



# Significant Event Notice.

For members of Hostplus Pension

20 April 2021

**i** This Significant Event Notice contains important updates relating to changes to Hostplus Pension which may impact your investment and related services. Please take the time to read through the important information provided and please refer to the Hostplus Pension Product Disclosure Statement (PDS) dated 15 February 2021 on our website.

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## Changes to Hostplus Pension investment options.

Hostplus' investment options are designed with different investment objectives, strategies and risk profiles established by the Trustee in consultation with the Fund's asset consultant, JANA Investment Advisers Pty Ltd. We closely monitor the overall investment profile, and from time to time amend the investment strategy to reflect changing circumstances in markets, in order to achieve the outlined objective of each investment option.

These changes were updated in the 15 February 2021 PDS edition.

From 15 February 2021, the following changes (highlighted) have been made to the following Hostplus investment options:

- **Return target (CPI+ Objective)**
- **Minimum Suggested Time Frame.** The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.
- **Level of investment risk.** The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20- year period.

From 15 February 2021, we made changes (highlighted) to the following Hostplus investment options:

Option	Return target CPI+ Objective (20 years) prior to 15 February 2021	Return target CPI+ Objective (20 years) from 15 February 2021	Minimum Suggested Time Frame prior to 15 February 2021	Minimum Suggested Time Frame from 15 February 2021	Level of investment risk (Standard Risk Measure) prior to 15 February 2021	Level of investment risk (Standard Risk Measure) from 15 February 2021
Capital Stable	3.5%	3.5%	3	5	Low to medium	Low to medium
Conservative Balanced	4.0%	4.0%	4	5	Medium	Medium
Indexed Balanced	3.5%	3.5%	6	5	High	High
Balanced	5.0%	5.0%	4	5	Medium to high	Medium to high
Shares Plus	5.5%	5.5%	4	5	High	High
Cash	1.0%	0.5%	1	2	Very Low	Very Low
Diversified Fixed Interest	1.0%	1.0%	4	2	Medium to high	Medium to high
Property	3.5%	3.0%	3	7	High	High
Infrastructure	3.5%	3.5%	4	5	Medium to high	Medium to high
Australian Shares	6.5%	6.5%	4	5	High	High
International Shares - Indexed	3.0%	3.0%	6	5	Very High (Negative returns expected in between 6 or greater out of every 20 years)	High (Negative returns expected in between 4 to less than 6 out of every 20 years)
Macquarie Investment Management – Australian Fixed Interest	1.0%	1.0%	2	5	Medium to high	Medium to high
BlackRock Asset Management – International Fixed Interest	1.0%	1.0%	2	5	High	High
Industry Super Property Trust – Property	3.0%	3.0%	3	7	High	High
Lendlease managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property	3.0%	3.0%	3	7	High	High
IFM – Australian Infrastructure	3.5%	3.5%	4	5	Medium to high	Medium to high
IFM – Australian Shares	5.5%	5.5%	5	5	Very High (Negative returns expected in between 6 or greater out of every 20 years)	High (Negative returns expected in between 4 to less than 6 out of every 20 years)
Paradice Investment Management (Small Cap) – Australian Shares	6.0%	6.0%	4	5	High	High
Neuberger Berman – International Shares	5.5%	5.5%	5	5	Very High (Negative returns expected in between 6 or greater out of every 20 years)	High (Negative returns expected in between 4 to less than 6 out of every 20 years)

## Changes to the Socially Responsible Investment (SRI) – Balanced option.

In 2020, Hostplus reviewed the SRI - Balanced option's underlying investment structure and researched members' preferences related to the option's characteristics.

Following that review, from 15 February 2021, Hostplus made a number of revisions and enhancements to the SRI – Balanced option. These changes were updated in the 15 February 2021 PDS edition.

The refreshed SRI – Balanced option remains a balanced investment option, including some growth assets and some lower risk investments. Asset allocation ranges and the level of investment risk were not materially changed, however changes were made to the SRI - Balanced option's investment approach and underlying managers.

The refreshed option seeks to:

- avoid investment in particular industries (fossil fuels, companies that breach human rights or labour rights standards, companies with very poor ESG policies and systems, controversial weapons, uncertified palm oil, predatory lending, for-profit immigration detention, gambling, tobacco production and live animal export); and
- invest in companies and assets that contribute to sustainable outcomes (renewable energy, green buildings, healthcare and medical solutions, clean water, community infrastructure, alternative foods and green bonds).

From 15 February 2021, the SRI – Balanced option has updated asset allocations, investment option descriptions and investment fees and costs. The tables below summarise these changes.

For more detailed and comprehensive information visit our recently updated SRI webpage at [hostplus.com.au/investment/investment-governance/socially-responsible-investment](https://hostplus.com.au/investment/investment-governance/socially-responsible-investment).

SRI - Balanced option description						
	Prior to 15 February 2021			From 15 February 2021		
<b>Return target</b>	CPI plus 3.5% per annum on average over 20 years			CPI plus 4.5% per annum on average over 20 years		
<b>Level of investment risk</b>	High. (Negative returns expected in between 4 to less than 6 out of every 20 years)			High. (Negative returns expected in between 4 to less than 6 out of every 20 years)		
<b>Investment style</b>	Responsible investment option that invests in companies that contribute to a socially and environmentally sustainable world by integrating environmental, social and ethical considerations, labour standards and corporate governance factors into the investment analysis.			Responsible investment option invested through diversified investment portfolio, including some growth assets and some lower risk investments. Seeks to exclude particular industries and invest in assets that contribute to sustainable outcomes.		
<b>Who is this investment suitable for?</b>	This option encourages corporate practices that promote environmental stewardship, consumer protection, human rights, and diversity, and seeks to limit exposure to companies which have a material exposure to the most carbon intensive fossil fuels.			This option may suit members seeking a responsible investment option.		
	This option may suit members who have a four year plus investment time horizon.			This option may suit members who have a five year plus investment time horizon.		
<b>Minimum Suggested Time Frame</b>	4 years +			5 years +		
<b>Asset Mix</b>	<b>Asset Class</b>	<b>Range</b>	<b>Strategic Asset Allocation Benchmark</b>	<b>Asset Class</b>	<b>Range</b>	<b>Strategic Asset Allocation Benchmark</b>
	Australian Shares	15-45%	25%	Australian Shares	15-50%	23%
	International Shares - Developed Markets	15-45%	34%	International Shares - Developed Markets	15-50%	32%
	International Shares - Emerging Markets	0-20%	3%	International Shares - Emerging Markets	0-20%	0%
	Property	0-20%	5%	Property	0-20%	10%
	Infrastructure	0-20%	4%	Infrastructure	0-20%	10%
	Private Equity	0-20%	0%	Private Equity	0-20%	10%
	Credit	0-20%	8%	Credit	0-20%	0%
	Alternatives	0-20%	2%	Alternatives	0-20%	0%
	Diversified Fixed Interest	0-30%	17%	Diversified Fixed Interest	0-20%	10%
	Cash	0-20%	2%	Cash	0-20%	5%
	<b>Growth assets</b>		<b>72%</b>	<b>Growth assets</b>		<b>76%</b>
	<b>Defensive assets</b>		<b>28%</b>	<b>Defensive assets</b>		<b>24%</b>

## SRI Balanced Option – fees and costs\*

	Investment Fee			Indirect Cost Ratio			Borrowing costs	Property operating costs
	Management Fee	Performance Fee	Total Investment Fee	Transaction Cost	Operational Cost	Total Indirect Cost Ratio		
<b>Prior to 15 February 2021</b>	0.67%	0.00%	0.67%	0.24%	0.10%	0.34%	0.04%	0.02%
<b>From 15 February 2021</b>	0.28%	0.37%	0.65%	0.05%	0.10%	0.15%	0.07%	0.07%

\*The fees and costs prior to 15 February 2021 reflect estimated fees and costs for the year ended 30 June 2020. The fees and costs applying From 15 February 2021 to 30 June 2021 are not based on actual expenses incurred for the year ended 30 June 2020; instead these are based on reasonable estimates expected to apply from 15 February 2021 to 30 June 2021. Actual fees and costs payable may be greater than as disclosed in this document.

### Additional information in the Choiceplus guide.

From 15 February 2021 Hostplus made changes to the Choiceplus guide regarding the availability of the UBS Securities Australia Limited (UBS) Financial Services Guide (FSG) at a website link. These changes were updated in the 15 February 2021 Choiceplus guide edition.

The *Terms and conditions for investing in the Choiceplus investment option* changed; item 21 (Links and third party content) now includes a third paragraph which states:

"For all research material provided by UBS, you agree with Hostplus (in the context of this clause acting on behalf of UBS) that UBS may give you its FSG by making its FSG available on a website. This clause also constitutes notice by UBS to you that its FSG is available at the following link: [ubs.com/hostplus-psgfsq](https://ubs.com/hostplus-psgfsq)."

For further information, please read the Hostplus Pension Product Disclosure Statement (PDS) dated 15 February 2021 and Choiceplus Guide, dated 15 February 2021. Hostplus Pension and Choiceplus are issued by Host-Plus Pty Limited ABN 79 008 634 704, AFSL No.244392, as trustee for the Hostplus Superannuation Fund (the Fund) ABN 68 657 495 890, MySuper No. 68657495890198. 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 Pension Product Disclosure Statement and Choiceplus Guide available at [hostplus.com.au](https://hostplus.com.au) before making a decision about Hostplus Pension. INH1614 04/21