD            | \$34.5m               | 0.3%             | 0.1%           |
| 71  | CIMIC GROUP LTD                | \$33.9m               | 0.3%             | 0.1%           |
| 72  | SARACEN MINERAL HOLDINGS ORD   | \$33.4m               | 0.3%             | 0.1%           |
| 73  | AMP ORD                        | \$32.8m               | 0.3%             | 0.1%           |
| 74  | XERO ORD                       | \$32.8m               | 0.3%             | 0.1%           |
| 75  | STOCKLAND STAPLED UNT          | \$32.8m               | 0.3%             | 0.1%           |
| 76  | BEACH ENERGY ORD               | \$31.9m               | 0.3%             | 0.1%           |
| 77  | SEVEN GROUP HOLDINGS ORD       | \$31.6m               | 0.3%             | 0.1%           |
| 78  | ALS ORD                        | \$31.5m               | 0.3%             | 0.1%           |
| 79  | ANSELL ORD                     | \$31.2m               | 0.3%             | 0.1%           |
| 80  | MIRVAC GROUP STAPLED UNT       | \$29.7m               | 0.3%             | 0.1%           |
| 81  | IRESS ORD                      | \$29.5m               | 0.3%             | 0.1%           |
| 82  | STEADFAST GROUP ORD            | \$29.5m               | 0.3%             | 0.1%           |
| 83  | REA GROUP ORD                  | \$29.3m               | 0.3%             | 0.1%           |
| 84  | NUFARM ORD                     | \$28.8m               | 0.3%             | 0.1%           |
| 85  | CHARTER HALL GRP STAPLED UNT   | \$28.5m               | 0.3%             | 0.1%           |
| 86  | INDEPENDENCE GROUP ORD         | \$28.3m               | 0.3%             | 0.1%           |
| 87  | DEXUS STAPLED UNT              | \$28.1m               | 0.3%             | 0.1%           |
| 88  | CALL CSL LTD 12/19/19 0.01     | \$27.6m               | 0.3%             | 0.1%           |
| 89  | CARSALESCOM ORD                | \$27.6m               | 0.3%             | 0.1%           |
| 90  | NEWS CORPORATION CLASS B VOTIN | \$27.0m               | 0.3%             | 0.1%           |
| 91  | NORTHERN STAR RESOURCES ORD    | \$26.9m               | 0.3%             | 0.1%           |
| 92  | IPH ORD                        | \$25.9m               | 0.2%             | 0.1%           |

## Hostplus PST investment holdings (continued)

| Australian Equities – 100 Largest Holdings as at 30 June 2019 |                                |                       |                  |                |
|---|--------------------------------|-----------------------|------------------|----------------|
| Rank  | Name                           | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| 93  | ASX ORD                        | \$25.6m               | 0.2%             | 0.1%           |
| 94  | COCA COLA AMATIL ORD           | \$25.2m               | 0.2%             | 0.1%           |
| 95  | AGL ENERGY ORD                 | \$24.9m               | 0.2%             | 0.1%           |
| 96  | LINK ADMINISTRATION HOLDINGS O | \$24.9m               | 0.2%             | 0.1%           |
| 97  | MAGELLAN FINANCIAL GROUP ORD   | \$24.7m               | 0.2%             | 0.1%           |
| 98  | PREMIER INVESTMENTS ORD        | \$23.6m               | 0.2%             | 0.1%           |
| 99  | VIVA ENERGY GROUP ORD          | \$22.8m               | 0.2%             | 0.1%           |
| 100   | CSR ORD                        | \$22.3m               | 0.2%             | 0.0%           |
|   |                                | <b>\$8,916.9m</b>     | <b>85.1%</b>     | <b>19.7%</b>   |

| Australian Equities – Sector Allocation of 100 Largest Holdings as at 30 June 2019 |                       |                  |                |
|--|-----------------------|------------------|----------------|
| Sector   | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| Communication Services   | \$472.6m              | 4.51%            | 1.0%           |
| Consumer Discretionary   | \$596.6m              | 5.69%            | 1.3%           |
| Consumer Staples   | \$390.2m              | 3.72%            | 0.9%           |
| Energy   | \$787.3m              | 7.51%            | 1.7%           |
| Financials   | \$2,570.8m            | 24.53%           | 5.7%           |
| Health Care  | \$574.5m              | 5.48%            | 1.3%           |
| Industrials  | \$948.7m              | 9.05%            | 2.1%           |
| Information Technology   | \$147.8m              | 1.41%            | 0.3%           |
| Materials  | \$1,991.0m            | 19.00%           | 4.4%           |
| Real Estate  | \$371.4m              | 3.54%            | 0.8%           |
| Utilities  | \$66.0m               | 0.63%            | 0.1%           |
| <b>Total</b>   | <b>\$8,916.9m</b>     | <b>85.1%</b>     | <b>19.7%</b>   |

## Hostplus PST investment holdings (continued)

| International Equities – 100 Largest Holdings as at 30 June 2019 |                                |                |                       |                  |                |
|--|--------------------------------|----------------|-----------------------|------------------|----------------|
| Rank   | Name                           | Country        | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| 1  | AMAZON COM ORD                 | UNITED STATES  | \$242.7m              | 1.7%             | 0.5%           |
| 2  | TENCENT ORD                    | CHINA          | \$215.6m              | 1.5%             | 0.5%           |
| 3  | TAIWAN SEMICONDUCTOR MNFTG ADR | TAIWAN         | \$211.1m              | 1.5%             | 0.5%           |
| 4  | ALIBABA GROUP HOLDING ADR REP  | CHINA          | \$195.7m              | 1.4%             | 0.4%           |
| 5  | SAMSUNG ELECTR ORD             | KOREA          | \$189.8m              | 1.3%             | 0.4%           |
| 6  | MICROSOFT ORD                  | UNITED STATES  | \$167.3m              | 1.2%             | 0.4%           |
| 7  | ALPHABET CL C ORD              | UNITED STATES  | \$167.1m              | 1.2%             | 0.4%           |
| 8  | FACEBOOK CL A ORD              | UNITED STATES  | \$163.9m              | 1.2%             | 0.4%           |
| 9  | APPLE ORD                      | UNITED STATES  | \$132.8m              | 0.9%             | 0.3%           |
| 10   | NETEASE ADR                    | CHINA          | \$125.5m              | 0.9%             | 0.3%           |
| 11   | NOVARTIS N ORD                 | SWITZERLAND    | \$120.7m              | 0.8%             | 0.3%           |
| 12   | NASPERS N ORD                  | SOUTH AFRICA   | \$113.0m              | 0.8%             | 0.2%           |
| 13   | AIA ORD                        | HONG KONG      | \$110.2m              | 0.8%             | 0.2%           |
| 14   | ILLUMINA ORD                   | UNITED STATES  | \$96.1m               | 0.7%             | 0.2%           |
| 15   | HDFC BANK ADR REP 3 ORD        | INDIA          | \$95.8m               | 0.7%             | 0.2%           |
| 16   | JOHNSON & JOHNSON ORD          | UNITED STATES  | \$92.6m               | 0.7%             | 0.2%           |
| 17   | TECHTRONIC IND ORD             | HONG KONG      | \$77.9m               | 0.5%             | 0.2%           |
| 18   | IMPERIAL BRANDS ORD            | UNITED KINGDOM | \$76.9m               | 0.5%             | 0.2%           |
| 19   | BANK OF AMERICA ORD            | UNITED STATES  | \$74.5m               | 0.5%             | 0.2%           |
| 20   | RECKITT BENCKSR STK            | UNITED KINGDOM | \$73.2m               | 0.5%             | 0.2%           |
| 21   | BRITISH AMERICAN TOBACCO ORD   | UNITED KINGDOM | \$69.4m               | 0.5%             | 0.2%           |
| 22   | NINTENDO ORD                   | JAPAN          | \$68.7m               | 0.5%             | 0.2%           |
| 23   | BOOKING HOLDINGS ORD           | UNITED STATES  | \$67.2m               | 0.5%             | 0.1%           |
| 24   | ACCENTURE CL A ORD             | UNITED STATES  | \$65.7m               | 0.5%             | 0.1%           |
| 25   | ABBVIE ORD                     | UNITED STATES  | \$64.8m               | 0.5%             | 0.1%           |
| 26   | NETFLIX ORD                    | UNITED STATES  | \$64.4m               | 0.5%             | 0.1%           |
| 27   | MARUTI SUZUKI INDIA ORD        | INDIA          | \$64.3m               | 0.5%             | 0.1%           |
| 28   | S&P GLOBAL ORD                 | UNITED STATES  | \$64.0m               | 0.5%             | 0.1%           |
| 29   | EQUIFAX ORD                    | UNITED STATES  | \$64.0m               | 0.5%             | 0.1%           |
| 30   | NVIDIA ORD                     | UNITED STATES  | \$61.7m               | 0.4%             | 0.1%           |
| 31   | NESTLE N ORD                   | SWITZERLAND    | \$61.3m               | 0.4%             | 0.1%           |

## Hostplus PST investment holdings (continued)

| International Equities – 100 Largest Holdings as at 30 June 2019 |                               |                |                       |                  |                |
|--|-------------------------------|----------------|-----------------------|------------------|----------------|
| Rank   | Name                          | Country        | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| 32   | PING AN ORD H                 | CHINA          | \$59.3m               | 0.4%             | 0.1%           |
| 33   | MERCADOLIBRE ORD              | UNITED STATES  | \$57.7m               | 0.4%             | 0.1%           |
| 34   | XPO LOGISTICS ORD             | UNITED STATES  | \$57.5m               | 0.4%             | 0.1%           |
| 35   | PAYPAL HOLDINGS ORD           | UNITED STATES  | \$55.9m               | 0.4%             | 0.1%           |
| 36   | SBERBANK ORD                  | RUSSIA         | \$55.0m               | 0.4%             | 0.1%           |
| 37   | COSTCO WHOLESALE ORD          | UNITED STATES  | \$53.6m               | 0.4%             | 0.1%           |
| 38   | KERING ORD                    | FRANCE         | \$53.6m               | 0.4%             | 0.1%           |
| 39   | JPMORGAN CHASE ORD            | UNITED STATES  | \$50.5m               | 0.4%             | 0.1%           |
| 40   | FOX CL A ORD                  | UNITED STATES  | \$49.9m               | 0.4%             | 0.1%           |
| 41   | ASML HOLDING ORD              | NETHERLANDS    | \$49.6m               | 0.3%             | 0.1%           |
| 42   | JAPAN TOBACCO ORD             | JAPAN          | \$49.0m               | 0.3%             | 0.1%           |
| 43   | RICHEMONT N ORD               | SWITZERLAND    | \$46.7m               | 0.3%             | 0.1%           |
| 44   | YANDEX CL A ORD               | NETHERLANDS    | \$46.0m               | 0.3%             | 0.1%           |
| 45   | ORACLE ORD                    | UNITED STATES  | \$45.0m               | 0.3%             | 0.1%           |
| 46   | KIRIN HOLDINGS ORD            | JAPAN          | \$42.6m               | 0.3%             | 0.1%           |
| 47   | CHIPOTLE MEXICAN GRILL ORD    | UNITED STATES  | \$41.7m               | 0.3%             | 0.1%           |
| 48   | TESLA ORD                     | UNITED STATES  | \$41.3m               | 0.3%             | 0.1%           |
| 49   | CITIGROUP INC COM             | UNITED STATES  | \$40.7m               | 0.3%             | 0.1%           |
| 50   | AUTOHOME ADR REP CL A ORD     | CHINA          | \$40.5m               | 0.3%             | 0.1%           |
| 51   | WALT DISNEY ORD               | UNITED STATES  | \$40.5m               | 0.3%             | 0.1%           |
| 52   | CELGENE ORD                   | UNITED STATES  | \$40.4m               | 0.3%             | 0.1%           |
| 53   | MICRON TECHNOLOGY ORD         | UNITED STATES  | \$40.3m               | 0.3%             | 0.1%           |
| 54   | ANTHEM ORD                    | UNITED STATES  | \$40.0m               | 0.3%             | 0.1%           |
| 55   | PJSC LUKOIL SPON ADR REP ORD  | RUSSIA         | \$39.7m               | 0.3%             | 0.1%           |
| 56   | GLAXOSMITHKLINE ORD           | UNITED KINGDOM | \$39.4m               | 0.3%             | 0.1%           |
| 57   | TATA CONSULTANCY SERVICES ORD | INDIA          | \$38.3m               | 0.3%             | 0.1%           |
| 58   | WALMART ORD                   | UNITED STATES  | \$38.0m               | 0.3%             | 0.1%           |
| 59   | INTUITIVE SURGICAL IN COM NEW | UNITED STATES  | \$38.0m               | 0.3%             | 0.1%           |
| 60   | TOP GLOVE CORPORATION ORD     | MALAYSIA       | \$37.5m               | 0.3%             | 0.1%           |
| 61   | LG HOUSEHOLD ORD              | KOREA          | \$37.5m               | 0.3%             | 0.1%           |
| 62   | AMERICAN AIRLINES GROUP ORD   | UNITED STATES  | \$37.4m               | 0.3%             | 0.1%           |

## Hostplus PST investment holdings (continued)

| International Equities – 100 Largest Holdings as at 30 June 2019 |                                |               |                       |                  |                |
|--|--------------------------------|---------------|-----------------------|------------------|----------------|
| Rank   | Name                           | Country       | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| 63   | CSX ORD                        | UNITED STATES | \$37.4m               | 0.3%             | 0.1%           |
| 64   | ITAUBANCO PR REP ADR           | BRAZIL        | \$37.2m               | 0.3%             | 0.1%           |
| 65   | VALE ADR REPTG ONE ORD         | BRAZIL        | \$36.8m               | 0.3%             | 0.1%           |
| 66   | CJCHEILJEDANG ORD              | KOREA         | \$36.6m               | 0.3%             | 0.1%           |
| 67   | EBAY ORD                       | UNITED STATES | \$36.2m               | 0.3%             | 0.1%           |
| 68   | WESTERN UNION ORD              | UNITED STATES | \$36.2m               | 0.3%             | 0.1%           |
| 69   | SUMITOMO ORD                   | JAPAN         | \$35.6m               | 0.3%             | 0.1%           |
| 70   | UNITEDHEALTH GRP ORD           | UNITED STATES | \$35.4m               | 0.2%             | 0.1%           |
| 71   | WELLS FARGO ORD                | UNITED STATES | \$35.3m               | 0.2%             | 0.1%           |
| 72   | MOLSON COORS BREWING NONVTG CL | UNITED STATES | \$34.7m               | 0.2%             | 0.1%           |
| 73   | ICBC ORD H                     | CHINA         | \$34.6m               | 0.2%             | 0.1%           |
| 74   | SALESFORCE.COM ORD             | UNITED STATES | \$34.4m               | 0.2%             | 0.1%           |
| 75   | CREDICORP ORD                  | PERU          | \$34.4m               | 0.2%             | 0.1%           |
| 76   | EXXON MOBIL ORD                | UNITED STATES | \$34.0m               | 0.2%             | 0.1%           |
| 77   | ADVANCED INFO SV NVDR          | THAILAND      | \$33.7m               | 0.2%             | 0.1%           |
| 78   | SOTHEBYS ORD                   | UNITED STATES | \$33.5m               | 0.2%             | 0.1%           |
| 79   | BMW ORD                        | GERMANY       | \$33.0m               | 0.2%             | 0.1%           |
| 80   | SAP ORD                        | GERMANY       | \$33.0m               | 0.2%             | 0.1%           |
| 81   | VERIZON COMMUNICATIONS ORD     | UNITED STATES | \$32.9m               | 0.2%             | 0.1%           |
| 82   | AMERICA MOVIL ADR REP 20 SR L  | MEXICO        | \$32.7m               | 0.2%             | 0.1%           |
| 83   | PHILIP MORRIS INTERNATIONAL OR | UNITED STATES | \$32.5m               | 0.2%             | 0.1%           |
| 84   | ICICI BANK ORD                 | INDIA         | \$32.1m               | 0.2%             | 0.1%           |
| 85   | CNOOC ORD H                    | CHINA         | \$31.9m               | 0.2%             | 0.1%           |
| 86   | AMERICAN EXPRESS ORD           | UNITED STATES | \$31.7m               | 0.2%             | 0.1%           |
| 87   | MITSUBISHI ORD                 | JAPAN         | \$31.6m               | 0.2%             | 0.1%           |
| 88   | ABBOTT LABORATORIES ORD        | UNITED STATES | \$31.4m               | 0.2%             | 0.1%           |
| 89   | L'OREAL ORD                    | FRANCE        | \$31.4m               | 0.2%             | 0.1%           |

## Hostplus PST investment holdings (continued)

| International Equities – 100 Largest Holdings as at 30 June 2019 |                                |                |                       |                  |                |
|--|--------------------------------|----------------|-----------------------|------------------|----------------|
| Rank   | Name                           | Country        | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| 90   | BERKSHIRE HATHWAY CL B ORD     | UNITED STATES  | \$31.2m               | 0.2%             | 0.1%           |
| 91   | WORKDAY CL A ORD               | UNITED STATES  | \$31.0m               | 0.2%             | 0.1%           |
| 92   | ROSS STORES ORD                | UNITED STATES  | \$30.8m               | 0.2%             | 0.1%           |
| 93   | INFORMA ORD                    | UNITED KINGDOM | \$30.7m               | 0.2%             | 0.1%           |
| 94   | INTEL ORD                      | UNITED STATES  | \$30.5m               | 0.2%             | 0.1%           |
| 95   | TELEKOMUNIKASI I ORD           | INDONESIA      | \$29.8m               | 0.2%             | 0.1%           |
| 96   | INDITEX ORD                    | SPAIN          | \$29.8m               | 0.2%             | 0.1%           |
| 97   | HOME DEPOT ORD                 | UNITED STATES  | \$29.7m               | 0.2%             | 0.1%           |
| 98   | FOMENTO ECONOMICO MEXICANO UBD | MEXICO         | \$29.5m               | 0.2%             | 0.1%           |
| 99   | HONDA MOTOR ORD                | JAPAN          | \$29.3m               | 0.2%             | 0.1%           |
| 100  | MEITUAN-W ORD                  | CHINA          | \$29.3m               | 0.2%             | 0.1%           |
| <b>Total</b>   |                                |                | <b>\$6,113.0m</b>     | <b>43.0%</b>     | <b>13.5%</b>   |

| International Equities – Sector Allocation of the 100 Largest Holdings as at 30 June 2019 |                       |                  |                |
|---|-----------------------|------------------|----------------|
| Sector  | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| Communication Services  | \$932.2m              | 6.6%             | 2.1%           |
| Consumer Discretionary  | \$1,385.4m            | 9.8%             | 3.1%           |
| Consumer Staples  | \$666.2m              | 4.7%             | 1.5%           |
| Energy  | \$105.6m              | 0.7%             | 0.2%           |
| Financials  | \$786.5m              | 5.5%             | 1.7%           |
| Health Care   | \$636.5m              | 4.5%             | 1.4%           |
| Industrials   | \$341.4m              | 2.4%             | 0.8%           |
| Information Technology  | \$1,222.5m            | 8.6%             | 2.7%           |
| Materials   | \$36.8m               | 0.3%             | 0.1%           |
| <b>Total</b>  | <b>\$6,113.0m</b>     | <b>43.04%</b>    | <b>13.5%</b>   |

## Hostplus PST investment holdings (continued)

| Property – Sector Allocation as at 30 June 2019 |                       |                  |                |
|---|-----------------------|------------------|----------------|
| Sector  | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| Retail  | \$1,571.1m            | 30.7%            | 3.5%           |
| Industrial                                      | \$577.1m              | 11.3%            | 1.3%           |
| Commercial                                      | \$2,228.0m            | 43.5%            | 4.9%           |
| Residential                                     | \$251.6m              | 4.9%             | 0.6%           |
| Hospitality                                     | \$458.8m              | 9.0%             | 1.0%           |
| Other   | \$31.7m               | 0.6%             | 0.1%           |
| <b>Total</b>                                    | <b>\$5,118.3m</b>     | <b>100.0%</b>    | <b>11.3%</b>   |

| Property – Allocation by Type as at 30 June 2019 |                       |                  |                |
|--|-----------------------|------------------|----------------|
| Type   | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| Core   | \$5,030.0m            | 98.3%            | 11.1%          |
| Development/Opportunistic/<br>Tactical           | \$88.3m               | 1.7%             | 0.2%           |
| <b>Total</b>                                     | <b>\$5,118.3m</b>     | <b>100.0%</b>    | <b>11.3%</b>   |

## Hostplus PST investment holdings (continued)

| Property – Geographic Allocation as at 30 June 2019 |                       |                  |                |
|---|-----------------------|------------------|----------------|
| Location  | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| <b>Australia</b>                                    | <b>\$4,346.2m</b>     | <b>84.8%</b>     | <b>9.6%</b>    |
| New South Wales                                     | \$1,712.1m            | 33.4%            | 3.8%           |
| Queensland  | \$877.1m              | 17.1%            | 1.9%           |
| Victoria  | \$1,061.9m            | 20.7%            | 2.3%           |
| Western Australia                                   | \$420.2m              | 8.2%             | 0.9%           |
| Australian Capital Territory                        | \$124.4m              | 2.4%             | 0.3%           |
| South Australia                                     | \$130.2m              | 2.5%             | 0.3%           |
| Northern Territory                                  | \$2.5m                | 0.0%             | 0.0%           |
| Tasmania  | \$11.6m               | 0.2%             | 0.0%           |
| <b>Overseas</b>                                     | <b>\$772.1m</b>       | <b>15.1%</b>     | <b>1.7%</b>    |
| Singapore   | \$491.1m              | 9.6%             | 1.1%           |
| United States                                       | \$265.4m              | 5.2%             | 0.6%           |
| Malaysia  | \$15.7m               | 0.3%             | 0.0%           |
| <b>Total</b>  | <b>\$5,118.3m</b>     | <b>100.0%</b>    | <b>11.3%</b>   |

| Property – Sustainability Ratings as at 30 June 2019      |                       |                  |                |
|---|-----------------------|------------------|----------------|
| Green Star Sustainability Rating <sup>1</sup>             | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| 6-star Green Star   | \$453.9m              | 8.9%             | 1.0%           |
| 5-star Green Star   | \$116.8m              | 2.3%             | 0.3%           |
| 4-star Green Star   | \$132.6m              | 2.6%             | 0.3%           |
| 3-star Green Star   | \$129.4m              | 2.5%             | 0.3%           |
| 2-star Green Star   | \$228.3m              | 4.5%             | 0.5%           |
| 1-star Green Star   | \$340.3m              | 6.6%             | 0.8%           |
| Not rated/not applicable/<br>yet to be rated <sup>2</sup> | \$3,717.1m            | 72.6%            | 8.2%           |
| <b>Total</b>  | <b>\$5,118.3m</b>     | <b>100.0%</b>    | <b>11.3%</b>   |

1. Green Star is a comprehensive, national and voluntary environmental rating system that evaluates the environmental design and construction of buildings. The following Green Star certified ratings signify the following:

- 1-star Green Star (score 10–19) – ‘Minimum Practice’ in environmentally sustainable design and/or construction;
- 2-star Green Star (score 20–29) – ‘Average Practice’ in environmentally sustainable design and/or construction;
- 3-star Green Star (score 30–44) – ‘Good Practice’ in environmentally sustainable design and/or construction;
- 4-star Green Star (score 45–59) – ‘Best Practice’ in environmentally sustainable design and/or construction;
- 5-star Green Star (score 60–74) – ‘Australian Excellence’ in environmentally sustainable design and/or construction;
- 6-star Green Star (score 75–100) – ‘World Leadership’ in environmentally sustainable design and/or construction.

2. Please note that Green Star ratings are only currently applicable to commercial properties.

## Hostplus PST investment holdings (continued)

| Private Equity – Strategy Allocation as at 30 June 2019 |                       |                  |                |
|---|-----------------------|------------------|----------------|
| Strategy  | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| Buy-outs  | \$817.9m              | 28.4%            | 1.8%           |
| Venture Capital   | \$699.7m              | 24.3%            | 1.5%           |
| Special Situations                                      | \$13.6m               | 0.5%             | 0.0%           |
| Expansion   | \$120.2m              | 4.2%             | 0.3%           |
| Co-investments  | \$820.3m              | 28.5%            | 1.8%           |
| Other (incl. Mixed Strategy, ISH, ME Bank)              | \$410.3m              | 14.2%            | 0.9%           |
| <b>Total</b>  | <b>\$2,882.1m</b>     | <b>100.0%</b>    | <b>6.4%</b>    |

| Private Equity – Geographic Allocation as at 30 June 2019 |                       |                  |                |
|---|-----------------------|------------------|----------------|
| Location  | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| <b>Australia</b>  | <b>\$808.4m</b>       | <b>28.0%</b>     | <b>1.8%</b>    |
| Victoria  | \$476.1m              | 16.5%            | 1.1%           |
| New South Wales   | \$272.8m              | 9.5%             | 0.6%           |
| Queensland  | \$17.1m               | 0.6%             | 0.0%           |
| Western Australia   | \$38.7m               | 1.3%             | 0.1%           |
| South Australia   | \$3.7m                | 0.1%             | 0.0%           |
| Australian Capital Territory                              | \$0.0m                | 0.0%             | 0.0%           |
| Northern Territory  | \$0.0m                | 0.0%             | 0.0%           |
| <b>Overseas</b>   | <b>\$2,073.7m</b>     | <b>72.0%</b>     | <b>4.6%</b>    |
| United States   | \$1,186.5m            | 41.2%            | 2.6%           |
| United Kingdom  | \$258.1m              | 9.0%             | 0.6%           |
| France  | \$95.9m               | 3.3%             | 0.2%           |
| Germany   | \$67.4m               | 2.3%             | 0.1%           |
| Netherlands   | \$65.2m               | 2.3%             | 0.1%           |
| India   | \$53.6m               | 1.9%             | 0.1%           |
| Channel Islands   | \$36.8m               | 1.3%             | 0.1%           |
| Singapore   | \$33.3m               | 1.2%             | 0.1%           |
| Spain   | \$29.8m               | 1.0%             | 0.1%           |
| Other   | \$247.1m              | 8.6%             | 0.5%           |
| <b>Total</b>  | <b>\$2,882.1m</b>     | <b>100.0%</b>    | <b>6.4%</b>    |

## Hostplus PST investment holdings (continued)

| Infrastructure – Infrastructure Assets as at 30 June 2019 <sup>1</sup> |   |                    |                   |
|--|---|--------------------|-------------------|
| Asset Name   | Asset Type                                | Location           | Value Range (AUD) |
| NSW Ports  | Seaports                                  | New South Wales    | > \$200m          |
| Indiana Toll Road  | Toll Roads                                | United States      | > \$200m          |
| Melbourne Airport  | Airports                                  | Victoria           | > \$200m          |
| Aleatica   | Toll Roads                                | Mexico             | > \$200m          |
| Ausgrid  | Electricity Transmission and Distribution | New South Wales    | > \$200m          |
| Brisbane Airport   | Airports                                  | Queensland         | \$100m–\$200m     |
| Port of Brisbane   | Seaports                                  | Queensland         | \$100m–\$200m     |
| Darling Harbour Live   | Social Infrastructure                     | New South Wales    | \$100m–\$200m     |
| Manchester Airports Group  | Airports                                  | United Kingdom     | \$100m–\$200m     |
| Anglian Water Group  | Water and Wastewater                      | United Kingdom     | \$100m–\$200m     |
| Perth Airport  | Airports                                  | Western Australia  | \$100m–\$200m     |
| Freeport Train 2   | Liquefied Natural Gas                     | United States      | \$100m–\$200m     |
| Freeport LNG Notes   | Liquefied Natural Gas                     | United States      | \$50m–\$100m      |
| Vienna Airport   | Airports                                  | Austria            | \$50m–\$100m      |
| Campus Living United Kingdom Investment                                | Social Infrastructure                     | United Kingdom     | \$50m–\$100m      |
| VTTI   | Other                                     | Netherlands        | \$50m–\$100m      |
| Campus Living United States Investment                                 | Social Infrastructure                     | United States      | \$50m–\$100m      |
| FCC AQUALIA  | Water and Wastewater                      | Spain              | \$50m–\$100m      |
| Hobart Airport   | Airports                                  | Tasmania           | \$50m–\$100m      |
| NT Airports  | Airports                                  | Northern Territory | \$50m–\$100m      |
| APAC   | Airports                                  | Victoria           | \$10m–\$50m       |
| Mersin International Port  | Seaports                                  | Turkey             | \$10m–\$50m       |
| TransGrid  | Electricity Transmission and Distribution | Victoria           | \$10m–\$50m       |
| GCT Global Container Terminals   | Seaports                                  | Canada             | \$10m–\$50m       |
| Lochard Energy   | Energy Storage                            | Victoria           | \$10m–\$50m       |
| M6Toll   | Toll Roads                                | United Kingdom     | \$10m–\$50m       |
| Colonial Pipeline Company  | Pipelines                                 | United States      | \$10m–\$50m       |
| Swedegas / Weum Gas  | Gas Distribution                          | Sweden             | \$10m–\$50m       |

1. As they may contain price-sensitive information, not all investments are currently included in this table.

## Hostplus PST investment holdings (continued)

| Infrastructure – Infrastructure Assets as at 30 June 2019 <sup>1</sup> |                            |                   |                   |
|--|----------------------------|-------------------|-------------------|
| Asset Name   | Asset Type                 | Location          | Value Range (AUD) |
| Southern Cross Station   | Social Infrastructure      | Victoria          | \$10m–\$50m       |
| Eastern Distributor (M1)   | Toll Roads                 | New South Wales   | \$10m–\$50m       |
| CLV Loan   | Social Infrastructure      | Western Australia | \$10m–\$50m       |
| Scandlines   | Transport                  | Denmark           | \$10m–\$50m       |
| Veolia Energia Polska  | Steam and Hot Water Supply | Poland            | \$10m–\$50m       |
| UNSW   | Social Infrastructure      | New South Wales   | \$10m–\$50m       |
| South East Water   | Water and Wastewater       | United Kingdom    | \$10m–\$50m       |
| Arqiva Limited   | Telecommunications         | United Kingdom    | \$10m–\$50m       |
| SVM  | Social Infrastructure      | Victoria          | \$10m–\$50m       |
| Adelaide Airport   | Airports                   | South Australia   | \$10m–\$50m       |
| Australian Registry Investments  | Registry Infrastructure    | New South Wales   | \$10m–\$50m       |
| Utilitas   | Steam and Hot Water Supply | Estonia           | \$10m–\$50m       |
| Interlink Roads (M5)   | Toll Roads                 | New South Wales   | \$10m–\$50m       |
| Phoenix Natural Gas  | Gas Distribution           | United Kingdom    | \$10m–\$50m       |
| Impala Terminals   | Other                      | Peru              | \$10m–\$50m       |
| Coriance   | Steam and Hot Water Supply | France            | \$10m–\$50m       |
| DCT Gdansk   | Seaports                   | Poland            | \$10m–\$50m       |
| Porterbrook Rolling Stock  | Rail                       | United Kingdom    | \$10m–\$50m       |
| Oceania Healthcare   | Other                      | New Zealand       | \$10m–\$50m       |
| Campus Living New Zealand Investment                                   | Social Infrastructure      | New Zealand       | \$10m–\$50m       |
| Finerge  | Renewable Energy           | Portugal          | \$10m–\$50m       |
| Sydney Desalination Plant  | Water and Wastewater       | New South Wales   | \$10m–\$50m       |
| Other  | -                          | -                 | < \$10m           |

1. As they may contain price-sensitive information, not all investments are currently included in this table.

## Hostplus PST investment holdings (continued)

| Infrastructure – Sector Allocation as at 30 June 2019 <sup>1</sup> |                       |                  |                |
|--|-----------------------|------------------|----------------|
| Sector   | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| Airports   | \$998.9m              | 25.7%            | 2.2%           |
| Electricity Transmission and Distribution                          | \$300.4m              | 7.7%             | 0.7%           |
| Energy Storage   | \$45.1m               | 1.2%             | 0.1%           |
| Gas Distribution   | \$54.5m               | 1.4%             | 0.1%           |
| Liquefied Natural Gas  | \$204.0m              | 5.3%             | 0.5%           |
| Pipelines  | \$39.1m               | 1.0%             | 0.1%           |
| Rail   | \$14.2m               | 0.4%             | 0.0%           |
| Registry Infrastructure  | \$19.5m               | 0.5%             | 0.0%           |
| Renewable Energy   | \$19.5m               | 0.5%             | 0.0%           |
| Seaports   | \$594.8m              | 15.3%            | 1.3%           |
| Social Infrastructure  | \$484.5m              | 12.5%            | 1.1%           |
| Steam and Hot Water Supply   | \$59.5m               | 1.5%             | 0.1%           |
| Telecommunications   | \$22.6m               | 0.6%             | 0.1%           |
| Toll Roads   | \$636.8m              | 16.4%            | 1.4%           |
| Transport  | \$24.7m               | 0.6%             | 0.1%           |
| Water and Wastewater   | \$243.1m              | 6.3%             | 0.5%           |
| Other  | \$118.9m              | 3.1%             | 0.3%           |
| <b>Total</b>   | <b>\$3,880.0m</b>     | <b>100.0%</b>    | <b>8.6%</b>    |

1. As they may contain price-sensitive information, not all investments are currently included in this table.

## Hostplus PST investment holdings (continued)

| Infrastructure – Geographic Allocation as at 30 June 2019 <sup>1</sup> |                       |                  |                |
|--|-----------------------|------------------|----------------|
| Location   | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| <b>Australia</b>   | <b>\$2,001.4m</b>     | <b>51.6%</b>     | <b>4.4%</b>    |
| New South Wales  | \$876.5m              | 22.6%            | 1.9%           |
| Victoria   | \$474.0m              | 12.2%            | 1.0%           |
| Queensland   | \$343.5m              | 8.9%             | 0.8%           |
| Western Australia  | \$148.0m              | 3.8%             | 0.3%           |
| Tasmania   | \$61.6m               | 1.6%             | 0.1%           |
| Northern Territory   | \$59.8m               | 1.5%             | 0.1%           |
| South Australia  | \$30.7m               | 0.8%             | 0.1%           |
| Australian Capital Territory   | \$7.3m                | 0.2%             | 0.0%           |
| <b>Overseas</b>  | <b>\$1,878.6m</b>     | <b>48.4%</b>     | <b>4.2%</b>    |
| United States  | \$599.7m              | 15.5%            | 1.3%           |
| United Kingdom   | \$499.2m              | 12.9%            | 1.1%           |
| Mexico   | \$251.3m              | 6.5%             | 0.6%           |
| Austria  | \$84.2m               | 2.2%             | 0.2%           |
| Spain  | \$78.1m               | 2.0%             | 0.2%           |
| Netherlands  | \$73.9m               | 1.9%             | 0.2%           |
| Turkey   | \$47.8m               | 1.2%             | 0.1%           |
| Canada   | \$46.8m               | 1.2%             | 0.1%           |
| Other  | \$197.7m              | 5.1%             | 0.4%           |
| <b>Total</b>   | <b>\$3,880.0m</b>     | <b>100.0%</b>    | <b>8.6%</b>    |

1. As they may contain price-sensitive information, not all investments are currently included in this table.

## Hostplus PST investment holdings (continued)

| <b>Alternatives – Strategy Allocation as at 30 June 2019</b> |                       |                  |                |
|--|-----------------------|------------------|----------------|
| Strategy   | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| Systematic Global Macro                                      | \$1,561.4m            | 67.8%            | 3.5%           |
| Trend Following  | \$311.6m              | 13.5%            | 0.7%           |
| Risk Premia  | \$230.3m              | 10.0%            | 0.5%           |
| Discretionary Global Macro                                   | \$200.7m              | 8.7%             | 0.4%           |
| <b>Total</b>   | <b>\$2,304.0m</b>     | <b>100.0%</b>    | <b>5.1%</b>    |

| <b>Credit – Strategy Allocation as at 30 June 2019</b> |                       |                  |                |
|--|-----------------------|------------------|----------------|
| Strategy   | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| Structured Credit                                      | \$1,857.2m            | 71.8%            | 4.1%           |
| High Yield Credit                                      | \$311.5m              | 12.0%            | 0.7%           |
| Private Debt   | \$419.2m              | 16.2%            | 0.9%           |
| <b>Total</b>   | <b>\$2,587.8m</b>     | <b>100.0%</b>    | <b>5.7%</b>    |

| <b>Credit – Geographic Allocation as at 30 June 2019</b> |                       |                  |                |
|--|-----------------------|------------------|----------------|
| Location   | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| North America  | \$1,789.4m            | 69.1%            | 4.0%           |
| Europe   | \$89.7m               | 3.5%             | 0.2%           |
| UK   | \$25.6m               | 1.0%             | 0.1%           |
| Asia/Pacific   | \$1.3m                | 0.1%             | 0.0%           |
| Emerging Markets   | \$19.3m               | 0.7%             | 0.0%           |
| Other  | \$662.5m              | 25.6%            | 1.5%           |
| <b>Total</b>   | <b>\$2,587.8m</b>     | <b>100.0%</b>    | <b>5.7%</b>    |

## Hostplus PST investment holdings (continued)

| <b>Fixed Interest – Security Type Allocation as at 30 June 2019</b> |                       |                  |                |
|---|-----------------------|------------------|----------------|
| Security Type   | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| Government (incl. supranationals)                                   | \$757.8m              | 48.0%            | 1.7%           |
| Semi-government   | \$269.0m              | 17.0%            | 0.6%           |
| Corporate   | \$310.9m              | 19.7%            | 0.7%           |
| Asset Backed Securities – RMBS                                      | \$120.1m              | 7.6%             | 0.3%           |
| Asset Backed Securities – CMBS                                      | \$6.4m                | 0.4%             | 0.0%           |
| Asset Backed Securities – Other                                     | \$54.6m               | 3.5%             | 0.1%           |
| Other Security Type   | \$60.1m               | 3.8%             | 0.1%           |
| <b>Total</b>  | <b>\$1,578.9m</b>     | <b>100.0%</b>    | <b>3.5%</b>    |

| <b>Fixed Interest – Geographic Allocation as at 30 June 2019</b> |                       |                  |                |
|--|-----------------------|------------------|----------------|
| Location   | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| Australia  | \$865.1m              | 54.8%            | 1.9%           |
| International  | \$713.8m              | 45.2%            | 1.6%           |
| <b>Total</b>   | <b>\$1,578.9m</b>     | <b>100.0%</b>    | <b>3.5%</b>    |

| <b>Cash – Security Type Allocation as at 30 June 2019</b> |                       |                  |                |
|---|-----------------------|------------------|----------------|
| Security Type   | Amount Invested (AUD) | % of Asset Class | % of Total PST |
| Term Deposits   | \$1,482.1m            | 75.1%            | 3.3%           |
| Negotiable Certificates of Deposit                        | \$1,365.8m            | 69.2%            | 3.0%           |
| Floating Rate Notes                                       | \$116.3m              | 5.9%             | 0.3%           |
| Cash (at Call)  | \$490.7m              | 24.9%            | 1.1%           |
| <b>Total</b>  | <b>\$1,972.8m</b>     | <b>100.0%</b>    | <b>4.4%</b>    |

## Other investment information

### Currency hedging

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

### Derivatives

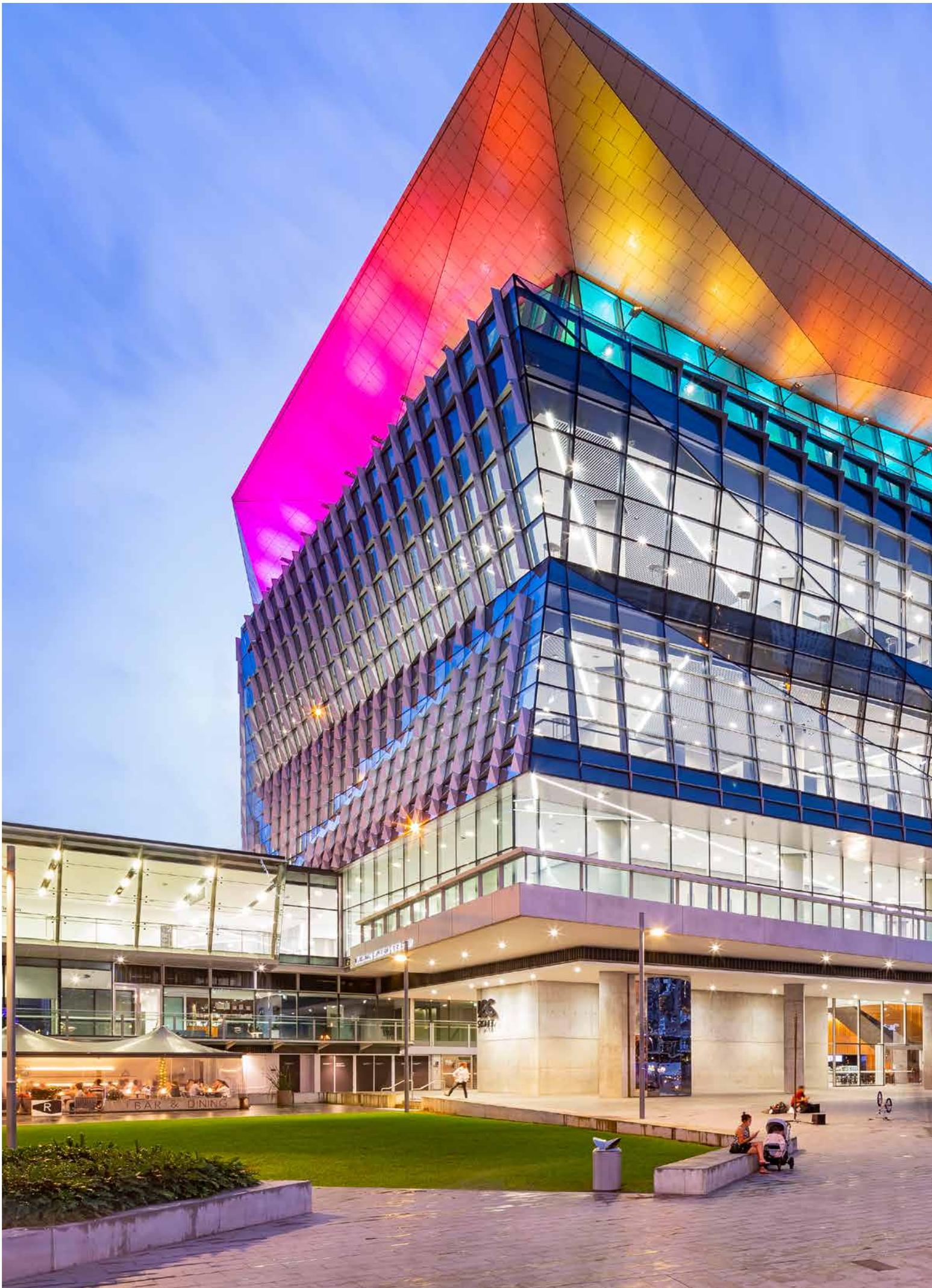
Derivatives are financial instruments linked to the future purchase or sale of securities, such as shares and other assets. They are common risk management tools. The PST permits the use of derivatives to manage risk and enhance returns.

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

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

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

Hostplus monitors the use of derivatives by our investment managers. An annual review of the derivatives risk statements of the investment managers or attestations, obtained from various investment managers in relation to their internal controls, are undertaken to ensure that they have the appropriate controls to trade such instruments. The use of derivatives and subsequent control frameworks are considered part of our investment risk profile.





Your SMI investments at work

**The Sydney International  
Convention Centre**

had 1.4 million attendees:  
generating \$896 million for NSW,  
creating 5,790 full-time equivalent  
jobs and 1.77 million overnight stays.

## Hostplus investment manager allocations

The following are the PST's investment manager allocations.

We appoint a range of trusted, specialist investment managers to invest on the PST's behalf. Each manager is assessed for suitability in relation to the PST's overall investment strategy.

Each manager's investment performance is regularly reviewed, with changes made where necessary. The managers in place as at 30 June 2019 (together with their allocations) are shown in the following tables.

The following investment managers have combined investments in excess of 5 per cent of the PST's total assets:

- IFM Investors Pty Ltd
- ISPT Pty Ltd
- Paradise Investment Management Pty Ltd.

The list of investment manager allocations on the following pages may include cash and accounting accruals.

The following are Hostplus PST investment managers.

| <b>Manager/Investment</b>  | <b>% of Total PST Assets</b> | <b>\$m</b>       |
|--|------------------------------|------------------|
| <b>Equity</b>  | <b>60.8%</b>                 | <b>27,744.07</b> |
| <b>Australian Shares</b>   | <b>23.1%</b>                 | <b>10,523.32</b> |
| Airlie Funds Management Pty Ltd (Active Australian Equity)                         | 1.3%                         | 601.28           |
| Airlie Funds Management Pty Ltd (Industrial Australian Equity)                     | 0.3%                         | 126.50           |
| Allan Gray Australia Pty Ltd   | 1.4%                         | 627.13           |
| Balanced Equity Management Pty Limited   | 1.8%                         | 811.78           |
| Greencape Capital Pty Ltd (Australian Equity)                                      | 2.2%                         | 990.31           |
| Firetrail Ltd (High Conviction)  | 1.2%                         | 531.32           |
| IFM Investors Pty Ltd (Buyback)  | 0.0%                         | -0.29            |
| IFM Investors Pty Ltd (Enhanced Indexed)   | 4.8%                         | 2,203.06         |
| IFM Investors Pty Ltd (Small Cap)  | 0.5%                         | 240.07           |
| L1 Capital Pty Ltd   | 0.9%                         | 406.03           |
| Paradice Investment Management Pty Ltd (Small Cap)                                 | 0.8%                         | 373.19           |
| Paradice Investment Management Pty Ltd (Mid Cap)                                   | 1.1%                         | 503.72           |
| Paradice Investment Management Pty Ltd (Large Cap)                                 | 2.1%                         | 970.77           |
| Pendal Group   | 1.9%                         | 883.50           |
| Vinva Australian Equity Alpha Extension Fund – Vinva Investment Management Limited | 1.1%                         | 479.54           |
| Yarra Capital Management Limited (Australian Equities)                             | 1.1%                         | 485.14           |
| Yarra Capital Management Limited (Emerging Leaders)                                | 0.6%                         | 290.27           |
| <b>International Shares</b>  | <b>31.4%</b>                 | <b>14,338.66</b> |
| Apostle Dundas Global Equity Fund – Dundas Global Investors Limited                | 1.8%                         | 822.83           |
| Baillie Gifford Overseas Limited   | 2.5%                         | 1,121.34         |
| Citigroup Transition International Equities  | 0.4%                         | 172.30           |
| Hosking Partners LLP   | 2.4%                         | 1,117.54         |
| IFM Investors Pty Ltd (Indexed Global Equities)                                    | 6.7%                         | 3,046.44         |
| Independent Franchise Partners, LLP  | 2.6%                         | 1,207.09         |
| Investec Asset Management Australia Pty Limited                                    | 1.6%                         | 744.75           |
| Martin Currie Investment Management Ltd  | 1.6%                         | 719.97           |
| Maverick Long Enhanced Fund Ltd – Maverick Long Enhanced Ltd                       | 0.3%                         | 146.53           |
| Northcape Capital Pty Ltd  | 1.7%                         | 758.48           |

## Hostplus investment manager allocations (continued)

| Manager/Investment  | % of Total PST Assets | \$m             |
|---|-----------------------|-----------------|
| Neuberger Berman Australia Pty Limited  | 1.2%                  | 536.96          |
| Orbis Global Equity Fund – Orbis Investment Management Limited  | 2.6%                  | 1,186.72        |
| Paradice Investment Management Pty Ltd (Global Small Cap)   | 1.2%                  | 553.09          |
| RWC Asset Management LLP  | 1.5%                  | 683.18          |
| T. Rowe Price Australia Limited   | 0.4%                  | 202.96          |
| Vaughan Nelson Investment Management LP   | 0.0%                  | 8.42            |
| Wellington International Management Company Pte Ltd (Asia ex-Japan Contrarian Equity)                     | 0.9%                  | 413.29          |
| Wellington International Management Company Pte Ltd (Global Contrarian Equity)                            | 2.0%                  | 896.77          |
| <b>Private Equity</b>   | <b>6.3%</b>           | <b>2,882.09</b> |
| Artesian Hostplus VC Fund 1, ILP – Artesian Venture Capital Fund of Funds Management, I.L.P               | 0.1%                  | 23.35           |
| Artesian Hostplus China Venture Capital Fund 1 – Artesian Venture Capital Fund of Funds Management, I.L.P | 0.0%                  | 16.93           |
| Artesian Venture Capital Fund of Funds, ILP – Artesian AFOF Pty Ltd                                       | 0.0%                  | 9.02            |
| Australia Private Equity Fund No.1 – Continuity Capital Partners Pty Limited                              | 0.0%                  | 0.50            |
| Australia Private Equity Fund No.2 – Continuity Capital Partners Pty Limited                              | 0.0%                  | 3.23            |
| Blackbird Ventures 2015 Follow-On Fund – Blackbird Ventures Pty Limited                                   | 0.1%                  | 40.89           |
| Blackbird Ventures 2015, LP – Blackbird Ventures Pty Limited  | 0.0%                  | 11.01           |
| Blackbird Hostplus Trust – Blackbird Ventures Pty Limited   | 0.2%                  | 71.66           |
| Blackbird Ventures 2018 Follow-On Fund – Blackbird Ventures Pty Limited                                   | 0.2%                  | 91.15           |
| Blackbird Ventures 2018, LP – Blackbird Ventures Pty Limited  | 0.0%                  | 4.28            |
| Blackbird After The Car Trust – Blackbird Ventures Pty Limited  | 0.0%                  | 3.46            |
| Carnegie Healthcare Fund, LP – M.H. Carnegie & Co. Pty Limited  | 0.0%                  | 2.62            |
| Carnegie Innovation Fund, LP – Carnegie Venture Capital Pty Limited                                       | 0.0%                  | 2.66            |
| Carnegie Innovation Fund II, LP – Carnegie Venture Capital Pty Limited                                    | 0.0%                  | 14.10           |
| Carnegie Private Opportunities Fund No.1 – M.H. Carnegie & Co. Pty Limited                                | 0.1%                  | 25.02           |
| Carnegie Private Opportunities Fund No.2 – M.H. Carnegie & Co. Pty Limited                                | 0.1%                  | 29.74           |
| Carthona Capital Venture Fund 1 (Part A) – Carthona Capital FS Pty Ltd                                    | 0.1%                  | 24.33           |
| Carthona Capital Venture Fund 1 (Part B) – Carthona Capital FS Pty Ltd                                    | 0.0%                  | 11.97           |
| Carthona Capital Venture Fund 1 (Part C) – Carthona Capital FS Pty Ltd                                    | 0.0%                  | 6.98            |
| Crown Co-Investment Opportunities PLC II – LGT Capital Partners (Ireland) Limited                         | 0.1%                  | 46.77           |
| Crown Europe Middle Market II Plc – LGT Capital Partners (Ireland) Limited                                | 0.1%                  | 30.05           |

| Manager/Investment   | % of Total PST Assets | \$m    |
|--|-----------------------|--------|
| Crown European Buyout Opportunities II Plc – LGT Capital Partners (Ireland) Limited    | 0.0%                  | 13.46  |
| CSIRO Innovation Fund 1, LP – Main Sequence Ventures Ltd                               | 0.0%                  | 7.90   |
| Hermes GPE PEC III LP – Hermes GPE LP  | 0.2%                  | 81.47  |
| Hermes GPE PEC IV LP – Hermes GPE LP   | 0.1%                  | 39.48  |
| Hostplus ROC Private Equity Trust – Roc Capital Pty Limited                            | 0.1%                  | 37.24  |
| Hostplus US EM CI LP – Flexstone Partners, LLC   | 0.0%                  | 4.42   |
| Hostplus US EMP, LLC – Series 1 – Flexstone Partners, LLC                              | 0.0%                  | 19.61  |
| Hostplus US EMP, LLC – Series 2 – Flexstone Partners, LLC                              | 0.0%                  | 8.56   |
| HP Special Investment Fund S.C.Sp – LGT Capital Partners (Ireland) Limited             | 0.0%                  | 5.58   |
| Industry Super Holdings Pty Ltd  | 0.2%                  | 114.01 |
| IFM Australian Private Equity Fund 3 – IFM Investors Pty Ltd                           | 0.0%                  | 1.63   |
| IFM Australian Private Equity Fund 4 – IFM Investors Pty Ltd                           | 0.0%                  | 5.83   |
| IFM International Private Equity Fund 1 – IFM Investors Pty Ltd                        | 0.0%                  | 2.29   |
| IFM International Private Equity Fund 2 – IFM Investors Pty Ltd                        | 0.0%                  | 10.60  |
| IFM International Private Equity Fund 3 – IFM Investors Pty Ltd                        | 0.1%                  | 33.41  |
| IPG Hostplus 2018 Trust Class A – IP2IPO Australia HP Pty Ltd                          | 0.1%                  | 43.02  |
| IPG Hostplus 2018 Trust Class H – IP2IPO Australia HP Pty Ltd                          | 0.1%                  | 25.39  |
| Kelso Investment Associates X, LP - Kelso & Company, L.P.                              | 0.0%                  | 12.43  |
| Lexington Capital Partners VIII, L.P – Lexington Partners L.P                          | 0.2%                  | 106.85 |
| Lexington Co-investment Partners III, L.P – Lexington Partners L.P                     | 0.3%                  | 118.11 |
| Lexington Co-investment Partners IV, L.P – Lexington Partners L.P                      | 0.2%                  | 97.95  |
| Members Equity Bank Pty Limited  | 0.4%                  | 190.86 |
| MHC Hostplus Co-Investment Trust – M.H. Carnegie & Co. Pty Limited                     | 0.0%                  | 14.99  |
| MRCF 3 (HP) Trust – BCP3 Pty Ltd   | 0.0%                  | 16.11  |
| MRCF 5 - BCP3 Pty Ltd  | 0.0%                  | 2.34   |
| MRCF Hostplus BTF – BCP3 Pty Ltd   | 0.0%                  | 2.06   |
| Partners Group Secondary 2008 (EUR), S.C.A., SICAR – Partners Group Management Ltd     | 0.0%                  | 12.68  |
| Partners Group Secondary 2011 (EUR), S.C.A., SICAR – Partners Group Management Ltd     | 0.1%                  | 53.17  |
| Partners Group Direct Investments 2012 (USD) ABC, L.P. – Partners Group Management Ltd | 0.4%                  | 179.45 |
| Partners Group Direct Equity 2016 – Partners Group Management Ltd                      | 0.4%                  | 186.41 |
| Partners Group Client Access 19 L.P. Inc. – Partners Group Management Ltd              | 0.0%                  | 0.18   |

## Hostplus investment manager allocations (continued)

| Manager/Investment  | % of Total PST Assets | \$m             |
|---|-----------------------|-----------------|
| Partners Group Client Access 19A L.P. Inc. – Partners Group Management Ltd                      | 0.0%                  | 0.45            |
| Partners Group Client Access 25 L.P. Inc. – Partners Group Management Ltd                       | 0.0%                  | 10.40           |
| Private Equity US Opportunities II, L.P – Flexstone Partners, LLC                               | 0.2%                  | 85.24           |
| Private Equity US Opportunities III, LP – Flexstone Partners, LLC                               | 0.2%                  | 90.21           |
| Roc Asia Pacific Co-Investment Fund III – Roc Capital Pty Limited                               | 0.1%                  | 42.86           |
| Safar Partners Fund, L.P. – Safar Partners GP, LLC  | 0.1%                  | 30.13           |
| Siguler Guff HP China Opportunities Fund LP – Siguler Guff HP China GP, LLC                     | 0.4%                  | 173.45          |
| Siguler Guff HP Opportunities Fund II, LP – Siguler Guff HP II GP, LLC                          | 0.5%                  | 238.12          |
| Siguler Guff Small Buyout Opportunities Fund II, L.P – Siguler Guff SBOF II GP, LLC             | 0.2%                  | 106.13          |
| Square Peg Australia 2015 LP – Square Peg Capital Pty Ltd                                       | 0.0%                  | 9.61            |
| Square Peg Global 2015 Trust – Square Peg Capital Pty Ltd                                       | 0.1%                  | 62.32           |
| Square Peg CI 2015 Trust – Square Peg Capital Pty Ltd   | 0.1%                  | 25.03           |
| Square Peg 2018, LP – Square Peg Capital Pty Ltd  | 0.0%                  | 0.08            |
| Square Peg Global 2018 Trust – Square Peg Capital Pty Ltd                                       | 0.1%                  | 25.08           |
| Wilshire Australia Private Markets Pooled Superannuation Trust – Wilshire Australia Pty Limited | 0.1%                  | 51.88           |
| Wilshire Private Markets Asia No.1 Fund – Wilshire Australia Pty Limited                        | 0.0%                  | 5.37            |
| Wilshire Private Markets Asia No.2 Fund – Wilshire Australia Pty Limited                        | 0.0%                  | 8.47            |
| <b>Infrastructure*</b>  | <b>8.5%</b>           | <b>3,879.99</b> |
| Campus Living Villages Fund – Campus Living Funds Management Ltd                                | 0.4%–0.7%             | 200.00–300.00   |
| CFS Infrastructure Fund (Anglian Water Group Sector) – Colonial First State Property Limited    | 0.2%                  | 83.08           |
| Darling Harbour – Capella Management Services Pty Ltd   | 0.2%–0.4%             | 100.00–200.00   |
| European Diversified Infrastructure Fund II SCSp – First State Investments (UK) Limited         | 0.3%                  | 148.65          |
| IFM Australian Infrastructure Fund – IFM Investors Pty Ltd                                      | 2.8%                  | 1,269.96        |
| IFM Hostplus Trust – IFM Investors Pty Ltd  | 0.3%                  | 121.17          |
| IFM International Infrastructure Fund – IFM Investors Pty Ltd                                   | 2.8%                  | 1,256.60        |
| Macquarie Global Infrastructure Fund III – Macquarie Specialised Asset Management Limited       | 0.1%                  | 65.80           |
| NSW Ports Consortium – Industry Funds Management Pty Ltd  | 0.2%                  | 111.66          |
| QGIF Iona Aggregator Trust – QIC Investments No. 1 Pty Ltd                                      | 0.1%                  | 65.10           |

\*Due to price sensitive information, not all investments are currently included within this table.

| <b>Manager/Investment</b>   | <b>% of Total PST Assets</b> | <b>\$m</b>      |
|---|------------------------------|-----------------|
| QIC Global Infrastructure Fund – QIC Limited  | 0.1%                         | 36.65           |
| QIC REV Investment Trust No. 1 – QIC Infrastructure Management No. 2 Pty Ltd                        | 0.0%                         | 20.88           |
| Utilities Trust of Australia – H.R.L Morrison & Co Limited  | 0.7%                         | 308.41          |
| <b>Property</b>   | <b>11.2%</b>                 | <b>5,118.34</b> |
| Australian Prime Property Funds (Retail, Commercial & Industrial) – Lendlease Investment Management | 2.8%                         | 1,282.66        |
| Charter Hall Prime Industrial Fund – Charter Hall Funds Management Limited                          | 0.7%                         | 329.46          |
| Charter Hall Prime Office Fund – Charter Hall Funds Management Limited                              | 0.7%                         | 333.91          |
| ISPT Core Fund – ISPT Pty Ltd   | 3.6%                         | 1,640.77        |
| ISPT Development and Opportunities Fund I – ISPT Pty Ltd  | 0.0%                         | 0.08            |
| ISPT Development and Opportunities Fund II – ISPT Pty Ltd   | 0.0%                         | 3.70            |
| ISPT Non-Discretionary Residential Mandate – ISPT Pty Ltd   | 0.2%                         | 98.61           |
| ISPT Retail Australian Property Trust – ISPT Pty Ltd  | 0.7%                         | 314.70          |
| Invesco Core Real Estate USA (ICRE) Fund – Invesco Core Real Estate U.S.A., L.P.                    | 0.5%                         | 231.50          |
| Kayne Anderson Core Real Estate, L.P. – Kayne Anderson Core Real Estate Advisors I, LLC             | 0.0%                         | 18.45           |
| Lendlease Asian Retail Investment Fund – Lendlease Investment Management                            | 0.8%                         | 354.26          |
| Lendlease Communities Fund 1 – Lendlease Investment Management                                      | 0.0%                         | 2.38            |
| Lendlease Sub-Regional Retail Fund – Lendlease Investment Management                                | 0.3%                         | 138.14          |
| Long Weighted Investment Partnership (LWIP) Trust – Charter Hall Wholesale Management Limited       | 0.5%                         | 241.05          |
| Long Weighted Investment Partnership (LWIP) Trust II – Charter Hall Wholesale Management Limited    | 0.2%                         | 104.34          |
| Macquarie Real Estate Equity Fund 6 – Macquarie Admin Services Pty Limited                          | 0.0%                         | 2.44            |
| Select Property Portfolio No. 2 – AMP Capital Investors Limited                                     | 0.0%                         | 0.05            |
| Select Property Portfolio No. 3 – AMP Capital Investors Limited                                     | 0.0%                         | 21.84           |
| <b>Fixed Income</b>   | <b>3.5%</b>                  | <b>1,578.97</b> |
| iShares Global Bond Index Fund – BlackRock Asset Management Australia Limited                       | 1.3%                         | 608.35          |

## Hostplus investment manager allocations (continued)

| Manager/Investment  | % of Total PST Assets | \$m             |
|---|-----------------------|-----------------|
| iShares Wholesale Aust Bond Index Fund – BlackRock Asset Management Australia Limited                   | 1.3%                  | 576.53          |
| Macquarie True Index Australian Fixed Interest Fund – Macquarie Investment Management Australia Limited | 0.3%                  | 139.41          |
| Specialised Credit Fund – Industry Funds Management Pty Ltd   | 0.5%                  | 239.28          |
| Super Loans Trust – ME Portfolio Management Ltd   | 0.0%                  | 15.39           |
| <b>Cash</b>   | <b>3.8%</b>           | <b>1,742.53</b> |
| Citigroup Pty Ltd   | 0.6%                  | 256.63          |
| IFM Investors Pty Ltd   | 2.9%                  | 1,304.07        |
| Members Equity Bank Pty Ltd   | 0.4%                  | 181.83          |
| <b>Alternatives</b>   | <b>5.5%</b>           | <b>2,501.56</b> |
| Autonomy Capital Global Macro Fund L.P. – Autonomy Capital International Limited                        | 0.5%                  | 205.80          |
| Bridgewater Pure Alpha Fund II, Ltd – Bridgewater Associates, Inc                                       | 1.1%                  | 524.15          |
| Fitzroy Horizons Fund – International Asset Management Limited  | 0.4%                  | 199.71          |
| GMO Systematic Global Macro Fund – GMO Australia Limited  | 0.9%                  | 395.40          |
| GSA Capital Partners Trend Fund – GSA Capital Partners LLP  | 0.7%                  | 311.76          |
| IPM Systematic Macro Fund – Macquarie Investment Management Australia Limited                           | 1.0%                  | 435.60          |
| QIC Liquid Alternatives Fund (H) – QIC Limited  | 0.5%                  | 231.56          |
| Ethical Leaders Balanced Fund – AMP Capital Funds Management Limited                                    | 0.1%                  | 55.08           |
| Select Market Access Fund – Tangency Capital Ltd  | 0.3%                  | 142.50          |
| <b>Credit</b>   | <b>5.7%</b>           | <b>2,587.82</b> |
| Apollo ST Fund Management LLC   | 1.1%                  | 488.06          |

| <b>Manager/Investment</b>   | <b>% of Total<br/>PST Assets</b> | <b>\$m</b>       |
|---|----------------------------------|------------------|
| Apollo Offshore Structured Credit Recovery Fund IV Ltd –<br>Apollo ST Fund Management LLC             | 0.7%                             | 297.71           |
| Barings LLC   | 1.5%                             | 703.27           |
| Cross Ocean Partners US SS Fund – Cross Ocean Partners Management LP                                  | 0.3%                             | 128.00           |
| Kayne Anderson Real Estate Debt II LP – Kayne Anderson Capital Advisors, L.P.                         | 0.3%                             | 127.80           |
| Kayne Anderson Real Estate Debt III LP – Kayne Anderson Capital Advisors, L.P.                        | 0.1%                             | 63.35            |
| Kayne Senior Credit III Offsh Fund L.P. – Kayne Anderson Capital Advisors, L.P.                       | 0.3%                             | 156.40           |
| Loomis Sayles CLO II Ltd – Apollo ST Fund Management LLC  | 0.1%                             | 34.18            |
| Loomis Sayles Credit Opportunities Fund – Loomis, Sayles & Company LP                                 | 0.7%                             | 316.01           |
| HayFin Special Opportunities Credit Fund LP –<br>HayFin Special Opportunities GP Limited              | 0.0%                             | 21.54            |
| HayFin Special Opportunities Fund II LP – HayFin Special Opportunities Fund II GP LP                  | 0.2%                             | 95.51            |
| HayFin Special Opportunities Fund II USD Co-Invest LP –<br>HayFin Special Opportunities Fund II GP LP | 0.1%                             | 25.11            |
| Redding Ridge Holdings LP   | 0.3%                             | 130.88           |
| <b>Currency</b>   | <b>0.1%</b>                      | <b>57.09</b>     |
| Currency Overlay – Mesirow Financial Investment Management Inc.                                       | 0.1%                             | 57.09            |
| <b>Choiceplus</b>   | <b>0.9%</b>                      | <b>418.73</b>    |
| Choiceplus Cash   | 0.2%                             | 75.50            |
| Term Deposits   | 0.1%                             | 36.96            |
| Direct Equities (ASX 300 shares & ETFs)   | 0.7%                             | 306.26           |
| <b>Total Investments</b>  | <b>100.0%</b>                    | <b>45,629.10</b> |

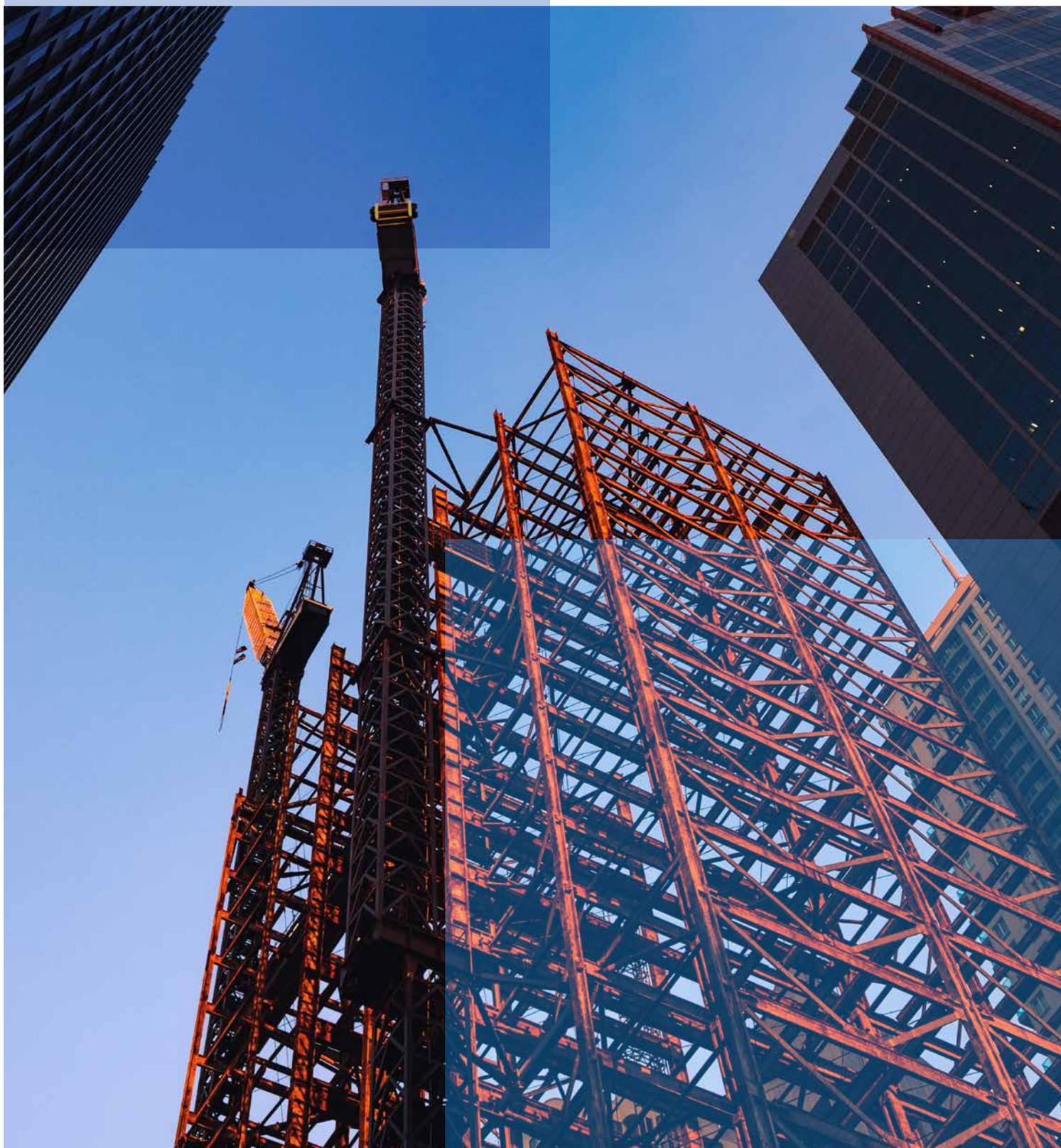
## SMI investment costs

| Investment option                             | Investment fee               |                               |                                    | Indirect cost ratio            |                                |  |
|---|------------------------------|-------------------------------|------------------------------------|--------------------------------|--------------------------------|--|
|   | Management Fees <sup>1</sup> | Performance Fees <sup>1</sup> | Total Investment Fees <sup>1</sup> | Transaction Costs <sup>3</sup> | Operational Costs <sup>3</sup> | Total Indirect Cost Ratio (ICR) <sup>2</sup> |
| Balanced                                      | 0.49%                        | 0.09%                         | <b>0.58%</b>                       | 0.19%                          | 0.14%                          | <b>0.33%</b>                                 |
| Indexed Balanced                              | 0.02%                        | 0.00%                         | <b>0.02%</b>                       | 0.02%                          | 0.01%                          | <b>0.03%</b>                                 |
| Property                                      | 0.51%                        | 0.07%                         | <b>0.58%</b>                       | 0.40%                          | 0.14%                          | <b>0.54%</b>                                 |
| Industry Super Fund Property Trust - Property | 0.27%                        | 0.00%                         | <b>0.27%</b>                       | 0.58%                          | 0.11%                          | <b>0.69%</b>                                 |
| Infrastructure                                | 0.35%                        | 0.00%                         | <b>0.35%</b>                       | 0.04%                          | 0.28%                          | <b>0.32%</b>                                 |
| IFM - Australian Infrastructure               | 0.37%                        | 0.00%                         | <b>0.37%</b>                       | 0.00%                          | 0.23%                          | <b>0.23%</b>                                 |

| Investment option                             | Borrowing Costs <sup>4</sup> | Property Operating Costs <sup>5</sup> |
|---|------------------------------|---------------------------------------|
| Balanced                                      | 0.16%                        | 0.14%                                 |
| Indexed Balanced                              | 0.00%                        | 0.00%                                 |
| Property                                      | 1.13%                        | 1.19%                                 |
| Industry Super Fund Property Trust - Property | 0.44%                        | 1.07%                                 |
| Infrastructure                                | 0.02%                        | 0.00%                                 |
| IFM - Australian Infrastructure               | 0.00%                        | 0.00%                                 |

The performance-based fee component comprises actual fees paid and estimates of fees to be paid for the financial year ended 30 June 2019. The indirect cost ratio (ICR) and the investment fee is based on the expenses incurred 1 July 2018 to 30 June 2019. As a result, these figures are indicative only and may change in subsequent years depending on (for example) the performance of each option. These costs are deducted before the net investment return for each investment option is declared and applied to members' accounts. For further information, see the Hostplus SMI Product Disclosure Statement at [hostplus.com.au/smi](http://hostplus.com.au/smi)

# Financial summary.



Presented below is an abridged financial summary of the PST's audited accounts for the last two years. More detailed financial information, including the extended version of the PST's audited accounts and the auditor's report, can be found in the PST's annual financial statements available online at [hostplus.com.au/financialstatements](http://hostplus.com.au/financialstatements). Copies of these may be requested by calling us on 1300 350 819.

| <b>Income statement</b>         | <b>2019 (\$'000)</b> | <b>2018 (\$'000)</b> |
|---------------------------------|----------------------|----------------------|
| <b>Revenue</b>                  |                      |                      |
| Investment income               | 3,030,609            | 3,656,655            |
| Other income                    | 3,867                | 2,875                |
| <b>Total revenue</b>            | <b>3,034,476</b>     | <b>3,659,530</b>     |
| <b>Expenses</b>                 |                      |                      |
| Investment expenses             | 110,949              | 117,921              |
| Administration expenses         | 920                  | 771                  |
| <b>Total expenses</b>           | <b>111,869</b>       | <b>118,692</b>       |
| <b>Profit before income tax</b> | <b>2,922,607</b>     | <b>3,540,838</b>     |
| Income tax expense              | 186,965              | 256,319              |
| <b>Profit after income tax</b>  | <b>2,735,642</b>     | <b>3,284,519</b>     |

| <b>Financial Position</b> | <b>2019 (\$'000)</b> | <b>2018 (\$'000)</b> |
|---------------------------|----------------------|----------------------|
| Investments               | 43,976,905           | 33,348,179           |
| Cash and cash equivalents | 1,415,342            | 915,933              |
| Other assets              | 513,769              | 369,325              |
| <b>Less:</b>              |                      |                      |
| Liabilities               | 882,152              | 884,947              |
| <b>Net Assets</b>         | <b>45,023,864</b>    | <b>33,748,490</b>    |
| <b>Equity</b>             |                      |                      |
| Unitholder funds          | 44,974,892           | 33,711,857           |
| Reserves                  | 48,972               | 36,633               |
| <b>Total Equity</b>       | <b>45,023,864</b>    | <b>33,748,490</b>    |

## Reserve accounts

The Trustee maintains reserves to cover our day-to-day operations. These reserves are invested in a manner consistent with the PST's investment strategy, being the Balanced investment option, and in a manner that allows the Trustee to discharge the PST's liabilities as and when they fall due. The balance of all PST reserves at 30 June for the last four years is outlined in the table below:

| Reserves |                        |                       |                         |
|----------|------------------------|-----------------------|-------------------------|
| Year     | Admin reserve (\$'000) | ORFR reserve (\$'000) | Total reserves (\$'000) |
| 2019     | 4,148                  | 44,824                | 48,972                  |
| 2018     | 6,951                  | 29,682                | 36,633                  |
| 2017     | 4,225                  | 21,644                | 25,869                  |
| 2016     | 2,483                  | 19,109                | 21,592                  |

The Hostplus PST commenced accepting external investors from 27 November 2017.

## Investment Reserve

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

- At 30 June and 31 December each year, as part of the Hostplus PST's periodic investment earnings allocation process
- An investor closes their account with Hostplus SMI; or
- An investor initiates an investment switch from one investment option to another.

## Administration Reserve

The receipt of administration fees by investors are deposited into the administration reserve and the accumulated funds are utilised to pay for the PST administration and other expenses.

## Operational Risk Financial Requirement (ORFR) reserve

An ORFR reserve is separately maintained to ensure the PST has access to adequate financial resources in the event of losses arising from an operational risk event. An ORFR reserve has been established, as required by APRA, at a level representing 0.10% of the PST net assets.

Hostplus has an approved ORFR policy detailing what constitutes an operational risk event and how the ORFR reserve is accessed, in the event of an operational risk event.

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