

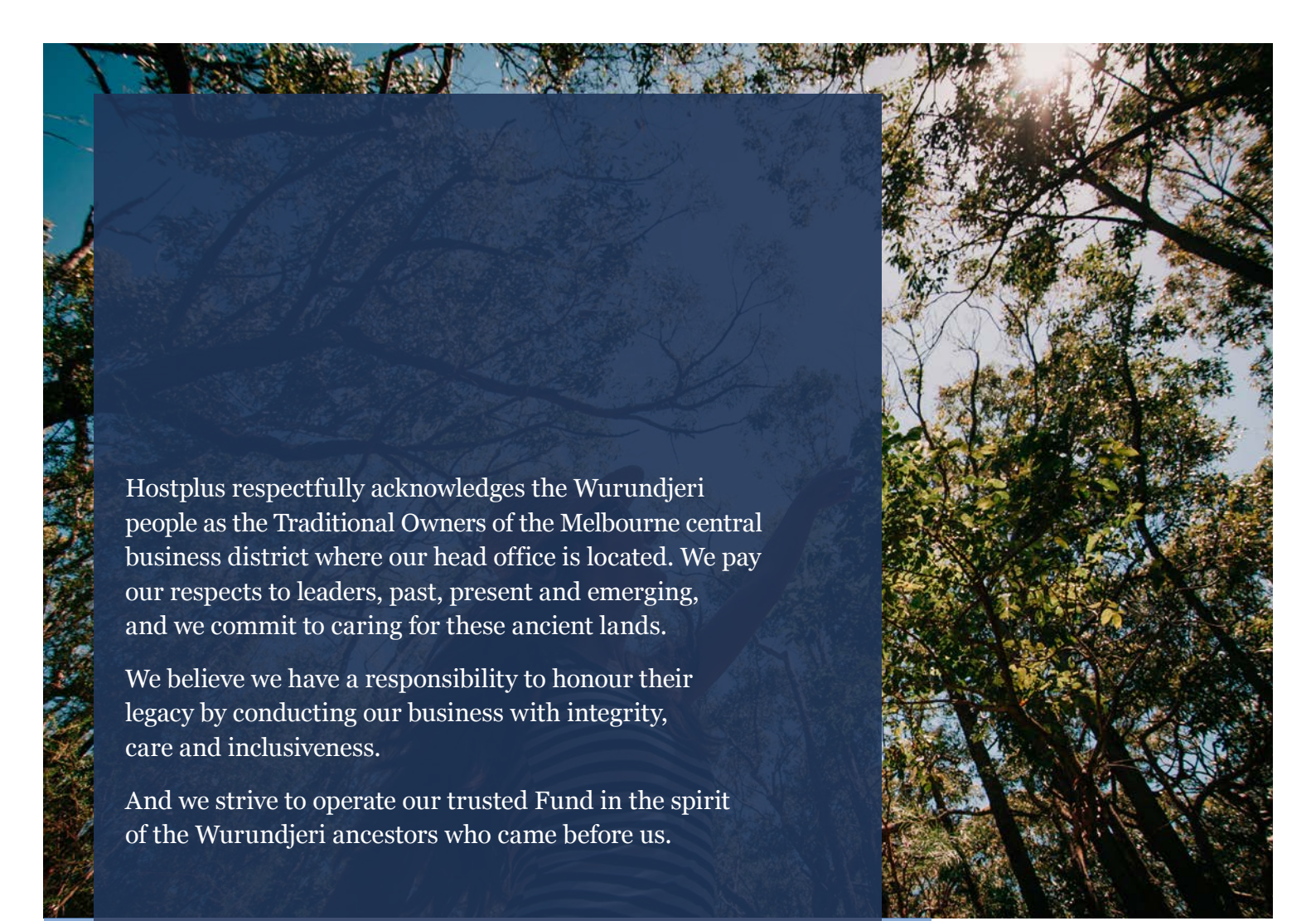


# Hostplus Self-Managed Invest

Annual report for the financial  
year ended 30 June 2020







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

We believe we have a responsibility to honour their legacy by conducting our business with integrity, care and inclusiveness.

And we strive to operate our trusted Fund in the spirit of the Wurundjeri ancestors who came before us.

Front cover image: 1 William street, Australia (Image credit: ISPT Property)

### Contact us

**Mail** GPO Box 764, Melbourne, VIC 3001  
**Phone** 1300 350 819  
**Email** [smi@hostplus.com.au](mailto:smi@hostplus.com.au)  
**Web** [hostplus.com.au/smi](http://hostplus.com.au/smi)

### About this report

We have used the International Integrated Reporting <IR> Framework as a guide to producing our 2019–20 Self-Managed Invest (SMI) Annual Report. Using the <IR> Framework allows us to provide a fuller picture of Hostplus' ability and actions to create value in the short, medium and long-term for our members, investors and stakeholders.

This Annual Report (Report) provides information required under the *Corporations Act 2001* and has been prepared by the Trustee in November 2020 for unitholders in the pooled superannuation trust (PST). In this Report, 'we', 'us', 'our' and 'Hostplus' are references to the Trustee and/or the Hostplus PST. The PST is a pooled superannuation trust as defined under the *Superannuation Industry (Supervision) Act 1993* (SIS Act). It is designed to pool assets of eligible complying superannuation entities to invest in high-quality assets managed by the Trustee and selected external investment managers. The PST is governed by the terms of the Hostplus Pooled Superannuation Deed (Trust Deed) (dated 7 February 2014) and any subsequent amendments and relevant law, which determines the operation of Hostplus SMI and the rights and obligations of investors and the Trustee.

**SMI investors invest into the PST alongside the members of the Hostplus Superannuation Fund. Unless otherwise indicated, the information contained in this report refers to the PST, of which SMI forms a component of that unit trust.**

### Important information

Information contained within this report is general advice only and does not take into account your personal objectives, financial situation or needs. You should consider if this information is appropriate for you, in light of your circumstances, before acting on it. Please read the relevant Hostplus SMI Product Disclosure Statement (PDS), available at [hostplus.com.au/smi](http://hostplus.com.au/smi) before making a decision about Hostplus SMI. Hostplus Self-Managed Invest (SMI) is issued by Host-Plus Pty Limited ABN 79 008 634 704, AFSL 244392 as trustee for the Hostplus Pooled Superannuation Trust (PST) ABN 13 140 019 340. HP1392 10/20

# Contents

<b>Who we are</b>	<b>4</b>	<b>Hostplus Self-Managed Invest</b>	<b>26</b>
<a href="#">Hostplus Vision and Values</a>	4	<b>investment options</b>	
<a href="#">Hostplus today</a>	8	<a href="#">Your guide</a>	28
<a href="#">CEO message</a>	10	<a href="#">Pre-mixed options</a>	29
<b>How we deliver value</b>	<b>12</b>	<a href="#">Sector investment options</a>	30
<a href="#">Service continuity through times of change</a>	13	<a href="#">Individual manager options</a>	31
<a href="#">Self-Managed Invest awards</a>	15	<b>Our position at year end</b>	<b>32</b>
<a href="#">Our commitment to reconciliation</a>	16	<a href="#">Other investment information</a>	33
<a href="#">What it means to be an Industry SuperFund</a>	17	<a href="#">Investment manager allocations</a>	34
<b>Your investments</b>	<b>18</b>	<a href="#">Investment costs</a>	39
<a href="#">CIO message</a>	19	<a href="#">Financial summary</a>	40
<a href="#">Responsible investment approach</a>	20	<a href="#">Our people: Board of directors</a>	42
<a href="#">Investing for the future</a>	22	<a href="#">Our people: Executive team</a>	44
		<a href="#">Other important information</a>	46

# Who we are

## **Hostplus Vision and Values**

Hostplus was established in 1988 as the national industry superannuation fund for the hospitality, tourism, recreation and sport industries. Hostplus is proud of its industry fund heritage and is run only to benefit our members and investors. This philosophy and ethos drives us and is reflected in our ongoing commitment to low fees and the best possible returns for our members and investors, so they can look forward to a more comfortable and dignified retirement lifestyle.

In 2019, Hostplus formally launched Self-Managed Invest (SMI), which in a short time has proved popular with Self-Managed Super Fund (SMSF) investors and advisers.

Hostplus SMI invests through the PST, along with the Hostplus Superannuation Fund, and provides SMSF investors with access to investments generally inaccessible to retail and SMSF investors, with a level of flexibility and liquidity previously available to Hostplus Superannuation Fund members only.





**Our Vision**

With our origins in the hospitality and tourism industries, Hostplus continues to evolve as the lifetime fund of choice for all Australians, delivering retirement income security to our members and investors.

As we evolve our vision for the future does too.

## Our Values

Our organisational values recognise and inspire the positive characteristics that make Hostplus such an incredible place to work.

These values inform the way we operate and work together to deliver better outcomes for our members and investors, every single day.



### Go for it.

We are optimistic and we focus on solutions, not problems.



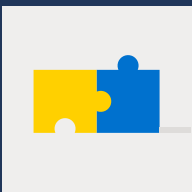
### Keep it real.

We are honest, genuine, straightforward and transparent.



### We care.

We care about our work, our customers and our colleagues.



### Better together.

We've got each other's backs, and we never walk alone.



### Be proud.

We are proud of who we are and the work we do every single day.

## Tomorrow, realised here

Our primary purpose has always been, and will continue to be, to put more money in our members' and investors' pockets for their retirement.

In part, our distinctive advantage stems from our super fund membership, which on average is younger than many other funds. This gives Hostplus the ability to invest for the long-term, across diverse, and in some cases, difficult-to-access asset classes.

Our assets include essential infrastructure, like airports, utilities and roads, that deliver immediate social benefits today, as well as longer-term investment benefits for our members and investors.

Over the next three years industry super funds, including Hostplus, will be investing a forecast \$19.5 billion in projects that will create an estimated 200,000 jobs. These investments will not only help our economy recover from the current COVID-19 crisis, but will also play an important role in generating long-term and sustainable returns for our members' and investors' superannuation and pension.

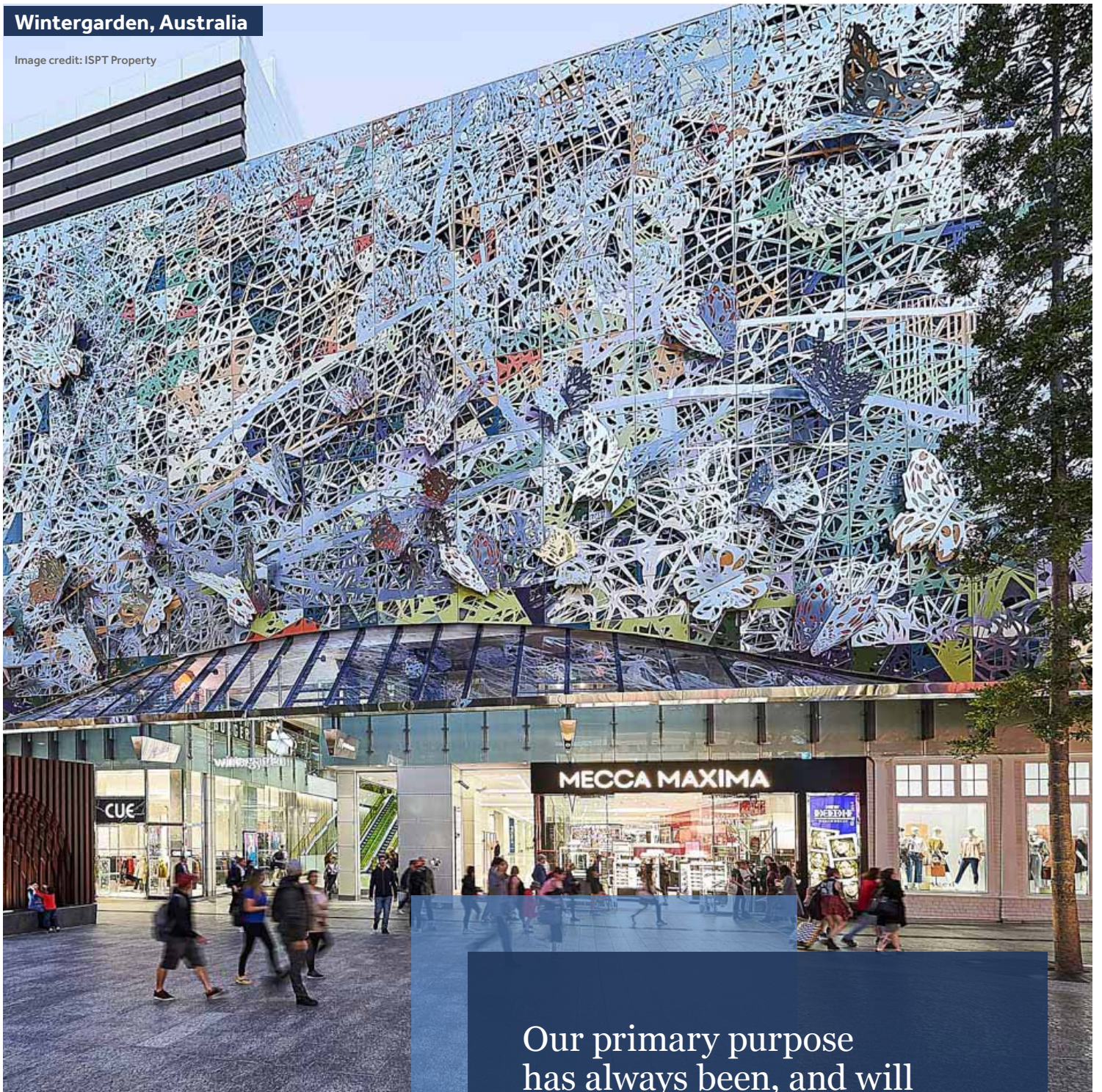
By continually innovating, investing, and assisting our members and investors to grow their superannuation, at Hostplus, we don't just make the best of tomorrow.

Together, we make tomorrow happen.



## Wintergarden, Australia

Image credit: ISPT Property



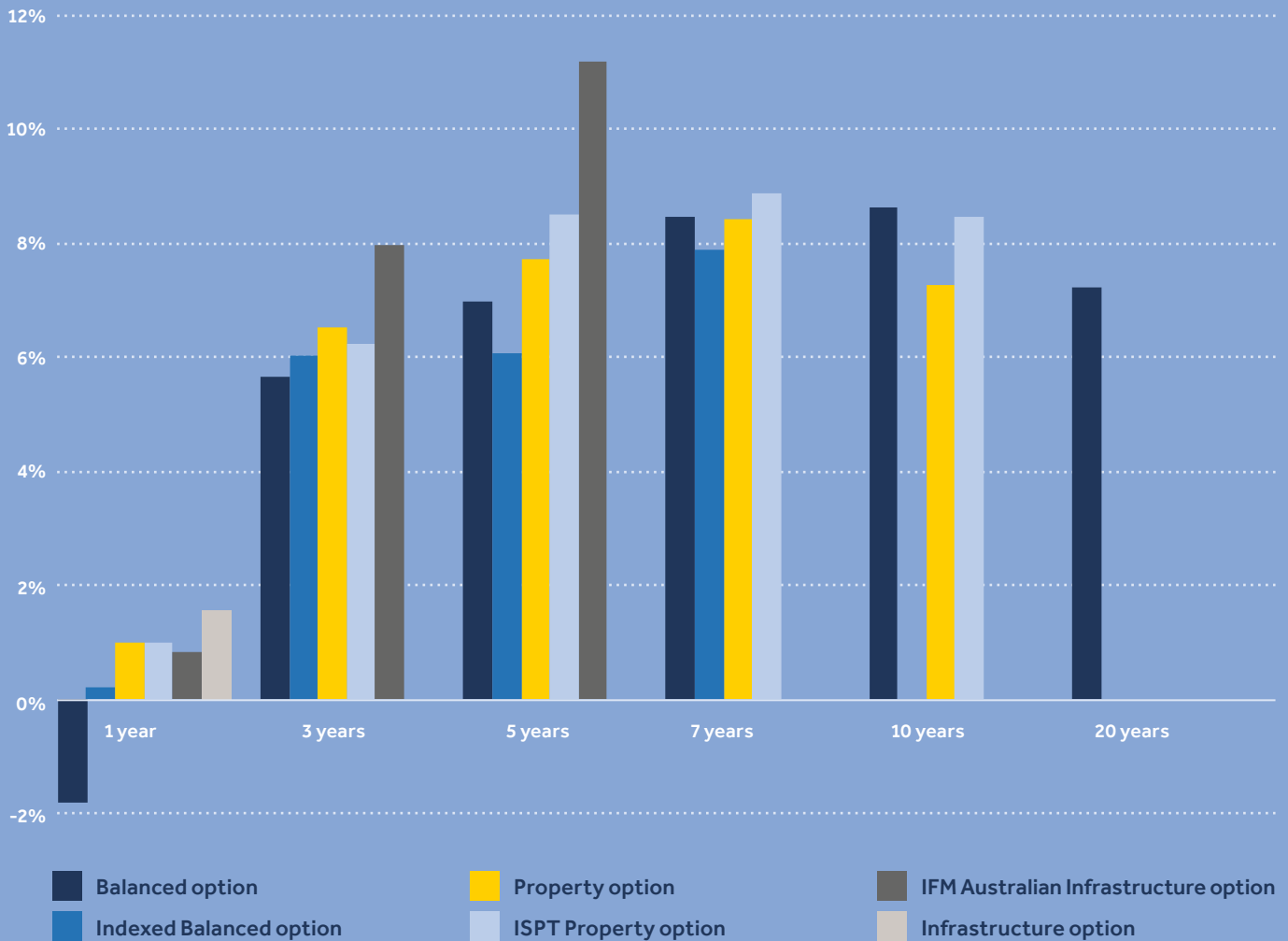
Our primary purpose has always been, and will continue to be, to put more money in our members' and investors' pockets for their retirement.



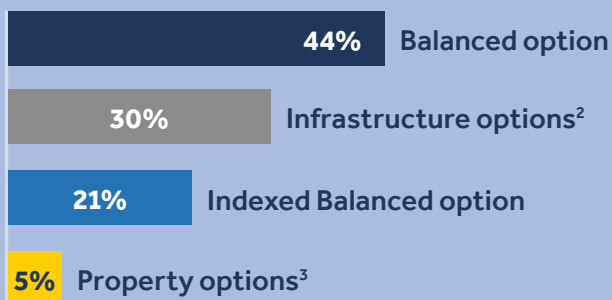
# Hostplus Self-Managed Invest today

year ended 30 June 2020

## Investment returns<sup>1</sup>



## Where SMI clients are invested



1. Hostplus Self-Managed Invest returns shown above are net investment returns for the accumulation options, net of investment-related fees, costs and taxes. Hostplus SMI formally launched in June 2019. Investment returns prior to that date reflect the returns of the identically-named (non-SMI) Hostplus investment options, which follow the same investment strategy. Past performance is not a reliable indicator of future performance.

2. Includes the Infrastructure option and the IFM Australian Infrastructure option.

3. Includes the Property option and the ISPT Property option.



## SMI membership



**\$174k**

average SMI  
account balance



**830%**

annual growth  
in membership



**615%**

annual growth in funds  
under management

## Hostplus today

year ended 30 June 2020

**1.3m**  
members  
and investors

**\$49b**

Funds under management

**275k**  
new member  
and investor  
accounts created

**216k**  
employers

# CEO message



A warm welcome to all our Self-Managed Invest (SMI) investors, and thank you for taking the time to read our latest SMI annual report.

## **SMI: a part of your self-managed superannuation solution**

We formally launched SMI in 2019 and in a short time it has proven popular with Self-Managed Super Fund (SMSF) investors and their advisers.

Hostplus SMI provides SMSF investors with access to unique investments, generally inaccessible to retail and SMSF investors, with a level of flexibility and liquidity previously available to Hostplus members only.

SMI investors can select from a range of high-quality investment options, including our flagship Balanced option, our popular Indexed Balanced option, as well as our Infrastructure and Property options, within the safety and security of a large, well-managed APRA-regulated fund.

## **By investing in Hostplus SMI, SMSF investors enjoy the best of both worlds.**

By investing in Hostplus SMI, SMSF investors enjoy the best of both worlds: the benefits of investing with one of Australia's top superannuation funds,<sup>1</sup> while maintaining control of their SMSF.

And I'm proud that since its launch, Hostplus' SMI has been recognised and awarded by various leading independent research and ratings agencies, including receiving SuperRatings' 'Best New Innovation 2020' award, Money Magazine's 'Best Innovative Super Service' award and Canstar's 'Innovation Excellence' award 2020.<sup>2</sup>

I'm excited about our plan for further expansion of SMI over the next few years, including enhancing its underlying platform technology, improving the level of information and support available to investors and advisers, and enhancing the investment product menu and structure.

## **A year like no other**

The past year has certainly been a remarkable period for our country and communities. As Australians, we can be very proud of the way we have confronted the social and economic challenges brought on by COVID-19.

Our super fund Balanced option generated a negative return of -1.85% for the year to 30 June 2020 – its first negative return in 11 years, and only the fourth in its 32-year history.<sup>3</sup> The SMI Balanced option returned -1.80%. While the year was certainly a challenging one, Hostplus has remained a solid performer compared to Australia's leading superannuation funds over longer periods, with the Hostplus super fund Balanced option having returned 8.61% per annum over ten years.

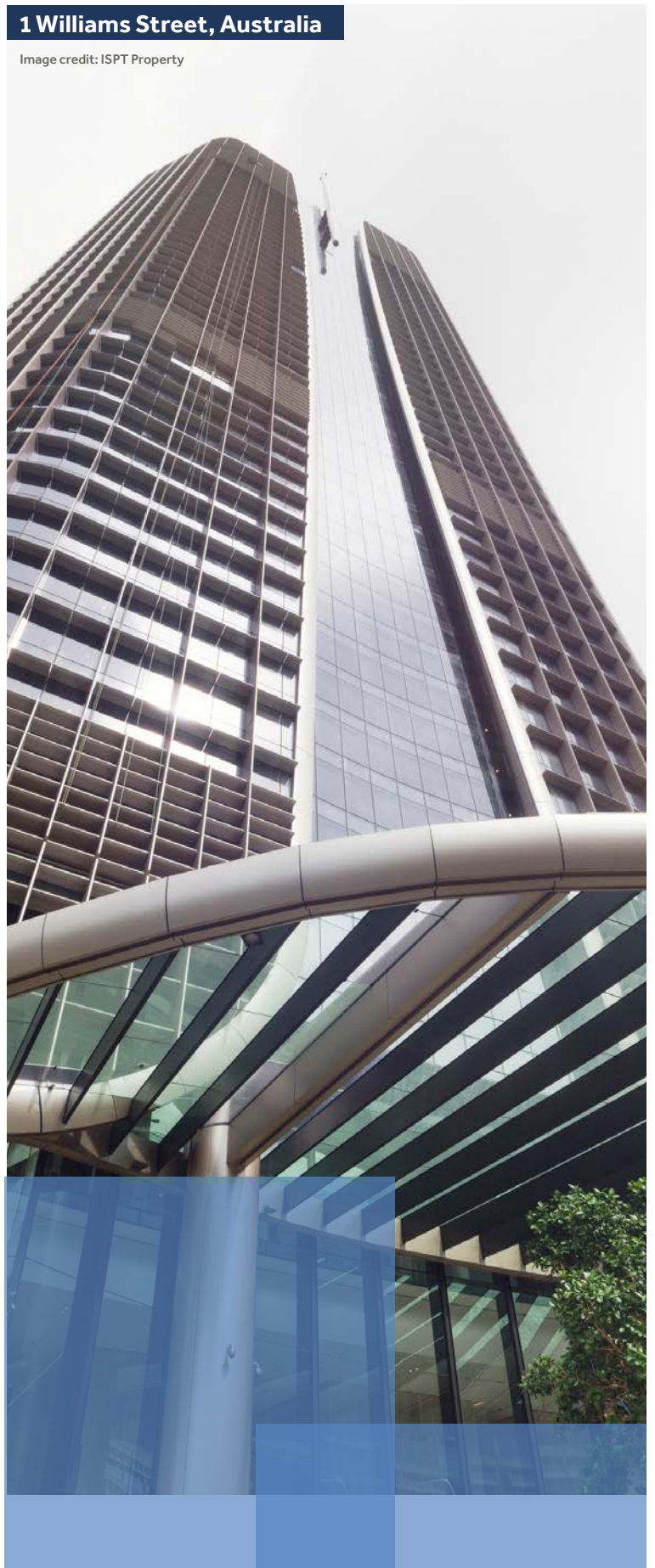
Our popular Indexed Balanced option – which with a total investment cost of 0.06% is one of the lowest-cost diversified investment options available – has grown to over \$7 billion, including SMI investors and Hostplus members, as more and more Australians actively choose Hostplus as their preferred superannuation provider. Though financial markets were rocked by the COVID-19 pandemic and subsequent economic fallout, the Indexed Balanced option delivered a positive return of +0.19% over the past financial year.

1. Ratings agency SuperRatings has awarded Hostplus the '15-year platinum performance' rating for 2005–2020.

2. Awards and ratings are only one factor to take into account when choosing a super fund. SuperRatings does not issue, sell, guarantee or underwrite this product. Go to [superratings.com.au](http://superratings.com.au) for details of its criteria.

3. Hostplus SMI formally launched in June 2019. Investment returns prior to that date reflect the returns of the identically-named (non-SMI) Hostplus investment option, which follows the same investment strategy.





## Growth through adversity

Despite the challenges of COVID-19, we continue to grow as an organisation, in terms of members, investors and total assets. And as we grow, our investors benefit, because we are able to use our increasing size and scale to negotiate cost savings that we can pass on for their benefit.

We now manage nearly \$49 billion for 1.3 million Australians, as of 30 June. This scale and diversity speaks to the quality of our investment options, our simple, fixed administration fees, and our strong, long-term investment returns.<sup>1</sup>

## Our SMI annual report

This year's SMI annual report has been produced using the International Integrated Reporting <IR> Framework as a guide. The framework helps us clearly and concisely communicate how Hostplus delivers value to our SMI investors. We hope you enjoy it.

Thank you for your continued support during these challenging times, and take care.

**David Elia**  
Chief Executive Officer

1. Source: According to the SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Balanced (60 – 76) Index, June 2020, the Hostplus super fund Balanced option has ranked in the top five over five to 20 year time periods. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a fund.



# How we deliver value



**The Shops at Crystals, USA**

Image credit: Invesco US Core Real Estate

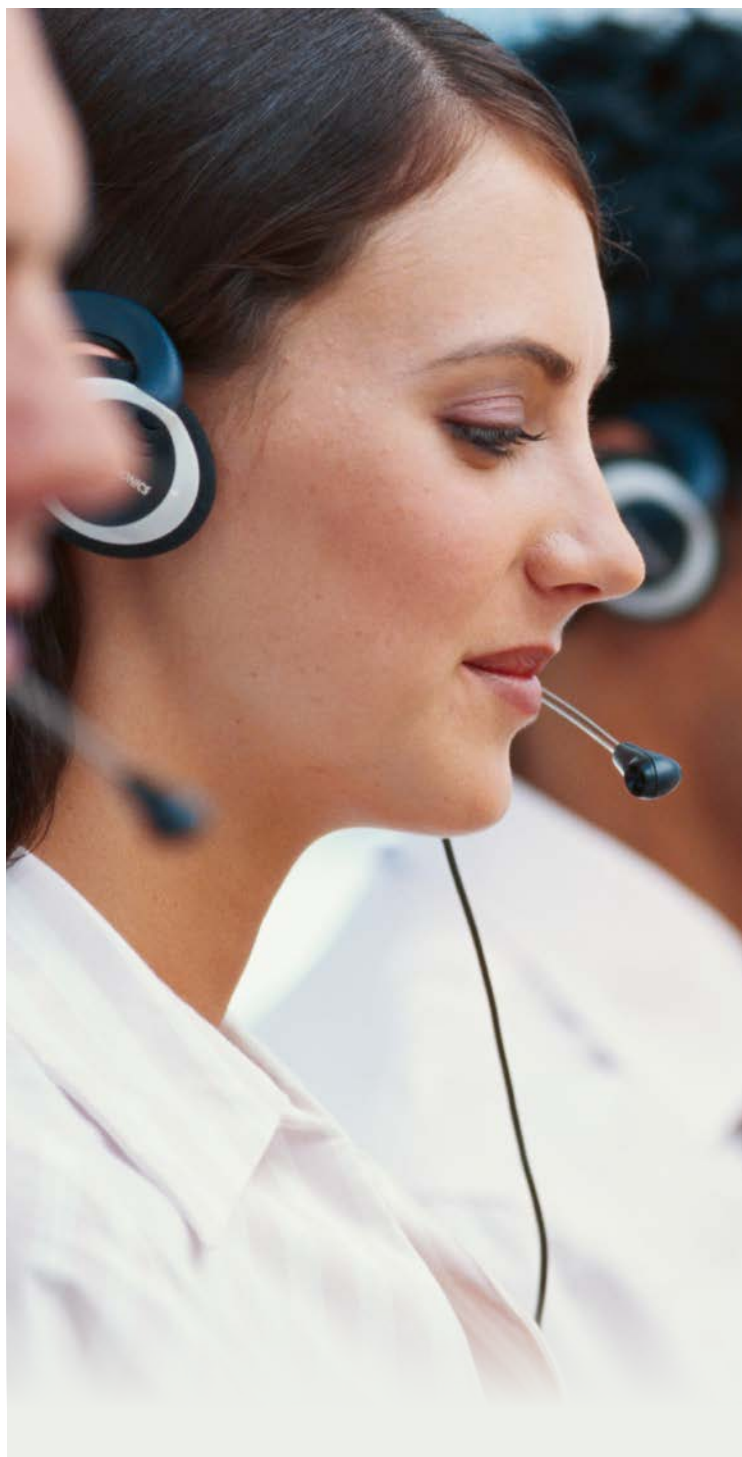


## Service continuity through times of change


Achieving and maintaining service excellence is vital to our core philosophy. Over the past financial year, we've made considerable changes to the way we operate, to ensure we continue to deliver the high standards of service that our members and investors expect and deserve.

With the emergence of the COVID-19 crisis, Hostplus moved swiftly to deploy our business continuity plan. This included activating our offsite service centre locations to ensure we could continue to service the needs of our members and investors, while protecting the health and safety of our employees and their families.

It also involved pivoting in a short space of time to working remotely. We adjusted our processes and IT infrastructure to successfully transition all of Hostplus' departments, teams and functions to work from home, including a significant portion of our dedicated, in-house, service centre. This transition was achieved through the commitment and drive of all our teams, who remained determined to deliver timely, responsive and empathetic member and investor services throughout this period.



With the emergence of the COVID-19 crisis, Hostplus moved swiftly to deploy our business continuity plan.

A photograph of two women, likely employees, standing behind a wooden counter. Both are wearing light green aprons over their clothing. The woman on the left is wearing a black t-shirt and a striped headscarf, and is holding a coffee grinder. The woman on the right is wearing a white long-sleeved shirt. Both are smiling warmly at the camera. A glass of coffee sits on the counter in front of them.

As our communities continue to adapt to COVID-19, we remain as focused as ever on delivering exceptional services and quality outcomes.

### **Supporting our members and investors when they need it most**

Over recent months, many Australians found themselves experiencing sudden financial hardship as a result of the COVID-19 pandemic. Hostplus has proudly played its role in supporting our members and investors through these difficult times. This includes directly assisting more than 243,000 Hostplus members and investors who, as of 30 June, had made the difficult decision to access their super as part of the federal government's temporary 'Early Release of Superannuation (ERS)' scheme.

We worked with our members and the Australian Taxation Office to ensure ERS payments were processed as quickly as possible, while maintaining our robust security and anti-fraud measures for the protection of our members. We also moved quickly to redeploy employees to frontline client service roles from other areas of our business and extended our working hours to respond to the dramatic increase in service and assistance requests.

As our communities continue to work through the difficulties the COVID-19 pandemic has brought, we remain as focused as ever on delivering exceptional services and quality outcomes in the best interests of all our members and investors.

We also continue to actively review and enhance our services, processes and products over the short term to respond to the immediate needs of our members and investors whilst ensuring our longer-term strategy and key performance objectives are met.



# Self-Managed Invest awards

At Hostplus, delivering great outcomes for our members and investors is the best reward of all. So, while we're not in it for the accolades, the awards and ratings we receive are welcome endorsement and support for our achievements, and provide our investors with confidence in their choice of investment partner.

In 2019–20, we were pleased that Hostplus Self-Managed Invest was recognised through the following awards and ratings.



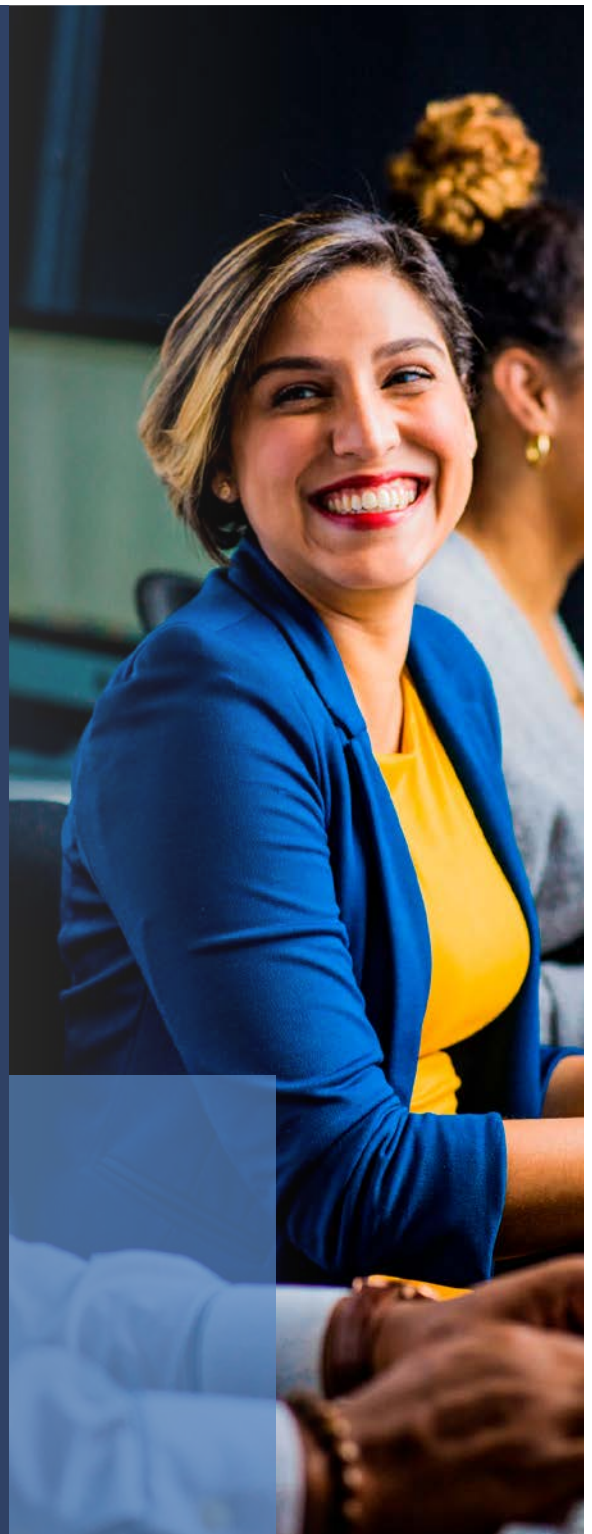
## Hostplus superannuation fund awards

In 2019–20, the Hostplus super fund was also recognised for the following awards:



Awards and ratings are only one factor to be taken into account when choosing a super fund. For further information about the methodology used by Chant West, see [chantwest.com.au](http://chantwest.com.au).

SuperRatings does not issue, sell, guarantee or underwrite this product. Go to [superratings.com.au](http://superratings.com.au) for details of its criteria.



## Our commitment to reconciliation



**We respectfully acknowledge the Wurundjeri people as the Traditional Owners of the Melbourne CBD where our head office is located. We pay our respects to leaders, past, present and emerging, and we commit to caring for these ancient lands.**

At Hostplus, we're committed to reconciliation. We recognise the current social and economic challenges faced by members of Aboriginal and Torres Strait Islander communities around the country – particularly in relation to financial wellbeing and retirement outcomes.

### Reconciliation Action Plan

Our Reconciliation Action Plan (RAP) is a strategic document that supports Hostplus' reconciliation business plan. It is a roadmap that outlines initiatives we are committed to delivering, to raise awareness and help close the retirement savings gap between Aboriginal and Torres Strait Islander peoples and other Australians.

It also includes practical actions to drive our contribution to reconciliation more broadly, both internally and in the communities in which we operate. In 2016 we launched our first Hostplus 'Reflect' RAP, and in 2019 we launched our 'Innovate' RAP.

## We continue to work with our industry partners to close the gap for Aboriginal and Torres Strait Islanders.

### What have we achieved?

A major achievement is having negotiated alternative identity verification for Indigenous persons. Not all Aboriginal people have access to standard identification documents, which makes it difficult for them to meet government requirements relating to super administration.

Now, Hostplus members from Aboriginal and Torres Strait Islander communities can prove their identity through a community referral or other approved alternative identification documents.

This year we ran a range of activities internally during National Reconciliation Week, 27 May to 3 June. These included virtual morning teas to enhance employees' understanding of reconciliation. We also regularly conduct cultural awareness training for Hostplus employees.

In addition, we have invited our partner organisations to participate in social media activity surrounding reconciliation to help educate our employees and the wider Hostplus community. The first video in this series, posted across our social media channels, featured Gold Coast SUNS' player Jarrod Harbrow. It received the most positive engagement of all our posts over the past financial year, a testament to the power of both the message conveyed by Jarrod and his reputation and standing.

We continue to work with our industry and superannuation partners to close the gap for Aboriginal and Torres Strait Islanders. Our partners include the William Angliss Institute, the National Indigenous Culinary Institute, Souths Cares (an affiliate of the South Sydney Rabbitohs Rugby League Club), the International College of Management Sydney and the Insurance in Super Working Group.



# What it means to be an Industry SuperFund

## Hostplus is a proud Industry SuperFund.

Everything we do at Hostplus is done with the best interests of our members and investors in mind. From the products we provide and the services we deliver, to the investments we manage, we are proud of our heritage and reputation as one of Australia's largest, consistently well-performing funds.<sup>1</sup>

As an SMSF trustee, and an investor in Hostplus SMI, you get the best of both worlds: you retain your independence and control over your super, while having the benefit of investing with an APRA regulated superannuation fund.

Importantly, unlike bank-owned and other retail funds, we don't pay profits to shareholders. And other than the cost of running the PST, all our profits are owned by and benefit our members and investors, principally delivered through our net investment returns.

Another important and distinctive advantage that helps to keep more money in our members' and investors' pockets is that we don't charge an asset-based administration fee in addition to our simple fixed administration fee.

Put simply, we don't believe our investors' administration fee should increase simply because their balance does.

With super, long-term performance matters. Despite periods of market volatility over the years, including the unprecedented events of the 2019–20 financial year, our super fund Balanced option has delivered top quartile returns over five, seven, 10, 15 and 20 years.<sup>1</sup>



When it comes to your super, there's only one symbol to look for.

We're proud to help our members and investors save for their future and towards a dignified retirement.

So, your future is in good hands with Hostplus.

1. Source: According to the SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Balanced (60 – 76) Index, June 2020, our Balanced option has ranked in the top five over five to 20 year time periods. Consider the relevant Hostplus Product Disclosure Statement available at [hostplus.com.au](https://www.hostplus.com.au) and your objectives, financial situation and needs, which are not accounted for in this information, before deciding if Hostplus is appropriate for you. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund. Hostplus SMI formally launched in June 2019. Investment returns prior to that date reflect the returns of the identically-named (non-SMI) Hostplus investment option, which follows the same investment strategy.

# Your investments

**Indiana Toll Road , USA**

Image credit: IFM Investors



## CIO message

I'm Sam Sicilia, Hostplus' Chief Investment Officer and I'd like to update you on the PST's performance over the past 12 months.

Financial markets around the world have been very volatile, experiencing big falls along with some unexpected rises. That volatility is due to a whole set of uncertainties beyond just COVID-19, including uncertainty about international trade and some geopolitical tensions.

After a consistently good run of positive net investment returns over many years, our SMI Balanced option delivered a negative return of -1.80% for the past financial year ended 30 June. And while a negative return is never desirable, it is the first in 11 years – since the time of the global financial crisis, when the super fund Balanced option fell by more than 13% in one year.<sup>1</sup> Indeed, since Hostplus started back in 1988, the super fund Balanced option has had only three negative years. This is the fourth.

Our popular Indexed Balanced investment option delivered a small positive return over the year and has now grown to more than \$7 billion in size, including SMI investors and Hostplus members. The Property and Infrastructure options (including the individual manager options) also delivered positive returns for SMI investors over the financial year.

While the short-term is always uncertain, superannuation is a long-term investment. And we know from past experience that over the long-term, the best approach is often to simply do nothing. What I mean by this is that, for some people it may be better to ride out periods of short-term uncertainty by staying invested in assets such as shares, which do involve a higher degree of short-term risk, but can potentially deliver better returns over time.

For me, our positive long-term results reinforce my belief that our approach is working very well. Our long-standing and well-diversified investment strategy has helped to limit the negative impacts of financial markets, while allowing us to take advantage of investment opportunities as they arise.

We choose to outsource the management of our investments as I strongly believe that having access to the valuable expertise of our external investment managers and consultants is the best outcome for Hostplus members and investors.

### Our positive long-term results reinforce my belief that our approach is working very well.

Hostplus' Balanced option has nearly half of its investments in unlisted assets, such as property, infrastructure and private equity, that are not traded on public exchanges like the ASX. This past year, the majority of these unlisted assets fulfilled their intended role; that is, to counter the volatility of listed share markets in uncertain times such as these.

As shown on page [25](#) of this report, we invest in nation-building infrastructure projects and life-changing technologies – the essential assets that society needs, now more than ever – which is why we believe they can provide SMI investors with sustainable and competitive returns over the long-term.

Thank you and take care.



**Sam Sicilia**  
Chief Investment Officer



1. Hostplus SMI formally launched in June 2019. Investment returns prior to that date reflect the returns of the identically-named (non-SMI) Hostplus investment option, which follows the same investment strategy.



## Responsible investment approach



**Kim Farrant**  
Head of ESG

Hostplus is committed to responsible investment across all its investment activities. We understand that a responsible investment approach – that includes environmental, social, governance (ESG) considerations as part of an investment process of research, analysis, selection and monitoring of investments – helps us to better manage risks and to optimise retirement outcomes for our members and investors.

During the 2019–20 financial year we significantly updated our **Responsible Investment Policy**, which can be found on our website at [hostplus.com.au/investment-governance](https://hostplus.com.au/investment-governance)

### ESG integration

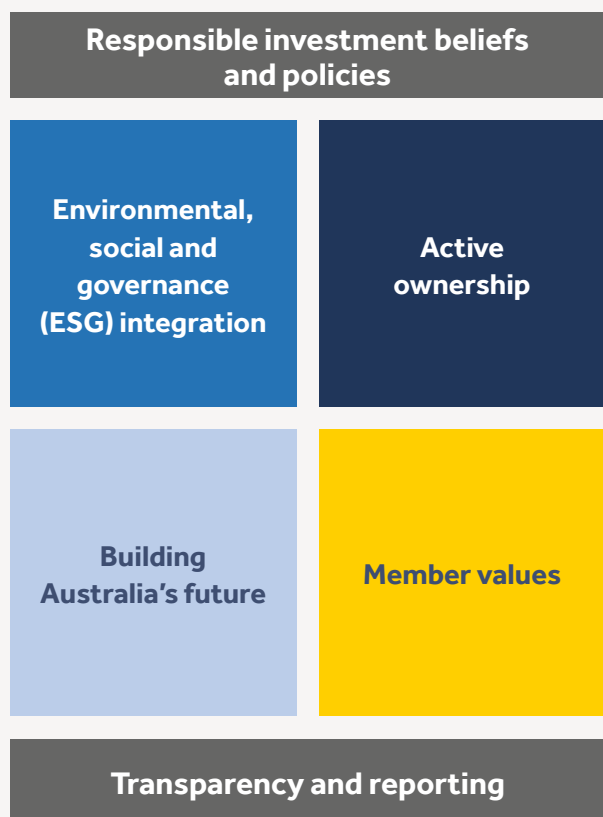
We recognise the importance of considering ESG risks and include these when setting the investment strategy for our investment options, as well as when selecting and reviewing investment managers. In doing so, we are better able to protect and optimise our members' and investors' investments over the long-term.

### Active ownership

When it comes to investing in company shares, we believe that active ownership – which involves company engagement and voting at company meetings – is critical to the governance of investments over the long-term. It can also positively influence company behaviour and performance, supporting the achievement of shareholder value.

- **Engagement** involves meeting with representatives of an investee company, usually members of the board or executive, in order to advocate for change. During 2019–20, Hostplus engaged with 189 companies either directly or through our specialist provider, the Australian Council of Superannuation Investors (ACSI). In late 2020, we will be significantly expanding our company engagement to include international equities.
- **Voting** on resolutions at shareholder meetings provides us with the opportunity to express our views to management. As a shareholder in many top-listed companies in Australia and overseas, we voted on more than 79,000 items at more than 2,400 company meetings during the year.

### Responsible investment pillars





130 tonnes of CO<sub>2</sub>e/  
A\$M Weighted average  
carbon intensity of  
equities portfolio at  
June 2020<sup>1</sup>

## Addressing climate change risk

Climate change is one of the biggest challenges facing the world today. Hostplus recognises climate change as a financial risk, as well as an environmental and community one, the impact of which will be dependent on the extent of social and regulatory changes. We consider climate change in all aspects of the investment process, including our investment philosophy, strategic asset allocation process, stress testing, and investment manager selection and review.

We believe Hostplus members and investors are best served by an orderly transition to a low-carbon economy. Rather than divesting or selling holdings in particular sectors, Hostplus uses its influence as a shareholder to create change within companies by encouraging and supporting this orderly transition and by investing in climate solutions.

## Climate change reporting

Because we expect the companies in which we invest to disclose climate change risks and opportunities in accordance with the **Task Force on Climate-related Financial Disclosures** (TCFD) recommendations, it's only right that our members and investors would expect the same from us. In the 2020–21 financial year, Hostplus will prepare its first report outlining our approach to the management of climate change risk.

## PRI A+ rating

This year, we achieved an A+ rating for our Responsible Investment Strategy and Governance from the PRI.

PRI is an independent body and the world's leading advocate for responsible investment, supported by the United Nations.

Signatory of:



 unpri.org

## Engagement delivers outcomes

Engagement drives change. Recent outcomes of company engagement include:

**18 of 20 target companies**

**improved disclosure of climate change risks**

**27 priority companies**

**improved their executive remuneration structures**

**34 companies appointed women**

**to their Boards, many for the first time**

**8 of 10 priority companies**

**addressed wage underpayments or modern slavery.**

1. Based on 30 June 2020 AUD/USD exchange rate of 1.45 to convert company revenues.



## Investing for the future

Hostplus' focus is on delivering the best retirement outcomes for our members and investors. Our investment strategy is built for the long term and is diversified across a broad range of asset classes such as listed shares, property, infrastructure, credit, alternatives and private equity, which includes venture capital.


Unlisted assets, such as infrastructure, property and private equity, have long been an important part of our investment strategy. Put simply, they are assets not traded (listed) on public stock exchanges such as the ASX. Today, and into the future, we believe these assets can deliver investment growth as well as providing an important balance to listed assets, which can often be more volatile.

Our unlisted assets include airports and seaports, renewable energy, energy grids, shopping centres, transport, convention centres, offices and industrial buildings. These investments not only contribute to growing our members' and investors' retirement balances, but help to build and provide important infrastructure and services that directly contribute to our standard of living and way of life, here in Australia and internationally.

In seeking and securing investment opportunities that generate returns while also working to improve the world we live in, we recognise that many of these investments also support one or more of the United Nations' (UN) Sustainable Development Goals.

### Sustainable Development Goals (SDGs)

Set by the United Nations, the SDGs are ambitious goals to transform the world by 2030. They cover social and economic development issues including poverty, hunger, health, education, global warming, gender equality, water, sanitation, energy, urbanisation, environment and social justice.

 A sample of Hostplus investments that contribute toward these goals are outlined on pages [23 to 25](#).



Unlisted assets, such as infrastructure, property and private equity, have long been an important part of our investment strategy.

## Private equity

As one of the largest Australian investors in venture capital, Hostplus has committed over \$1 billion to projects that aim to change our world for the better – in areas including medical therapies, alternative food sources, collaborative tech, robotics and clean energy – while delivering future investment returns for our members and investors.



Australian-based Vaxxas is a medical technology company that has designed a needle-free vaccination device that works by applying a patch to the skin.

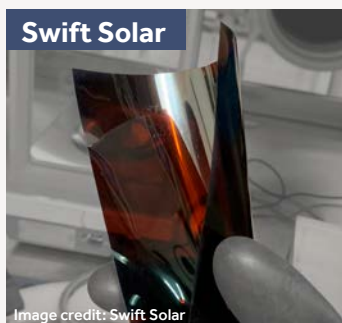
Their technology uses a powder-based vaccine, which has the added benefit of not requiring refrigeration, significantly reducing the cost and complexity of shipping temperature dependent vaccines around the world.

UN Sustainable Development Goals supported:



Agerris is an Australian 'Farm Robotics' company whose mission is to help farmers transform their on-farm operations through innovative robotic technologies and real-time artificial intelligence.

Their technology aims to increase farm productivity, reduce chemical requirements and labour costs, and help build an environmentally, socially and economically sustainable agriculture industry.



Swift Solar is a US start-up developing lightweight and flexible solar cells. They've invented new technology using a mineral called perovskite, which can be more efficient, more affordable, and more scalable than conventional solar technologies.

The company is well-positioned to initially serve high-value markets such as aerospace, electric vehicles and telecommunications and, if successful, could ultimately provide the lowest-cost source of zero-carbon electricity in the world.



v2 is an Australian company on a mission to tackle climate change by providing sustainably-sourced plant-based food. Their goal is to create a tasty plant-based alternative to animal meat that's better for consumers, and better for the planet.

v2 has launched the Rebel Whopper burger at over 400 Hungry Jack's restaurants across Australia, as well as a v2burger at Soul Burger restaurants and a range of smaller outlets.

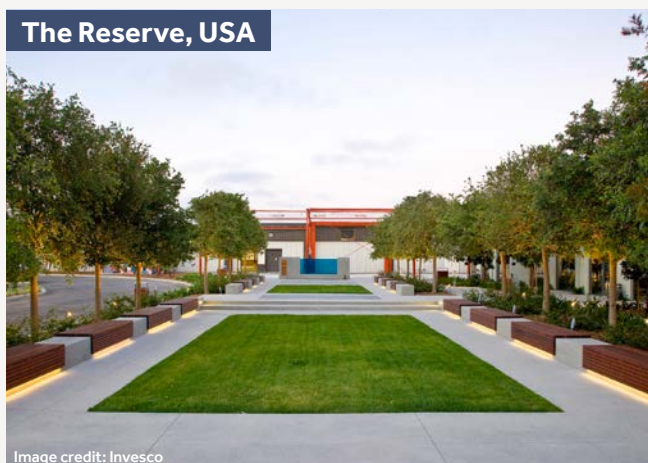


The above private equity investments are accessible for Hostplus SMI investors via our SMI Balanced option.



## Property

Hostplus invests \$5.9 billion in direct and indirect property assets around the world.<sup>1</sup> This is around 12.1% of our total funds under management. Due to our young membership demographic, our investment strategy is built around long-term investments, such as property, which we believe are well-placed to deliver competitive returns to our members and investors over time.



The Reserve is a former Post Office facility in Playa Vista, Los Angeles, that has been converted to a creative office space. A model of sustainable re-use, the building incorporates several energy-saving improvements and is certified by LEED (Leadership in Energy and Environmental Design), an internationally recognised 'green building' certification system. Its amenities include a fitness centre, electric vehicle stations and free bike rentals.

### UN Sustainable Development Goals supported:



The International Towers Sydney are premium grade office buildings located on the harbour foreshore at Barangaroo, one of the world's most sustainable commercial precincts and Australia's first large-scale carbon-neutral community. The precinct is on track to deliver zero net waste to landfill and be 'water positive' by the end of 2020. Currently, 88% of all waste is reused, recycled or repurposed, well above the industry average.

### UN Sustainable Development Goals supported:



The above property investments are available for Hostplus SMI investors via our SMI Balanced option and SMI Property option.

1. As at 30 June 2020.

## Infrastructure

Hostplus has invested \$4.3 billion in a range of infrastructure projects both domestically and abroad, which is around 8.8% of our total funds under management.<sup>1</sup> We invest in nation-building projects, the essential assets that our members and investors interact with every day, which aim to provide sustainable and competitive returns over the long-term.



Anglian is the fourth largest UK water group, covering the east of England and Hartlepool. They provide high quality drinking water and wastewater services to more than six million customers and employ over 5,000 people.

Anglian is committed to a range of ambitious environmental goals, including a pledge to reach a net zero carbon footprint by 2030 and has also been recognised for community initiatives.

UN Sustainable Development Goals supported:



PowAR aims to develop and own approximately 1,000 megawatts of large-scale renewable generation projects. The fund consists of four assets across wind and solar energy and will assist Australia's transition to a more sustainable energy future. Pictured here is the Silverton Wind Farm, owned by PowAR.

UN Sustainable Development Goals supported:



The above infrastructure investments are available for Hostplus SMI investors via our SMI Balanced option and SMI Infrastructure option.

1. As at 30 June 2020.

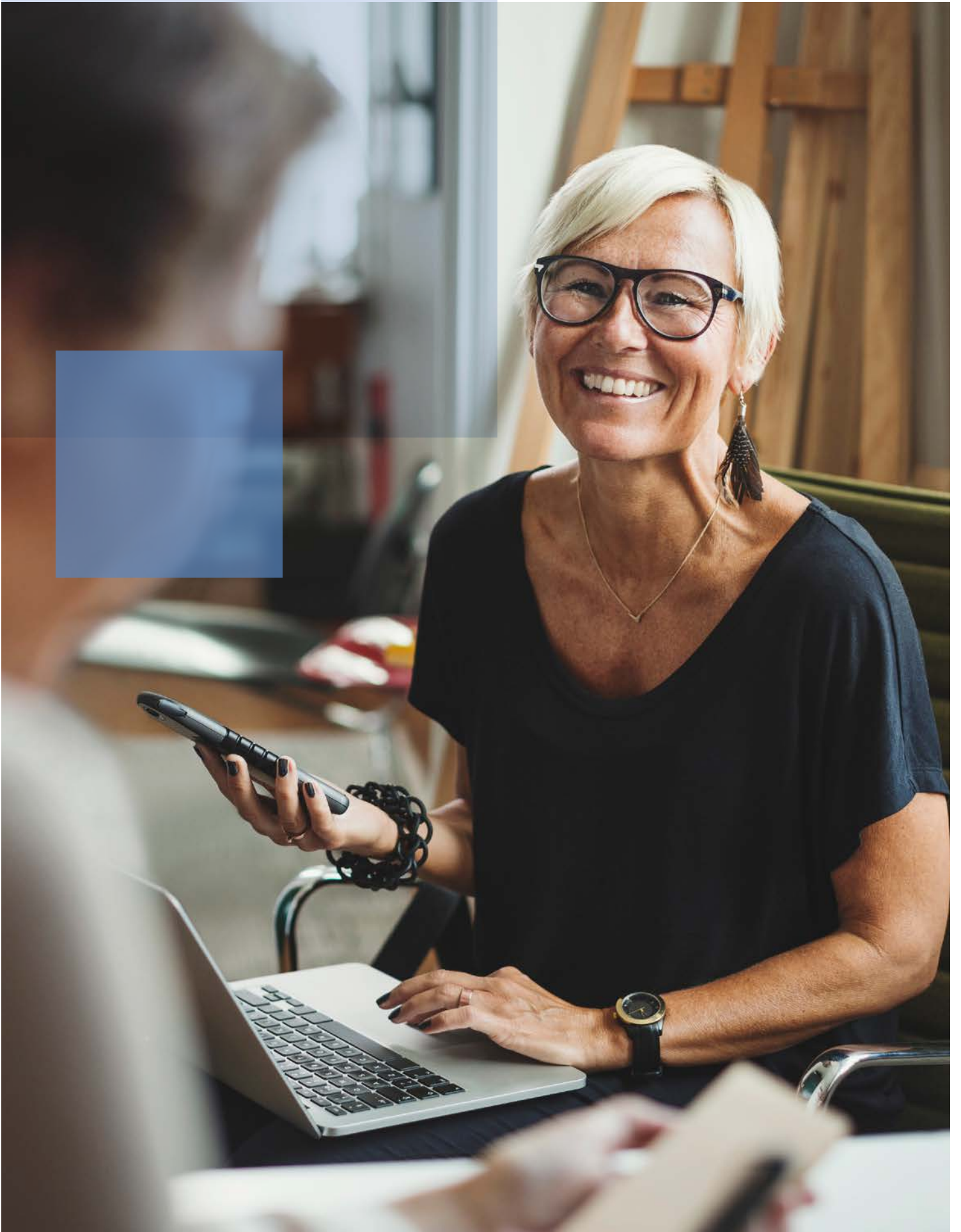


# Hostplus Self-Managed Invest investment options



**1800 Larimer, USA**

Image credit: Invesco US Core Real Estate





# Your guide

---

## Investment style

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

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

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

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

---

## Level of investment risk and likelihood of negative returns

With investments, risk and return are linked. In general, the lower the risk, the lower the expected return (or the lower the likelihood of a negative return). If you want to try for a higher possible return, you face increased risk and also expose your investments to a higher possibility of making a loss.

---

## Return target p.a. on average

The return target outlines the net investment return we aim to achieve within the stated timeframe. Each investment option aims to achieve a certain level of return above the rate of inflation, which is measured by the Consumer Price Index (CPI). Returns cannot be guaranteed.

---

## Minimum suggested time frame

Generally, investment options with a higher level of investment risk are more suitable to be held over a longer time period.

---

## Net return to 30 June 2020 p.a.

Net investment returns represent the rate of return on investments. They are net of all fees, costs and taxes. The returns may include income received from the investment and/or an increase or decrease in the capital value of the investment.

---

## Net return since inception p.a.

This is the average annual net return since the investment option first started.

---

## Total investment costs

These costs are separate from your member administration fee. They are made up of management fees and performance fees that we pay to external investment managers, as well as indirect costs (transaction costs and operational costs that are incurred during the process of buying, owning and selling investments). For a full breakdown of costs, please see the applicable Product Disclosure Statement.

---

## Strategic Asset Allocation

In investment terms, assets are investments used to gain a return. They are divided into asset classes such as cash, fixed interest, property, infrastructure, equity and other (alternatives). Asset allocation means the spread of investments within an investment portfolio across various asset classes. Strategic Asset Allocation is the target mix of asset classes.

---

## Growth / defensive asset mix

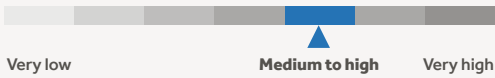
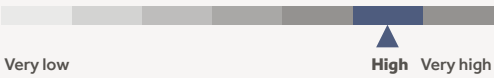

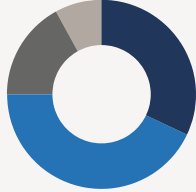
Growth assets (such as shares) are generally higher risk and more volatile but have the potential to grow in value over time. Defensive assets (such as cash and fixed interest) are those that are generally lower risk and less volatile than growth investments. Some assets, such as property, can be defined as a mixture of growth and defensive.

---



# Pre-mixed options

For a glossary of terms used in investment summaries, see [page 28](#). For a breakdown of total investment costs see [page 39](#).

	Balanced	Indexed Balanced																																																									
<b>Investment style</b>	A diversified investment portfolio, including some growth assets and some lower risk investments.	A diversified investment portfolio, including some growth assets and some lower risk investments.																																																									
<b>Level of investment risk<sup>1</sup></b>																																																											
<b>Likelihood of negative returns<sup>1</sup></b>	3 to less than 4 years out of every 20 years	4 to less than 6 years out of every 20 years																																																									
<b>Return target p.a. on average</b>	<b>Accumulation</b>	<b>Accumulation</b>																																																									
	<b>Pension</b>	<b>Pension</b>																																																									
	Over 10 yrs CPI + 3.0%    Over 20 yrs CPI + 4.0%	Over 20 yrs CPI + 2.5%																																																									
	Over 10 yrs CPI + 3.5%    Over 20 yrs CPI + 5.0%	Over 20 yrs CPI + 3.5%																																																									
<b>Minimum suggested time frame<sup>2</sup></b>	5 years +	7 years +																																																									
<b>Net return to 30 June 2020 p.a.<sup>3</sup></b>	 1 yr   3 yr   5 yr   10 yr   20 yr	 1 yr   3 yr   5 yr   10 yr																																																									
	 1 yr   3 yr   5 yr   10 yr	 1 yr   3 yr   5 yr   10 yr																																																									
<b>Net return since SMI inception p.a.<sup>3</sup></b>	<b>4.08%</b> (27 Nov 2017)	<b>4.85%</b> (27 Nov 2017)																																																									
	<b>4.13%</b> (27 Nov 2017)	<b>5.42%</b> (27 Nov 2017)																																																									
<b>Net return since super fund inception p.a.</b>	<b>8.65%</b> (1 Mar 1988)	<b>7.88%</b> (1 Dec 2010)																																																									
	<b>9.02%</b> (19 Sep 2009)	<b>8.73%</b> (1 Dec 2010)																																																									
<b>Strategic Asset Allocation</b>																																																											
	<table border="1"> <thead> <tr> <th></th> <th>Asset class</th> <th>Benchmark</th> <th>Range %</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Listed equities</td> <td>Australian equities</td> <td>21%</td> <td>10–40%</td> </tr> <tr> <td>International equities – Developed markets</td> <td>21%</td> <td>10–40%</td> </tr> <tr> <td>International equities – Emerging markets</td> <td>8%</td> <td>0–15%</td> </tr> <tr> <td rowspan="5">Unlisted assets</td> <td>Property</td> <td>13%</td> <td>0–30%</td> </tr> <tr> <td>Infrastructure</td> <td>12%</td> <td>0–30%</td> </tr> <tr> <td>Private equity</td> <td>8%</td> <td>0–20%</td> </tr> <tr> <td>Credit</td> <td>7%</td> <td>0–20%</td> </tr> <tr> <td>Alternatives</td> <td>5%</td> <td>0–20%</td> </tr> <tr> <td rowspan="2">Bonds and cash</td> <td>Diversified fixed interest</td> <td>0%</td> <td>0–20%</td> </tr> <tr> <td>Cash</td> <td>5%</td> <td>0–15%</td> </tr> </tbody> </table>		Asset class	Benchmark	Range %	Listed equities	Australian equities	21%	10–40%	International equities – Developed markets	21%	10–40%	International equities – Emerging markets	8%	0–15%	Unlisted assets	Property	13%	0–30%	Infrastructure	12%	0–30%	Private equity	8%	0–20%	Credit	7%	0–20%	Alternatives	5%	0–20%	Bonds and cash	Diversified fixed interest	0%	0–20%	Cash	5%	0–15%	<table border="1"> <thead> <tr> <th></th> <th>Asset class</th> <th>Benchmark</th> <th>Range %</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Listed equities</td> <td>Australian equities</td> <td>32%</td> <td>25–55%</td> </tr> <tr> <td>International equities – Developed markets</td> <td>43%</td> <td>25–55%</td> </tr> <tr> <td>International equities – Emerging markets</td> <td>0%</td> <td>0–10%</td> </tr> <tr> <td rowspan="2">Bonds and cash</td> <td>Diversified fixed interest</td> <td>17%</td> <td>10–30%</td> </tr> <tr> <td>Cash</td> <td>8%</td> <td>0–20%</td> </tr> </tbody> </table>		Asset class	Benchmark	Range %	Listed equities	Australian equities	32%	25–55%	International equities – Developed markets	43%	25–55%	International equities – Emerging markets	0%	0–10%	Bonds and cash	Diversified fixed interest	17%	10–30%	Cash	8%
	Asset class	Benchmark	Range %																																																								
Listed equities	Australian equities	21%	10–40%																																																								
	International equities – Developed markets	21%	10–40%																																																								
	International equities – Emerging markets	8%	0–15%																																																								
Unlisted assets	Property	13%	0–30%																																																								
	Infrastructure	12%	0–30%																																																								
	Private equity	8%	0–20%																																																								
	Credit	7%	0–20%																																																								
	Alternatives	5%	0–20%																																																								
Bonds and cash	Diversified fixed interest	0%	0–20%																																																								
	Cash	5%	0–15%																																																								
	Asset class	Benchmark	Range %																																																								
Listed equities	Australian equities	32%	25–55%																																																								
	International equities – Developed markets	43%	25–55%																																																								
	International equities – Emerging markets	0%	0–10%																																																								
Bonds and cash	Diversified fixed interest	17%	10–30%																																																								
	Cash	8%	0–20%																																																								
<b>Growth / defensive asset mix</b>	76% growth / 24% defensive	75% growth / 25% defensive																																																									

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. Performance records for the SMI Balanced and SMI Indexed Balanced options start on 27 Nov 2017. Investment returns prior to that date reflect the returns of the identically-named (non-SMI) Hostplus investment option, which follows the same investment strategy. Not all investment options will have returns reported for each period due to varying launch dates. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

# Sector investment options

For a glossary of terms used in investment summaries, see [page 28](#). For a breakdown of total investment costs see [page 39](#).

	Property	Infrastructure					
<b>Investment style</b>	An investment in property or buildings, either directly or via property trusts.	Long-term direct investment option that invests in tangible infrastructure assets, such as airports, seaports, toll roads, renewable energy and utilities, both within Australia and globally. <sup>4</sup>					
<b>Level of investment risk<sup>1</sup></b>	<p>Very low High Very high</p>	<p>Very low Medium to high Very high</p>					
<b>Likelihood of negative returns<sup>1</sup></b>	4 to less than 6 years out of every 20 years	3 to less than 4 years out of every 20 years					
<b>Return target p.a. on average</b>	<b>Accumulation</b>	<b>Pension</b>	<b>Accumulation</b>	<b>Pension</b>			
	<b>Over 20 yrs</b> CPI + 2.5%	<b>Over 20 yrs</b> CPI + 3.5%	<b>Over 20 yrs</b> CPI + 3.0%	<b>Over 20 yrs</b> CPI + 3.5%			
<b>Minimum suggested time frame<sup>2</sup></b>	7 years +	3 years +	5 years +	4 years +			
<b>Net return to 30 June 2020 p.a.<sup>3</sup></b>							
	1 yr	3 yr	5 yr	10 yr	1 yr	3 yr	5 yr
<b>Net return since SMI inception p.a.<sup>3</sup></b>	<b>1.13%</b> (27 May 2019)	<b>0.93%</b> (27 May 2019)	<b>3.61%</b> (27 May 2019)	<b>2.93%</b> (27 May 2019)			
<b>Net return since super fund inception p.a.</b>	<b>7.17%</b> (1 Jul 2001)	<b>7.74%</b> (19 Sep 2009)	<b>0.96%</b> (24 Sep 2019)	<b>-0.13%</b> (24 Sep 2019)			
<b>Strategic Asset Allocation</b>							
	<b>Asset class</b>	<b>Benchmark</b>	<b>Range %</b>	<b>Asset class</b>	<b>Benchmark</b>	<b>Range %</b>	
<b>Unlisted assets</b>	Property	100%	0–100%	Infrastructure	100%	0–100%	
<b>Growth / defensive asset mix</b>	30% growth / 70% defensive		60% growth / 40% defensive				

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. Performance records for the SMI Property and SMI Infrastructure options start on 27 May 2019. Investment returns prior to that date reflect the returns of the identically-named (non-SMI) Hostplus investment option, which follows the same investment strategy. Not all investment options will have returns reported for each period due to varying launch dates. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.

# Individual manager options

For a glossary of terms used in investment summaries, see [page 28](#). For a breakdown of total investment costs see [page 39](#).

	Industry Super Property Trust – Property		IFM – Australian Infrastructure			
<b>Investment style</b>	The investment option has an income bias aiming to offer investors lower relative earnings volatility and a higher income yield. <sup>4</sup>		Long-term direct investment option that invests in tangible infrastructure assets, such as airports, seaports, toll roads, renewable energy and utilities, across Australia. <sup>4</sup>			
<b>Level of investment risk<sup>1</sup></b>						
<b>Likelihood of negative returns<sup>1</sup></b>	4 to less than 6 years out of every 20 years		3 to less than 4 years out of every 20 years			
<b>Return target p.a. on average</b>	<b>Accumulation</b>	<b>Pension</b>	<b>Accumulation</b>	<b>Pension</b>		
	<b>Over 20 yrs CPI + 2.5%</b>	<b>Over 20 yrs CPI + 3.0%</b>	<b>Over 20 yrs CPI + 3.0%</b>	<b>Over 20 yrs CPI + 3.5%</b>		
<b>Minimum suggested time frame<sup>2</sup></b>	7 years +		5 years +			
<b>Net return to 30 June 2020 p.a.<sup>3</sup></b>						
<b>Net return since SMI inception p.a.<sup>3</sup></b>	<b>5.79%</b> (27 Nov 2017)		<b>6.00%</b> (27 Nov 2017)			
<b>Net return since super fund inception p.a.</b>	<b>7.69%</b> (1 Sep 2004)		<b>9.21%</b> (19 Sep 2009)			
<b>Strategic Asset Allocation</b>						
	<b>Asset class</b>	<b>Benchmark</b>	<b>Range %</b>	<b>Asset class</b>	<b>Benchmark</b>	<b>Range %</b>
	Unlisted assets Property	100%	0–100%	Unlisted assets Infrastructure	100%	0–100%
<b>Growth / defensive asset mix</b>	30% growth / 70% defensive		60% growth / 40% defensive			

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period. 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year. 3. Performance records for the SMI ISPT Property and SMI IFM Infrastructure options start on 27 Nov 2017. Investment returns prior to that date reflect the returns of the identically-named (non-SMI) Hostplus investment option, which follows the same investment strategy. Not all investment options will have returns reported for each period due to varying launch dates. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. 4. Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time. Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a superannuation fund.



# Our position at year end




Lakeside Joondalup,  
Australia

Image credit: Lendlease

# Other investment information

## Investment holdings

---

 Please visit our website for more information on our investment holdings: [hostplus.com.au/investment-holdings](https://hostplus.com.au/investment-holdings).

## Pooled Superannuation Trust structure

Hostplus Self-Managed Invest invests via a Pooled Superannuation Trust (PST) which is a type of unit trust regulated by the Australian Prudential Regulation Authority (APRA), and is used to facilitate the investment of assets of many superannuation funds, other PSTs, and other specified entities.

SMI investors invest into the PST alongside the members of the Hostplus Superannuation Fund. Unless otherwise indicated, the information contained in this annual report refers to the PST, of which SMI forms a component of that unit trust.

The PST distributes earnings to investors daily via the unit prices struck.

## Currency hedging

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

## Derivatives

Derivatives are financial instruments linked to the future purchase or sale of securities, such as shares and other assets. They are common risk-management tools that some of our managers use to manage risk and enhance returns. Derivatives are held by the Hostplus PST and will only be used where such use is consistent with Hostplus' investment strategy and guidelines.

Hostplus monitors the use of derivatives by our investment managers. We undertake an annual review of the controls of our investment managers to ensure that they have the appropriate controls to trade such instruments and that we are comfortable with the level of risk undertaken.

# Investment manager allocations

We appoint a range of trusted, specialist investment managers to invest on the PST's behalf. Each manager is assessed on its suitability in relation to the PST's overall investment strategy. Each manager's investment performance is regularly reviewed, with changes made to our manager allocations where necessary.

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

- IFM Investors Pty Ltd

The investment managers for each asset class as at 30 June 2020 (by investment vehicle) are listed in the following tables. These figures may include cash and accounting accruals. Please note that these lists disclose all investment managers appointed on behalf of the PST. Not all investment managers listed invest on behalf of the SMI investment options.

Manager/Investment	% of total PST assets
<b>Equity</b>	<b>57.1%</b>
<b>Australian shares</b>	<b>21.5%</b>
Airlie Funds Management Pty Ltd (Active Australian Equity)	1.2%
Airlie Funds Management Pty Ltd (Industrial Australian Equity)	0.3%
Allan Gray Australia Pty Ltd	1.0%
Citigroup Transition Australian Equities	0.0%
Balanced Equity Management Pty Limited	1.5%
Greencape Capital Pty Ltd (Australian Equity)	2.0%
Firetrail Ltd (High Conviction)	1.0%
IFM Investors Pty Ltd (Buyback)	0.0%
IFM Investors Pty Ltd (Enhanced Indexed)	5.4%
IFM Investors Pty Ltd (Small Cap)	0.5%
L1 Capital Pty Ltd	0.8%
Paradice Investment Management Pty Ltd (Small Cap)	0.7%
Paradice Investment Management Pty Ltd (Mid Cap)	1.0%
Paradice Investment Management Pty Ltd (Large Cap)	1.7%
Pendal Group	1.7%
Tanarra Capital Australia Pty Limited	0.5%
Vinva Australian Equity Alpha Extension Fund – Vinva Investment Management Limited	0.8%
Yarra Capital Management Limited (Australian Equities)	0.9%
Yarra Capital Management Limited (Emerging Leaders)	0.6%

Manager/Investment	% of total PST assets
<b>International shares</b>	<b>27.9%</b>
Apostle Dundas Global Equity Fund – Dundas Global Investors Limited	1.9%
Baillie Gifford Overseas Limited	3.5%
Citigroup Transition International Equities	0.0%
Hosking Partners LLP	2.1%
IFM Investors Pty Ltd (Indexed Global Equities)	4.0%
Independent Franchise Partners, LLP	2.6%
Ninety One Australia Pty Limited	0.9%
Martin Currie Investment Management Ltd	1.0%
Maverick Long Enhanced Fund Ltd – Maverick Long Enhanced Ltd	0.3%
Maverick Long Enhanced Fund Ltd – Series B – Maverick Long Enhanced Ltd	0.3%
Northcape Capital Pty Ltd	1.7%
Neuberger Berman Australia Pty Limited	1.1%
Orbis Global Equity Fund – Orbis Investment Management Limited	2.5%
Paradice Investment Management Pty Ltd (Global Small Cap)	1.0%
RWC Asset Management LLP	1.7%
T. Rowe Price Australia Limited	0.5%
Wellington International Management Company Pte Ltd (Asia ex-Japan Contrarian Equity)	0.9%
Wellington International Management Company Pte Ltd (Global Contrarian Equity)	1.8%



## Investment manager allocations

Manager/Investment	% of total PST assets
<b>Private Equity</b>	<b>7.8%</b>
Artesian Hostplus VC Fund 1, ILP – Artesian Venture Capital Fund of Funds Management, I.L.P	0.1%
Artesian Hostplus China Venture Capital Fund 1 – Artesian Venture Capital Fund of Funds Management, I.L.P	0.1%
Artesian Venture Capital Fund of Funds, ILP – Artesian AFOF Pty Ltd	0.0%
Artesian Venture Capital Fund 2, ILP – Artesian AFOF Pty Ltd	0.0%
Australia Private Equity Fund No.1 – Continuity Capital Partners Pty Limited	0.0%
Australia Private Equity Fund No.2 – Continuity Capital Partners Pty Limited	0.0%
Blackbird Ventures 2015 Follow-On Fund – Blackbird Ventures Pty Limited	0.2%
Blackbird Ventures 2015, LP – Blackbird Ventures Pty Limited	0.0%
Blackbird Hostplus Trust – Blackbird Ventures Pty Limited	0.4%
Blackbird Ventures 2018 Follow-On Fund – Blackbird Ventures Pty Limited	0.4%
Blackbird Ventures 2018, LP – Blackbird Ventures Pty Limited	0.0%
Blackbird After The Car Trust – Blackbird Ventures Pty Limited	0.0%
Carnegie Healthcare Fund, LP – M.H. Carnegie & Co. Pty Limited	0.0%
Carnegie Innovation Fund, LP – Carnegie Venture Capital Pty Limited	0.0%
Carnegie Innovation Fund II, LP – Carnegie Venture Capital Pty Limited	0.0%
Carnegie Private Opportunities Fund No.1 – M.H. Carnegie & Co. Pty Limited	0.0%
Carnegie Private Opportunities Fund No.2 – M.H. Carnegie & Co. Pty Limited	0.1%
Carthona Capital Venture Fund 1 (Part A) – Carthona Capital FS Pty Ltd	0.1%
Carthona Capital Venture Fund 1 (Part B) – Carthona Capital FS Pty Ltd	0.0%
Carthona Capital Venture Fund 1 (Part C) – Carthona Capital FS Pty Ltd	0.0%
Carthona Capital Venture Fund (HP) No.2 – Carthona Capital FS Pty Ltd	0.0%
Crown Co-Investment Opportunities PLC II – LGT Capital Partners (Ireland) Limited	0.1%

Manager/Investment	% of total PST assets
Crown Europe Middle Market II Plc – LGT Capital Partners (Ireland) Limited	0.1%
Crown European Buyout Opportunities II Plc – LGT Capital Partners (Ireland) Limited	0.0%
CSIRO Innovation Fund 1, LP – Main Sequence Ventures Ltd	0.0%
CSIRO Innovation Follow-On Fund 1 – Main Sequence Ventures Ltd	0.0%
Five V Fund (SF1) III, LP – Five V Capital Pty Ltd	0.0%
HL-HP Global Investments LP – HL-HP Global Investments GP LLC	0.0%
Hermes GPE PEC III LP – Hermes GPE LP	0.2%
Hermes GPE PEC IV LP – Hermes GPE LP	0.2%
Hostplus ROC Private Equity Trust – Roc Capital Pty Limited	0.1%
Hostplus US EM CI LP - Flexstone Partners, LLC	0.1%
Hostplus US EMP, LLC - Series 1 – Flexstone Partners, LLC	0.1%
Hostplus US EMP, LLC - Series 2 – Flexstone Partners, LLC	0.0%
HP Special Investment Fund S.C.Sp – LGT Capital Partners (Ireland) Limited	0.1%
Industry Super Holdings Pty Ltd	0.2%
IFM Australian Private Equity Fund 3 – IFM Investors Pty Ltd	0.0%
IFM Australian Private Equity Fund 4 – IFM Investors Pty Ltd	0.0%
IFM International Private Equity Fund 1 – IFM Investors Pty Ltd	0.0%
IFM International Private Equity Fund 2 – IFM Investors Pty Ltd	0.0%
IFM International Private Equity Fund 3 – IFM Investors Pty Ltd	0.0%
IPG Hostplus 2018 Trust Class A – IP2IPO Australia HP Pty Ltd	0.1%
IPG Hostplus 2018 Trust Class H – IP2IPO Australia HP Pty Ltd	0.1%
Kelso Investment Associates X, LP - Kelso & Company, L.P.	0.0%
Lexington Capital Partners VIII, L.P – Lexington Partners L.P	0.2%
Lexington Co-investment Partners III, L.P – Lexington Partners L.P	0.2%
Lexington Co-investment Partners IV, L.P – Lexington Partners L.P	0.3%

## Investment manager allocations

Manager/Investment	% of total PST assets
Members Equity Bank Pty Limited	0.4%
MHC Hostplus Co-Investment Trust – M.H. Carnegie & Co. Pty Limited	0.0%
MRCF 3 (HP) Trust – BCP3 Pty Ltd	0.1%
MRCF 5 - BCP3 Pty Ltd	0.0%
MRCF Hostplus BTF – BCP3 Pty Ltd	0.0%
Myriota Pty Ltd.	0.0%
Partners Group Secondary 2008 (EUR), S.C.A., SICAR – Partners Group Management Ltd	0.0%
Partners Group Secondary 2011 (EUR), S.C.A., SICAR – Partners Group Management Ltd	0.1%
Partners Group Client Access 19 L.P. Inc. – Partners Group Management Ltd	0.0%
Partners Group Client Access 19A L.P. Inc. – Partners Group Management Ltd	0.0%
Partners Group Client Access 25 L.P. Inc. – Partners Group Management Ltd	0.0%
Partners Group Dandenong, L.P. – Partners Group Management Ltd	0.0%
Partners Group Direct Investments 2012 (USD) ABC, L.P. – Partners Group Management Ltd	0.3%
Partners Group Direct Equity 2016 – Partners Group Management Ltd	0.5%
Private Equity US Opportunities II, L.P. – Flexstone Partners, LLC	0.1%
Private Equity US Opportunities III, LP – Flexstone Partners, LLC	0.3%
Roc Asia Pacific Co-Investment Fund III – Roc Capital Pty Limited	0.1%
Roc China Growth Fund – Roc Capital Pty Limited	0.1%
Safar Partners Fund, L.P. – Safar Partners GP, LLC	0.1%
Safar Partners Hostplus Special Opportunity Fund, L.P. – Safar Partners GP, LLC	0.0%
Siguler Guff HP China Opportunities Fund LP – Siguler Guff HP China GP, LLC	0.3%
Siguler Guff HP Opportunities Fund II, LP – Siguler Guff HP II GP, LLC	0.6%
Siguler Guff Small Buyout Opportunities Fund II, L.P. – Siguler Guff SBOF II GP, LLC	0.2%
Square Peg Australia 2015 LP – Square Peg Capital Pty Ltd	0.0%

Manager/Investment	% of total PST assets
Square Peg Global 2015 Trust – Square Peg Capital Pty Ltd	0.2%
Square Peg CI 2015 Trust – Square Peg Capital Pty Ltd	0.2%
Square Peg 2018, LP – Square Peg Capital Pty Ltd	0.0%
Square Peg Global 2018 Trust – Square Peg Capital Pty Ltd	0.1%
Stafford Cap TDCFII - Stafford Capital Partners	0.0%
Telstra Ventures Fund II Sidecar, L.P. – T Ventures Fund II GP, Ltd	0.0%
Wilshire Private Markets Funds – Wilshire Australia Pty Limited	0.1%
Wilshire Private Markets Asia No.1 Fund – Wilshire Australia Pty Limited	0.0%
Wilshire Private Markets Asia No.2 Fund – Wilshire Australia Pty Limited	0.0%
<b>Infrastructure</b>	<b>8.8%</b>
Campus Living Villages Fund – Campus Living Funds Management Limited	0.4% - 0.6%
FSI Infrastructure Fund (Anglian Water Group Sector) – First Sentier Investors (Australia) RE Ltd	0.2%
Darling Harbour – Capella Management Services Pty Ltd	0.2% - 0.4%
European Diversified Infrastructure Fund II SCSp – First Sentier Investors	0.5%
Gardior Fund A – Infrastructure Units (IU) – Gardior	0.1%
Gardior Fund B – Infrastructure Units B (IUB) – Gardior	0.0%
GDIF Hedged Feeder Fund 2 – First Sentier Investors	0.1%
GIP Gemini Fund LP – Global Infrastructure Partners	0.5%
IFM Australian Infrastructure Fund – IFM Investors Pty Ltd	2.6%
IFM International Infrastructure Fund – IFM Investors Pty Ltd	2.9%
Macquarie Global Infrastructure Fund III – Macquarie Specialised Asset Management Limited	0.0%
NSW Ports Consortium – Industry Funds Management Pty Ltd	0.2%
QGIF Iona Aggregator Trust – QIC Investments No. 1 Pty Ltd	0.1%

## Investment manager allocations

Manager/Investment	% of total PST assets
QIC Global Infrastructure Fund – QIC Limited	0.2%
QIC REV Investment Trust No. 1 – QIC Infrastructure Management No. 2 Pty Ltd	0.0%
Utilities Trust of Australia – H.R.L Morrison & Co Limited	0.6%
<b>Property</b>	<b>11.8%</b>
Australian Prime Property Funds (Retail, Commercial & Industrial) – Lendlease Investment Management	2.6%
Charter Hall Prime Industrial Fund – Charter Hall Funds Management Limited	1.0%
Charter Hall Prime Office Fund – Charter Hall Funds Management Limited	0.9%
ISPT Core Fund – ISPT Pty Ltd	3.4%
ISPT Development and Opportunities Fund II – ISPT Pty Ltd	0.0%
ISPT Non-Discretionary Residential Mandate – ISPT Pty Ltd	0.2%
ISPT Retail Australian Property Trust – ISPT Pty Ltd	0.6%
Invesco Core Real Estate USA (ICRE) Fund – Invesco Core Real Estate U.S.A., L.P.	0.5%
KAMOB Investors III, L.P. – Kayne Anderson Capital Advisors, L.P.	0.2%
Kayne Anderson Core Real Estate, L.P. – Kayne Anderson Core Real Estate Advisors I, LLC	0.4%
Lendlease Asian Retail Investment Fund 2 - Lendlease Investment Management	0.0%
Lendlease Asian Retail Investment Fund 3 - Lendlease Investment Management	0.6%
Lendlease Communities Fund 1 – Lendlease Investment Management	0.0%
Lendlease Sub-Regional Retail Fund – Lendlease Investment Management	0.2%
Long Weighted Investment Partnership (LWIP) Trust – Charter Hall Wholesale Management Limited	0.5%
Long Weighted Investment Partnership (LWIP) Trust II – Charter Hall Wholesale Management Limited	0.2%
Macquarie Real Estate Equity Fund 6 – Macquarie Admin Services Pty Limited	0.0%
QIC Australia Core Plus Fund – QIC Limited	0.0%
Select Property Portfolio No. 3 – AMP Capital Investors Limited	0.0%

Manager/Investment	% of total PST assets
U.S. Cities Multifamily Fund, L.P. – U.S. Cities Multifamily Fund GP LLC	0.1%
U.S. Cities Multifamily Fund, L.P. – U.S. Cities Industrial Fund GP LLC	0.3%
<b>Fixed Income</b>	<b>4.0%</b>
iShares Global Bond Index Fund – BlackRock Asset Management Australia Limited	2.3%
iShares Wholesale Aust Bond Index Fund – BlackRock Asset Management Australia Limited	1.4%
Macquarie True Index Australian Fixed Interest Fund – Macquarie Investment Management Australia Limited	0.3%
Super Loans Trust – ME Portfolio Management Ltd	0.0%
<b>Cash</b>	<b>9.1%</b>
Citigroup Pty Ltd	1.4%
IFM Investors Pty Ltd	7.3%
Members Equity Bank Pty Ltd	0.4%
<b>Alternatives</b>	<b>1.8%</b>
Apollo/Athene Dedicated Investment Program (B), L.P. – Apollo ADIP Advisors L.P.	0.1%
Athora Holding Ltd.	0.2%
Autonomy Capital Global Macro Fund L.P. – Autonomy Capital International Limited	0.3%
Bridgewater Pure Alpha Fund II, Ltd – Bridgewater Associates, Inc	0.0%
Ethical Leaders Balanced Fund – AMP Capital Funds Management Limited	0.2%
Fitzroy Horizons Fund – International Asset Management Limited	0.0%
GMO Systematic Global Macro Fund – GMO Australia Limited	0.0%
GSA Capital Partners Trend Fund – GSA Capital Partners LLP	0.0%
IPM Systematic Macro Fund – Macquarie Investment Management Australia Limited	0.0%
QIC Liquid Alternatives Fund (H) – QIC Limited	0.0%
Renaissance Institutional Diversified Alpha Fund LLC – Renaissance Technologies LLC	0.0%
Resolution Life Group Holdings L.P. – Resolution Life Group Holdings Ltd.	0.4%
Select Market Access Fund – Tangency Capital Ltd	0.6%



## Investment manager allocations

Manager/Investment	% of total PST assets
<b>Credit</b>	<b>5.8%</b>
Apollo ST Fund Management LLC	0.8%
Apollo Offshore Structured Credit Recovery Fund IV Ltd – Apollo ST Fund Management LLC	0.7%
Barings LLC	1.4%
Cross Ocean Partners US SS Fund – Cross Ocean Partners Management LP	0.3%
IFM Specialised Credit Floating Feeder Fund – IFM Investors Pty Ltd	0.5%
Kayne Anderson Real Estate Debt II LP – Kayne Anderson Capital Advisors, L.P.	0.2%
Kayne Anderson Real Estate Debt III LP – Kayne Anderson Capital Advisors, L.P.	0.3%
Kayne Senior Credit III Offsh Fund L.P. – Kayne Anderson Capital Advisors, L.P.	0.3%
Loomis Sayles CLO II Ltd – Apollo ST Fund Management LLC	0.0%
Loomis Sayles Credit Opportunities Fund – Loomis, Sayles & Company LP	0.1%
Hayfin Hostplus L.P. – HayFin Hostplus GP Limited	0.0%
HayFin Special Opportunities Credit Fund LP – HayFin Special Opportunities GP Limited	0.0%
HayFin Special Opportunities Fund II LP – HayFin Special Opportunities Fund II GP LP	0.2%
HayFin Special Opportunities Fund II USD Co-Invest LP – HayFin Special Opportunities Fund II GP LP	0.0%
HPK Partners, LLC – Kayne Anderson Capital Advisors L.P.	0.1%
Redding Ridge Holdings LP	0.6%
Willow Tree Fund I (Offshore), LP – Willow Tree Fund I (Offshore) GP, LLC	0.2%
<b>Currency</b>	<b>0.3%</b>
Currency Overlay – Mesirow Financial Investment Management Inc.	0.3%
<b>Choiceplus<sup>1</sup></b>	<b>1.2%</b>
Choiceplus Cash	0.3%
Term Deposits	0.1%
Direct Equities (ASX 300 shares & ETFs)	0.9%
<b>Total Investments</b>	<b>100.0%</b>

1. Choiceplus assets are held within the Hostplus Superannuation Fund.

# Investment costs

Investment option	Investment fee			Indirect Cost Ratio (ICR)			Total investment cost <sup>2</sup>
	Management fee	Performance fee <sup>1</sup>	Total investment fee	Transaction cost	Operational cost	Total ICR	
Balanced	0.55%	0.16%	<b>0.71%</b>	0.23%	0.16%	<b>0.39%</b>	<b>1.10%</b>
Balanced Pension	0.53%	0.17%	<b>0.70%</b>	0.21%	0.16%	<b>0.37%</b>	<b>1.07%</b>
Indexed Balanced	0.02%	0.00%	<b>0.02%</b>	0.03%	0.01%	<b>0.04%</b>	<b>0.06%</b>
Property	0.49%	0.02%	<b>0.51%</b>	0.29%	0.21%	<b>0.50%</b>	<b>1.01%</b>
Infrastructure	0.37%	0.12%	<b>0.49%</b>	0.11%	0.21%	<b>0.32%</b>	<b>0.81%</b>
Industry Super Property Trust – Property	0.27%	0.00%	<b>0.27%</b>	0.31%	0.33%	<b>0.64%</b>	<b>0.91%</b>
IFM – Australian Infrastructure	0.37%	0.00%	<b>0.37%</b>	0.06%	0.19%	<b>0.25%</b>	<b>0.62%</b>

Investment option	Borrowing cost	Property operating cost
Balanced	0.18%	0.15%
Balanced Pension	0.19%	0.16%
Property	0.91%	1.10%
Industry Super Property Trust – Property	0.52%	1.30%
Infrastructure	0.01%	0.00%
IFM Australian Infrastructure	0.00%	0.00%

1. The performance-based fee component comprises actual fees paid and estimates of fees to be paid for the financial year ended 30 June 2020.

2. The ICR and the investment fee is based on expenses incurred from 1 July 2019 to 30 June 2020. 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 (every six months) to investors' accounts. For further information, see the Hostplus Product Disclosure Statement at [hostplus.com.au/smi-pds](https://hostplus.com.au/smi-pds)

# Financial summary

To make it easier for our investors, we've provided a short financial summary below that includes the main points from Hostplus' Pooled Superannuation Trust (PST) annual financial statements for the past two financial years. If you'd like more detailed financial information, including the audited financial statements and auditor's report, you can find them online at [hostplus.com.au/financialstatements](https://hostplus.com.au/financialstatements). Copies of these can also be requested by calling us on 1300 350 819.

Income statement	2020 (\$'000)	2019 (\$'000)
<b>Revenue</b>		
Investment income	(962,019)	3,030,609
Other income	5,108	3,867
<b>Total revenue</b>	<b>(956,911)</b>	<b>3,034,476</b>
<b>Expenses</b>		
Investment expenses	120,967	110,949
Administration expenses	1,248	920
<b>Total expenses</b>	<b>122,215</b>	<b>111,869</b>
<b>Profit/(Loss) before income tax</b>	<b>(1,079,126)</b>	<b>2,922,607</b>
Income tax expense/(benefit)	(280,201)	186,965
<b>Profit/(Loss) after income tax</b>	<b>(798,925)</b>	<b>2,735,642</b>

Financial position	2020 (\$'000)	2019 (\$'000)
Investments	45,251,586	43,976,905
Cash and cash equivalents	5,110,029	1,415,342
Other assets	443,629	513,769
<b>Less:</b>		
Liabilities	1,942,596	882,152
<b>Net assets</b>	<b>48,862,648</b>	<b>45,023,864</b>
<b>Equity</b>		
Unitholder funds	48,810,828	44,974,892
Reserves	51,820	48,972
<b>Total equity</b>	<b>48,862,648</b>	<b>45,023,864</b>



### Reserve accounts

The Trustee maintains reserves to cover our day-to-day operations. The balance of all PST reserves at 30 June for the last five years is outlined in the table below.

Reserves				
Year	Administration reserve (\$'000)	ORFR reserve (\$'000)	Total reserves (\$'000)	
2020	7,827	43,993	51,820	
2019	4,148	44,824	48,972	
2018	6,951	29,682	36,633	
2017	4,225	21,644	25,869	
2016	2,483	19,109	21,592	

### Administration reserve

Administration fees paid by investors are deposited into the administration reserve and the accumulated funds are utilised to pay for PST administration and other expenses. The Administration reserve is invested in the Balanced option.

### Operational Risk Financial Requirement (ORFR) reserve

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

Hostplus has an approved ORFR policy detailing what constitutes an operational risk event and how the ORFR reserve is accessed when an operational risk event occurs. The policy also outlines that monies held in the ORFR reserve are to be invested in the Balanced option.

# Our people

## Board of directors

We've always believed that, as a superannuation business, we principally offer trust. Trust in the nature and quality of our products, trust that our service will always be our best, trust that we'll look after our members' and investors' retirement savings over many years.

Good governance, transparency and commercial know-how are also fundamental pillars on which people can feel trust in their fund. And we believe we provide a genuine point of difference in this area.

Our Board is diverse, balanced, experienced and effective. And with our **three employer, three member, three independent** representative structure, Hostplus' Board is recognised as leading the way in governance.

This structure, coupled with our member-first philosophy, gives confidence to our employers and members that decisions will be made for the right reasons and, most importantly, in the best interests of members and investors.

In order for the Hostplus Board to undertake its functions effectively and efficiently, members collectively possess a broad range of skills, knowledge and experience relevant to the management of the PST. These include: investment experience, management experience, strategic planning, marketing and business development, accounting and finance, legal, risk management, industry knowledge and member engagement.

While it is not required or expected that each of the directors have skills and experience in all of these areas, each director is expected to make a contribution to enable the Trustee to satisfy its collective fitness requirements.

## Independent directors



**David Elmslie, Chair**



**Alexandra Grayson**



**The Hon Peter Collins AM QC**

**Employer directors**



**Mark Robertson OAM**



**David Gibson**



**The Hon Mark Vaile AO**

**Employee directors**



**Tim Lyons**



**Bev Myers**



**Judith Ann Hill**

**Alternate directors**



**Neil Randall**



**Robyn Buckler**




# Our people

## Executive team

Our group executive team is responsible for the day-to-day leadership and management of Hostplus' operations and the implementation of its corporate strategy. The executive team make sure Hostplus' operations are carried out to the highest possible standard.

---

Executive team shown here is current as at 30 June 2020.

 For further information on the Hostplus leadership team, please visit: [hostplus.com.au/leadership-team](https://hostplus.com.au/leadership-team)

For full details of our directors' and executives' remuneration, please visit: [hostplus.com.au/remuneration-policy](https://hostplus.com.au/remuneration-policy)

Other directorships or appointments as directors and executives are detailed in the Register of Relevant Interests and Relevant Duties at: [hostplus.com.au/register](https://hostplus.com.au/register)



**David Elia,**  
**Chief Executive Officer**



**Sam Sicilia,**  
**Chief Investment Officer**



**Paul Watson,  
Group Executive –  
Member Experience**



**Kelly Cantwell,  
Group Executive –  
Administration  
Optimisation**



**Stuart Wilkinson,  
Group Executive –  
Strategy, Transformation  
and Services**



**Natalie Strickland,  
Group Executive –  
People, Performance  
and Culture**



**Lewis Tassone,  
Group Executive –  
Finance, Technology  
and Operations**



**Norlena Brouwer,  
Group Executive –  
Risk and Compliance**

# Other important information

## Governance

You can find out more about Hostplus' governance and disclosures at [hostplus.com.au/governance](https://hostplus.com.au/governance)

## Board committees

Under the PST's Trust Deed, the Board has the ability to delegate its powers and responsibilities to the Board's committees. Members of these committees are appointed by the Board or, if permitted under the charter of the relevant committee, by the CEO. Each committee operates in accordance with its terms of reference.

## Investor rights and liabilities

As an investor holding units in an investment option you have a proportional beneficial interest in that option, but do not have an interest or ownership of the underlying funds that it invests in, its assets, management or operation. An investor's entitlements as a unitholder are in the Hostplus PST as a whole and not any particular investment option.

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

Hostplus' Board committees			
Committee	Chair	Members	Role
Audit, Risk and Compliance Committee (ARCC)	Peter Collins	Mark Robertson Tim Lyons	The role of the ARCC is to oversee the financial reporting and regulatory, legislative, risk management and taxation activities of the Fund.
Claims Review Committee (CRC)	Robyn Buckler	Robert Hinkley Collin Cassidy	The role of the CRC is to review members' claims rejected by the insurer.
People and Remuneration Committee (PRC)	David Gibson	David Elmslie Tim Lyons	The role of the PRC is to oversee the Fund's remuneration strategies and make recommendations to the Board in relation to executive remuneration.
Nomination and Board Renewal Committee (NBRC)	David Elmslie	Mark Robertson Tim Lyons	The role of the NBRC is to make recommendations to the Board on the appointment of representatives to the Board's subcommittees and any organisations to which the Board makes appointments (eg. entities in which Hostplus invests).
Operations Committee (OC)	Alexandra Grayson	Bev Myers Mark Vaile	The role of the OC is to assist the Board in relation to the development, implementation and review of certain products and services, including administration, marketing and communications, and group insurance, provided to members and employers. The committee ensures Hostplus' members'-first focus and key values are applied as relevant to all matters under consideration.
Special Investment Group (SIG)	Rotating	David Elmslie Mark Robertson Tim Lyons David Gibson	The SIG is responsible for considering, reviewing and approving recommendations from the Trustee's Investment Adviser relating to direct investments and co-investments in property, infrastructure and private equity asset classes via pooled investment vehicles or mandates. All investment decisions by the SIG on behalf of the Board must be made in accordance with the investment policies approved by the Board.

 You can find out more about Hostplus' governance and disclosures at [hostplus.com.au/governance](https://hostplus.com.au/governance)



## Other important information

### Related party transactions and conflicts of interest

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

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

### Service providers

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

### Trustee indemnity insurance

For the period 1 July 2019 to 30 September 2019: Pioneer Insurance Group Pty Ltd, 2016 QBE Syndicate, Aqueduct Portfolio Management and Dual Australia Pty Ltd were the underwriters who provided professional indemnity insurance to the Trustee.

For the period 1 October 2019 to 30 June 2020: Pioneer Insurance Group Pty Ltd, 2016 QBE Syndicate, Nexus Ltd and Dual Australia Pty Ltd were the underwriters who provided professional indemnity insurance to the Trustee.

Services outsourced	Provider	ABN
Administrator	Citigroup Pty Limited	88004325080
Custodian	Citigroup Pty Limited	88004325080
External auditor	PricewaterhouseCoopers	52780433757
Internal auditor	KPMG Australia	51194660183
Investment adviser	Jana Investment Advisers Pty Ltd	97006717568
Tax advisers	KPMG Australia	51194660183

### Enquiries and complaints

If you have an enquiry or complaint, please call **1300 350 819**. We'll attend to your matter promptly and courteously. If you are not happy with the way your matter is handled, we want to know. Please write to:

Hostplus Resolutions Officer  
Locked Bag 9  
Carlton South VIC 3053

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

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

You can contact AFCA via:

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

In writing to:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

### PST investment strategy

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

- a strong tolerance for unlisted assets, which can provide attractive risk-adjusted returns and diversification benefits
- a deep conviction in the long term efficacy of active management, and
- strong risk management via broad diversification across asset classes, corporate structures, industries, geographies and investment styles.

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

### Other related reports and information

- To view the **Trust Deed**, and for information such as the powers and indemnity of the Trustee, please visit [hostplus.com.au/pst-trust-deed](http://hostplus.com.au/pst-trust-deed)
- Information on the **fees and costs** associated with your investment is available in the SMI Product Disclosure Statement available at [hostplus.com.au/smi](http://hostplus.com.au/smi)
- The **Financial Services Guide (FSG)** provides information about financial services offered by the Trustee. It contains information about our services, how we are paid, any potential conflict of interest we may have, and our internal and external dispute resolution procedures and how you can access them. A copy of the FSG can be found at [hostplus.com.au/smi-financial-services-guide](http://hostplus.com.au/smi-financial-services-guide)
- The **annual report** for the Hostplus Fund is available on our website at [hostplus.com.au/annualreport](http://hostplus.com.au/annualreport)

## Other important information

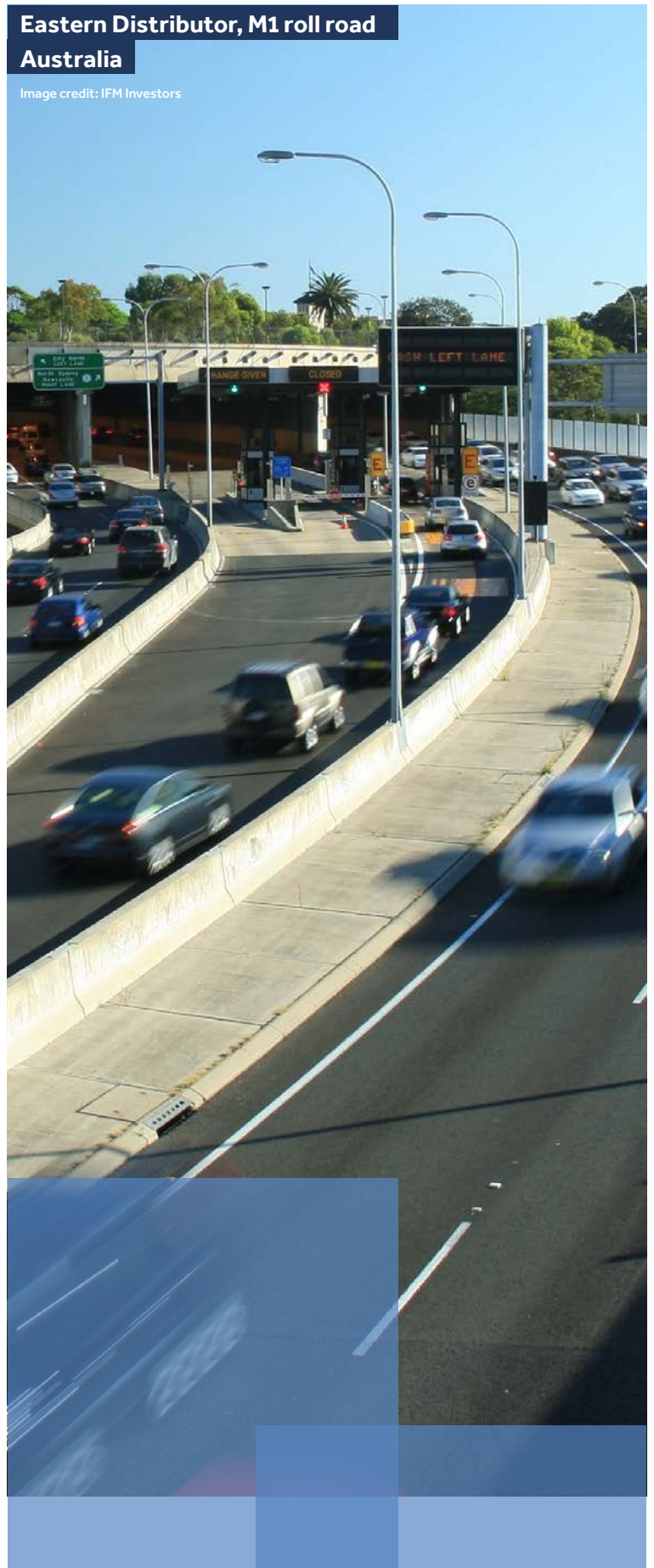
- You can find further information on Hostplus' **governance and disclosures**, our **Board of Directors** and **Executive team** at [hostplus.com.au/super/about-us](https://hostplus.com.au/super/about-us)
- In the event of a material change occurring to any information regarding Hostplus SMI, whether it is adverse or not, the Trustee will notify existing investors in writing within the time frames required by law. All **significant changes** are available on our website at [hostplus.com.au/smi/sen](https://hostplus.com.au/smi/sen)

Other information relating to the management, financial condition and investment performance of Hostplus SMI is available on request. Should you have any questions, please contact the SMI Service team on **1300 350 819**, 8am-8pm (AEST) Monday to Friday.

### Eastern Distributor, M1 roll road

### Australia

Image credit: IFM Investors





**Mail** GPO Box 764, Melbourne, VIC 3001  
**Phone** 1300 350 819  
**Email** [smi@hostplus.com.au](mailto:smi@hostplus.com.au)

[hostplus.com.au/smi](https://hostplus.com.au/smi)

