



Significant Event Notice.

10 September 2018

Significant Event Notices, or SENs are important updates relating to the operation of Hostplus which may impact your superannuation and related services. Please take the time to read through the important information below.

From 29 August 2018

Correction to Choiceplus fees and costs disclosure

Hostplus has previously not disclosed the investment fee of 0.50% and Indirect Cost ratio (ICR) of 0.40% that was deducted from the gross interest earned on a Choiceplus member's transaction account, in the product disclosure statements issued to members prior to 16 April 2018.

The omission did not result in a loss to Choiceplus members because the investment fee and ICR was deducted from the gross interest before it was allocated to the member. Members can be assured, that they received the disclosed net interest on their transaction account calculated at the Reserve Bank of Australia official cash rate.

Despite the omission, the half-yearly Member Statements sent to members up to 31 December 2017 disclosed the ICR of 0.40% for the Choiceplus member's transaction account, but not the investment fee of 0.50%.

On 16 April 2018 Hostplus updated the Choiceplus Guide to state that gross interest earned on any cash held in your transaction account is subject to an investment fee of 0.50% and an indirect cost ratio (ICR) of 0.40%.

Half-yearly Member Statements issued to members for the reporting period from 1 January 2018 will also contain the correct indirect costs that were deducted from their Choiceplus transaction account.

Annual changes to investment fees and costs

Each financial year Hostplus calculates the total Indirect Cost Ratio (ICR) and Investment Fee, Borrowing Costs and Property Operating Costs for all Hostplus investment options. These costs are recovered weekly from the gross earnings of an investment option prior to the distribution of any earnings, and not your account balance.

The 30 June 2018 investment fees and ICRs were published on 29 August 2018 in all Hostplus Member Guides and are provided below:

	Up to 29 August			From 29 August			Up to 29 August			From 29 August		
	Investment Fee						Indirect Cost Ratio					
Investment option	Management Fee	Performance Fee	Total Investment Fee	Management Fee	Performance Fee	Total Investment Fee	Transaction Cost	Operational Cost	Total Indirect Cost Ratio (ICR)	Transaction Cost	Operational Cost	Total Indirect Cost Ratio (ICR)
Capital Stable	0.48%	0.24%	0.72%	0.38%	0.11%	0.49%	0.30%	0.13%	0.43%	0.14%	0.12%	0.26%
Conservative Balanced	0.52%	0.26%	0.78%	0.43%	0.11%	0.54%	0.29%	0.13%	0.42%	0.16%	0.12%	0.28%
Socially Responsible Investment (SRI) – Balanced	0.20%	0.00%	0.20%	0.83%	0.00%	0.83%	0.08%	0.24%	0.32%	0.40%	0.22%	0.62%
Indexed Balanced	0.02%	0.00%	0.02%	0.02%	0.00%	0.02%	0.03%	0.01%	0.04%	0.04%	0.01%	0.05%
Balanced (default)	0.62%	0.39%	1.01%	0.54%	0.17%	0.71%	0.26%	0.18%	0.44%	0.19%	0.16%	0.35%
Shares Plus	0.60%	0.41%	1.01%	0.52%	0.18%	0.70%	0.25%	0.16%	0.41%	0.19%	0.15%	0.34%
Cash	0.00%	0.00%	0.00%	0.02%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%
Diversified Fixed Interest	0.20%	0.00%	0.20%	0.18%	0.00%	0.18%	0.03%	0.07%	0.10%	0.02%	0.05%	0.07%
Property	0.63%	0.14%	0.77%	0.50%	0.06%	0.56%	0.30%	0.20%	0.50%	0.24%	0.15%	0.39%
Australian Shares	0.39%	0.26%	0.65%	0.37%	0.27%	0.64%	0.29%	0.07%	0.36%	0.26%	0.07%	0.33%
International Shares	0.51%	0.30%	0.81%	0.47%	0.02%	0.49%	0.17%	0.10%	0.27%	0.16%	0.09%	0.25%
International Shares – Indexed	0.02%	0.00%	0.02%	0.02%	0.00%	0.02%	0.12%	0.05%	0.17%	0.05%	0.02%	0.07%
International Shares (Hedged) – Indexed	0.02%	0.00%	0.02%	0.02%	0.00%	0.02%	0.02%	0.01%	0.03%	0.05%	0.00%	0.05%
Macquarie – Australian Fixed Interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.02%	0.08%	0.01%	0.09%
Blackrock – International Fixed interest	0.02%	0.00%	0.02%	0.08%	0.00%	0.08%	0.22%	0.03%	0.25%	0.08%	0.01%	0.09%
Industry Super Property Trust	0.23%	0.00%	0.23%	0.24%	0.00%	0.24%	0.23%	0.14%	0.37%	0.20%	0.14%	0.34%
Lend Lease Australian Prime Property Fund	0.65%	0.00%	0.65%	0.69%	0.00%	0.69%	0.09%	0.11%	0.20%	0.28%	0.10%	0.38%
IFM – Australian Infrastructure	0.43%	0.00%	0.43%	0.42%	0.00%	0.42%	0.11%	0.23%	0.34%	0.01%	0.14%	0.15%
Balanced Equity Management – Australian Shares	0.15%	0.00%	0.15%	0.14%	0.00%	0.14%	0.15%	0.07%	0.22%	0.12%	0.06%	0.18%
IFM – Australian Shares	0.04%	0.00%	0.04%	0.02%	0.00%	0.02%	0.02%	0.01%	0.03%	0.03%	0.00%	0.03%
Paradise (small cap) Australian Shares	0.76%	0.00%	0.76%	0.77%	0.00%	0.77%	0.98%	0.11%	1.09%	1.06%	0.09%	1.15%
Neuberger Berman – International Shares	0.61%	0.00%	0.61%	0.60%	0.00%	0.60%	0.20%	0.11%	0.31%	0.14%	0.10%	0.24%

Annual changes to Borrowing and Property Operating Costs				
	Up to 29 August	From 29 August	Up to 29 August	From 29 August
	Borrowing costs	Borrowing costs	Property Operating costs	Property Operating costs
Balanced	0.21%	0.18%	0.24%	0.16%
Shares Plus	0.12%	0.12%	0.14%	0.10%
Capital Stable	0.17%	0.13%	0.21%	0.12%
Conservative Balanced	0.18%	0.13%	0.23%	0.12%
Socially Responsible Investment (SRI) – Balanced	0.01%	0.04%	0.00%	0.02%
Property	1.37%	1.07%	1.73%	1.20%
Australian Shares	0.00%	0.01%	-	-
Lend Lease Australian Prime Property Fund	0.59%	0.60%	0.88%	0.84%
Industry Super Property Trust	0.07%	0.27%	2.25%	1.10%

There are no borrowing and property operating costs associated with any other investment options.

From 1 July 2018

The 10-year return target changed for the following investment options:

	Up to 1 July	From 1 July
	(CPI + target % p.a)	(CPI + target % p.a)
Balanced (MySuper)	CPI + 3.5%	CPI + 3.0%