

30 years of putting members first.

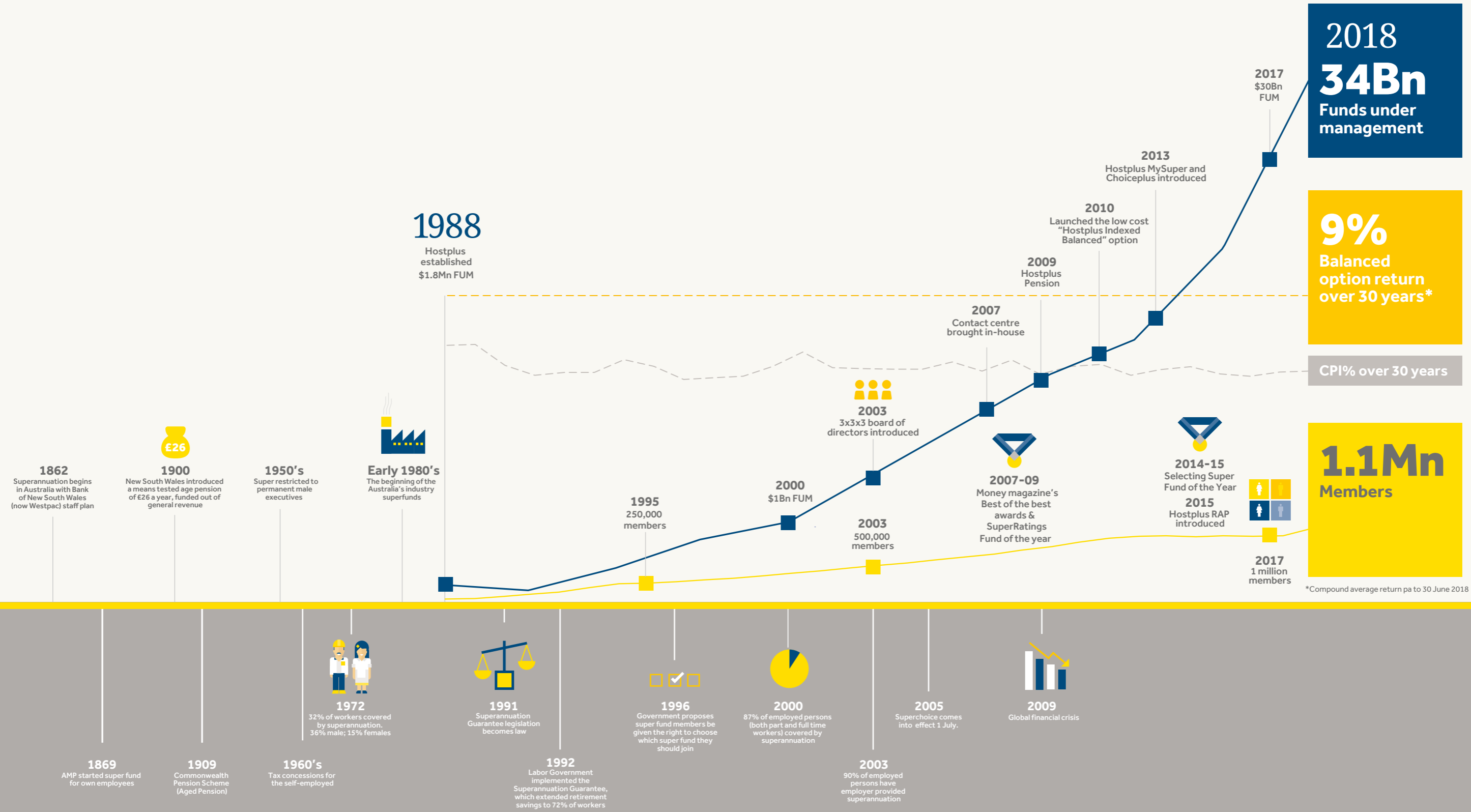


Annual Report for the financial year
ended 30 June 2018

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Our journey.





A message from the Chief Executive Officer.

In 2018, Hostplus is proud to celebrate 30 years of serving members from across Australia's hospitality, tourism, recreation and sport sectors.

A message from the Chief Executive Officer



30 years of putting members first, always

In 2018, Hostplus is proud to celebrate 30 years of serving members from across Australia's hospitality, tourism, recreation and sport sectors. Since the fund was established in 1988, by the Australian Hotels Association and United Voice, Hostplus has grown to be one of Australia's largest superannuation funds with 1.1 million members, 158,000 actively contributing employers and \$34 billion in funds under management (as at 30 June 2018).

Over the past financial year, Hostplus continued to experience significant growth in membership (10 per cent YOY) and funds under management (35 per cent YOY), alongside our contributions and roll-ins having doubled. This growth trajectory has been underpinned by our leading investment returns and ongoing investment in brand and marketing activities. These member attraction and retention initiatives continue to play a key role in delivering benefits of scale to members, such as maintaining our low \$1.50 per week administration fee, which has remained unchanged for 14 years.

Despite our remarkable growth, our fundamentals have not changed. It is Hostplus' profit-to-member philosophy that continues to guide us every day to put our members first, always. As an industry super fund, we do not pay dividends to shareholders or commissions to financial planners. We strongly believe these payments are not in members' best interests.

Furthermore, we make a point of difference by not charging members unnecessary fees to switch investment options, percentage-based administration fees or exit fees. We also have one of the lowest default insurance premium costs in the industry, and do not provide default income protection cover as we do not believe this product is appropriate for our membership that includes many young, casual and part-time workers.

Leading investment returns

Our sole purpose is to provide the best possible short-term and long-term retirement outcomes to members. We believe our consistent top investment returns to members over the past 15 years is strong evidence of this. Over the 2017-18 financial year, we were delighted to maintain our leading position as the number one performing MySuper Balanced option,

delivering a return of 12.5 per cent, after investment fees and after tax, to over 90 per cent of our members.

According to SuperRatings, this leading outcome placed our Balanced option number one in performance over one, three, five, seven and 15 years. Furthermore, over the past 20 years, Hostplus has delivered 16 years of top-quartile returns, placing us well ahead of our peer funds.

Hostplus' consistent out-performance over the short, medium and long-term was recognised by *Money magazine's* Best of the Best 2018 awards, where we were humbled to receive the 'Best Balanced Super Fund' award for our Balanced option and 'Lowest-Cost Balanced Super Fund' award for our Indexed Balanced option. I am incredibly proud of our team's efforts in consistently delivering the best returns to members.

Spotlight on super

More broadly, the superannuation sector has been the centre of much political debate, as well as legislative and regulatory attention. The Productivity Commission's overarching findings in their draft report, assessing the efficiency and competitiveness of super, highlighted that not-for-profit funds on average outperform retail funds.

The Productivity Commission also raised the issue of unintended multiple accounts within the sector, which they estimate is costing members \$2.6 billion a year in unnecessary fees and insurance. At Hostplus, we recognise the scale and importance of the issue and continue to take proactive steps to educate members about account consolidation, identify unintended multiple accounts and locate unclaimed or lost super.

In the past financial year, 136,000 members consolidated their accounts into Hostplus, with \$4.8 billion rolled into the fund. Hostplus' ongoing efforts to proactively locate and consolidate members' unintended multiple accounts, as well as the fund's consolidation marketing campaign, both contributed towards this outcome. We also continue to closely work with other industry super funds on a cross-fund account matching initiative that Hostplus successfully participated in during 2017.

Looking forward

While many potential and significant changes to the superannuation sector were proposed in the Federal Budget in May, they are yet to be legislated. Our team is working around the clock to prepare for policy changes across

insurance in superannuation, fee caps and other measures to consolidate inactive, low-balance accounts.

Hostplus has committed to the Insurance in Superannuation Voluntary Code of Practice which provides a framework to ensure that the insurance cover that super funds offer their members is affordable and appropriate to their needs. As part of the adoption of the Code, we will continue frequent communications with members to address the importance of consolidating their super and insurance cover, as well as to consider whether their existing insurance cover meets their needs.

In anticipation of further development of the government's comprehensive income products for retirement (CIPRS) framework, we continue to mobilise and apply innovative thinking to how an annuity-style retirement option might work for our members. These proposals could represent the biggest change to Trustees and superannuation funds since the introduction of MySuper, including significant changes in reporting and a requirement to provide retirement strategy, advice and education to members.

On a community front, we look forward to launching Hostplus' second Reconciliation Action Plan (RAP) focused on developing and strengthening our relationships with Aboriginal and Torres Strait Islander people within the hospitality, tourism, recreation and sport sectors. Since the launch of our first RAP in December 2016, a key milestone included enabling alternative identification for Aboriginal and Torres Strait Islander persons who are unable to meet our standard identification requirements. We will continue to participate in initiatives to improve access to superannuation for Aboriginal and Torres Strait Islander people, as part of our broader community engagement program.

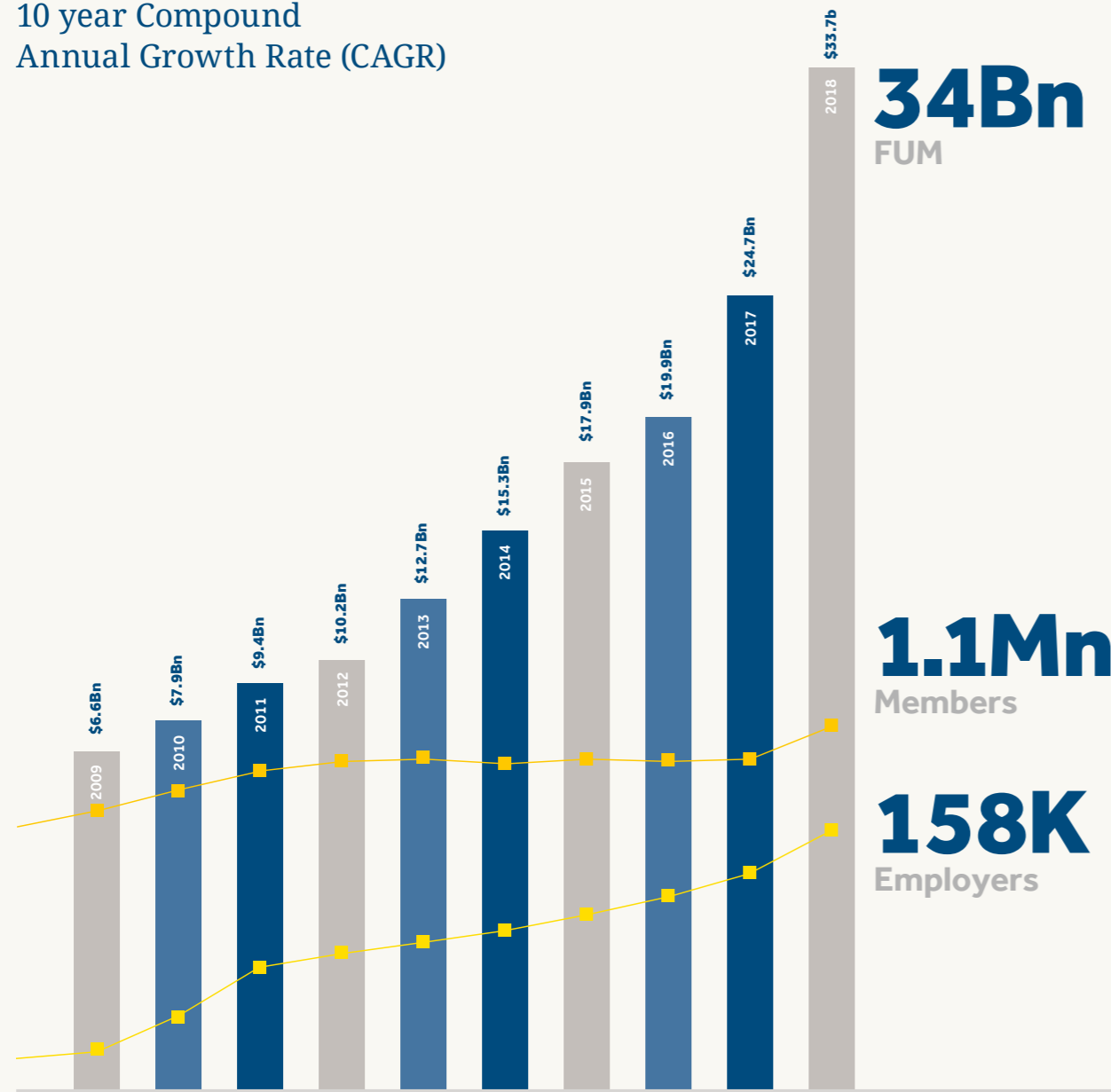
The 2017-18 financial year has produced another tremendous set of results. Our leading investment performance, funds under management growth and strong membership base continues to set Hostplus apart from its peers. We are working hard to keep this momentum going and we thank you for your ongoing support of Hostplus.

David Elia
Chief Executive Officer

Our growth.

17.2%

10 year Compound Annual Growth Rate (CAGR)

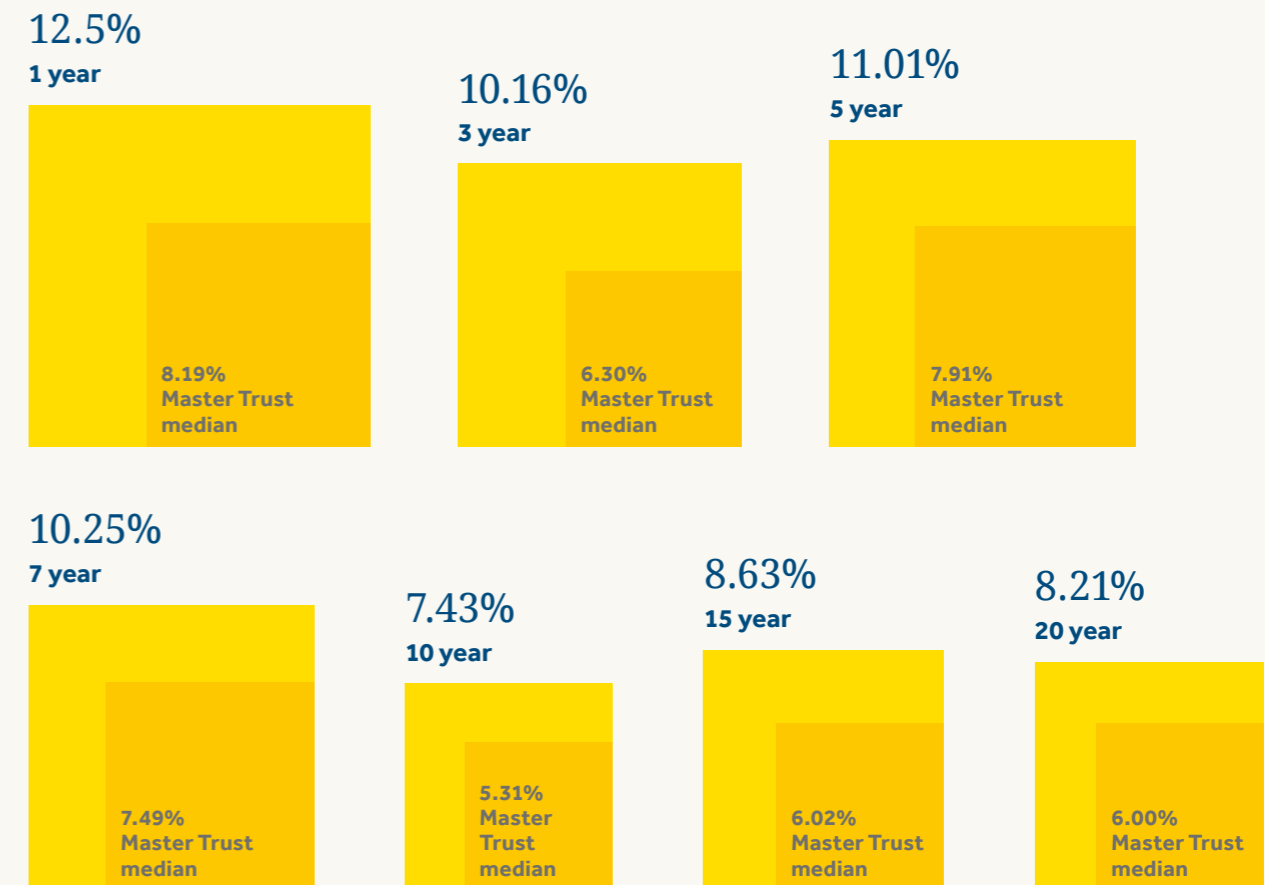


Our performance.

12.5%

MySuper Balanced option net investment return to 30 June 2018

Ranked #1 over 1, 3, 5, 7 and 15 years

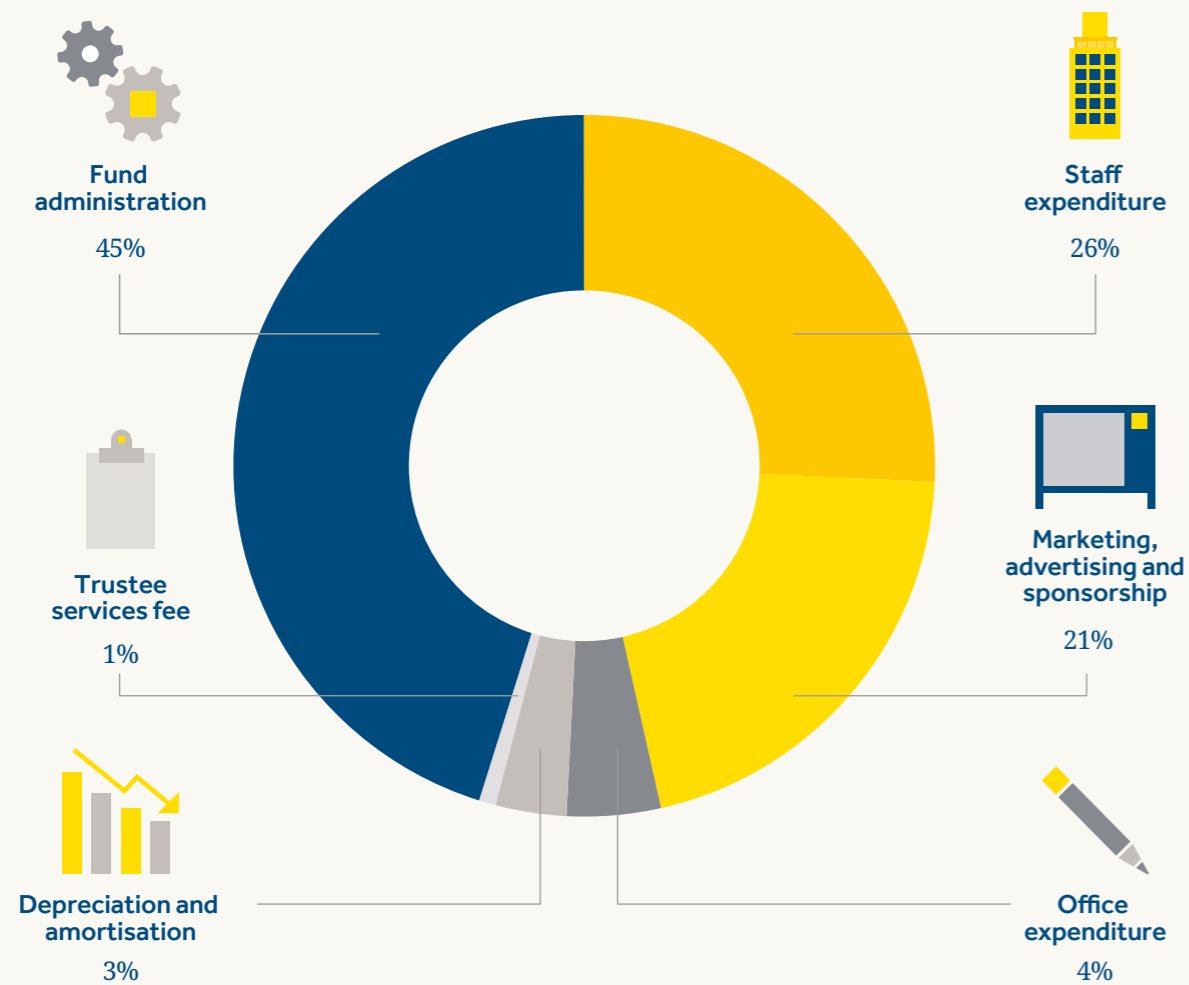


1. The above information is according to the SuperRatings' SR50 Balanced Survey, 18 July 2018. The 3, 5, 7, 10, 15 and 20 year net investment returns are effective compound rates. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of returns on investments, net of investment-related fees, costs and taxes.

Our member administration fee.

The Hostplus member administration fee of \$1.50 per week has remained unchanged since 2004.

The \$1.50 member administration fee, together with any tax benefit received on fund expenditure, is used for the payment of expenses incurred in operating and administering Hostplus. Below we show the percentages related to the categories of Hostplus expenditure.



Our awards.

Over 30 years, Hostplus has been recognised by Australia's super industry rating systems. Here is a snapshot in our trophy cabinet.





A message from the Chief Investment Officer.

Bolstering strong
investment outcomes.



Bolstering strong investment outcomes.

The 2017-18 financial year saw another strong double-digit return delivered to our default MySuper members. We were delighted to announce a 12.5 per cent return, after investment fees and after tax, for our MySuper Default Balanced option which placed Hostplus as the best performing super fund in the country for a second consecutive year. However, even more pleasing was our performance over the medium to long-term, which positioned Hostplus as the number one performing Balanced fund over one, three, five, seven and 15 years.

To put this in context, the average Hostplus member with a \$50,000 starting salary and a \$50,000 starting balance, would have been better off by more than \$66,000 if they had switched from the average retail super fund 15 years ago. Also, even if they had switched three or 10 years ago, they still would have been better off. This is of material importance to most Australians, as super represents the largest component of wealth outside the family home.

Hostplus' consistent out-performance continues to be driven by our long-term investment strategy that emphasises diversification and the importance of investing in unlisted assets – such as unlisted infrastructure, direct property and private equity – as well as our investment belief that active management adds value. With around 40 per cent exposure to unlisted assets, Hostplus default members received strong returns from unlisted infrastructure (12 per cent), direct property (13 per cent) and private equity (15 per cent).

While the infrastructure and property asset classes continue to provide strong, bedrock returns, our proactive shift in the private equity asset class towards niche and bespoke investments is now also bearing fruit. Furthermore, active management of our Australian equities portfolio delivered net returns more than 3 per cent higher than the passively managed share market benchmark.

Overarchingly, our portfolio weightings have remained very consistent over the past 10 years. However, for the 2018-19 financial year, we will increase our private equity exposure very slightly by one per cent to ensure we are well-positioned to deploy capital to attractive private equity and venture capital investment opportunities.

Investing in Australia's innovation nation

Hostplus continues to drive strong investment in Australian innovation, as the largest institutional investor in local venture capital. As at 30 June 2018, we had committed \$850 million to Australian venture capital managers and by the conclusion of the 2018 calendar year, we expect this total commitment to surpass \$1 billion.

Investing in technology and biomedical start-ups, along with other industry disruptors, is an area we continue to take a leadership position in. We are incredibly passionate about investing in innovation as it provides valuable insights into the creation of new companies and industries to inform our other, more traditional investments. Venture capital also adds another important layer of diversification to our Balanced fund portfolio.

Earlier this year, we announced a cornerstone investment in Cardiac Dimensions – a leader in the development of minimally invasive treatments for heart failure. Their Carillon System is a simple, safe and effective device which can be implanted via a catheter in less than an hour and with no general anaesthetic.

It was co-invented by a Professor at The Alfred Hospital in Melbourne and has already changed more than 850 lives across Australia, North America and Europe. Pending commercialisation in Australia, we expect this innovation will save Australians millions of dollars in medical expenses and significant patient recovery time, as well as help to alleviate pressure on the healthcare system.

The Carillon System is just one of the many life-changing biotech discoveries that Hostplus members are invested in. These types of investments require long-term horizons, which Hostplus is well positioned to provide because of our strong membership growth and net cash flows. By supporting greater private investment and introducing the expertise of highly-regarded venture capital fund managers, we are helping to bring the next great Australian biomedical discoveries to market for the health and economic wellbeing of Australians, whilst also delivering strong risk-adjusted returns to Hostplus members.

Investment outlook

Hostplus continues to hold a contrarian view of the market. Notwithstanding the threat of trade wars and higher asset valuations, global growth remains strong and we believe the potential for the continuation of strong equity markets cannot be discounted. Therefore, our allocation to growth assets is unlikely to reduce.

However, given these risks, and the possibility that central banks may increase interest rates in advance of inflation and stifle future economic growth, we are building more defensive characteristics and additional flexibility into our portfolio.

We will do this by first increasing the fund's strategic asset allocation to international developed-markets equities and reducing our exposure to Australian equities, given the broader diversification available in international markets. Secondly, we will also reduce our fixed interest allocation given its poor prospective yields in favour of increased exposure to alternatives, based on their likely superior defensive characteristics.

As always, we encourage members to take a long-term view when considering their superannuation. We do not believe in timing the market's daily peaks and troughs. Rather, we believe the best investments are made over decades through a well-diversified portfolio that is resilient to the bulls and bears of the market. Our team is dedicated to delivering members the best possible investment outcomes over the short, medium and long-term.

Sam Sicilia
Chief Investment Officer

1. Number one Balanced investment option over 1 year (12.50%) 3 years (10.16%p.a.), 5 years (11.01%p.a.), 7 years (10.25%p.a.) and 15 years (8.63%) – SuperRatings Balanced Fund Crediting Rate Survey, June 2018. Past performance is not a reliable indicator of future performance.

2. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a fund. Comparisons modelled by SuperRatings, commissioned by ISA and shows average differences in net benefit of the main balanced option of Hostplus and retail super funds with a 3, 10 and 15-year performance history, taking into account historical earnings and fees – excluding contributions, entry, exit and additional advisor fees. Modelling as at 30 June 2017. Investment returns are not guaranteed. See www.industrysuper.com/assumptions-hostplus for more details about modelling calculations and assumptions.

This information is general only and does not consider your objectives, financial situation, or needs. You should consider if this information is appropriate for you in light of your objectives, financial situation or needs before acting on it. Please read the relevant Product Disclosure Statement (PDS) available from our website before making a decision about Hostplus. Issued by Host-Plus Pty Limited ABN 79 008 634 704, AFSL No. 244392, RSEL No. L0000093, Hostplus Superannuation Fund ABN 68 657 495 890, RSE No. R1000054, MySuper No. 68657495890198.



A message from the Chief Marketing Officer.

Delivering benefits
for our members.

A message from the Chief Marketing Officer



Brand and marketing – delivering benefits for our members.

Since “choice of fund” was introduced in 2005, the Australian superannuation marketplace has experienced strong competition, especially for default (MySuper) fund status.

At Hostplus, we work hard to provide market-leading investment performance and the delivery of quality products, services and solutions that deliver long-term retirement benefits to our members and their families.

Hostplus’ marketing and related brand awareness activities play a crucial role in ensuring that our members and their employers are aware of the important attributes that positively differentiate us from our competitors, and how these factors tangibly contribute towards improving their retirement outcomes.

Our brand tracking research confirms that our marketing efforts have contributed to our members’ awareness of Hostplus’ superior investment performance, the membership benefits we provide, as well as our connection with the industries we serve. In turn, our marketing efforts have measurably translated into increased retention of

existing members and attraction of new members – both of which combine to generate and deliver significant scale benefits to our members.

Benefits of scale

As our fund grows in membership and funds under management, so too does our ability to achieve greater economies of scale.

These scale advantages translate into real benefits for Hostplus members and permit us to use our purchasing power to negotiate better fee outcomes with fund managers to keep investment costs low and offer more competitive insurance options through our group life insurer. For example, in 2017 our scale assisted us in securing a six per cent reduction in Death and TPD insurance premiums, guaranteed to 2020, with no changes to the quality of cover.

Economies of scale also allow us to deliver other cost efficiencies across the fund, where as a result, we can invest more in product development and member services. For example, over the past 12 years we have insourced our contact centre, right here in Australia, to improve the way we service members. Our scale has also enabled Hostplus to maintain its member administration fee at a low \$1.50 per week since 2004.

These scale outcomes combine to have a positive and material impact on our members and employers’ superannuation experience and retirement savings.

A focus on retention

Despite a proven track record of top quartile investment performance over the short and long-term, our brand research highlighted that some members did not perceive Hostplus as one of Australia’s best performing funds. In addition, members did not necessarily consider Hostplus as a ‘fund for life’. Rather, they believed Hostplus was only for employees working in the hospitality, tourism, recreation and sport sectors.

Our brand research also confirmed that members were not necessarily making informed choices, particularly while changing jobs, to consider Hostplus as their preferred super fund. Instead, members would generally move to their next nominated fund used by their new employer; in many cases, funds with inferior investment returns and higher fees.

This behaviour revealed the need to further raise awareness among our broad membership base that it’s both easy and in their best interests to consider Hostplus as their preferred fund when changing jobs.

Industry SuperFund – a marque of trust

Our marketing and broader brand awareness strategy has extended to participating in industry advertising and advocacy campaigns which have cost-effectively promoted the benefits of Industry SuperFunds.

Hostplus’ participation in Industry Super Australia’s joint marketing campaign aims to maximise the retirement savings of over five million industry super fund members and has positively contributed towards Hostplus’ trusted brand positioning in the market.

Industry Super Australia’s marketing activities include the long-standing *Compare the Pair*, *Show of Strength* and *Banks Aren’t Super* creative campaigns, alongside the more recent Fox and Henhouse member education campaign.

These campaigns have been highly effective in raising awareness of Industry SuperFunds as being run only to profit their members, as well as positioning the ‘cupped hands’ symbol as the marque of a super fund that puts the interests of its members first – always.

Our association with Industry Super Australia’s marketing campaign helps educate members about their superannuation choices and the lifetime of difference it could make to their retirement savings by choosing an Industry SuperFund, like Hostplus.

We Go With You

In mid-2017 Hostplus launched a new campaign, *We Go With You*, to demonstrate that Hostplus is a superannuation fund members can use for life.

The campaign depicts a time series of various hospitality workers, changing into related or new jobs, vocations and professions which reflect the skills and experience they gained working in the hospitality, recreation and allied sectors.

Since its launch we have seen Hostplus enjoy the strongest brand position the fund has ever recorded, including significantly improved scores on key brand metrics, such as brand awareness and as a preferred ‘fund of first choice’.

The campaign has also had other important benefits for all Hostplus members. Over a 12-month period to 30 June 2018, we saw double the amount of contributions and transfers

coming into the fund, a 35 per cent increase in funds under management and a 10 per cent rise in membership.

Importantly, alongside other prominent marketing and public relations initiatives, this campaign has positively contributed towards Hostplus’ successful growth outcomes and increased benefits of scale for our members.

Sponsorship and events

Another key element in Hostplus’ successful branding and marketing strategy has been our investment in sport and major event sponsorships to further enhance and grow Hostplus’ brand awareness. Independent audits and expert analysis have highlighted the cost-effectiveness of this approach, as compared to other marketing and brand awareness channels.

Over time, the success of this strategy has contributed towards greater retention of membership, the attraction of new members, contribution growth and greater funds under management. In turn, this has helped to achieve a lower cost base which has allowed Hostplus to deliver valuable benefits to members.



Source: Industry Super Australia

Alliance partnerships and employer engagement

More broadly, our alliance partnerships with key industry bodies, such as the Australian Hotels Association (AHA), United Voice, Restaurant and Catering Australia, and the Queensland Tourism Industry Council, continue to provide a highly efficient and effective way for us to engage with existing and potential members, as well as core industry employers.

In 2017-18, Hostplus held numerous investment forums, financial planning symposiums, HR seminars, member education workshops and business conferences around the country – many with this assistance of our alliance partnerships. These stakeholder events allow us to reach a wider audience beyond our immediate networks and are a practical way to attract and retain members and employers.

Our affiliations with groups such as Hospitality Training Network NSW and Hospitality Training Group WA also enable us to educate growing networks of hospitality, tourism and recreation workers and students across key Australian territories. These important activities help our members understand and maximise their superannuation, as well as raise awareness of Hostplus as a fund they can take with them throughout their working life and in retirement.

Promoting hospitality as a rewarding, life-long career

Hostplus also proudly supports the recognition, celebration and professional development of emerging stars in the hospitality industry.

In 2017-18, we were excited to continue our partnership with Melbourne Food and Wine Festival where we announced Kay-Lene Tan, the head pastry chef at Tonka and Coda restaurants in Melbourne, as winner of the 2018 Hostplus Hospitality Scholarship. This scholarship sits alongside other scholarship grants with the William Angliss Institute and the International College of Management, Sydney.

The hospitality commemorations also continued across various industry awards for excellence, including with the AHA and Restaurant and Catering, providing highly deserved recognition to restaurateurs, caterers, baristas, sommeliers, bar and front-of-house staff who excel in their field.

Hostplus' support of these large industry events and community scholarship programs all contribute towards promoting hospitality as a rewarding, exciting and life-long career. They also promote our deep connections within the Australian hospitality community.

Hostplus remains fully committed to ensuring our marketing, sponsorships and related support of the core sectors our members work in, live and love, deliver practical, measurable and valued outcomes for all members.

In 2018-19, we will continue to invest diligently in our brand, alliance partnerships and employer engagement activities to attract and retain members to the fund, enabling us to reinvest in products and services to better support our members. We will also continue to invest in Industry SuperFund creative campaigns to raise further awareness of Hostplus' relative out-performance and help ensure our members' best interests are safeguarded.

Umberto Mecchi
Chief Marketing Officer



Kay-lene Tan – head pastry chef at Tonka and Coda, and 2018 Hostplus Hospitality Scholarship recipient (supported by Melbourne Food & Wine Festival)



Our people.

The Hostplus board of directors
and executive team.

Our people

Our board of directors

Board of directors comprises of a 3-3-3 structure, equally represented by;

- Three Directors nominated by the Australian Hotels Association (AHA);
- Three Directors nominated by United Voice; and
- Three independent directors jointly selected by the AHA and United Voice.

The Board represents our members in accordance with the Hostplus Constitution, Trust Deed and superannuation law. They also ensure that Hostplus meets Federal Government requirements for the fair and safe operation of the fund.

Independent directors

- David Elmslie, Chairman;
- The Hon Peter Collins AM QC; and
- Alexandra Grayson.

Employer directors appointed by AHA

- David Gibson;
- The Hon Mark Vaile AO; and
- Mark Robertson OAM, Deputy Chair

Employee directors appointed by United Voice

- Tim Lyons, Deputy Chair;
- Beverley Myers; and
- Judith Hill.

Alternate directors

- Neil Randall, Alternate Employer Director; and
- Robyn Buckler appointed as an Alternate Employee Director.

Our executive team

Our Executive Management Team is responsible for the day-to-day management of the fund's operations and the implementation of the corporate strategy to ensure we meet the needs of our members, employers and stakeholders.

- David Elia, Chief Executive Officer;
- Umberto Mecchi, Chief Marketing Officer¹;
- Sam Sicilia, Chief Investment Officer;
- Natalie Strickland, Group Executive People, Performance and Culture;
- Paul Watson, Group Executive Retirement Solutions and Advice²;
- Norlena Brouwer, Group Executive Risk and Compliance; and
- Kelly Cantwell, Group Executive Service Operations and IT³.

For full remuneration details of Directors and Officers, please visit hostplus.com.au

Independent directors



David Elmslie

Roles and responsibilities

- Independent Director;
- Chair of the Board;
- Chair of the Nomination and Board Renewal Committee;
- Member of the People and Remuneration Committee;
- Member of the Special Investment Group.

Appointment date

9 February 2007

Qualifications and memberships

- Bachelor of Law, University of Melbourne
- Bachelor of Commerce, University of Melbourne
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST)
- Member of the AIST

Experience

- Crown Limited (2008–2010)
- Chief Operating Officer International Business;
- Chief Executive Officer of Gateway Casinos and Entertainment Inc.
- Tabcorp Holdings Ltd (1995 – 2006)
- Executive General Manager of Development;
- Executive General Manager of the Victorian Gaming Division;
- Chief Financial Officer; and
- Trustee of Tabcorp Employee Superannuation Fund.

Other directorships/appointments

Director

- ISPT Pty Limited; and
- IGIPT Pty Ltd.

Member (Advisory Board)

- Industry Super Australia Pty Limited (ISA).

Member (Audit and Compliance Committee)

- ISPT Pty Limited

¹ Appointed Chief Marketing Officer, effective 20 November 2017.

² Appointed Group Executive Retirement Solutions and Advice, effective 20 November 2017.

³ Appointed Group Executive Service Operations and IT, effective 20 November 2017.

Independent directors



The Hon Peter Collins AM QC

Roles and responsibilities

- Independent Director; and
- Chair of the Audit, Risk and Compliance Committee.

Appointment date

1 July 2006

Qualifications and memberships

- Bachelor of Law, University of Sydney;
- Bachelor of Arts, University of Sydney;
- Member of the Order of Australia in 2004 and also received the Centenary Medal;
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST); and
- Fellow of the AIST.

Experience

Peter has had a distinguished career as a Company Director, a Parliamentarian, a Military and Naval Reserve Officer, a Barrister and ABC Journalist and has held a number of senior roles including:

- Chair of the Australian Institute of Health and Welfare (2004–2011);
- Member of Cancer Council of NSW (2004–2006);
- Chair of Cancer Institute of NSW (2005–2008);
- Deputy Chair of the Centenary of ANZAC Commemoration Committee for NSW (2010–2011);
- Chair of Barton Deakin Government Relations;
- Board member of Macquarie Generation (2006–2009);
- Board member of the Workers Compensation Insurance Fund Investment Board of NSW (2005–2012);
- Honorary Colonel of 1st Commando Regiment (1995–2000);
- Active service in Iraq in 2007, where he was awarded the US Joint Service Commendation Medal;
- Captain in the RAN Reserve (Retired 2012);
- Acting Fleet Legal Officer for RAN (2003); and
- NSW Parliament (1981–2003) including Minister for Health, Arts, Consumer Affairs and State Development, Attorney General, Treasurer of NSW, Deputy Leader and Leader of the NSW Opposition.

Other directorships /appointments

Director

- Nepean and Blue Mountains Local Health District.

Director and Chair of the Board

- Industry Super Australia Pty Limited (ISA)

Chair (Advisory Board)

- Industry Super Australia Pty Ltd (ISA)



Alexandra Grayson

Role

- Independent Director

Appointment date

24 October 2013

Qualifications and memberships

- Bachelor of Laws. Awarded prizes by Faculty of Law for:
 - Legal Ethics
 - Legal Accounting
 - Law of Evidence;
- Bachelor of Commerce – Industrial Relations/Management; and
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST).

Experience

Alex has over 15 years' industrial relations experience in both state and federal industrial relations systems. Currently a Principal at Maurice Blackburn, previous roles include:

- Senior Associate at WG McNally Jones;
- Industrial Relations Commission of New South Wales;
- University of Western Sydney; and
- Finance Sector Union.



Mark Robertson OAM

Roles and responsibilities

- Employer Director;
- Deputy Chair of the Board;
- Member of the Audit, Risk and Compliance Committee;
- Member of the Nomination and Board Renewal Committee;
- Member of the Special Investment Group.

Appointment date

6 June 2003

Qualifications and memberships

- Bachelor of Arts, La Trobe University, Melbourne;
- Member of the Order of Australia;
- Associate of the Australian Property Institute;
- Fellow of the Australian Institute of Management;
- Fellow of the Australian Institute of Company Directors;
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST); and
- Fellow of the AIST.

Experience

Mark has extensive experience in property development, property management and hotel and leisure management. Current roles include:

- Vice President of the Australian Hotels Association (AHA), Victorian Chapter;
- Councillor of the Victorian Chapter of the AHA.

Director

- Astonmill Pty. Ltd.
- Australian Wildlife Conservancy
- Biberen Investments Pty. Ltd.
- Bincorn Pty Ltd
- Calmega Pty. Ltd
- Chapungu Shona Gallery Pty. Ltd
- Estal Nominees Pty. Ltd
- Exchange Corner Pty Ltd
- Fourth Lieutenant Pty. Ltd
- Gaming and Leisure Holdings Pty Ltd;
- GBH Freehold Pty Ltd;
- HLM Admin Pty Ltd;
- Hotel and Leisure Management Pty Ltd;
- Imperial Hotel Freehold Pty Ltd;
- Lake Victoria Views Pty Ltd;
- Lothian Street NM Pty Ltd ;
- Lucky Eights Pty Ltd;
- Mesembriomys Pty Ltd;
- Mikshar Nominees Pty Ltd;
- Ninth Lieutenant Pty Ltd;
- Owl Developments Pty Ltd;
- Quinayen Nominees Pty;

- Robertson Projects (Vic) Pty Ltd;
- Robmark Pty Ltd;
- Roburn Pty Ltd;
- Sargood Hotels Pty Ltd
- Sargood House Pty Ltd
- Sargood Investments Pty Ltd;
- Sargood Wine Co. Pty Ltd;
- Seventh Lieutenant Pty Ltd;
- Shadowfax Winery Pty Ltd;
- WGH Pty Ltd;
- Winning Concepts Pty Ltd;
- 128 Bourke St Pty Ltd;
- G.G.S. Nominees Proprietary Ltd; and
- Wine Publishing Pty Ltd.

Director & Company Secretary

- Markann Number 2 Pty Ltd;
- Robertson Group Appointor Pty Ltd; and
- Sixth Lieutenant Pty Ltd.

Member (Investor Shareholder Advisory Board):

- IFM Investors Pty Limited.

Member (Executive Board)

- Australian Hotels Association (AHA).

Member (Advisory Board)

- Caspian Private Equity II, LP; and
- Caspian Private Equity U.S. Opportunities III, LP.



David Gibson

Roles and responsibilities

- Employer Director;
- Chair of the People and Remuneration Committee;
- Member of the Special Investment Group.

Appointment date

1 July 2012

Qualifications and memberships

- Licensed Real Estate Agent (Queensland);
- Diploma in Financial Markets, FINSIA;
- Member of the Australian Institute of Company Directors;
- Lifetime Membership Award 2009, Tourism and Transport Forum; and
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST).

Experience

With over 30 years' experience in the tourism and hospitality industry across all facets including operations, corporate management, investment, development, asset management and real estate, David continues to provide consulting services and strategic advice on tourism investment opportunities. Key senior roles have included:

- CEO Asia Pacific, Jones Lang LaSalle Hotels (1996–2010);
- Global Hotels Board Member;
- International Director, Sunotel Corporation, (1990–1995, 2010 to present);
- Chairman, CEO and Founder, Tourism and Leisure Corporation Limited, (1984–1989);
- Managing Director, General Manager Hilton Internationals Hotel Group, (1978–1984);
- Operations analyst;
- Food and beverage analyst; and
- Trainee manager.

Other directorships/appointments

Director

- Giulia Pty Ltd.

Director & Company Secretary

- King Cobra Renovations Pty Ltd;
- Pomkaru Pty Ltd; and
- Sunotel Corporation Pty Ltd.



The Hon Mark Vaile AO

Roles and responsibility

- Employer Director

Appointment date

1 July 2012

Qualifications and memberships

- Awarded the Centenary Medal for 'service as Minister for Trade' during his time in Parliament;
- Recognised in the Queen's Birthday Honours List as an Officer of the Order of Australia for 'distinguished service to the Parliament of Australia, through support for rural and regional communities, to the pursuit of global trade and investment opportunities, and to the citizens of the Taree region'; and
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST).

Experience

Since 2008, Mark has pursued a career in the private sector and sits on a number of boards as a Director or Chairman. He also provides corporate advice to a number of Australian companies operating in the international marketplace. Mark is a former member of the House of Representatives for the seat of Lyne in New South Wales, Leader of the National Party and Deputy Prime Minister in the Howard Government from 2005 through to 2007. He has enjoyed a distinguished parliamentary career over 18 years and served on the Taree City Council prior to that. Key parliamentary and ministerial appointments have included:

- Deputy Prime Minister (July 2005 – December 2007);
 - Minister for Transport and Regional Services (September 2006 – December 2007);
 - Minister for Trade (July 1999 – September 2006);
 - Minister for Agriculture, Fisheries and Forestry (October 1998 – July 1999);
 - Minister for Transport and Regional Development (October 1997 – October 1998);
 - Member of the Speaker's Panel (January 1995 – October 1997);
- Prior to joining Federal Parliament, Mark held a number of roles in local government and agriculture.

Other directorships/appointments

Director

- Servcorp Ltd;
- Virgin Australia Holdings Limited;

Chair – Advisory Board

- Palisade Investment Partners Ltd (Stamford Land Singapore),

Director (Chairman)

- Whitehaven Coal Ltd.



Neil Randall

Role and responsibility

- Alternate Employer Director

Appointment date

1 July 2013

Qualifications and memberships

- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST); and
- Member of the AIST.

Experience

With over 30 years' experience in the hospitality industry, key senior roles include:

- President AHA State Council, WA Branch;
- Senior roles with the AHA since 1994;
- Owner/operator of Paddington Alehouse, Mount Hawthorn;
- Partner, The Sandbar, Scarborough Beach; and
- Former league footballer, and held various executive roles over a 30-year period including Director of Football Operations (10 years) and President of Subiaco Football Club (seven years).

Other directorships/appointments

Director

- 063 101 306 Alfon Pty Ltd;
- 117 913 989 Randall Properties Pty Ltd; and
- Prostate Cancer Foundation of Australia.

Director & Company Secretary

- Alfon Pty Ltd; and
- Randall Properties Pty Ltd.

Commissioner

- WA Football League.

President (WA)

- Australian Hotels Association.



Tim Lyons

Role and responsibility

- Employee Director and Deputy Chair, Host-Plus Pty Limited;
- Member of the Audit, Risk and Compliance Committee;
- Member of the People and Remuneration Committee;
- Member of the Nomination and Board Renewal Committee;
- Member of the Special Investment Group.

Appointment date

17 August 2015¹

Qualifications and memberships

- Bachelor of Arts from the University of Tasmania, BA/LLB program ;
- Diploma, Company Directors Course – AICD; and
- Diploma of Financial Services (Financial Planning) – AIST / ASFA.

Experience

As the Assistant Secretary of the ACTU between 2008 and 2015, Tim's key responsibilities included management of the organising and education programs, the industrial and policy unit, and superannuation and retirement incomes. Tim has a decade of experience as a director of two other industry superannuation funds and in various industry bodies. He has also served on government committees and boards in relation to superannuation, tax and workplace relations.

Prior to this role, Tim held various positions at the National Union of Workers between 1995 and 2008.

Other directorships/appointments

Director

- Reveille Strategy Pty Ltd; and
- South East Water.

Member

- Members Equity Bank Limited.

Commencement date 15 May 2015.

¹ Appointed Employee Director and Deputy Chair of the Host-Plus Pty Ltd Board effective 17 August 2015.



Bev Myers

Role and responsibility

- Employee Director

Appointment date

10 February 2017

Qualifications and memberships

- Master in Public and International Law (Honours), University of Melbourne (2006);
- Bachelor of Laws (Honours), University of Melbourne (2003);
- Bachelor of Arts (Honours), University of Melbourne (2003);
- Graduate Certificate in Legal Practice, Skills and Ethics (Honours), Monash University (2006);
- Admitted to legal practice; New South Wales (2016 – ongoing)
- Supreme Court of Victoria (2004–2010)
High Court of Australia (2004 – ongoing); and
- Graduate of AIST Trustee Director Course.

Experience

Bev has experience in industrial relations and corporate law Australia-wide, a sound understanding of the social, economic and political context in Australia and of economic, social and labour rights internationally.

- Director, Corporate and Public Affairs, United Voice (April 2016 – ongoing);
- Director of Institutional Advancement and General Counsel, University of the People (2010–2015);
- National Industrial Officer, Textile, Clothing and Footwear Union of Australia (2007–2009); and
- Solicitor, Minter Ellison Lawyers (2003–2005).

Other directorships/appointments

Director

- Corporate & Public Affairs United Voice.



Judith Ann Hill

Role and responsibility

- Employee Director

Appointment date

10 February 2017

Qualifications and memberships

- Bachelor of Arts, University of NSW
- Diploma in Librarianship, University of NSW;
- Diploma in Labour Relations and Law, University of Sydney; and
- Graduate of AIST Trustee Director Course.

Experience

Judith has experience as an independent consultant in workplace reform and industrial relations.

- Secretary of the Australian Insurance Employees Union, NSW;
- Senior Manager Human Resources, Sydney Water Board; and
- Consultant adviser to a Federal Government Minister.



Robyn Buckler

Roles and responsibility

- Alternate Employee Director;
- Chair of the Claims Review Committee.

Appointment date

28 May 2003¹

Qualifications and memberships

- Diploma in Teaching, Commercial Adelaide College of Advanced Education;
- Graduate Diploma, Legal Studies, South Australian College of Advanced Education;
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST); and
- Fellow of the Australian Institute of Superannuation Trustees.

Experience

With over 30 years' experience, Robyn has held a number of senior roles with United Voice, training in commercial organisations and the education sector:

- Former Assistant Branch Secretary of United Voice (SA);
- Former Training Liaison Officer and Industrial Officer with United Voice;
- Former training coordinator with Corrs Chambers Westgarth; and
- Former secondary school teacher.



¹ Appointed Employee Director 28 May 2003 - 14 October 2015. Appointed as Alternate Employee Director effective 28 October 2015.

Executive team



David Elia

David is one of Australia's most experienced and recognised business leaders. In a career spanning more than 25 years, his singular vision has helped create businesses that deliver consistently excellent results and real stakeholder value.

His wide-ranging experience includes senior roles in superannuation, finance, marketing, corporate and fund governance, taxation, risk management, audit, corporate/strategic planning and implementation.

David's leadership has been recognised with numerous industry awards, including the Australian Financial Review Boss Magazine True Leader Award and the Funds Executives Association, Fund Executive of the Year Award. He is especially interested in what makes organisations tick – from creating an innovative culture to leadership values, strategy and teamwork at all levels.

He takes a leading role as a Director of the men's health, not-for-profit charity The E.J. Whitten Foundation and he is passionate about furthering the charity's vision of increasing awareness of prostate cancer in men and raising funds for research.

His role as a Director of the Fund Executive Association is testament to his dedication to the professional development of leaders in the super industry.

A chartered accountant, David also holds a Bachelor of Economics from La Trobe University and Post Graduate Diploma of Applied Finance and Investments from the Financial Services Institute of Australia. He's a Graduate Member of the Australian Institute of Company Directors.

Role and responsibility

- Chief Executive Officer; and
- Company Secretary ¹.

Year of appointment

2003

Qualifications and memberships

- Bachelor of Economics, La Trobe University, May 1991;
- Professional Year (PY), Institute of Chartered Accountants, November 1995;
- Graduate Diploma of Applied Finance and Investments, FINSIA, April 2005;
- Building and Sustaining Competitive Advantage, Harvard Business School, June 2006;
- Graduate Diploma – Company Directors Course, Australian Institute of Company Directors, October 2010;
- Member of Chartered Accountants in Australia, November 1995;
- Fellow of Financial Services Institute of Australia, July 2002;
- Fellow of Association of Superannuation Funds of Australia (ASFA), February 2012;
- Fellow of Australian Institute of Management, August 2012;
- Member of Australian Institute of Superannuation Trustees (AIST); and
- Member of Fund Executives Association Limited (FEAL).

Experience

More than 25 years in senior positions in superannuation, finance, marketing, corporate and fund governance, taxation, risk management, audit, corporate and strategic planning and implementation.

Other directorships/appointments

Director

- Australian Council of Superannuation Investors Limited (ACSI);
- EJ Whitten Foundation;
- Industry Super Australia (ISA) Pty Limited;
- Redding Ridge Asset Management LLC; and
- The Association of Superannuation Funds of Australia (ASFA).

Member – Advisory Board

- Delaware North Australian Advisory Committee;
- Investment Attraction Industry Advisory Panel (Tourism Australia); and
- Tourism & Transport Forum (TTF).

Member

- Fund Executives Association Ltd (FEAL).

Member – Finance, Risk and Audit Committee

- Australian Council of Superannuation Investors Limited (ACSI).

Member – Alternative (Supervisory Board)

- Carnegie Innovation Fund No. 1; and
- Carnegie Innovation Fund No. 2.

Member – Alternative (Advisory Committee)

- Carnegie Private Opportunities Fund No.1; and
- Carnegie Private Opportunities Fund No.2.

Member (Investor Shareholder Advisory Board)

- IFM Investors Pty Limited.

Member (Partnership Committee)

- Darling Harbour Live Partnership.

Member (Partnership Advisory Board)

- Redding Ridge Holdings LP.

Hostplus Representative

- Members Equity Bank Limited.

Director & Company Secretary

- Hostplus Investments Pty Limited
- Hostplus Property Pty Limited
- Darling Harbour Live HoldCo Pty Limited
- Darling Harbour Live HoldCo 4 Pty Limited
- Peel Street JV Pty Limited
- North Freemantle JV Pty Limited
- Darling Harbour Live 3 Pty Limited
- Darling Harbour Live 4 Pty Limited
- Galileo Phillip Street JV Pty Limited

Director

- Hostplus Helensvale Pty Limited
- Helensvale Nominee Pty Limited
- Hostplus Moonee Valley Pty Limited
- Hostplus North Freemantle Pty Limited
- Hostplus Peel Street Pty Limited
- Hostplus Phillip Street Pty Limited

¹ Effective 28 June 2002.



Sam Sicilia

Sam joined Hostplus in 2008 as Chief Investment Officer after a storied career in academia and the finance industry stretching back to the early 1990's. During that time he has held a number of senior roles, both locally and internationally:

Director of Investment Consulting with Russell Investments, with responsibility for leadership of the Alternative Assets and Unlisted Property Sector Teams, covering private markets, such as infrastructure, private equity and direct property.

Senior Manager at Bank of Ireland Asset Management, with responsibility for gathering market intelligence and keeping abreast of industry developments across all asset classes, providing thought leadership and championing and facilitating global product development initiatives.

Senior Consultant with Frontier Investment Consulting and a foundation member of Frontier's management team and Chair of the Frontier Research Practice Meeting, a monthly think tank forum, where investment manager assessments and ratings were determined and investment house views established, reviewed and debated.

Senior Asset Consultant with Towers Perrin and a foundation member of the Australian Asset Consulting Services leadership team that was responsible for the ongoing formulation and review of business strategy. He was an architect and the inaugural coordinator of Towers Perrin's manager research process in Australia, with responsibility for overseeing the manager research function. Sam was also Towers Perrin's Asia Pacific regional representative, a foundation member of the Global Investment Manager Research Group and Director of Investment Manager Research for Towers Perrin in the USA.

Roles and responsibilities

- Chief Investment Officer¹
- To provide strategic leadership across Hostplus Investments
- To deliver consistent growth in net benefit to members.

Year of appointment

2008

Qualifications and memberships

- Bachelor of Science (Honours), Monash University
- Ph.D. in Mathematical Modelling, Monash University
- Master of Applied Finance, University of Melbourne.

Experience

- More than 20 years in senior executive positions.
- Director of Investment Consulting, Russell Investments
- Senior Manager, Bank of Ireland Asset Management
- Senior Consultant, Frontier Investment Consulting
- Senior Asset Consultant, Towers Perrin
- Director of Investment Manager Research, Towers Perrin (USA) .

Other directorships/appointments

Alternative Director

- IGIPT Pty Ltd
- ISPT Pty Limited.

Member – Investor Shareholder Advisory Board

- IFM Investors Pty Limited.

Member – Investor Advisory Committee

- Wilshire Australia Private Markets No.1 Fund and No.2 Fund and Wilshire Private Markets Asia No.1 Fund and No.2 Fund.

Member – Investor Committee

- Campus Living Villages Fund.

Member – Advisory Board

- Hayfin Special Opportunities Credit Fund I LP
- Hayfin Special Opportunities Fund II LP
- Partners Group Secondary 2008, S.C.A. SICAR
- Partners Group Secondary 2011 (EUR) S.C.A., SICAR
- Partners Group Direct Investments 2012 (USD) ABC, L.P.
- Partners Group Direct Equity 2016 (USD) C, L.P.
- Siguler Guff Small Buyout Opportunities Fund II.

Member- Advisory Committee

- Artesian Venture Capital Fund of Funds Management, ILP
- Blackbird Ventures 2015, LP and Blackbird Ventures Follow-On Fund Trust
- Blackbird Ventures 2018, LP and Blackbird Ventures 2018 Follow-On Fund Trust
- Brandon Medical Research Commercialisation Fund 3
- Carnegie Private Opportunities Fund No.1.
- Carnegie Private Opportunities Fund No.2

- Carthona Capital Venture Fund 1
- Cross Ocean USSS Fund I (A) Del Feeder LP
- Lexington Co-Investment Partners IV, L.P
- MRFC Biomedical Translation Fund
- ROC Asia Pacific Co-Investment Fund III
- Square Peg Australia 2015 LP and Square Peg Global 2015 Trust.

Member (Supervisory Board)

- Carnegie Innovation Fund No. 1
- Carnegie Innovation Fund No. 2.

Hostplus Representative

- Industry Super Holdings Pty Ltd – Shareholder Meeting.

Hostplus Representative at Shareholder Meetings

- Members Equity Bank Limited.

Member – Partnership Committee (Alternative Representative)

- Darling Harbour Live Partnership.

Member – Advisory Committee (Alternative Representative)

- Caspian Private Equity II, LP
- Caspian Private Equity U.S. Opportunities III, LP
- QIC Limited - QIC Global Infrastructure Fund.

Investment Committee (Observer Position)

- Artesian Hostplus VC Fund 1, ILP.

Advisory Board Member

- Apollo Offshore Structured Credit Recovery Fund IV Ltd
- Hermes GPE PEC III, LP
- Kayne Senior Credit III Offshore Fund LP.



Umberto Mecchi

As Chief Marketing Officer, Umberto brings his considerable experience and insight to bear to set the strategic course for Hostplus. His areas of responsibility include strategic planning, Project Management office supervision, brand management, marketing program delivery, client services and sales, and member and employer experience design.

A career marketer with unparalleled financial services credentials, he is responsible for leading a talented team that is dedicated to ensuring Hostplus is at the forefront of delivering leading product and services to members, employers and stakeholders.

Under his stewardship, the organisation has consistently delivered breakthrough brand campaigns and strategies and established itself as one of Australia's most trusted superannuation brands.

His work has been recognised and acknowledged with numerous awards:

- Ranked 11th in Top 50 CMO in Australia in 2017
- Australian Institute of Superannuation Trustees (AIST) Superannuation Marketing Award for Excellence
- Rainmaker Superannuation Marketer of the Year
- Winner of the 2008 ASFA Communications Award
- AIST Gold Communication Award in 2008, 2009, 2017 for Excellence in Communications.

Roles and responsibilities

- Chief Marketing Officer
- Business strategy and insights
- Marketing and Brand Strategy
- Management of Client Services and business development
- Oversight of Business Intelligence
- Project Management office and delivery of strategic projects
- Member Education program design and delivery.

Year of appointment

2011

Qualifications and memberships

- Graduate of The Google - Squared Online Certificate in Digital Marketing
- Bachelor of Business (Marketing), RMIT
- Diploma in Organisational Leadership, Melbourne Business School

- Certificate in Direct Marketing, ADMA
- Member of the Australian Institute of Superannuation Trustees
- Member of FEAL (Fund Executives Association Limited)
- Member of Australian Superannuation Funds Association (ASFA)
- Currently completing Master of Organisational Leadership, Melbourne Business School.

Experience

- Group Executive, Strategy and Marketing, Hostplus (2014–2017)
- Executive Manager, Strategy and Marketing, Hostplus (2004 – 2010) and (2011 – 2014)
- Executive Director, Marketing, Industry Funds Management
- Director Client Services, The Shannon Company
- Strategy Director, trademarkDM
- Marketing Manager Business Solutions, Zurich Australia
- Strategic Marketing Manager, AXA Australia
- Project Manager, Express Banking, ANZ Bank.

Other directorships/appointments

- Member of Risk and Finance Committee and Member of Fundraising Committee
- Jesuit Social Services.



Kelly Cantwell

With over 29 years of financial services experience Kelly Cantwell is the Group Executive Service Operations and IT.

A strong negotiator with a member and employer services focus, Kelly is a valuable asset to the Hostplus Leadership Team.

Appointed in October 2016, Kelly plays a critical role in developing and leading member service for Hostplus by optimising the capabilities of all team members; developing specialist skill sets and a highly experienced team and, in turn, achieving high levels of staff satisfaction and retention. One of Kelly's key functions is to build solid frameworks and infrastructure to manage internal and external stakeholders whilst driving outcomes to implement the overall strategic plan for the Fund.

In addition management of end to end insurance products and services has always been a passion and strength of Kelly's.

Role and responsibility

- Group Executive, Service Operations and IT
- Identify and monitor key business drivers. Introduce improved business processes and structures to meet changing business needs.
- Strategic management, review and design of service centre operating model to ensure effective delivery of services in an efficient manner.
- Management of the Fund's service operations centre including transactional inbound and outbound calls, member and employer services teams' quality assurance.
- Management of end to end insurance contracts including design, operations and service
- Oversight and management of the fund's information technology services.
- Oversight of day-to-day member and employer operational aspects of the fund and management of information from and between the fund and key service providers, both internally and externally.
- Oversee the daily operational requirements for claims management.
- Ensure administration and other services to the fund are delivered in the most efficient, user-friendly and cost-effective way and meet member and employer needs and ensuring the functional requirements are in line with fund policy, procedures and business objectives.

Year of appointment

2016

Experience

- 11 years' experience with JMIFA in key roles including Fund Service Co-ordinator, Account Manager and Contact Centre Manager.
- 15 years' experience in previous roles within Hostplus including a number of years as a Group Executive.



Norlena Brouwer

Appointed Group Executive, Risk and Compliance in October 2016, Norlena's extensive experience in both Central Group Operational Risk Functions as well as Divisional Operational Risk Teams sees her well qualified to manage the intricacies of Risk with respect to superannuation.

Norlena joined Hostplus in 2014 following a number of senior roles within the sphere of Risk, Compliance and Governance for organisations including Cricket Australia, Bankwest and Property Exchange Australia.

As Group Executive, Risk and Compliance Norlena is responsible for developing, enhancing and implementing an effective risk management framework, leading the risk and compliance team and supporting the board and leadership team on risk management practices and emerging risks.

Role and responsibility

- Group Executive Risk & Compliance
- Leading the risk team in the execution and overseeing the delivery of the Risk business plan;
- Regular and timely reporting to the Board, Audit, Risk and Compliance Committee, Group Executive and other stakeholders on risk management practices and emerging risks;
- Communicating risk management obligations to stakeholders and enhancing risk awareness across the organisation on a continuous basis;
- The development of robust frameworks, processes and systems for the identification, management, mitigation and monitoring of risk across the organisation.
- Identify compliance issues and make recommendations on enhancements to existing, and development of new, risk controls and processes.
- In consultation with the Chief Executive Officer select and retain external counsel as required to obtain legal opinions or handle claims and litigation and establish policies governing the retention of external counsel to protect its interests.

Year of appointment

2016

Qualifications and memberships

- Diploma of Financial Services
- Risk Management ANZIF
- Member Risk Management Institute of Australia
- Member of Governance Risk & Compliance Institute
- Member of Association of Superannuation Funds of Australia
- Member of Australian Institute of Superannuation Trustees.

Experience

- 8 years' experience in senior Risk management and advisory positions with a number of organisations including Cricket Australia, Bankwest and Property Exchange Australia.



Paul Watson

As Group Executive, Retirement Solutions and Advice, Paul makes an invaluable contribution to the development and implementation of the Hostplus' strategy, business plans and growth.

Principally Paul's responsibilities include designing and delivering Hostplus' retirement products, services and customer experience strategy, management of the retirement, direct investment and pooled superannuation trust products and platforms and Hostplus' financial planning and advice services.

This involves ensuring retirement services, advice and products are professional, high-performing, compliant and consistently member-focused and achieving the key result areas and outcomes in alignment with Hostplus' broader strategy.

With over 28 years' experience in superannuation and the financial services industry, across a range of business disciplines, Paul has an in-depth understanding of the dynamics of successful organisations.

Paul has held C-suite and senior executive roles in both the public and private sectors, including chief executive, executive director and group executive positions in several of Australia's

well known and best performing superannuation and pension funds. Prior to that he enjoyed a 13-year career in the Australian Public Service which included a number of senior officer roles in central agencies where he contributed to the development and delivery of retirement income policies, initiatives, multi-agency programs and national information and education campaigns.

Paul is a graduate of the Harvard Business School's Leadership Development Program and holds qualifications in financial planning, management and administration.

Roles and responsibilities

- Group Executive, Retirement Solutions and Advice
- Leads retirement strategy, product and service development and delivery and the Retirement Solutions and Advice's divisional growth initiatives
- Leads Hostplus' key employer and member relationship management and retention initiatives, activities and programs
- Leads and manages the provision of the end-to-end financial planning and advice solutions and services for Hostplus' various market segments
- Contributes to Hostplus' product strategy and suite, service delivery and business insights
- Financial Planning, Advice and member guidance services
- External advice and intermediary engagement and support services (ie. external advisers, accountants, SMSF intermediaries and trustees)
- Development of retirement-specific solutions and strategy development for post-retirement risk management and mitigation
- Post-retirement product development and lifecycle management, encompassing pensions, annuities, tailored retirement phase investment options, health and aged care considerations)
- Stewardship, development and management of our PST solutions (SMSF product) and Direct investment platform (Choiceplus)

- Operational and Responsible Officer accountability for Hostplus' MyRetirement regulatory framework and related compliance obligations
- Internal post-retirement subject matter expertise, training and information, and
- Representing Hostplus in relevant retirement policy development and advocacy forums.

Year of appointment

2011

Qualifications and memberships

- PLD, (Exec. Ed.), Harvard Business School, MA, USA
- Diploma of Management (Financial Services), Macquarie University, NSW
- Diploma of Financial Planning, Deakin University, VIC
- Fellow, Australian Institute of Superannuation Trustees
- Fellow, Association of Superannuation Funds of Australia
- Director, FEAL (Fund Executives Assoc. Limited)
- Member, ASFA Super System Design Policy Council.

Experience

- Hostplus Group Executive, Business Growth, Client Relationships and Advice
- Hostplus Group Executive, Strategy, Business Growth, Product and Advice
- Hostplus Executive Manager, Member and Employer Relationships
- Chief Executive Officer, Military Super
- Deputy Chief Executive Officer, Australian Reward Investment Alliance
- Deputy Executive Director, Motor Trades Association of Australia
- Australian Public Service Senior officer roles in the Departments of Finance, Taxation, ComSuper, Defence and the Attorney Generals Department.

Other directorships/appointments

Director

- Fund Executives Association Limited.

Member

- ASFA Super System Design Policy Council.



Natalie Strickland

Natalie joined Hostplus in 2010 as Human Resources Consultant and was appointed Group Executive, People, Performance and Culture in 2014. Natalie brings a wealth of employee relations expertise to the area of people and culture in the fund, with over 14 years' experience in a diverse range of key advisory roles.

Natalie and her team are responsible for driving, implementing and managing the People, Performance and Culture strategy of the fund.

This includes Recruitment, Performance, Payroll, Culture, Learning and Development and Health, Safety and Wellbeing.

Natalie is passionate about providing employees at Hostplus with the best possible employment experience and supporting leaders with delivering superior performance at the fund, and has seen success in areas of:

- Insourcing recruitment
- Improving employee engagement and alignment
- Learning & Development.

Role and responsibility

- Group Executive, People, Performance and Culture¹
- To drive, implement and manage the People, Performance and Culture strategy for Hostplus.

Year of appointment

2014

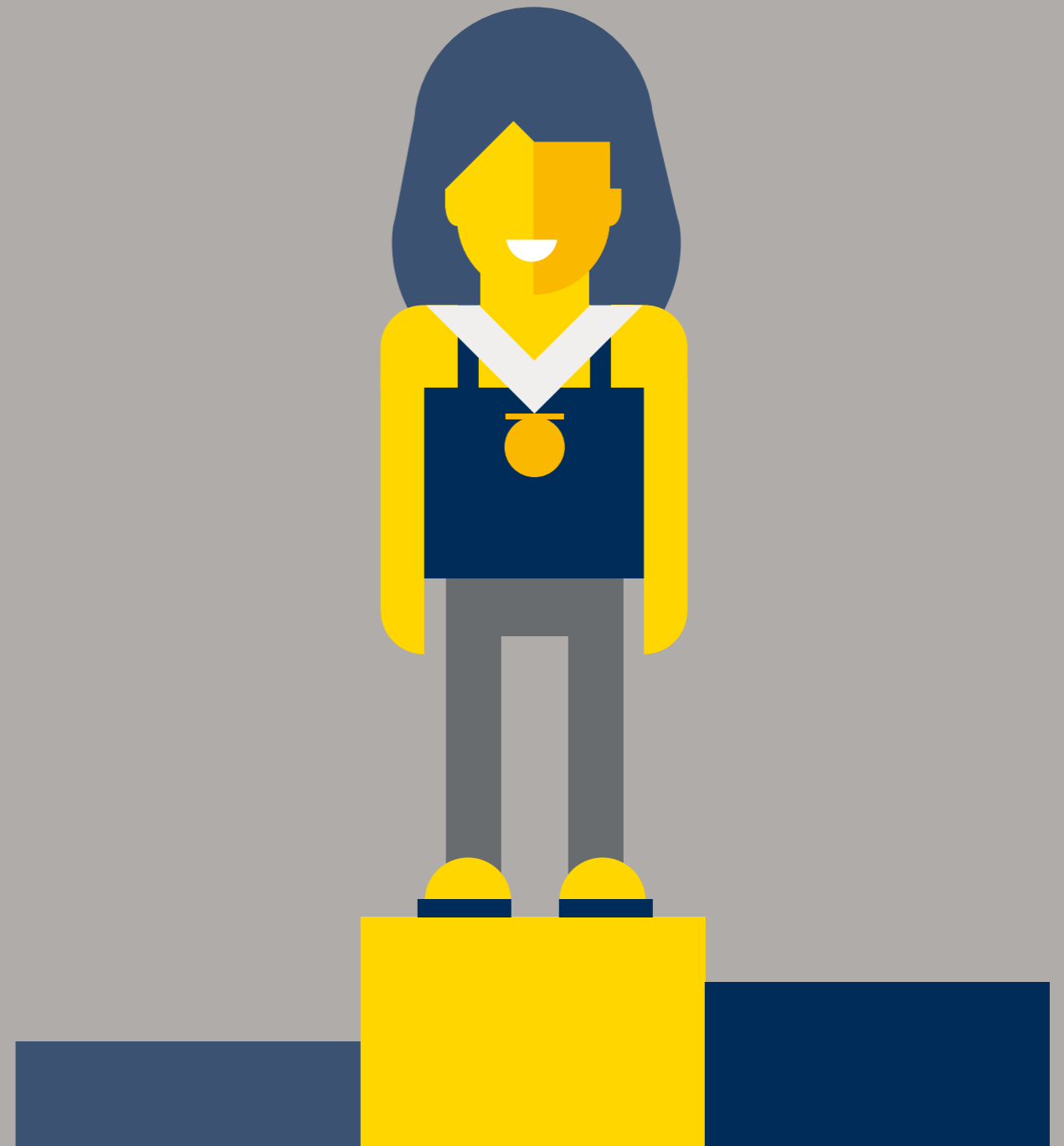
Qualifications and memberships

- Diploma of Human Resources, Swinburne University of Technology
- Member of the Australian Institute of Superannuation Trustees
- Member of FEAL (Fund Executives Association Limited)
- Member of Australian Superannuation Funds Association (ASFA).

Experience

- Human Resources Consultant Hostplus
- HR Recruitment Officer, Tabcorp
- Resourcing Coordinator, Barclays Bank (London)
- Recruitment Administrator, Cadbury Schweppes
- Resourcer, Lloyd Morgan.

¹ Effective 19 September 2014.





Our governance.

Corporate governance report

Environmental, social and governance

Corporate governance report.

At Hostplus, we believe corporate governance is fundamental to:

- Ensuring the Trustee and the Fund are managed properly; and
- Deliver long-term financial security for members.

Our corporate governance is therefore designed to protect and enhance the interests of members, while also taking into account the interests of other stakeholders, including employees, providers and the community.

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

Corporate structure and governing documents

Host-Plus Pty Limited (referred herein as Hostplus, Trustee or Company) is the Trustee for the Hostplus Superannuation Fund (the Fund). The Trustee is governed by its Constitution and holds a Registrable Superannuation Entity (RSE L0000093) Licence from the Australian Prudential Regulation Authority (APRA) and an Australian Financial Services Licence (AFSL # 244392) issued by the Australian Securities and Investments Commission (ASIC).

The Hostplus Board represents our members in accordance with financial services laws and the Hostplus Superannuation Fund's Trust Deed (the governing rules of the Fund).

The Trustee Board has complete management and control of all matters relating to Hostplus, including responsibility for the overall governance and strategic direction of the Fund.

The AFSL held by the trustee Company also enables Hostplus to provide financial product advice and deal primarily with respect to superannuation.

In 2013, the Hostplus Superannuation Fund's Trust Deed (Trust Deed) was amended as part of the APRA MySuper authorisation process, specifically to ensure compliance with the requirements of section 29TC of the Superannuation Industry (Supervision) Act 1993. Following this, the Trustee received its MySuper authorisation, which has enabled it to offer a MySuper product since 1 July 2013. The Trust Deed is a legal document that sets out the governing rules for the establishment and ongoing operations of the Fund. It has provisions that cover such items as membership rules, contributions, Trustee obligations, the appointment of auditors and record-keeping requirements.

The Company acts in accordance with its constitution and the terms and conditions of its regulatory licences.

Board of Directors

The Hostplus Board has equal representation from three employer representative Directors, nominated by the Australian Hotels Association (AHA), and three employee representative Directors, nominated by United Voice, as well as three Independent Directors jointly selected by AHA and United Voice (the Founding Members) or, failing agreement by the Founding Members, by the Selection Committee. Board-level decisions are based on a two-thirds majority vote.

All Directors are appointed on a non-executive basis and appointments are made in accordance with the Hostplus constitution and the Company's fit and proper policy.

Overview of Board governance practices

A range of governance practices have been implemented to facilitate fairness, transparency and accountability in corporate governance.

Board charter

The Board charter details the key policies and processes the Board has in place for the governance of the Fund, as well as the key roles and responsibilities of the Board, which include strategic planning, corporate culture, monitoring and evaluation of management and stewardship.

Board appointments

Directors are appointed for a three-year term. At the conclusion of each term, the nominating body either renews the term of the existing Director or appoints another representative. For Independent Directors, the two nominating bodies, being AHA and United Voice (the Founding Members), must reach agreement on the appointment or re-appointment of the Independent Director(s) (as the case may be) in each relevant year by 16 May. The remaining two Independent Directors must also agree to the appointment of the Independent Director. If the Founding Members fail

to reach agreement by this date, the Selection Committee must appoint or re-appoint the Independent Director (as the case may be) by no later than 30 June in each relevant year.

In assessing Directors, the Founding Members will give consideration to the overall balance of the Board, taking into account stability, longevity, experience, corporate knowledge and whether an individual's period of tenure on the Board could, or could be perceived to, materially interfere with his or her ability to act in the best interests of the members.

Each nominating body may elect to appoint an Alternate Director to represent appointed Directors in their absence. The Chair of the Hostplus Board (who must be an Independent Director) is elected by the Board.

Terms of reference have been established to govern Board proceedings, including membership, roles and responsibilities, operating functions and charter, appointment of Chair, quorum, voting entitlements and meeting arrangements. The constitution also details how and when a Director needs to be removed from the directorship of the Trustee Company, such as when the best interests of members would be served, including as a result of non-compliance with the Hostplus Fit and Proper Policy, in the Founding Member's judgement

and in accordance with the constitution. A Director may also resign by giving written notice to the Trustee.

Under the Trust Deed of the Fund, the Hostplus Board has the ability to delegate its powers and responsibilities to Committees of the Board. Currently, the Hostplus Board has established the Committees described in the table on page 56.

Members of the Committees are appointed by the Hostplus Board or, if permitted under the Charter of the Committee, by the CEO. Similar to the Hostplus Board, each Committee is operated in accordance with its Terms of Reference.

Every year, the Hostplus Board and Committees undertake a formal performance assessment process using the services of an external consultant to assess and benchmark their performance.

Committees of the Board			
Committee	Chair	Members	Role
Audit, Risk and Compliance Committee	Peter Collins	Mark Robertson Timothy Lyons	The role of the Audit, Risk and Compliance Committee is to oversee the financial reporting, regulatory, legislative, risk management and taxation activities of the Fund.
Claims Review Committee	Robyn Buckler	Robert Hinkley Collin Cassidy	The role of the Claims Review Committee is to review members' claims rejected by the insurer.
People and Remuneration Committee	David Gibson	David Elmslie Timothy Lyons	The role of the People and Remuneration Committee is to oversee the remuneration strategies of the Fund and make recommendations to the Board in relation to executive remuneration.
Nomination and Board Renewal Committee	David Elmslie	Mark Robertson Tim Lyons	The role of the NBRC will be to make recommendations to the Board for the appointment of representatives to the Board's sub committees and any organisations to which the Board makes appointments (for example entities that Hostplus invests in). The NBRC will also make any recommendations to the Founding Members that relate to the composition of the Board.
Special Investment Group		David Elmslie Mark Robertson Tim Lyons David Gibson	The SIG is responsible for considering, reviewing and approving recommendations from the Trustee's Investment Advisor relating to direct investments and co-investments in property, infrastructure and private equity asset classes via pooled investment vehicles or mandates. All investment decisions made by the SIG on behalf of the Board must be made in accordance with the investment policies approved by the Board.

Risk Management and Compliance frameworks

Risk Management Framework

The Risk Management Framework encompasses the overall operations of Hostplus, and all of the risk exposures associated with the fulfilment of its strategic objectives. This includes the material risks listed in the Risk Management Strategy (RMS). The Risk Management Framework adopted by the Fund is consistent with the requirements of the Risk Management International Standard (ISO 31000:2009) as well as applicable APRA prudential standards and regulated requirements.

The objectives of the Risk Management Framework are to:

- Communicate a common understanding of risk management at Hostplus by providing all staff with the knowledge and tools to take ownership of those risks/controls that are relevant to their roles;
- Provide a detailed outline of all activities undertaken by Hostplus to identify, mitigate and minimise risk;
- Assist Hostplus in applying the various stages of the risk management process, as outlined in the Risk Management Standard (ISO 31000:2009);

- Satisfy the initial and ongoing risk management requirements as required by APRA of all RSE Licensees of APRA;
 - Meet the prudential standard duty to manage the Fund in the best interests of members and beneficiaries by effectively managing the risks associated with the operation of the Fund; and
 - Design and distribute required templates to all staff to assist in the process of risk identification, recording, treatment, monitoring and reporting.
- The Hostplus Board and Executive Management are responsible for the annual review and ongoing monitoring of the RMS.

Compliance Framework

Hostplus has a Compliance Framework that formalises the structure and processes in place to meet legislative and regulatory requirements, including relevant prudential standards and contractual obligations.

The Compliance Framework is based on the principles contained within the Australian Standard AS/NZS3806:2006 Compliance Program.

- The compliance program has two tiers:
- The Compliance Framework – the structure Hostplus employs to manage the compliance requirements; and
 - Policy documents and standards – a listing of policy documents and standards adopted at Hostplus.
- The Hostplus Board maintains overall responsibility for the compliance program.
- Governance of the Compliance Framework and program is the responsibility of the Group Executive, Risk and Compliance, reporting directly to the Audit, Risk and Compliance Committee, and the Chief Executive Officer.

Environmental, social and governance.

As a profit-for-member superannuation fund, Hostplus is run only to benefit members. Our primary duty is to deliver the best retirement outcomes to our members. We also widely support, and invest in, the hospitality, tourism, recreation and sport sectors our members work in, live and love. These responsibilities guide every decision we make, and great care is taken to ensure each action fulfils these duties.

To meet these obligations, and to protect and optimise the fund's investments over the long-term, Hostplus assesses and manages risk as effectively as possible. In doing so, we recognise the importance of considering environmental, social and governance (ESG) opportunities and risks in our investment decision making processes. Hostplus believes that entities who prudently manage ESG opportunities and risks will deliver better long-term financial performance to their members.

Central to Hostplus' ESG approach is our preference for engagement over divestment from an asset class, industry, sector or company. We believe engagement is an effective strategy that allows Hostplus to use its ownership to help change behaviour, whereas divestment means losing influence. These stewardship activities are critical to the governance of our investments over the long-term.

Our position on climate change

As a global long-term investor and signatory to the Principles for Responsible Investment, Hostplus acknowledges that climate change will have a wide range of consequences which may impact our investment portfolio. We are committed to improving our understanding of our fund's exposure to material climate change risks across companies, sectors, regions and asset classes.

Climate change is one component of Hostplus' ESG considerations, however it is one of the largest economic challenges facing investors today – physically, socially and legally.

As a fund, we respect the concern and commitment shown by members of our community who are working to confront this problem, as well as those who have different investment preferences. While we share many community members' belief in the importance of addressing climate change, we do not believe that full divestment from the fossil fuel industry is the best approach.

As individuals and as a community, we extensively rely on these companies' products and services for so much of what we do every day – the heating and lighting of our buildings, fuelling our transportation, as well as running our computers and appliances. As a long-term investor, it is difficult for us to reconcile boycotting a whole class

of companies as we do not believe this represents a 'silver bullet' approach to the investment challenges posed by climate change.

Furthermore, divestment can cause company valuations to fall where they are more likely to shift from public markets to private equity funds, which have lower reporting obligations. Such a shift could hurt transparency and limit everyone's ability to engage the management of these companies in discussion around climate change. We prefer to exercise these rights ourselves and that's what our ownership of these companies allows us to do.

As a responsible trustee, we are committed to improving our understanding of our fund's exposure to material climate change opportunities and risks across companies, sectors, regions and asset classes. Such risks and opportunities are complex, often global in nature, and addressing them effectively frequently entails collaborative approaches.

Engagement over withdrawal

As a shareholder, Hostplus greatly favours engagement over withdrawal.

In this context, engagement means two-way constructive communication between us and investee companies on matters such as the organisation's performance, strategy, ESG issues, leadership, quality and level of reporting. This is a big task and we do not have the resources to do all the necessary work alone.

We therefore primarily engage with companies collectively through the Australian Council of Superannuation Investors (ACSI). ACSI seeks to influence companies through constructive engagement with their boards about material ESG issues, with the aim of promoting long-term shareholder value and minimising risk. Some examples of ESG risks discussed are board diversity and independence, remuneration report recommendations, carbon asset risk, human rights in supply chains and sustainability reporting disclosure.

By taking a collective engagement approach, we are able to exert greater influence beyond our own shareholding in the company and to manage resources more effectively. As an ACSI member, Hostplus also actively influences ACSI's priority engagement themes and companies each year.

Proxy voting

We also take our proxy voting rights very seriously. It is Hostplus' policy to vote the proxy rights associated with all of our Australian and international equities holdings, and we are committed to publicly disclosing all proxy voting records which are available at [hostplus.com.au](https://www.hostplus.com.au).

Principles for Responsible Investment

Hostplus is a signatory to the Principles for Responsible Investment (PRI). These principles establish a collective international framework for institutional investors to integrate ESG considerations into their investment decision-making. We believe that the PRI provides an important universal framework for signatories to work together, learn from each other and to provide a collective voice on ESG issues.

Socially Responsible Investment Option

In addition to incorporating ESG considerations across our investment portfolio, we also offer our members a separate ESG investment option called Socially Responsible Investment (SRI) – Balanced. The SRI Option gives investors dedicated access to responsible investing opportunities

Hostplus has invested more than \$3.7 billion in Australian core property and \$2 billion in our airports, railway stations, toll roads, water and renewable energy and other infrastructure assets.

So, you're not only growing your investment; you're also helping to build our nation.

across a wide range of asset classes, including shares, property, fixed income, infrastructure, alternatives and cash.

It is managed within a responsible investment framework, combining traditional investment metrics with ESG criteria to identify investments that meet acceptable standards in areas such as environmental performance, social impact, ethics, labour standards and corporate governance.

In addition to the SRI option's fund manager selection process, it also screens out companies that have a material exposure to the production or manufacture of:

- Tobacco
- Nuclear power
- Armaments
- Gambling
- Alcohol
- Pornography

The SRI Option also limits exposure to companies that use large amounts of carbon-intensive fossil fuels. Specifically, the SRI Option does not invest in companies that have more than a 20 per cent exposure to one, or a combination of the following activities:

- Mining thermal coal
- Exploration and development of oil sands

- Brown-coal (or lignite) coal-fired power generation
- Transportation of oil from oil sands
- Conversion of coal to liquid fuels/feedstock

Sustainable investments

We believe that innovative sustainable assets not only contribute to local communities and help to preserve the environment, they will also be profitable investments both now and in the future. Which means more money for our members to enjoy in their retirement.

Hostplus members are currently investing in a wide range of award-winning properties, infrastructure assets, and organisations which are detailed below.

We have also committed over \$1 billion to Australian venture capital managers, including funds that are building water treatment systems, autonomous taxis and cars, and supporting clean energy funds to create new ways to produce, store, distribute, own and trade renewable energy.

313@Somerset Shopping Centre, Singapore

- Building and Construction Authority of Singapore Green Mark Platinum Award winner.

Darling Quarter urban regeneration precinct, Darling Harbour, Sydney

- Rated 6 Star Green Star Design As-Built and Performance, signifying 'World Leadership' in sustainable design and construction.

Green Square North Tower, Fortitude Valley, Queensland

- Rated 6 Star Green Star As-Built and Design V2.

Barangaroo South International Towers 1, 2 and 3, Sydney

- 6 Star Green Star Design ratings;
- Targeting carbon neutrality in 2017 and net zero waste to landfill by 2020; and
- The most sustainable development ever delivered by Lend Lease.

Darling Square, Sydney

- Targeting 6 Star Green Star certification; and
- Features a large roof-mounted solar array that will provide zero carbon electricity to the building and a green roof.

500 Bourke Street, Melbourne

- Rated 5 Star Green Star Design and As-Built V2.

UNSW Village, Sydney

- Urban Development Institute of Australia award winner for sustainable development 2010; and
- Australian Institute of Architects award winner in the multiple housing category.

The Ponds Shopping Centre, Kellyville

- Australia's first 6 Star Green Star Retail Centre Design V1 shopping centre

South East Water, UK

- Peter Parker Prize winner for Business Commitment to the Environment, identifying the company as the most outstanding example of environmental best practice in the country; and
- The Green Organisation's 'Gold Green Apple Award' winner for its work to protect toads at its Offham Water Treatment Works. The company built three ponds and numerous hibernation sites on its land to keep the toads from trying to cross the busy A275.

Freeport LNG, Texas, US

- Ebby Halliday and Maurice Acres Business/ Industry Award winner for environmental stewardship and community involvement activities. This award was given by Keep Texas Beautiful, a non-profit organisation whose mission it is to improve the community environment.

Darling Harbour Live

- 6 Star Green Star Communities (1) rating from GBCA;
- More than 15 per cent reduction in annual greenhouse gas emissions to 2012 NCC minimum requirements;
- Target 14 per cent reduction in potable water use;
- Solar hot water servicing the commercial kitchens; and
- Includes Australia's largest electric car charging facility.

Your investments in Australia

Your super or pension is an investment in your financial future. But did you know you're investing in your future in more ways than one?

Through a number of fund managers, Hostplus invests in a range of physical assets such as airports, sea ports, shopping centres, industrial property estates, retirement villages, roads, wind farms, water filtration plants, office buildings, community buildings and more.

So, you're not only growing your own investment with Hostplus; you're also helping to build our nation.

Water filtration plants

Two water filtration plants in Illawarra and Woronora in New South Wales provide water to more than half a million people every day.

Airports

Melbourne, Hobart, Brisbane, Darwin, Alice Springs, Perth and Adelaide – you have a stake in all these airports through Hostplus.

Railway stations

Your investments may have contributed towards building and operating Southern Cross Station in Melbourne.

Roads

The M5 South West Motorway and Eastern Distributor in Sydney are projects Hostplus invests in.

Schools

We invest in a company that owns nine schools in New South Wales.

Aged care facilities

The Mercy Health & Aged Care Inc. in Colac, Victoria, is partially funded by Hostplus investments.

Public buildings

We are investing in a project that will design, build and operate the Perth CBD courts in Western Australia.



Investments.

- Pre-mixed options
- Sector investment options
- Individual manager options
- Investment returns
- Investment holdings
- Other investment information
- Investment managers
- Investment costs

Pre-mixed options

Balanced (default option)

Return target	<ul style="list-style-type: none"> • CPI plus 3% per annum on average over 10 years • CPI plus 4% per annum over 20 years
Level of investment risk*	<ul style="list-style-type: none"> • High (negative returns expected in between 4 to 6 out of every 20 years)
Investment style	<ul style="list-style-type: none"> • Investments through diversified investment portfolio, including some growth assets and some lower risk investments
Who is this investment suitable for?	<ul style="list-style-type: none"> • This Option is diversified across a range of growth and defensive assets and aims to produce consistent returns over time • This Option may suit members who have a five year plus investment time horizon
Minimum suggested timeframe#	5 years +

Asset mix	Range	SAA benchmark
Growth assets		75%
Equity		
Australian shares	15–45%	23%
International shares		
Developed markets	10–30%	22%
Emerging markets	0–15%	8%
Private equity	0–15%	7%
Infrastructure	0–15%	6%
Property	0–15%	4%
Other		
Credit	0–10%	2%
Alternatives	0–10%	3%
Defensive assets		25%
Infrastructure	0–10%	6%
Property	0–20%	9%
Fixed income	0–20%	0%
Cash	0–10%	0%
Other		
Credit	0–10%	5%
Alternatives	0–10%	5%

Capital Stable

Return target	<ul style="list-style-type: none"> • CPI plus 2.5% per annum over 20 years
Level of investment risk*	<ul style="list-style-type: none"> • Low to medium (negative returns expected in between 1 to 2 out of every 20 years)
Investment style	<ul style="list-style-type: none"> • Most conservative and low-risk of the Hostplus pre-mixed investment options
Who is this investment suitable for?	<ul style="list-style-type: none"> • This Option has a lower risk return profile than the Fund's Default Option • This Option may suit members who have a five year plus investment time horizon
Minimum suggested timeframe#	5 years +

Asset mix	Range	SAA benchmark
Growth assets		32.5%
Equity		
Australian shares	5–20%	9%
International shares		
Developed markets	5–15%	8%
Emerging markets	0–5%	3%
Private equity	0–5%	0%
Infrastructure	0–10%	3.5%
Property	0–10%	3%
Other		
Credit	0–5%	2%
Alternatives	0–10%	4%
Defensive assets		67.5%
Infrastructure	0–5%	3.5%
Property	0–15%	7%
Fixed income	10–50%	20%
Cash	10–40%	25%
Other		
Credit	0–15%	6%
Alternatives	0–10%	6%

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

The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

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

The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

Pre-mixed options (continued)

Conservative Balanced

Return target	• CPI plus 3.5% per annum over 20 years
Level of investment risk [*]	• Medium to high (negative returns expected in between 3 to 4 out of every 20 years)
Investment style	• Contains roughly equal proportions of growth and defensive assets
Who is this investment suitable for?	<ul style="list-style-type: none"> • This Option is diversified across a range of growth and defensive assets, and has a lower risk return profile than the Fund's Default Option • This Option may suit members who have a five year plus investment time horizon
Minimum suggested timeframe [#]	5 years +

Asset mix	Range	SAA benchmark
Growth assets		51%
Equity		
Australian shares	10–30%	16%
International shares		
Developed markets	10–25%	16%
Emerging markets	0–10%	6%
Private equity	0–10%	2%
Infrastructure	0–10%	4%
Property	0–10%	3%
Other		
Credit	0–5%	2%
Alternatives	0–10%	2%
Defensive assets		49%
Infrastructure	0–5%	4%
Property	0–15%	7%
Fixed income	10–40%	15%
Cash	5–25%	15%
Other		
Credit	0–10%	4%
Alternatives	0–5%	4%

Socially Responsible Investment (SRI) – Balanced

Return target	• CPI plus 3.5% per annum on average over 20 years
Level of investment risk [*]	• High (negative returns expected in between 4 to 6 out of every 20 years)
Investment style	• 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
Who is this investment suitable for?	<ul style="list-style-type: none"> • 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 who have a five year plus investment time horizon
Minimum suggested timeframe [#]	5 years +

Asset mix	Range	SAA benchmark
Growth assets		70%
Equity		
Australian shares	20–40%	28%
International shares		
Developed markets	15–35%	27%
Emerging markets	0–7%	2%
Private equity	0–10%	0%
Infrastructure	0–10%	3%
Property	0–20%	9%
Other		
Credit	0–10%	0%
Alternatives	0–6%	1%
Defensive assets		30%
Infrastructure	0–10%	0%
Property	0–10%	0%
Fixed income	0–30%	17%
Cash	0–15%	5%
Other		
Credit	0–15%	8%
Alternatives	0–10%	0%

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

The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

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

The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

Pre-mixed options (continued)

Indexed Balanced

Return target	• CPI plus 3.0% per annum over 20 years
Level of investment risk*	• High (negative returns expected in between 4 to 6 out of every 20 years)
Investment style	• Investments through diversified investment portfolio, including some growth assets and some lower risk investments
Who is this investment suitable for?	• This Option is diversified across a range of growth and defensive assets and aims to produce consistent returns over time • This Option may suit members who have a seven year plus investment time horizon
Minimum suggested timeframe#	7 years +

Asset mix	Range	SAA benchmark
Growth assets		75%
Equity		
Australian shares	25–55%	32%
International shares		
Developed markets	25–55%	43%
Emerging markets	0–10%	0%
Defensive assets		25%
Fixed income	10–30%	15%
Cash	0–20%	10%

Shares Plus

Return target	• CPI plus 4.5% per annum over 20 years
Level of investment risk*	• High (negative returns expected in between 4 to 6 out of every 20 years)
Investment style	• Pre-mixed option • Contains the highest investment in assets with potential for capital growth
Who is this investment suitable for?	• This Option is less diversified than the Fund's Default Option and has a higher risk and return profile • This Option may suit members who have a seven year plus investment time horizon
Minimum suggested timeframe#	7 years +

Asset mix	Range	SAA benchmark
Growth assets		86%
Equity		
Australian shares	30–50%	31%
International shares		
Developed markets	20–40%	30%
Emerging markets	0–15%	11%
Private equity	0–15%	6%
Infrastructure	0–10%	3%
Property	0–10%	2%
Other		
Credit	0–5%	2%
Alternatives	0–5%	1%
Defensive assets		14%
Infrastructure	0–5%	3%
Property	0–10%	6%
Fixed income	0–10%	0%
Cash	0–10%	0%
Other		
Credit	0–5%	4%
Alternatives	0–5%	1%

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

The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

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

The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

Pre-mixed options (continued)

Hostplus Life**			
Return target			
Age bracket	Investment option	Objective (per annum on average over 20 years)	
Under 40	Shares Plus	CPI plus 4.5%	
40–49	Balanced	CPI plus 4%	
50–59	Conservative Balanced	CPI plus 3.5%	
60 and over	Capital Stable	CPI plus 2.5%	
Level of investment risk*			
Age bracket	Investment option	Level of risk	Negative returns expected out of every 20 years
Under 40	Shares Plus	High	4–6 years
40–49	Balanced	High	4–6 years
50–59	Conservative Balanced	Medium to high	3–4 years
60 and over	Capital Stable	Low to medium	1–2 years
Investment style	Throughout your younger years, investment is focused on long term capital growth, with a higher investment in shares and property. As you move closer to retirement, your superannuation will be invested in increasingly more defensive assets, with less exposure to risk, and more focus on providing a steady income and preserving capital.		
Who is this investment suitable for?	<ul style="list-style-type: none"> • This option is suitable for members who prefer to have the investment decisions made on their behalf • This option may suit members with a ten year plus investment time horizon 		
Minimum suggested timeframe#			
Age bracket	Investment option	Minimum suggested timeframe	
Under 40	Shares Plus	7 years +	
40–49	Balanced	5 years +	
50–59	Conservative Balanced	5 years +	
60 and over	Capital Stable	5 years +	

* The Level of Investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period.

The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

Hostplus Life** (continued)				
Asset Mix	Range	Shares Plus		Balanced
		SAA benchmark	Range	SAA benchmark
Growth assets		86%		75%
Equity				
Australian shares	30–50%	31%	15–45%	23%
International shares				
Developed markets	20–40%	30%	10–30%	22%
Emerging markets	0–15%	11%	0–15%	8%
Private equity	0–15%	6%	0–15%	7%
Infrastructure	0–10%	3%	0–15%	6%
Property	0–10%	2%	0–15%	4%
Other				
Credit	0–5%	2%	0–10%	2%
Alternatives	0–5%	1%	0–10%	3%
Defensive assets		14%		25%
Infrastructure	0–5%	3%	0–10%	6%
Property	0–10%	6%	0–20%	9%
Fixed income	0–10%	0%	0–20%	0%
Cash	0–10%	0%	0–10%	0%
Other				
Credit	0–5%	4%	0–10%	5%
Alternatives	0–5%	1%	0–10%	5%
Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.				

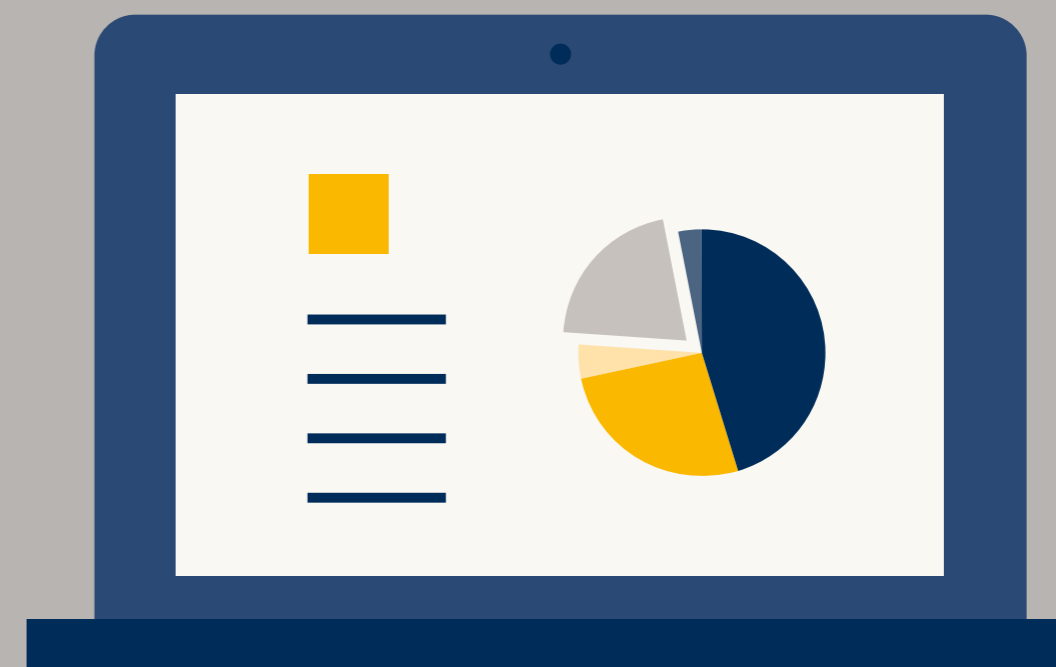
* The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period.

The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

Pre-mixed options (continued)

Hostplus Life** (continued)				
Asset Mix	Conservative Balanced		Capital Stable	
	Range	SAA benchmark	Range	SAA benchmark
Growth assets		51%		32.5%
Equity				
Australian shares	10–30%	16%	5–20%	9%
International shares				
Developed markets	10–25%	16%	5–15%	8%
Emerging markets	0–10%	6%	0–5%	3%
Private equity	0–10%	2%	0–5%	0%
Infrastructure	0–10%	4%	0–10%	3.5%
Property	0–10%	3%	0–10%	3%
Other				
Credit	0–5%	2%	0–5%	2%
Alternatives	0–10%	2%	0–10%	4%
Defensive assets		49%		67.5%
Infrastructure	0–5%	4%	0–5%	3.5%
Property	0–15%	7%	0–15%	7%
Fixed income	10–40%	15%	10–50%	20%
Cash	5–25%	15%	10–40%	25%
Other				
Credit	0–10%	4%	0–15%	6%
Alternatives	0–5%	4%	0–10%	6%

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



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

The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

**Whilst this option was introduced on 25 May 2015, the net investment returns are the actual net returns of the underlying investment options forming Hostplus Life.

Sector investment options

Cash

Return target	• CPI plus 0.5% per annum over 20 years
Level of investment risk*	• Very low (negative returns expected in between 0 and 0.5 out of every 20 years)
Investment style	• Cash investments could include deposits in a bank, investments in short-term money markets and other similar investments
Who is this investment suitable for?	• This Option may suit members who have a short-term investment horizon • It will provide security of capital but returns will typically be lower than that produced by the Fund's Default option over the medium to long term
Minimum suggested investment timeframe#	2 years +

Asset mix	Range	SAA benchmark
Growth assets		0%
Defensive assets		100%
Cash	0-100%	100%

Diversified Fixed Interest

Return target	• CPI plus 1% per annum over 20 years
Level of investment risk*	• Medium to high, negative returns expected in between 3 to 4 out of every 20 years
Investment style	• Usually a loan to a Government or business with a fixed interest rate and the length of the loan agreed in advance
Who is this investment suitable for?	• This Option may suit members who desire lower volatility over the medium term • Whilst returns can fluctuate, the risk and return profile is lower than the Fund's Shares Options
Minimum suggested investment timeframe#	7 years +

Asset mix	Range	SAA benchmark
Growth assets		0%
Other (Alternatives)	0-10%	0%
Defensive assets		100%
Fixed income	90-100%	100%

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

Property

Return target	• CPI plus 2.5% per annum over 20 years
Level of investment risk*	• High (negative returns expected in between 4 to 6 out of every 20 years)
Investment style	• An investment in property or buildings, either directly or via property trusts
Who is this investment suitable for?	• This Option aims to achieve income returns and capital growth over the longer term • This Option may suit members who have a seven year plus investment time horizon
Minimum suggested investment timeframe#	7 years +

Asset mix	Range	SAA benchmark
Growth assets		30%
Property	0-100%	30%
Defensive assets		70%
Cash	0-100%	70%

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

Australian Shares

Return target	• CPI plus 5% per annum over 20 years
Level of investment risk*	• High (negative returns expected in between 4 to 6 out of every 20 years)
Investment style	• Active management
Who is this investment suitable for?	• This Option is less diversified than the Fund's Default Option and has a higher risk and return profile • This Option may suit members who have a five year plus investment time horizon
Minimum suggested investment timeframe#	5 years +

Asset mix	Range	SAA benchmark
Growth assets		100%
Equity		
Australian shares	0-100%	100%
International shares	0-10%	0%
Defensive assets		0%

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

* The Level of Investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period.

The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

* The Level of Investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period.

The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

Sector investment options (continued)

International Shares

Return target	• CPI plus 4.5% per annum over 20 years
Level of investment risk*	• Very high (negative returns expected in between 6 to 7 out of every 20 years)
Investment style	• Active management
Who is this investment suitable for?	<ul style="list-style-type: none"> • This Option is less diversified than the Fund's Default Option and has a higher risk and return profile • This Option may suit members who have a five year plus investment time horizon
Minimum suggested investment timeframe#	5 years +

Asset mix	Range	SAA benchmark
Growth assets		100%
Equity		
International shares		
Developed markets	0–100%	75%
Emerging markets	0–100%	25%
Defensive assets		0%

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

International Shares – Indexed

Return target	• CPI plus 3.0% per annum over 20 years
Level of investment risk*	• Very high (negative returns expected in between 6 to 7 out of every 20 years)
Investment style	• Passive management
Who is this investment suitable for?	<ul style="list-style-type: none"> • This Option is less diversified than the Fund's Default Option and has a higher risk and return profile • This Option may suit members who have a five year plus investment time horizon
Minimum suggested investment timeframe#	5 years +

Asset mix	Range	SAA benchmark
Growth assets		100%
Equity		
International shares		
Developed markets	0–100%	100%
Defensive assets		0%

* The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period.
 # The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

International Shares (Hedged) – Indexed

Return target	• CPI plus 3.0% per annum over 20 years
Level of investment risk*	• Very high (negative returns expected in between 6 to 7 out of every 20 years)
Investment style	• Passive management
Who is this investment suitable for?	<ul style="list-style-type: none"> • This Option is less diversified than the Fund's Default Option and has a higher risk and return profile • This Option may suit members who have a seven year plus investment time horizon
Minimum suggested investment timeframe#	7 years +

Asset mix	Range	SAA benchmark
Growth assets		100%
Equity		
International shares		
Developed markets	0–100%	100%
Defensive assets		0%

* The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period.
 # The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

Individual manager options

Macquarie Investment Management – Australian Fixed Interest

Return target	• CPI plus 0.5% per annum over 20 years
Level of investment risk*	• High (negative returns expected in between 4 to 6 out of every 20 years)
Investment style	• Passive management
Who is this investment suitable for?	• This Option may suit members who desire lower return volatility over the medium term
Minimum suggested time frame#	7 years +

Asset mix	Range	SAA benchmark
Growth assets		0%
Defensive assets		100%
Fixed income		100%

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

BlackRock Asset Management – International Fixed Interest

Return target	• CPI plus 0.5% per annum over 20 years
Level of investment risk*	• High (negative returns expected in between 4 to 6 out of every 20 years)
Investment style	• Passive management • The manager invests in securities that form the Barclays Global Aggregate Index, using an index tracking approach to manage securities
Who is this investment suitable for?	• This option may suit members who desire lower return volatility over the medium-term
Minimum suggested time frame#	7 years +

Asset mix	Range	SAA benchmark
Growth assets		0%
Defensive assets		100%
Fixed income		100%

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

*The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period.
The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes. ^From the option's inception on 1 June 2011 to 14 January 2014, this option was invested in the BlackRock Indexed World Government Bond Fund, which tracked the Citigroup World Government Bond Index (hedged in AUD with net dividends reinvested). From 15 January 2014, this option has been invested in the BlackRock Global Bond Index Fund, which tracks the Barclays Global Aggregate Index (hedged in AUD with net dividends reinvested).

Industry Super Property Trust Core Fund – Property

Return target	• CPI plus 2.5% per annum over 20 years
Level of investment risk*	• High (negative returns expected in between 4 to 6 out of every 20 years)
Investment style	• The Fund has an income bias aiming to offer investors lower relative earnings volatility and a higher income yield
Who is this investment suitable for?	• This Option aims to achieve income returns and capital growth over the longer term • This Option may suit members who have a seven year plus investment time horizon
Minimum suggested time frame#	7 years +

Asset mix	Range	SAA benchmark
Growth assets		30%
Property		30%
Defensive assets		70%
Property		70%

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

Lend Lease managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property

Return target	• CPI plus 2.5% per annum over 20 years
Level of investment risk*	• High (negative returns expected in between 4 to 6 out of every 20 years)
Investment style	• Long-term direct investment in a quality portfolio of major regional core retail assets, commercial assets and industrial assets across Australia
Who is this investment suitable for?	• This Option aims to achieve income returns and capital growth over the longer term • This Option may suit members who have a seven year plus investment time horizon
Minimum suggested time frame#	7 years +

Asset mix	Range	SAA benchmark
Growth assets		30%
Property		30%
Defensive assets		70%
Property		70%

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

* The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period.
The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

Individual manager options (continued)

IFM – Australian Infrastructure¹

Return target	• CPI plus 3% per annum over 20 years
Level of investment risk*	• High (negative returns expected in between 4 to 6 out of every 20 years)
Investment style	• Long-term direct investment option that invests in tangible infrastructure assets, such as airports, toll roads, power plants and utilities, across Australia
Who is this investment suitable for?	• This Option has a higher risk and return profile than the Fund's Default Option and aims to achieve income returns and capital growth over the longer term • This Option may suit members who have a five year plus investment time horizon
Minimum suggested time frame#	5 years +

Asset mix	Range	SAA benchmark
Growth assets		50%
Infrastructure		50%
Defensive assets		50%
Infrastructure		50%

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

Balanced Equity Management – Australian Shares

Return target	• CPI plus 5% per annum over 20 years
Level of investment risk*	• High (negative returns expected in between 4 to 6 out of every 20 years)
Investment style	• Active management style based on fundamental analysis of stocks within the S&P/ASX100 Accumulation Index
Who is this investment suitable for?	• This Option is less diversified than the Fund's Default Option and has a higher risk and return profile • This Option may suit members who have a five year plus investment time horizon
Minimum suggested time frame#	5 years +

Asset mix	Range	SAA benchmark
Growth assets		100%
Equity		
Australian shares		100%
Defensive assets		0%

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

IFM – Australian Shares

Return target	• CPI plus 4.5% per annum over 20 years
Level of investment risk*	• Very high (negative returns expected in between 6 to 7 out of every 20 years)
Investment style	• Enhanced passive management
Who is this investment suitable for?	• This Option is less diversified than the Fund's Default Option and has a higher risk and return profile • This Option may suit members who have a seven year plus investment time horizon
Minimum suggested time frame#	7 years +

Asset mix	Range	SAA benchmark
Growth assets		100%
Equity		
Australian shares		100%
Defensive assets		0%

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

Paradice Investment Management (Small Cap) – Australian Shares

Return target	• CPI plus 5% per annum over 20 years
Level of investment risk*	• Very high (negative returns expected in between 6 to 7 out of every 20 years)
Investment style	• Specialises in investing in companies outside the ASX top 100 stocks as defined by market capitalisation, as well as having the capacity to invest in New Zealand stocks
Who is this investment suitable for?	• This Option is less diversified than the Fund's Default Option and has a higher risk and return profile • This Option may suit members who have a five year plus investment time horizon
Minimum suggested time frame#	5 years +

Asset mix	Range	SAA benchmark
Growth assets		100%
Equity		
Australian shares		100%
International shares	0–10%	0%
Defensive assets		0%

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 Fund is reached.

* The Level of investment risk is based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period. # The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

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

The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

Individual manager options (continued)

Neuberger Berman – International Shares [^]		
Return target	• CPI plus 4.5% per annum over 20 years	
Level of investment risk*	• Very high (negative returns expected in between 6 to 7 out of every 20 years)	
Investment style	<ul style="list-style-type: none"> • Neuberger Berman seeks to maximise performance by constructing its portfolios with high quality, growing companies trading at attractive valuations, which have the potential to outperform the MSCI Emerging Markets Index at lower risk • The style can best be characterized by Growth at a Reasonable Price (GARP) 	
Who is this investment suitable for?	<ul style="list-style-type: none"> • This Option is less diversified than the Fund's Default Option and has a higher risk and return profile • This Option may suit members who have a seven year plus investment time horizon 	
Minimum suggested time frame#	7 years +	
Asset mix	Range	SAA benchmark
Growth assets		100%
Equity		
International shares		
Emerging markets		100%
Defensive assets		0%
Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.		

Our Choiceplus option

The Choiceplus investment option offers you a greater level of control and choice in investing your super.

It provides you with access to real-time trading, extensive market information, independent research through Morningstar and investment tools to assist you in making an informed investment decision and manage your portfolio.

Choiceplus allows you to invest directly in:

- Australian shares (S&P/ASX 300 Index);
- Exchange traded funds (ETFs);
- Listed investment companies (LICs); and
- Term deposits.

The Choiceplus investment option offers many of the features available to a self-managed super fund (SMSF) at a low cost, and you continue to be invested in an APRA-regulated super fund with all the prudential protections that it provides.

Hostplus reserves the right to change or add to the selection of investments available through the Choiceplus investment option as required. Visit hostplus.com.au/choiceplus for details of the current investments available.

[^] This option is unhedged and is fully exposed to currency fluctuations.

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

The Minimum Suggested Time Frame is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment return represent the rate of return on investments, net of investment-related fees, costs and taxes.

Investment returns – Hostplus and Hostplus Executive

Net investment returns for Hostplus and Hostplus Executive 1 year to 30 June*	2018	2017	2016	2015	2014
Capital Stable	7.14%	7.66%	3.23%	6.61%	7.94%
Conservative Balanced	9.72%	10.26%	3.88%	8.39%	10.42%
Socially Responsible Investment (SRI) Balanced	8.91%	N/A	N/A	N/A	N/A
Indexed Balanced	9.60%	10.27%	2.20%	10.83%	14.39%
Balanced	12.50%	13.20%	5.00%	11.00%	13.60%
Shares Plus	14.46%	15.47%	3.88%	10.84%	14.79%
Cash	1.43%	1.46%	1.82%	2.04%	2.30%
Diversified Fixed Interest	3.59%	4.61%	6.82%	5.92%	7.00%
Property	11.80%	8.77%	10.16%	11.92%	8.58%
Australian Shares	16.28%	13.87%	5.47%	7.88%	17.55%
International Shares	15.37%	21.05%	-2.16%	12.13%	17.21%
International Shares – Indexed	N/A	N/A	N/A	N/A	N/A
International Shares (Hedged) – Indexed	N/A	N/A	N/A	N/A	N/A
Macquarie – Australian Fixed Interest	2.41%	0.22%	5.94%	4.77%	5.28%
BlackRock – International Fixed Interest	1.35%	-0.11%	7.82%	5.22%	6.39%
Industry Super Property Trust Core Fund – Property	11.69%	11.95%	12.02%	11.36%	8.40%
Lend Lease managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property	13.04%	8.96%	10.44%	8.01%	7.47%
IFM – Australian Infrastructure	10.80%	11.78%	21.05%	N/A	N/A
Balanced Equity Management – Australian Shares	10.79%	19.46%	-6.25%	6.60%	18.38%
IFM – Australian Shares	12.56%	13.82%	2.02%	6.95%	17.04%
Paradise Investment Management (Small Cap) – Australian Shares	24.35%	1.99%	30.37%	9.40%	8.67%
Neuberger Berman – International Shares	11.25%	18.29%	-2.99%	13.44%	9.50%

* Only full year performance is shown. No performance is shown for partial year performance.

Not all investment options will have investment returns reported against each investment period due to varying commencement dates. For information about commencement dates please refer to the Member Guide or the Hostplus Pension Guide at hostplus.com.au. Please note that the monthly returns are provided only for comparison purposes. These returns are not used for crediting returns to your account. The declared net investment returns can be positive or negative. Past performance is not a guide to future performance.

Investment returns – Hostplus and Hostplus Executive (continued)

Net investment returns for Hostplus and Hostplus Executive to 30 June 2018	6 mth	1 yr	3 yr p.a.	5 yr p.a.	7 yr p.a.	10 yr p.a.
Capital Stable	3.21%	7.14%	5.99%	6.50%	6.71%	5.94%
Conservative Balanced	3.92%	9.72%	7.91%	8.50%	8.23%	6.84%
Socially Responsible Investment (SRI) Balanced	2.99%	8.91%	N/A	N/A	N/A	N/A
Indexed Balanced	3.35%	9.60%	7.29%	9.38%	9.32%	N/A
Balanced	5.54%	12.50%	10.16%	11.01%	10.25%	7.43%
Shares Plus	5.04%	14.46%	11.14%	11.80%	10.70%	7.84%
Cash	0.78%	1.43%	1.57%	1.81%	2.25%	2.95%
Diversified Fixed Interest	1.54%	3.59%	4.99%	5.58%	6.55%	6.89%
Property	6.17%	11.80%	10.25%	10.25%	8.55%	5.53%
Australian Shares	4.76%	16.28%	11.76%	12.10%	10.54%	8.75%
International Shares	4.24%	15.37%	10.96%	12.42%	11.59%	7.80%
International Shares – Indexed	5.81%	N/A	N/A	N/A	N/A	N/A
International Shares (Hedged) – Indexed	2.01%	N/A	N/A	N/A	N/A	N/A
Macquarie – Australian Fixed Interest	1.25%	2.41%	2.83%	3.70%	4.44%	5.17%
BlackRock – International Fixed Interest	0.00%	1.35%	2.96%	4.09%	5.06%	N/A
Industry Super Property Trust Core Fund – Property	7.49%	11.69%	11.88%	11.07%	10.00%	6.75%
Lend Lease managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property	7.39%	13.04%	10.79%	9.56%	8.76%	5.75%
IFM – Australian Infrastructure	8.36%	10.80%	14.44%	N/A	N/A	N/A
Balanced Equity Management – Australian Shares	2.93%	10.79%	7.45%	9.38%	9.34%	7.91%
IFM – Australian Shares	4.21%	12.56%	9.33%	10.34%	N/A	N/A
Paradice Investment Management (Small Cap) – Australian Shares	5.77%	24.35%	18.23%	14.46%	11.46%	10.28%
Neuberger Berman – International Shares	-1.48%	11.25%	8.47%	9.65%	N/A	N/A

Not all investment options will have investment returns reported against each investment period due to varying commencement dates. For information about commencement dates please refer to the Member Guide or the Hostplus Pension Guide at hostplus.com.au. Please note that the monthly returns are provided only for comparison purposes. These returns are not used for crediting returns to your account. The declared net investment returns can be positive or negative. Past performance is not a guide to future performance.

Investment returns – Hostplus Pension

Net investment returns for Hostplus Pension 1 year to 30 June*	2018	2017	2016	2015	2014
Capital Stable	7.75%	9.16%	3.58%	7.30%	8.86%
Conservative Balanced	10.59%	12.02%	4.20%	9.35%	11.53%
Socially Responsible Investment (SRI) Balanced	9.74%	N/A	N/A	N/A	N/A
Indexed Balanced	10.84%	12.09%	1.82%	12.21%	15.70%
Balanced	13.54%	15.13%	4.66%	12.28%	14.74%
Shares Plus	15.48%	17.68%	3.96%	12.21%	16.22%
Cash	1.68%	1.69%	2.15%	2.55%	2.62%
Diversified Fixed Interest	3.53%	5.81%	7.98%	7.06%	7.82%
Property	12.96%	10.20%	11.30%	12.59%	9.41%
Australian Shares	17.69%	16.23%	5.88%	8.76%	19.40%
International Shares	17.06%	24.20%	-3.29%	14.47%	19.14%
International Shares – Indexed	N/A	N/A	N/A	N/A	N/A
International Shares (Hedged) – Indexed	N/A	N/A	N/A	N/A	N/A
Macquarie – Australian Fixed Interest	2.51%	0.48%	6.38%	5.93%	6.31%
BlackRock – International Fixed Interest	1.34%	0.07%	9.24%	5.78%	7.11%
Industry Super Property Trust Core Fund – Property	12.27%	13.86%	13.48%	10.79%	9.77%
Lend Lease managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property	14.13%	11.36%	11.28%	8.64%	7.91%
IFM – Australian Infrastructure	11.70%	9.63%	24.63%	N/A	N/A
Balanced Equity Management – Australian Shares	11.84%	22.03%	-7.28%	7.55%	20.14%
IFM – Australian Shares	14.01%	15.40%	2.05%	7.86%	18.37%
Paradice Investment Management (Small Cap) – Australian Shares	26.70%	2.50%	33.71%	11.86%	9.39%
Neuberger Berman – International Shares	12.81%	20.67%	-3.37%	15.10%	10.54%

* Only full year performance is shown. No performance is shown for partial year performance.

Not all investment options will have investment returns reported against each investment period due to varying commencement dates. For information about commencement dates please refer to the Member Guide or the Hostplus Pension Guide at hostplus.com.au. Please note that the monthly returns are provided only for comparison purposes. These returns are not used for crediting returns to your account. The declared net investment returns can be positive or negative. Past performance is not a guide to future performance.

Investment returns – Hostplus Pension (continued)

Net investment returns for Hostplus Pension to 30 June 2018	6 mth	1 yr	3 yr p.a.	5 yr p.a.	7 yr p.a.
Capital Stable	3.44%	7.75%	6.80%	7.31%	7.58%
Conservative Balanced	4.13%	10.59%	8.88%	9.50%	9.26%
Socially Responsible Investment (SRI) Balanced	3.06%	9.74%	N/A	N/A	N/A
Indexed Balanced	3.77%	10.84%	8.14%	10.42%	10.30%
Balanced	4.97%	13.54%	11.01%	12.00%	11.23%
Shares Plus	5.17%	15.48%	12.20%	12.99%	11.91%
Cash	0.87%	1.68%	1.84%	2.14%	2.66%
Diversified Fixed Interest	1.79%	3.53%	5.75%	6.42%	7.52%
Property	6.08%	12.96%	11.49%	11.29%	9.42%
Australian Shares	5.23%	17.69%	13.13%	13.46%	11.71%
International Shares	4.63%	17.06%	12.02%	13.90%	13.14%
International Shares – Indexed	6.59%	N/A	N/A	N/A	N/A
International Shares (Hedged) – Indexed	2.27%	N/A	N/A	N/A	N/A
Macquarie – Australian Fixed Interest	1.78%	2.51%	3.09%	4.29%	5.14%
BlackRock – International Fixed Interest	-0.09%	1.34%	3.47%	4.65%	5.72%
Industry Super Property Trust Core Fund – Property	6.45%	12.27%	13.19%	12.02%	10.89%
Lend Lease managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property	7.91%	14.13%	12.24%	10.64%	9.76%
IFM – Australian Infrastructure	6.13%	11.70%	15.12%	N/A	N/A
Balanced Equity Management – Australian Shares	3.18%	11.84%	8.15%	10.33%	10.27%
IFM – Australian Shares	4.66%	14.01%	10.31%	11.37%	N/A
Paradise Investment Management (Small Cap) – Australian Shares	6.16%	26.70%	20.17%	16.26%	12.77%
Neuberger Berman – International Shares	-1.67%	12.81%	9.56%	10.84%	N/A

Not all investment options will have investment returns reported against each investment period due to varying commencement dates. For information about commencement dates please refer to the Member Guide or the Hostplus Pension Guide at hostplus.com.au. Please note that the monthly returns are provided only for comparison purposes. These returns are not used for crediting returns to your account. The declared net investment returns can be positive or negative. Past performance is not a guide to future performance.

Investment returns – Hostplus Transition to Retirement

Net investment returns for Hostplus Transition to Retirement to 30 June 2018	6 mth	1 year
Capital Stable	3.03%	6.81%
Conservative Balanced	3.69%	9.41%
Socially Responsible Investment (SRI) Balanced	2.74%	8.63%
Indexed Balanced	3.36%	9.58%
Balanced	4.77%	12.37%
Shares Plus	4.71%	14.03%
Cash	0.74%	1.43%
Diversified Fixed Interest	1.52%	3.02%
Property	5.46%	11.58%
Australian Shares	4.77%	16.02%
International Shares	4.20%	15.33%
International Shares – Indexed	5.81%	N/A
International Shares (Hedged) – Indexed	2.00%	N/A
Macquarie – Australian Fixed Interest	1.51%	2.14%
BlackRock – International Fixed Interest	-0.07%	1.15%
Industry Super Property Trust Core Fund – Property	5.75%	10.89%
Lend Lease managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property	7.09%	12.61%
IFM – Australian Infrastructure	5.91%	11.27%
Balanced Equity Management – Australian Shares	2.93%	10.76%
IFM – Australian Shares	4.21%	12.53%
Paradise Investment Management (Small Cap) – Australian Shares	5.64%	24.14%
Neuberger Berman – International Shares	-1.47%	11.52%

Not all investment options will have investment returns reported against each investment period due to varying commencement dates. For information about commencement dates please refer to the Member Guide or the Hostplus Pension Guide at hostplus.com.au. Please note that the monthly returns are provided only for comparison purposes. These returns are not used for crediting returns to your account. The declared net investment returns can be positive or negative. Past performance is not a guide to future performance.

Investment Holdings

Australian Equities – 100 Largest Holdings as at 30 June 2018

Rank	Name	Amount Invested (AUD)	% of Asset Class	% of Total Fund
1	COMMONWEALTH BANK OF AUSTRALIA	\$483.4m	5.7%	1.4%
2	WESTPAC BANKING CORPORATION OR	\$466.2m	5.5%	1.4%
3	BHP BILLITON ORD	\$431.8m	5.1%	1.3%
4	AUSTRALIA NEW ZEALAND BANKING	\$404.0m	4.7%	1.2%
5	NATIONAL AUSTRALIA BANK ORD	\$271.0m	3.2%	0.8%
6	CSL ORD	\$246.1m	2.9%	0.7%
7	WOODSIDE PETROLEUM ORD	\$188.1m	2.2%	0.6%
8	RIO TINTO ORD	\$173.9m	2.0%	0.5%
9	MACQUARIE GROUP ORD	\$160.6m	1.9%	0.5%
10	WESFARMERS ORD	\$142.6m	1.7%	0.4%
11	ORIGIN ENERGY ORD	\$136.4m	1.6%	0.4%
12	WOOLWORTHS GROUP ORD	\$126.4m	1.5%	0.4%
13	JAMES HARDIE INDUSTRIES CDI	\$116.4m	1.4%	0.3%
14	TELSTRA CORPORATION ORD	\$114.7m	1.3%	0.3%
15	ALUMINA ORD	\$108.8m	1.3%	0.3%
16	COMPUTERSHARE ORD	\$104.5m	1.2%	0.3%
17	LEND LEASE GROUP NPV (STAPLED)	\$101.9m	1.2%	0.3%
18	SANTOS ORD	\$101.3m	1.2%	0.3%
19	AMCOR ORD	\$98.2m	1.2%	0.3%
20	QANTAS AIRWAYS ORD	\$88.6m	1.0%	0.3%
21	RESMED CDI	\$82.2m	1.0%	0.2%
22	MACQUARIE ATLAS ROADS GROUP NP	\$79.5m	0.9%	0.2%
23	SIMS METAL MANAGEMENT ORD	\$78.5m	0.9%	0.2%
24	BLUESCOPE STEEL ORD	\$77.8m	0.9%	0.2%
25	SUNCORP GROUP ORD	\$75.6m	0.9%	0.2%
26	QBE INSURANCE GROUP ORD	\$74.9m	0.9%	0.2%
27	ILUKA RESOURCES ORD	\$73.0m	0.9%	0.2%
28	DOWNER EDI ORD	\$71.7m	0.8%	0.2%
29	BORAL ORD	\$71.4m	0.8%	0.2%
30	AMP ORD	\$67.1m	0.8%	0.2%
31	NEWCREST MINING ORD	\$66.7m	0.8%	0.2%
32	SEEK ORD	\$66.5m	0.8%	0.2%
33	ORORA ORD	\$61.6m	0.7%	0.2%
34	ARISTOCRAT LEISURE ORD	\$56.9m	0.7%	0.2%
35	TRANSURBAN GROUP ORD	\$56.5m	0.7%	0.2%
36	BRAMBLES ORD	\$53.9m	0.6%	0.2%
37	JANUS HENDERSON CDI	\$51.4m	0.6%	0.2%
38	AGL ENERGY ORD	\$50.6m	0.6%	0.1%

Australian Equities – 100 Largest Holdings as at 30 June 2018 (continued)

Rank	Name	Amount Invested (AUD)	% of Asset Class	% of Total Fund
39	ANSELL ORD	\$49.3m	0.6%	0.1%
40	METCASH ORD	\$48.7m	0.6%	0.1%
41	CHORUS ORD	\$48.5m	0.6%	0.1%
42	JB HI-FI ORD	\$45.9m	0.5%	0.1%
43	OIL SEARCH ORD	\$45.8m	0.5%	0.1%
44	A2 MILK COMPANY ORD	\$45.5m	0.5%	0.1%
45	LINK ADMINISTRATION HOLDINGS O	\$44.1m	0.5%	0.1%
46	SOUTH32 ORD G	\$43.1m	0.5%	0.1%
47	CHALLENGER ORD	\$42.3m	0.5%	0.1%
48	COCHLEAR ORD	\$41.2m	0.5%	0.1%
49	CROWN RESORTS ORD	\$41.0m	0.5%	0.1%
50	CALTEX AUSTRALIA ORD	\$37.8m	0.4%	0.1%
51	THE STAR ENTERTAINMENT GROUP O	\$36.9m	0.4%	0.1%
52	MINERAL RESOURCES ORD	\$36.8m	0.4%	0.1%
53	WHITEHAVEN COAL ORD	\$36.7m	0.4%	0.1%
54	WORLEYPARSONS ORD	\$36.4m	0.4%	0.1%
55	CIMIC GROUP LTD	\$36.3m	0.4%	0.1%
56	CLEANAWAY WASTE MANAGEMENT ORD	\$36.2m	0.4%	0.1%
57	TABCORP HOLDINGS ORD	\$36.0m	0.4%	0.1%
58	RELIANCE WORLDWIDE CORPORATION	\$35.8m	0.4%	0.1%
59	VOCUS GROUP ORD	\$35.5m	0.4%	0.1%
60	CSR ORD	\$34.6m	0.4%	0.1%
61	AURIZON ORD	\$34.5m	0.4%	0.1%
62	BEACH ENERGY ORD	\$34.2m	0.4%	0.1%
63	VICINITY CENTRES ORD	\$33.6m	0.4%	0.1%
64	SYDNEY AIRPORT UNT	\$33.4m	0.4%	0.1%
65	REA GROUP ORD	\$32.7m	0.4%	0.1%
66	CYBG PLC CDI	\$32.7m	0.4%	0.1%
67	SARACEN MINERAL HOLDINGS ORD	\$32.4m	0.4%	0.1%
68	INSURANCE AUSTRALIA GROUP ORD	\$31.3m	0.4%	0.1%
69	SEVEN GROUP HOLDINGS ORD	\$30.6m	0.4%	0.1%
70	EVOLUTION MINING ORD	\$30.2m	0.4%	0.1%
71	SUPER RETAIL GROUP ORD	\$30.1m	0.4%	0.1%
72	WESTFIELD CORPORATION STAPLED	\$29.1m	0.3%	0.1%
73	SCENTRE GROUP STAPLD	\$28.5m	0.3%	0.1%
74	FLETCHER BUILDING ORD	\$28.4m	0.3%	0.1%
75	TPG TELECOM ORD	\$27.5m	0.3%	0.1%
76	AUSNET SERVICES	\$27.5m	0.3%	0.1%

Investment Holdings (continued)

Australian Equities – 100 Largest Holdings as at 30 June 2018 (continued)				
Rank	Name	Amount Invested (AUD)	% of Asset Class	% of Total Fund
77	FISHER AND PAYKEL HEALTHCARE O	\$27.1m	0.3%	0.1%
78	LYNAS CORP ORD	\$26.8m	0.3%	0.1%
79	NEXTDC ORD	\$26.3m	0.3%	0.1%
80	GRAINCORP ORD	\$26.2m	0.3%	0.1%
81	CARSALES.COM LIM ORD	\$25.9m	0.3%	0.1%
82	Z ENERGY ORD	\$25.9m	0.3%	0.1%
83	FLIGHT CENTRE TRAVEL GROUP ORD	\$25.8m	0.3%	0.1%
84	NEWS CORPORATION CDI	\$24.9m	0.3%	0.1%
85	BANK OF QUEENSLAND ORD	\$23.6m	0.3%	0.1%
86	TREASURY WINE ESTATES ORD	\$23.3m	0.3%	0.1%
87	SIGMA HEALTHCARE ORD	\$23.0m	0.3%	0.1%
88	STOCKLAND UNT	\$22.2m	0.3%	0.1%
89	REECE AUSTRALIA ORD	\$21.7m	0.3%	0.1%
90	SMARTGROUP CORPORATION ORD	\$21.5m	0.3%	0.1%
91	NUFARM ORD	\$20.7m	0.2%	0.1%
92	PEET ORD	\$20.2m	0.2%	0.1%
93	IRESS ORD	\$18.8m	0.2%	0.1%
94	NINE ENTERTAINMENT ORD	\$18.6m	0.2%	0.1%
95	INDEPENDENCE GROUP ORD	\$18.6m	0.2%	0.1%
96	EMECO HOLDINGS ORD	\$18.3m	0.2%	0.1%
97	BAPCOR ORD	\$18.2m	0.2%	0.1%
98	IOOF HOLDINGS ORD	\$18.0m	0.2%	0.1%
99	MYOB GROUP ORD	\$17.6m	0.2%	0.1%
100	PREMIER INVESTMENTS ORD	\$17.6m	0.2%	0.1%
		\$7,202.6m	84.5%	21.1%

Australian Equities – Sector allocation of 100 Largest Holdings as at 30 June 2018			
Sector	Amount Invested (AUD million)	% of Asset Class	% of Total Fund
Consumer Discretionary	\$413.4m	4.85%	1.2%
Consumer Staples	\$370.5m	4.35%	1.1%
Energy	\$694.5m	8.15%	2.0%
Financials	\$2,131.0m	25.01%	6.2%
Healthcare	\$468.2m	5.49%	1.4%
Industrials	\$810.2m	9.51%	2.4%
Information Technology	\$116.0m	1.36%	0.3%
Materials	\$1,619.7m	19.01%	4.7%
Telcom Services	\$204.6m	2.40%	0.6%
Utilities	\$98.3m	1.15%	0.3%
Real Estate	\$276.4m	3.24%	0.8%
Total	\$7,202.6m	84.5%	21.1%

Investment Holdings (continued)

International Equities – 100 Largest Holdings as at 30 June 2018					
Rank	Name	Country	Amount Invested (AUD)	% of Asset Class	% of Total Fund
1	TENCENT ORD	CHINA	\$205.5m	2.1%	0.6%
2	AMAZON COM ORD	UNITED STATES	\$169.0m	1.7%	0.5%
3	ALIBABA GROUP HOLDING ADR REP	CHINA	\$152.0m	1.5%	0.4%
4	TAIWAN SEMICONDUCTOR MNFTG ADR	TAIWAN	\$148.8m	1.5%	0.4%
5	FACEBOOK CL A ORD	UNITED STATES	\$146.6m	1.5%	0.4%
6	SAMSUNG ELECTR ORD	KOREA	\$127.7m	1.3%	0.4%
7	ALPHABET CL C ORD	UNITED STATES	\$117.8m	1.2%	0.3%
8	MICROSOFT ORD	UNITED STATES	\$88.6m	0.9%	0.3%
9	IMPERIAL BRANDS ORD	UNITED KINGDOM	\$88.5m	0.9%	0.3%
10	AIA ORD	HONG KONG	\$81.3m	0.8%	0.2%
11	APPLE ORD	UNITED STATES	\$77.6m	0.8%	0.2%
12	NETEASE ADR	CHINA	\$73.0m	0.7%	0.2%
13	BAIDU ADR REP 1/10 CL A ORD	CHINA	\$71.1m	0.7%	0.2%
14	ILLUMINA ORD	UNITED STATES	\$70.2m	0.7%	0.2%
15	NOVARTIS N ORD	SWITZERLAND	\$70.0m	0.7%	0.2%
16	TWENTY FIRST CENTURY FOX	UNITED STATES	\$68.2m	0.7%	0.2%
17	XPO LOGISTICS ORD	UNITED STATES	\$67.9m	0.7%	0.2%
18	BRITISH AMERICAN TOBACCO ORD	UNITED KINGDOM	\$63.6m	0.6%	0.2%
19	HDFC BANK ADR REP 3 ORD	INDIA	\$62.5m	0.6%	0.2%
20	NASPERS N ORD	SOUTH AFRICA	\$60.5m	0.6%	0.2%
21	TESLA ORD	UNITED STATES	\$59.7m	0.6%	0.2%
22	NETFLIX ORD	UNITED STATES	\$56.0m	0.6%	0.2%
23	GLAXOSMITHKLINE ORD	UNITED KINGDOM	\$54.1m	0.5%	0.2%
24	ACCENTURE CL A ORD	UNITED STATES	\$54.0m	0.5%	0.2%
25	CHIPOTLE MEXICAN GRILL ORD	UNITED STATES	\$53.4m	0.5%	0.2%
26	JOHNSON & JOHNSON ORD	UNITED STATES	\$52.8m	0.5%	0.2%
27	JAPAN TOBACCO ORD	JAPAN	\$51.7m	0.5%	0.2%
28	ABBVIE ORD	UNITED STATES	\$49.8m	0.5%	0.1%
29	MARUTI SUZUKI INDIA ORD	INDIA	\$49.0m	0.5%	0.1%
30	KERING ORD	FRANCE	\$47.8m	0.5%	0.1%
31	NVIDIA ORD	UNITED STATES	\$46.4m	0.5%	0.1%
32	KIRIN HOLDINGS ORD	JAPAN	\$44.0m	0.4%	0.1%
33	NIKE CL B ORD	UNITED STATES	\$43.5m	0.4%	0.1%
34	TECHTRONIC IND ORD	HONG KONG	\$43.0m	0.4%	0.1%
35	ORACLE ORD	UNITED STATES	\$42.5m	0.4%	0.1%
36	TOP GLOVE CORPORATION ORD	MALAYSIA	\$42.2m	0.4%	0.1%

International Equities – 100 Largest Holdings as at 30 June 2018 (continued)					
Rank	Name	Country	Amount Invested (AUD)	% of Asset Class	% of Total Fund
37	EBAY ORD	UNITED STATES	\$42.1m	0.4%	0.1%
38	RECKITT BENCKSR STK	UNITED KINGDOM	\$41.8m	0.4%	0.1%
39	BANK OF AMERICA ORD	UNITED STATES	\$38.4m	0.4%	0.1%
40	ASML HOLDING ORD	NETHERLANDS	\$37.0m	0.4%	0.1%
41	BRINK'S ORD	UNITED STATES	\$36.4m	0.4%	0.1%
42	MOLSON COORS BREWING NONVTG CL	UNITED STATES	\$35.3m	0.4%	0.1%
43	ALTRIA GROUP ORD	UNITED STATES	\$35.1m	0.4%	0.1%
44	ISHARES MSCI INDIA ETF	INDIA	\$34.9m	0.4%	0.1%
45	EXPERIAN ORD	UNITED KINGDOM	\$34.8m	0.4%	0.1%
46	LG HOUSEHOLD ORD	KOREA	\$33.8m	0.3%	0.1%
47	PING AN ORD H	CHINA	\$33.7m	0.3%	0.1%
48	NESTLE N ORD	SWITZERLAND	\$33.6m	0.3%	0.1%
49	PAYPAL HOLDINGS ORD	UNITED STATES	\$33.3m	0.3%	0.1%
50	S&P GLOBAL ORD	UNITED STATES	\$33.1m	0.3%	0.1%
51	CSX ORD	UNITED STATES	\$33.0m	0.3%	0.1%
52	VERIZON COMMUNICATIONS ORD	UNITED STATES	\$32.5m	0.3%	0.1%
53	PHILIP MORRIS INTERNATIONAL OR	UNITED STATES	\$31.3m	0.3%	0.1%
54	VALE ADR REPTG ONE ORD	BRAZIL	\$31.3m	0.3%	0.1%
55	ICBC ORD H	CHINA	\$30.8m	0.3%	0.1%
56	INDITEX ORD	SPAIN	\$30.3m	0.3%	0.1%
57	CELGENE ORD	UNITED STATES	\$30.1m	0.3%	0.1%
58	AMERICA MOVIL ADR REP 20 SR L	MEXICO	\$30.0m	0.3%	0.1%
59	WELLS FARGO ORD	UNITED STATES	\$28.7m	0.3%	0.1%
60	ANTHEM ORD	UNITED STATES	\$28.6m	0.3%	0.1%
61	INTUITIVE SURGICAL IN COM NEW	UNITED STATES	\$28.5m	0.3%	0.1%
62	CNOOC ORD H	CHINA	\$28.2m	0.3%	0.1%
63	SYMANTEC ORD	UNITED STATES	\$28.2m	0.3%	0.1%
64	TATA CONSULTANCY SERVICES ORD	INDIA	\$28.2m	0.3%	0.1%
65	SBERBANK ORD	RUSSIA	\$27.7m	0.3%	0.1%
66	AT&T ORD	UNITED STATES	\$27.5m	0.3%	0.1%
67	MITSUBISHI ORD	JAPAN	\$27.5m	0.3%	0.1%
68	MALAYSIA AIRPORTS HOLDINGS ORD	MALAYSIA	\$27.4m	0.3%	0.1%
69	YANDEX CL A ORD	NETHERLANDS	\$27.2m	0.3%	0.1%
70	INFORMA ORD	UNITED KINGDOM	\$26.8m	0.3%	0.1%
71	EQUIFAX ORD	UNITED STATES	\$26.5m	0.3%	0.1%
72	UNDER ARMOUR CL C ORD	UNITED STATES	\$26.3m	0.3%	0.1%

Investment Holdings (continued)

International Equities – 100 Largest Holdings as at 30 June 2018 (continued)					
Rank	Name	Country	Amount Invested (AUD)	% of Asset Class	% of Total Fund
73	UNITEDHEALTH GRP ORD	UNITED STATES	\$26.1m	0.3%	0.1%
74	PJSC LUKOIL SPON ADR REP ORD	RUSSIA	\$26.0m	0.3%	0.1%
75	MERCADOLIBRE ORD	UNITED STATES	\$25.9m	0.3%	0.1%
76	COSTCO WHOLESALE ORD	UNITED STATES	\$25.8m	0.3%	0.1%
77	CITIGROUP INC COM	UNITED STATES	\$24.9m	0.3%	0.1%
78	CREDICORP ORD	PERU	\$24.9m	0.3%	0.1%
79	CTRIPCOM INTRNTL 8 ADR REP 1	CHINA	\$24.9m	0.3%	0.1%
80	BOOKING HOLDINGS ORD	UNITED STATES	\$24.9m	0.3%	0.1%
81	SALESFORCE.COM ORD	UNITED STATES	\$24.6m	0.2%	0.1%
82	SK HYNIX ORD	KOREA	\$24.6m	0.2%	0.1%
83	APACHE ORD	UNITED STATES	\$23.4m	0.2%	0.1%
84	MERCK & CO ORD	UNITED STATES	\$23.3m	0.2%	0.1%
85	AIG COM	UNITED STATES	\$23.0m	0.2%	0.1%
86	AMERICAN AIRLINES GROUP ORD	UNITED STATES	\$22.8m	0.2%	0.1%
87	MICRON TECHNOLOGY ORD	UNITED STATES	\$22.7m	0.2%	0.1%
88	SUNNY OPT-100 ORD	CHINA	\$22.2m	0.2%	0.1%
89	SPOTIFY TECHNOLOGY ORD	LUXEMBOURG	\$21.7m	0.2%	0.1%
90	PEABODY ENERGY ORD	UNITED STATES	\$21.7m	0.2%	0.1%
91	JPMORGAN CHASE ORD	UNITED STATES	\$21.6m	0.2%	0.1%
92	SWATCH GROUP ORD	SWITZERLAND	\$21.6m	0.2%	0.1%
93	ARCONIC ORD	UNITED STATES	\$21.3m	0.2%	0.1%
94	ADVANCED INFO SV NVDR	THAILAND	\$21.3m	0.2%	0.1%
95	EXXON MOBIL ORD	UNITED STATES	\$21.3m	0.2%	0.1%
96	BRISTOL MYERS SQUIBB ORD	UNITED STATES	\$21.0m	0.2%	0.1%
97	ITAU UNIBANCO HOLDING PRF	BRAZIL	\$20.9m	0.2%	0.1%
98	L'OREAL ORD	FRANCE	\$20.7m	0.2%	0.1%
99	TAL EDUCATION GRP 3 ADR REP CL	CHINA	\$20.6m	0.2%	0.1%
100	CCB ORD H	CHINA	\$20.3m	0.2%	0.1%
Total			\$4,584.3m	46.4%	13.4%

International Equities – Sector allocation of the 100 Largest Holdings as at 30 June 2018			
Sector	Amount Invested (AUD million)	% of Asset Class	% of Total Fund
Consumer Discretionary	\$1,030.6m	10.4%	3.0%
Consumer Staples	\$505.1m	5.1%	1.5%
Energy	\$120.7m	1.2%	0.4%
Financials	\$471.9m	4.8%	1.4%
Healthcare	\$496.9m	5.0%	1.5%
Industrials	\$330.8m	3.3%	1.0%
Information Technology	\$1,450.8m	14.7%	4.3%
Materials	\$31.3m	0.3%	0.1%
Telcom Services	\$111.4m	1.1%	0.3%
Utilities	\$0.0m	0.0%	0.0%
Exchange Traded Funds	\$34.9m	0.4%	0.1%
Total	\$4,584.3m	46.4%	13.4%

Investment Holdings (continued)

Property – Sector Allocation as at 30 June 2018			
Sector	Amount Invested (AUD)	% of Asset Class	% of Total Fund
Retail	\$1,856.9m	44.5%	5.4%
Industrial	\$378.3m	9.1%	1.1%
Commercial	\$1,235.1m	29.6%	3.6%
Residential	\$258.4m	6.2%	0.8%
Hospitality	\$429.6m	10.3%	1.3%
Other	\$14.5m	0.3%	0.0%
Total	\$4,172.8m	100.0%	12.2%

Property – Allocation by Type as at 30 June 2018			
Type	Amount Invested (AUD)	% of Asset Class	% of Total Fund
Core	\$4,105.2m	98.4%	12.0%
Development/Opportunistic/Tactical	\$67.6m	1.6%	0.2%
Total	\$4,172.8m	100.0%	12.2%

Property – Geographic Allocation as at 30 June 2018			
Location	Amount Invested (AUD)	% of Asset Class	% of Total Fund
Australia	\$3,466.6m	83.1%	10.2%
New South Wales	\$1,285.6m	30.8%	3.8%
Queensland	\$770.1m	18.5%	2.3%
Victoria	\$789.4m	18.9%	2.3%
Western Australia	\$383.7m	9.2%	1.1%
Australian Capital Territory	\$115.3m	2.8%	0.3%
South Australia	\$110.5m	2.6%	0.3%
Northern Territory	\$1.5m	0.0%	0.0%
Tasmania	\$10.4m	0.3%	0.0%
Overseas	\$706.2m	16.9%	2.1%
Singapore	\$469.4m	11.2%	1.4%
Malaysia	\$17.3m	0.4%	0.1%
Thailand	\$0.2m	0.0%	0.0%
United States	\$219.3m	5.3%	0.6%
Total	\$4,172.8m	100.0%	12.2%

Property – Sustainability Ratings as at 30 June 2018			
Green Star Sustainability Rating*	Amount Invested (AUD)	% of Asset Class	% of Total Fund
6–star Green Star	\$390.5m	9.4%	1.1%
5–star Green Star	\$57.8m	1.4%	0.2%
4–star Green Star	\$133.2m	3.2%	0.4%
3–star Green Star	\$0.0m	0.0%	0.0%
2–star Green Star	\$81.0m	1.9%	0.2%
1–star Green Star	\$425.6m	10.2%	1.2%
Not Rated/not applicable/yet to be rated	\$3,084.7m	73.9%	9.0%
Total	\$4,172.8m	100.0%	12.2%

* Green Star is a comprehensive, national, voluntary environmental rating system that evaluates the environmental design and construction of buildings. The following Green Star Certified Ratings are available: 4 Star Green Star Certified Rating (score 45-59) signifies 'Best Practice' in environmentally sustainable design and/or construction 5 Star Green Star Certified Rating (score 60-74) signifies 'Australian Excellence' in environmentally sustainable design and/or construction 6 Star Green Star Certified Rating (score 75-100) signifies 'World Leadership' in environmentally sustainable design and/or construction

** Please note the Green Star rating is currently only applicable to Commercial properties.

Investment Holdings (continued)

Private Equity – Strategy Allocation as at 30 June 2018

Strategy	Amount Invested (AUD)	% of Asset Class	% of Total Fund
Buy-outs	\$737.0m	33.8%	2.2%
Venture Capital	\$369.4m	16.9%	1.1%
Special Situations	\$56.0m	2.6%	0.2%
Expansion	\$246.9m	11.3%	0.7%
Distressed	\$3.7m	0.2%	0.0%
Co-investments	\$453.6m	20.8%	1.3%
Other (incl Mixed Strategy, ISH, ME Bank)	\$315.0m	14.4%	0.9%
Total	\$2,181.6m	100.0%	6.4%

Private Equity – Geographic Allocation as at 30 June 2018

Location	Amount Invested (AUD)	% of Asset Class	% of Total Fund
Australia	\$497.8m	22.8%	1.5%
Victoria	\$324.6m	14.9%	1.0%
New South Wales	\$127.6m	5.8%	0.4%
Queensland	\$22.4m	1.0%	0.1%
Western Australia	\$19.1m	0.9%	0.1%
South Australia	\$4.0m	0.2%	0.0%
Australian Capital Territory	\$0.0m	0.0%	0.0%
Northern Territory	\$0.0m	0.0%	0.0%
Overseas	\$1,683.8m	77.2%	4.9%
United States	\$934.1m	42.8%	2.7%
China	\$270.1m	12.4%	0.8%
United Kingdom	\$108.8m	5.0%	0.3%
France	\$62.0m	2.8%	0.2%
Germany	\$39.6m	1.8%	0.1%
Netherlands	\$37.0m	1.7%	0.1%
Spain	\$27.6m	1.3%	0.1%
Brazil	\$27.3m	1.3%	0.1%
Channel Islands	\$23.0m	1.1%	0.1%
Other	\$154.2m	7.1%	0.5%
Total	\$2,181.6m	100.0%	6.4%

Infrastructure – Infrastructure Assets as at 30 June 2018

Asset Name	Asset type	Location	Value (AUD) Range
NSW Ports Consortium	Seaports	New South Wales	>\$200m
Ausgrid	Electricity Transmission and Distribution	New South Wales	>\$200m
Melbourne Airport	Airports	Victoria	>\$200m
OHL Concesiones	Toll Roads	Mexico	>\$200m
Indiana Toll Road	Toll Roads	United States	\$100m - \$200m
Darling Harbour Live	Social Infrastructure	New South Wales	\$100m - \$200m
Port of Brisbane	Seaports	Queensland	\$100m - \$200m
Anglian Water Group	Water and Wastewater	United Kingdom	\$100m - \$200m
Brisbane Airport	Airports	Queensland	\$100m - \$200m
Manchester Airports Group	Airports	United Kingdom	\$100m - \$200m
Perth Airport	Airports	Western Australia	\$50m - \$100m
Lochard Energy	Energy Storage	Victoria	\$50m - \$100m
Freeport Train 2	Liquefied Natural Gas	United States	\$50m - \$100m
Vienna Airport	Airports	Austria	\$50m - \$100m
Hobart Airprt	Airports	Tasmania	\$50m - \$100m
NT Airports	Airports	Northern Territory	\$50m - \$100m
Mersin International Port	Seaports	Turkey	\$10m - \$50m
M6Toll	Toll Roads	United Kingdom	\$10m - \$50m
TransGrid	Electricity Transmission and Distribution	Victoria	\$10m - \$50m
Colonial Pipeline Company	Pipelines	United States	\$10m - \$50m
VTTI	Pipelines	Other	\$10m - \$50m
APAC	Airports	Victoria	\$10m - \$50m
Southern Cross Station	Social Infrastructure	Victoria	\$10m - \$50m
Eastern Distributor (M1)	Toll Roads	New South Wales	\$10m - \$50m
European Diversified Infrastructure Fund II	Other	Other	\$10m - \$50m
Arqiva Limited	Telecommunications	United Kingdom	\$10m - \$50m
Veolia Energia Polska	Steam and Hot Water Supply	Poland	\$10m - \$50m
South East Water	Water and Wastewater	United Kingdom	\$10m - \$50m
Oceania Healthcare	Other	New Zealand	\$10m - \$50m
Interlink Roads (M5)	Toll Roads	New South Wales	\$10m - \$50m
50Hertz	Electricity Transmission and Distribution	Germany	\$10m - \$50m
Adelaide Airport	Airports	South Australia	\$10m - \$50m
Port of Melbourne	Seaports	Victoria	\$10m - \$50m
Powering Australia Renewables Fund	Renewable Energy	New South Wales	\$10m - \$50m
Australian Registry Investments	Registry Infrastructure	New South Wales	\$10m - \$50m
Phoenix Natural Gas	Gas Distribution	United Kingdom	\$10m - \$50m
Porterbrook Rolling Stock	Rail	United Kingdom	\$10m - \$50m

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

Investment Holdings (continued)

Infrastructure – Infrastructure Assets as at 30 June 2018			
Asset Name	Asset type	Location	Value (AUD) Range
Wyuna Water	Social Infrastructure	New South Wales	\$2m - \$10m
Sydney Desalination Plant	Water and Wastewater	New South Wales	\$2m - \$10m
Interlink Roads	Toll Roads	New South Wales	\$2m - \$10m
Defence HQ	Social Infrastructure	New South Wales	\$2m - \$10m
ElectraNet	Electricity Transmission and Distribution	South Australia	\$2m - \$10m
Other	-	-	<\$5m
Total			

Infrastructure – Sector Allocation as at 30 June 2018			
Sector	Amount Invested (AUD)	% of Asset Class	% of Total Fund
Airports	\$783.7m	25.4%	2.3%
Electricity Transmission and Distribution	\$311.0m	10.1%	0.9%
Energy Storage	\$73.1m	2.4%	0.2%
Gas Distribution	\$11.1m	0.4%	0.0%
Liquefied Natural Gas	\$71.7m	2.3%	0.2%
Pipelines	\$70.7m	2.3%	0.2%
Rail	\$10.6m	0.3%	0.0%
Registry Infrastructure	\$13.1m	0.4%	0.0%
Renewable Energy	\$14.9m	0.5%	0.0%
Seaports	\$499.9m	16.2%	1.5%
Social Infrastructure	\$480.7m	15.6%	1.4%
Steam and Hot Water Supply	\$21.7m	0.7%	0.1%
Telecommunications	\$24.3m	0.8%	0.1%
Toll Roads	\$500.4m	16.2%	1.5%
Water and Wastewater	\$154.5m	5.0%	0.5%
Other	\$46.7m	1.5%	0.1%
Total	\$3,088.0m	100.0%	9.0%

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

Infrastructure – Geographic Allocation as at 30 June 2018			
Location	Amount Invested (AUD)	% of Asset Class	% of Total Fund
Australia	\$1,840.9m	59.6%	5.4%
New South Wales	\$852.9m	27.6%	2.5%
Victoria	\$459.3m	14.9%	1.3%
Queensland	\$286.0m	9.3%	0.8%
Western Australia	\$101.2m	3.3%	0.3%
Northern Territory	\$55.6m	1.8%	0.2%
Tasmania	\$60.6m	2.0%	0.2%
South Australia	\$25.4m	0.8%	0.1%
Australian Capital Territory	\$0.0m	0.0%	0.0%
Overseas	\$1,247.1m	40.4%	3.7%
United States	\$381.3m	12.3%	1.1%
United Kingdom	\$450.8m	14.6%	1.3%
Mexico	\$204.0m	6.6%	0.6%
Austria	\$61.8m	2.0%	0.2%
Turkey	\$45.1m	1.5%	0.1%
New Zealand	\$29.1m	0.9%	0.1%
Germany	\$18.4m	0.6%	0.1%
Poland	\$21.7m	0.7%	0.1%
Other	\$34.9m	1.1%	0.1%
Total	\$3,088.0m	100.0%	9.0%

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

Investment Holdings (continued)

Alternatives – Strategy Allocation as at 30 June 2018

Strategy	Amount Invested (AUD)	% of Asset Class	% of Total Fund
Systematic Global Macro	\$959.4m	55.9%	2.8%
Long Short Equity Market Neutral	\$300.5m	17.5%	0.9%
Trend Following	\$255.7m	14.9%	0.7%
Risk Premia	\$202.2m	11.8%	0.6%
Total	\$1,717.8m	100.0%	5.0%

Credit – Strategy Allocation as at 30 June 2018

Strategy	Amount Invested (AUD)	% of Asset Class	% of Total Fund
Structured Credit	\$1,394.9m	70.4%	4.1%
High Yield Credit	\$305.3m	15.4%	0.9%
Private Debt	\$281.3m	14.2%	0.8%
Total	\$1,981.5m	100.0%	5.8%

Credit – Geographic Allocation as at 30 June 2018

Location	Amount Invested (AUD)	% of Asset Class	% of Total Fund
North America	\$1,359.4m	68.6%	4.0%
Europe	\$83.1m	4.2%	0.2%
UK	\$25.3m	1.3%	0.1%
Asia/Pacific	\$12.4m	0.6%	0.0%
Other	\$501.3m	25.3%	1.5%
Total	\$1,981.5m	100.0%	5.8%

Fixed Interest – Security Type Allocation as at 30 June 2018

Security Type	Amount Invested (AUD)	% of Asset Class	% of Total Fund
Government (incl. Supranationals)	\$417.0m	42.2%	1.2%
Semi-government	\$166.6m	16.9%	0.5%
Corporate	\$186.4m	18.9%	0.5%
Asset Backed Securities - RMBS	\$91.9m	9.3%	0.3%
Asset Backed Securities - CMBS	\$5.7m	0.6%	0.0%
Asset Backed Securities - Other	\$42.0m	4.3%	0.1%
Other Security Type	\$77.9m	7.9%	0.2%
Total	\$987.6m	100.0%	2.9%

Fixed Interest – Geographic Allocation as at 30 June 2018

Location	Amount Invested (AUD)	% of Asset Class	% of Total Fund
Australia	\$652.7m	66.1%	1.9%
International	\$334.9m	33.9%	1.0%
Total	\$987.6m	100.0%	2.9%

Investment Holdings (continued)

Cash – Security Type Allocation as at 30 June 2018

Security Type	Amount Invested (AUD)	% of Asset Class	% of Total Fund
Term Deposits	\$1,407.3m	79.0%	4.1%
Negotiable Certificates of Deposit	\$1,326.3m	74.4%	3.9%
Floating Rate Notes	\$80.9m	4.5%	0.2%
Cash (at Call)	\$375.1m	21.0%	1.1%
Total	\$1,782.3m	100.0%	5.2%

Other investment information

Currency hedging

International investments are vulnerable to currency fluctuations and, as such, hedging can reduce exposure to certain currencies. Hostplus partially hedges the currency component of its international asset exposures with the utilisation of forward foreign exchange contracts.

Derivatives

The Fund permits the use of derivatives to manage risk and enhance returns.

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.

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

- the investment strategy adopted for that portion of the Fund managed by the relevant investment manager;
- the investment powers of the Fund; and
- the strategy as agreed between the Fund 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 Fund'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 as part of our investment risks.

Investment Managers

Investment manager allocations

Hostplus appoints a range of trusted, specialist investment managers to invest on the Fund's behalf. Each manager is assessed for suitability in relation to the Fund'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 2018 (together with allocations) are shown in the following tables.

These investment managers have combined investments in excess of 5 per cent of total fund assets:

- IFM Investors Pty Ltd;
- ISPT Pty Ltd; and
- Paradice Investment Management Pty Ltd.

The below list of investment manager allocations may include cash and accounting accruals.

Manager/Investment	%	\$m
Australian shares	24.9%	8,564.059
Airlie Funds Management Pty Ltd (Active Australian Equity)	1.2%	422.809
Airlie Funds Management Pty Ltd (Industrial Australian Equity)	0.4%	125.543
Allan Gray Australia Pty Ltd	1.6%	551.485
Balanced Equity Management Pty Limited	1.9%	658.823
Greencape Capital Pty Ltd (Australian Equity)	2.7%	928.993
Greencape Capital Pty Ltd (High Conviction)	1.3%	431.166
IFM Investors Pty Ltd (Buyback)	0.1%	41.014
IFM Investors Pty Ltd (Enhanced Indexed)	3.8%	1,297.648
IFM Investors Pty Ltd (Small Cap)	0.7%	240.364
L1 Capital Pty Ltd	1.2%	400.140
Paradice Investment Management Pty Ltd (Small Cap)	1.1%	387.404
Paradice Investment Management Pty Ltd (Mid Cap)	1.5%	508.506
Paradice Investment Management Pty Ltd (Large Cap)	2.4%	840.813
Pendal Group	1.6%	565.965
Vinva Australian Equity Alpha Extension Fund – Vinva Investment Management Limited	1.3%	431.058
Yarra Capital Management Limited (Australian Equities)	1.3%	459.550
Yarra Capital Management Limited (Emerging Leaders)	0.8%	272.777

Investment managers (continued)

Manager/Investment	%	\$m
International shares	28.8%	9,896.253
Apostle Dundas Global Equity Fund – Dundas Global Investors Limited	1.4%	481.559
Baillie Gifford Overseas Limited	3.0%	1,042.932
BlackRock Fission Indexed International Equity Fund – BlackRock Asset Management Australia Limited	0.2%	76.324
Citigroup Transition International Equities	0.0%	2.999
Cooper Investors Pty Limited	0.3%	117.843
Hosking Partners LLP	2.1%	721.041
IFM Investors Pty Ltd (Indexed Global Equities)	4.3%	1,471.284
Independent Franchise Partners, LLP	2.8%	973.182
Investec Asset Management Australia Pty Limited	1.7%	588.274
Martin Currie Investment Management Ltd	1.5%	514.996
Northcape Capital Pty Ltd	1.6%	549.278
Neuberger Berman Australia Pty Limited	1.5%	504.721
Orbis Global Equity Fund – Orbis Investment Management Limited	2.7%	943.285
Paradice Investment Management Pty Ltd (Global Small Cap)	1.2%	414.761
Proa Partners Pte Ltd	0.3%	101.520
RWC Asset Management LLP	1.2%	411.109
Vaughan Nelson Investment Management LP	0.5%	155.986
Wellington International Management Company Pte Ltd (Asia ex-Japan Contrarian Equity)	0.3%	119.986
Wellington International Management Company Pte Ltd (Global Contrarian Equity)	2.1%	705.174

Manager/Investment	%	\$m
Private Equity	6.4%	2,181.341
AM Aerogel Holding, LLC – Caspian Private Equity, LLC	0.0%	5.481
Artesian Hostplus VC Fund 1, ILP – Artesian Venture Capital Fund of Funds Management, I.L.P	0.1%	17.305
Artesian Hostplus China Venture Capital Fund 1 – Artesian Venture Capital Fund of Funds Management, I.L.P	0.0%	3.236
Artesian Venture Capital Fund of Funds, ILP – Artesian AFOF Pty Ltd	0.0%	13.651
Australia Private Equity Fund No.1 – Continuity Capital Partners Pty Limited	0.0%	1.454
Australia Private Equity Fund No.2 – Continuity Capital Partners Pty Limited	0.0%	4.307
Blackbird Ventures 2015 Follow-On Fund – Blackbird Ventures Pty Limited	0.1%	40.608
Blackbird Ventures 2015, LP – Blackbird Ventures Pty Limited	0.0%	8.266
Blackbird Hostplus Trust – Blackbird Ventures Pty Limited	0.1%	24.675
Blackbird Ventures 2018 Follow-On Fund – Blackbird Ventures Pty Limited	0.1%	43.175
Blackbird Ventures 2018, LP – Blackbird Ventures Pty Limited	0.0%	1.500
Blackbird After The Car Trust – Blackbird Ventures Pty Limited	0.0%	3.350
Carnegie Healthcare Fund, LP – M.H. Carnegie & Co. Pty Limited	0.0%	2.015
Carnegie Innovation Fund, LP – Carnegie Venture Capital Pty Limited	0.0%	2.576
Carnegie Innovation Fund II, LP – Carnegie Venture Capital Pty Limited	0.0%	15.804
Carnegie Private Opportunities Fund No.1 – M.H. Carnegie & Co. Pty Limited	0.1%	23.733
Carnegie Private Opportunities Fund No.2 – M.H. Carnegie & Co. Pty Limited	0.1%	28.108
Carthona Capital Venture Fund 1 (Part A) – Carthona Capital FS Pty Ltd	0.0%	6.448
Carthona Capital Venture Fund 1 (Part B) – Carthona Capital FS Pty Ltd	0.0%	5.715
Carthona Capital Venture Fund 1 (Part C) – Carthona Capital FS Pty Ltd	0.0%	4.074
Caspian Private Equity II, L.P – Caspian Private Equity, LLC	0.3%	95.932
Caspian Private Equity US Opportunities III, L.P – Caspian Private Equity, LLC	0.2%	64.868
Crown Co-Investment Opportunities PLC II – LGT Capital Partners (Ireland) Limited	0.1%	31.219
Crown Europe Middle Market II Plc – LGT Capital Partners (Ireland) Limited	0.1%	37.762
Crown European Buyout Opportunities II Plc – LGT Capital Partners (Ireland) Limited	0.1%	21.986
Hermes GPE PEC III LP – Hermes GPE LP	0.2%	66.639
Hostplus ROC Private Equity Trust – Roc Capital Pty Limited	0.0%	15.454
HP Special Investment Fund S.C.Sp – LGT Capital Partners (Ireland) Limited	0.0%	3.248
Industry Super Holdings Pty Ltd	0.3%	95.070
IFM Australian Private Equity Fund 3 – IFM Investors Pty Ltd	0.0%	1.427
IFM Australian Private Equity Fund 4 – IFM Investors Pty Ltd	0.0%	5.945
IFM International Private Equity Fund 1 – IFM Investors Pty Ltd	0.0%	1.889
IFM International Private Equity Fund 2 – IFM Investors Pty Ltd	0.0%	11.823
IFM International Private Equity Fund 3 – IFM Investors Pty Ltd	0.1%	35.231
IPG Hostplus 2018 Trust Class A – IP2IPO Australia HP Pty Ltd	0.0%	14.887
IPG Hostplus 2018 Trust Class H – IP2IPO Australia HP Pty Ltd	0.1%	19.823

Investment managers (continued)

Manager/Investment	%	\$m
Private Equity	6.4%	2,186.822
Lexington Capital Partners VIII, L.P – Lexington Partners L.P	0.2%	76.792
Lexington Co-investment Partners III, L.P – Lexington Partners L.P	0.4%	139.404
Lexington Co-investment Partners IV, L.P – Lexington Partners L.P	0.1%	37.440
Members Equity Bank Pty Limited	0.5%	176.546
MHC Hostplus Co-Investment Trust – M.H. Carnegie & Co. Pty Limited	0.0%	13.948
MRCF 3 (HP) Trust – BCP3 Pty Ltd	0.0%	13.545
MRCF Hostplus BTF – BCP3 Pty Ltd	0.0%	1.007
Partners Group Secondary 2008 (EUR), S.C.A., SICAR – Partners Group Management Ltd	0.0%	16.438
Partners Group Secondary 2011 (EUR), S.C.A., SICAR – Partners Group Management Ltd	0.2%	68.156
Partners Group Direct Investments 2012 (USD) ABC, L.P. – Partners Group Management Ltd	0.5%	173.969
Partners Group Direct Equity 2016 – Partners Group Management Ltd	0.3%	103.249
Partners Group Client Access 19 L.P. Inc. – Partners Group Management Ltd	0.0%	3.332
Partners Group Client Access 25 L.P. Inc. – Partners Group Management Ltd	0.0%	7.986
PEUSO II FPG Holding LLC – Caspian Private Equity, LLC	0.0%	1.149
Roc Asia Pacific Co-Investment Fund III – Roc Capital Pty Limited	0.1%	22.080
Siguler Guff HP China Opportunities Fund LP – Siguler Guff HP China GP, LLC	0.4%	152.165
Siguler Guff HP Opportunities Fund II, LP – Siguler Guff HP II GP, LLC	0.5%	155.491
Siguler Guff Small Buyout Opportunities Fund II, L.P – Siguler Guff SBOF II GP, LLC	0.4%	125.349
Square Peg Australia 2015 LP – Square Peg Capital Pty Ltd	0.0%	8.522
Square Peg Global 2015 Trust – Square Peg Capital Pty Ltd	0.1%	37.857
Square Peg CI 2015 Trust – Square Peg Capital Pty Ltd	0.0%	4.992
Wilshire Australia Private Markets Pooled Superannuation Trust – Wilshire Australia Pty Limited	0.1%	51.348
Wilshire Private Markets Asia No.1 Fund – Wilshire Australia Pty Limited	0.0%	5.674
Wilshire Private Markets Asia No.2 Fund – Wilshire Australia Pty Limited	0.0%	11.697
Infrastructure*	9.0%	3,086.997
CFS Infrastructure Fund (Anglian Water Group Sector) – Colonial First State Property Limited	0.2%	79.754
Darling Harbour – Capella Management Services Pty Ltd	0.5%	156.525
European Diversified Infrastructure Fund II SCSp – First State Investments (UK) Limited	0.1%	24.703
IFM Australian Infrastructure Fund – IFM Investors Pty Ltd	3.2%	1,086.819
IFM Hostplus Trust – IFM Investors Pty Ltd	0.3%	102.826
IFM International Infrastructure Fund – IFM Investors Pty Ltd	2.6%	906.768
Macquarie Global Infrastructure Fund III – Macquarie Specialised Asset Management Limited	0.2%	70.997
NSW Ports Consortium – Industry Funds Management Pty Ltd	0.3%	97.099
QGIF Iona Aggregator Trust – QIC Investments No. 1 Pty Ltd	0.2%	54.886
QIC Global Infrastructure Fund – QIC Limited	0.1%	29.219
QIC REV Investment Trust No. 1 – QIC Infrastructure Management No. 2 Pty Ltd	0.0%	10.882
Utilities Trust of Australia – Hastings Funds Management Limited	0.7%	227.290

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

Manager/Investment	%	\$m
Property	12.1%	4,149.266
Australian Prime Property Funds (Retail, Commercial & Industrial) – Lend Lease Investment Management	3.2%	1,099.571
BlackRock Asia Property Fund III – BlackRock Investment Management (UK) Limited	0.0%	0.240
Charter Hall Prime Industrial Fund – Charter Hall Funds Management Limited	0.4%	138.063
Charter Hall Prime Office Fund – Charter Hall Funds Management Limited	0.3%	101.892
ISPT Core Fund – ISPT Pty Ltd	4.0%	1,387.507
ISPT Development and Opportunities Fund I – ISPT Pty Ltd	0.0%	0.339
ISPT Development and Opportunities Fund II – ISPT Pty Ltd	0.0%	4.805
ISPT Non-Discretionary Residential Mandate – ISPT Pty Ltd	0.3%	113.864
ISPT Retail Australian Property Trust – ISPT Pty Ltd	0.9%	299.427
Invesco Core Real Estate USA (ICRE) Fund – Invesco Core Real Estate U.S.A., L.P.	0.6%	206.307
Lend Lease Asian Retail Investment Fund – Lend Lease Investment Management	0.9%	301.249
Lend Lease Communities Fund 1 – Lend Lease Investment Management	0.0%	2.183
Lend Lease Sub-Regional Retail Fund – Lend Lease Investment Management	0.4%	153.463
Long Weighted Investment Partnership (LWIP) Trust – Charter Hall Wholesale Management Limited	0.6%	217.966
Long Weighted Investment Partnership (LWIP) Trust II – Charter Hall Wholesale Management Limited	0.3%	99.714
Macquarie Real Estate Equity Fund 6 – Macquarie Admin Services Pty Limited	0.0%	2.841
Select Property Portfolio No. 2 – AMP Capital Investors Limited	0.0%	0.609
Select Property Portfolio No. 3 – AMP Capital Investors Limited	0.1%	19.227
Fixed Income	2.9%	989.610
iShares Global Bond Index Fund – BlackRock Asset Management Australia Limited	0.9%	323.914
iShares Wholesale Aust Bond Index Fund – BlackRock Asset Management Australia Limited	1.0%	328.125
IFM Investors Pty Ltd (Enhanced Cash)	0.0%	0.594
Macquarie True Index Australian Fixed Interest Fund – Macquarie Investment Management Australia Limited	0.3%	89.904
Specialised Credit Fund – Industry Funds Management Pty Ltd	0.7%	229.159
Super Loans Trust – ME Portfolio Management Ltd	0.1%	17.914
Cash	5.0%	1,707.559
Citigroup Pty Ltd	0.8%	290.136
IFM Investors Pty Ltd	3.6%	1,240.129
Members Equity Bank Pty Ltd	0.5%	177.295

Investment managers (continued)

Manager/Investment	%	\$m
Alternatives	5.0%	1,718.138
Bridgewater Pure Alpha Fund II, Ltd – Bridgewater Associates, Inc	1.4%	481.945
Responsible Investment Leaders Balanced Fund – AMP Capital Funds Management Limited	0.1%	21.592
GMO Systematic Global Macro Fund – GMO Australia Limited	0.6%	211.102
GSA Capital Partners Trend Fund – GSA Capital Partners LLP	0.7%	246.238
IPM Systematic Macro Fund – Macquarie Investment Management Australia Limited	0.7%	255.703
QIC Liquid Alternatives Fund – QIC Limited	0.6%	201.757
Vinva Asia Pacific Equity Long–Short Fund – Vinva Investment Management Limited	0.9%	299.801
Credit	5.7%	1,963.832
Apollo ST Fund Management LLC	1.2%	418.836
Apollo Offshore Structured Credit Recovery Fund IV Ltd – Apollo ST Fund Management LLC	0.5%	157.245
Barings LLC	1.9%	643.090
Cross Ocean Partners US SS Fund – Cross Ocean Partners Management LP	0.3%	104.288
Kayne Anderson Real Estate Debt II LP – Kayne Anderson Capital Advisors, L.P.	0.2%	66.268
Kayne Senior Credit III Offsh Fund L.P. – Kayne Anderson Capital Advisors, L.P.	0.2%	65.788
Loomis Sayles CLO II Ltd – Apollo ST Fund Management LLC	0.1%	36.864
Loomis Sayles Credit Opportunities Fund – Loomis, Sayles & Company LP	0.9%	304.065
HayFin Special Opportunities Credit Fund LP – HayFin Special Opportunities GP Limited	0.1%	45.831
HayFin Special Opportunities Fund II LP – HayFin Special Opportunities Fund II GP LP	0.2%	51.649
HayFin Special Opportunities Fund II USD Co–Invest LP – HayFin Special Opportunities Fund II GP LP	0.0%	10.608
Redding Ridge Holdings LP	0.2%	59.300
Currency	-0.5%	-180.738
Currency Overlay – Mesirow Financial Investment Management Inc.	-0.5%	-180.738
Choiceplus	0.8%	270.120
Choiceplus Cash	0.2%	56.363
Term Deposits	0.1%	19.310
Direct Equities (ASX 300 shares & ETFs)	0.6%	194.448
Total Investments	100.0%	34,346.436

Investment costs

Investment option	Investment fee			Indirect cost ratio		
	Management Fees ¹	Performance fee ¹	Total investment fee ¹	Transaction cost ²	Operational cost ³	Total indirect cost ratio (ICR) ²
Capital Stable	0.38%	0.11%	0.49%	0.14%	0.12%	0.26%
Conservative Balanced	0.43%	0.11%	0.54%	0.16%	0.12%	0.28%
Socially Responsible Investment (SRI) – Balanced	0.83%	0.00%	0.83%	0.40%	0.22%	0.62%
Indexed Balanced	0.02%	0.00%	0.02%	0.04%	0.01%	0.05%
Balanced	0.54%	0.17%	0.71%	0.19%	0.16%	0.35%
Shares Plus	0.52%	0.18%	0.70%	0.19%	0.15%	0.34%
Cash	0.02%	0.00%	0.02%	0.00%	0.01%	0.01%
Diversified Fixed Interest	0.18%	0.00%	0.18%	0.02%	0.05%	0.07%
Property	0.50%	0.06%	0.56%	0.24%	0.15%	0.39%
Australian Shares	0.37%	0.27%	0.64%	0.26%	0.07%	0.33%
International Shares	0.47%	0.02%	0.49%	0.16%	0.09%	0.25%
International Shares – Indexed	0.02%	0.00%	0.02%	0.05%	0.02%	0.07%
International Shares (Hedged) – Indexed	0.02%	0.00%	0.02%	0.05%	0.00%	0.05%
Macquarie – Australian Fixed Interest	0.00%	0.00%	0.00%	0.08%	0.01%	0.09%
BlackRock – International Fixed Interest	0.08%	0.00%	0.08%	0.08%	0.01%	0.09%
Industry Super Property Trust Core Fund – Property	0.24%	0.00%	0.24%	0.20%	0.14%	0.34%
Lend Lease managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property	0.69%	0.00%	0.69%	0.28%	0.10%	0.38%
IFM – Australian Infrastructure	0.42%	0.00%	0.42%	0.01%	0.14%	0.15%
Balanced Equity Management – Australian Shares	0.14%	0.00%	0.14%	0.12%	0.06%	0.18%
IFM – Australian Shares	0.02%	0.00%	0.02%	0.03%	0.00%	0.03%
Paradise (Small Cap) Australian Shares	0.77%	0.00%	0.77%	1.06%	0.09%	1.15%
Neuberger Berman – International Shares	0.60%	0.00%	0.60%	0.14%	0.10%	0.24%

Investment option	Borrowing Costs ⁴	Property Operating Costs ⁵
Capital Stable	0.13%	0.12%
Conservative Balanced	0.13%	0.12%
Socially Responsible Investment (SRI) – Balanced	0.04%	0.02%
Balanced	0.18%	0.16%
Shares Plus	0.12%	0.10%
Property	1.07%	1.20%
Australian Shares	0.01%	0.00%
Industry Super Property Trust Core Fund – Property	0.27%	1.10%
Lend Lease managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property	0.60%	0.84%

The performance-based fee component comprises actual fees paid and estimates of fees to be paid for the financial year ended 30 June 2018. The International Shares – Indexed and International Shares (Hedged) – Indexed options were introduced on 27 September 2017. The Indirect Cost Ratio and the Investment fee is based on the expenses incurred from 1 July 2017 to 30 June 2018. 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 explanation of notes (1), (2), (3), (4) and (5) see the Hostplus Product Disclosure Statement at pds.hostplus.com.au/6-fees-and-costs.



Other important information.

At Hostplus, nothing is more important to us than integrity and honesty with our members.

Trustee of the Fund

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

Trustee indemnity insurance

Pioneer Insurance Group Pty Ltd, 2016 QBE Syndicate, Nexus Ltd and Dual Australia Pty Ltd underwriters provided Trustee insurance cover from 30 September 2017 until 30 September 2018.

Penalties

In the 12 months to 30 June 2018, Hostplus received no penalties or enforceable undertakings under governing laws.

Significant Events Notice

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

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

The key message announcing the decisions and impact is referred to as a Significant Event Notice, which is sent to affected members. Hostplus' aim is to provide information to members in a clear, concise manner that will enable our members to understand the nature of the change or event and the effect it could have on them.

All Significant Event Notices issued during the Reporting period is contained on our website at hostplus.com.au

Eligible rollover fund

In accordance with legislation and the Fund's policy, if your account balance is less than \$6,000 (subject to change) and we have not received contributions for you for more than five years, we may transfer your account balance to our eligible rollover fund (ERF). Our nominated ERF is AUSfund.

However, if we have a current address we will write to you and give you the option to reactivate your account before transferring your Hostplus account to AUSfund.

If your superannuation benefits are transferred to AUSfund, your personal information will be used by AUSfund so that they can establish and manage your account, process your contributions, pay benefits, provide you with membership benefits and services, and correspond with you.

Being transferred to AUSfund may affect your benefits because of the following circumstances:

- You will cease to be a member of Hostplus; and
- Any insurance cover with Hostplus will cease.
- You will become a member of AUSfund and be subject to its governing rules.

Other important information

If we have your current contact details we will provide it to AUSfund and they will send you their Product Disclosure Statement (PDS). You can also ask AUSfund for a copy. AUSfund has a different investment strategy from Hostplus. For more details, see the AUSfund PDS.

AUSfund does not offer insured benefits in the event of death or disability.

AUSfund engages specialist agents such as its administrator to provide services and other benefits to its members, under the strictest confidence. AUSfund will not use or disclose your information for any other purpose without your consent, except where required or authorised by law.

Should your benefits be transferred into AUSfund, you may request access to, or correction of, any personal information held by AUSfund by writing to AUSfund's Privacy Officer. AUSfund can be contacted at:

AUSfund Administration
PO Box 543
CARLTON SOUTH
VIC 3053 Australia
Phone: 1300 361 798
8:30am–5pm Monday to Friday
If calling from outside Australia:
+ 61 3 9814 6400

All AUSfund members are charged a \$11.50 annual administration fee. If the interest earned is insufficient to cover this fee, the account balance may be reduced to zero and the account closed. All accounts with less than 5 cents will be closed as amounts below 5 cents are not legal tender and cannot be maintained.

For information about this administration fee and other costs associated with an AusFund membership, please visit ausfund.com.au/about-ausfund/account-fees-and-costs/

Enquiries and complaints

If you have an enquiry or complaint, please call **1300 467 875**. We'll do everything in our power to 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 to
resolutions@hostplus.com.au.

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

You can contact AFCA via:

Website: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678.

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

Hostplus commits to Insurance in Superannuation Voluntary Code of Practice

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

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

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

- Simpler processes for members to opt out of automatic insurance
- Improved communications including the impact of insurance fees on retirement outcomes
- Increased help for members making a claim.

Hostplus already meets most aspects of the Code, having tailored our group insurance to suit the needs of our 1.1 million members working in the hospitality, tourism, recreation, sport and related industries.

Hostplus is in the process of implementing updates proposed in the Code as required and will be producing further information on these plans on our website by the end of the 2018 calendar year.

Insurance update

For the year ending 30 June 2018, the fund paid \$153,781,834 in insurance claims to members, supporting them and their beneficiaries in their time of need. As noted, the Fund has also adopted the Insurance in Superannuation Voluntary Code of Practice. Hostplus staff continue to support and educate members on their insurance cover in place when interacting through our call centre or working with our field staff and at the time that it matters, our inhouse claims team are here to help you with the claiming process.

The government made an announcement in the May 2018 Federal Budget that is currently being assessed by parliament, this may impact insurance cover arrangements in place for some members, if the legislation is passed the Fund will seek to communicate with all affected members to ensure they understand the implications of this legislative change.



Financial summary.

This section is an abridged financial summary of the Fund's audited accounts for the last two years.

More detailed financial information can be found in the Fund's annual financial statements available online at hostplus.com.au/super/about-us/governance-and-disclosures.

Financial summary

Changes in member benefits	2018 (\$'000)	2017 (\$'000)
Opening balance of member benefits	24,481,506	19,697,789
Add:		
Contributions	2,758,560	2,314,231
Transfers in	4,789,568	1,473,860
Net investment earnings	3,249,244	2,581,105
Insurance proceeds	153,782	130,443
Less:		
Benefits paid	1,328,458	1,124,322
Administration and other fees	83,836	78,349
Insurance premiums	225,425	220,817
Tax	362,900	292,434
Closing balance of member benefits	33,432,041	24,481,506

Income statement	2018 (\$'000)	2017 (\$'000)
Revenue		
Interest	2,322	1,515
Dividends and distributions	5,152	2,949
Changes in assets measured at fair value	3,250,454	2,615,324
Other income	1,457	180
Total revenue	3,259,385	2,619,968
Expenses		
Investment expenses	5,241	4,077
Administration expenses	104,047	103,510
Total expenses	109,288	107,587
Income tax (expense)/benefit	47,066	47,556
Profit/(loss) from operating activities after income tax	3,197,163	2,559,937
Less: Net benefits allocated to members' accounts	(3,165,408)	(2,502,756)
Profit/(loss) after income tax	31,755	57,181

Financial Position	2018 (\$'000)	2017 (\$'000)
Investments	33,972,041	24,956,957
Cash at bank	41,588	17,537
Other assets	50,029	21,618
Less:		
Liabilities	354,929	284,848
Net Assets available for members' benefits	33,708,729	24,711,264
Less: Members' benefits	33,432,041	24,481,506
Net Assets	276,688	229,758
Equity		
Investment reserve	6,542	10,900
Administration reserve	174,427	162,792
ORFR Reserve	75,443	56,065
Insurance reserve	20,276	–
Total Equity	276,688	229,758

Financial summary

Reserve accounts

The fund maintains reserves to cover the day-to-day operations of Hostplus which are invested in a manner consistent with the fund's investment strategy, being the Balanced investment option, and in a manner that allows the Fund to discharge its liabilities as and when they fall due. The balance of all Fund reserves at 30 June for the last five years has been:

Reserves						
Year	Investment reserve (\$'000)	Admin reserve (\$'000)	ORFR reserve (\$'000)	Insurance reserve (\$'000)	RSE reserve (\$'000)	Total reserves (\$'000)
2018	6,542	174,427	75,443	20,276	-	276,688
2017	10,900	162,792	56,065	-	-	229,758
2016	854	121,955	46,968	-	100	169,877
2015	2,911	134,767	45,032	-	100	182,810
2014	(13,641)	128,947	25,450	-	100	140,856

Investment Reserve

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

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

Administration Reserve

The fees deducted from members' accounts are deposited into the Administration reserve and the accumulated funds are utilised to pay for the operations of Hostplus.

Operational Risk Financial Requirement ('ORFR') Reserve

An ORFR Reserve is separately maintained to ensure the Fund has access to adequate financial resources in the event of losses arising from an operational risk event. An ORFR Reserve has been established, as required by the Australian Prudential Regulation Authority (APRA), at a level representing 0.25% of Fund Net Assets.

Hostplus has an approved ORFR policy detailing what constitutes an operational risk event and how the ORFR Reserve is accessed (if an operational risk event occurs).

Insurance Reserve

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

RSE Reserve

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



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