



Minutes of the Hostplus Annual Members' Meeting

Held via live stream on 1 December 2021, 9:00 am (AEDT)

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Speakers

David Elmslie, Chair
David Elia, Chief Executive Officer
Alexandra Grayson, Independent Director
Imogen Beynon, Employee Director
Sam Sicilia, Chief Investment Officer

Other attendees

Hostplus Board:

Janet Whiting
David Gibson
Tim Lyons
David Attenborough
Craig Laundry
Bev Myers
Gary Bullock
Brian Kearney

Hostplus Executive Team:

Natalie Strickland
Paul Watson
Mark Abramovich
Kelly Cantwell
Lewis Tassone
Stuart Wilkinson

Fund Auditor:

George Sagonas, Audit Partner, PwC

The Chair declared the meeting open at 9:00 am.

ITEM 1. Introductions

The Chair, on behalf of the Board and Hostplus executive team, welcomed and thanked all those who joined online for Hostplus' Annual Members' Meeting (AMM).

The Chair acknowledged the Wurundjeri people as Traditional Custodians of the land on which Hostplus' head office is located and from where he was joining the meeting. He acknowledged all Aboriginal and Torres Strait Islander members attending, and paid respects to their Elders past, present and emerging.

The Chair advised that the meeting was being broadcast from Melbourne and Sydney and speakers would be making their addresses from those locations.

Quorum

The Chair recognised a quorum of Hostplus Board Directors had joined the meeting online and as such, the AMM would serve as an official meeting of the Board.

The Fund's Directors, relevant Executive officers, Auditor and the Chair of the trustee board were also in attendance.

The Chair invited members to submit questions through the event streaming page until the end of the AMM and noted that questions submitted prior would be responded to later in the meeting.

The Chair advised that answers to all member questions, a full video recording of the meeting and meeting minutes would be made available on the Hostplus website within 30 days.

ITEM 2. Chair's Message

The Chair spoke to the following matters:

- Impact of COVID-19 on Hostplus' 1.3 million members and 236,000 employer partners – there's hope that rising vaccination rates will mean greater freedoms.
- When the Federal Government's Early Release Scheme ended on 31 December 2020, 312,000 members had jointly withdrawn \$3.1 billion from their super.
- Hostplus delivered excellent financial and investment performance outcomes.
- MySuper Balanced option, where most members invest, delivered net return of 21.32% for 2020–21, best-ever annual result in its 33-year history and a market leading outcome.
- More than 9 of 10 Hostplus members enjoyed their best-ever annual investment return.
- More than 50% members now outside traditional hospitality, tourism and allied sectors. Reputation growing as a super fund of choice for all working Australians.
- Growth from less than 1 million members in 2016 to 1.3 million in June 2021. Funds under management (FUM) up from \$20 billion to \$62 billion over same period.
- In 2020–21, contributing employers grew by 20,000 to 236,000.
- Pooled Superannuation Trust (PST) exceeds \$68 billion – includes Maritime Super and assets from recent mergers with AUSFund (\$210 million in May 2021) and Intrust Super (\$3 billion and 90,000 members in late November 2021). Merger with SA's Statewide Super (\$12 billion fund, 148,000 members) will help reach nearly \$90 billion in FUM by April 2022.
- Board has an industry-leading governance structure with three employer, three employee and three independent directors. Thanked six departing directors and welcomed successors.
- Ongoing regulatory change challenging many funds, particularly small to medium-sized – means Hostplus has opportunities for further mergers and strategic partnerships.
- Hostplus focused on strong, stable and industry best-practice governance, leadership and management as superannuation industry adapts to new requirements.
- Superannuation Guarantee (SG) up from 9.5% to 10%, with 0.5% increases each financial year until reaching 12% in July 2025.
- Minimum monthly income superannuation threshold to be removed from 1 July 2022, assisting younger, casual and part-time workers, particularly women.
- 'Your Future, Your Super' (YFYS) legislation commenced 1 July 2021, with super 'stapling' from 1 November 2021 and new annual superannuation performance tests. Hostplus passed the first test in July – MySuper Balanced option is delivering long-term investment outcomes.

The Chair introduced the Fund's Chief Executive Officer, David Elia.

ITEM 3. Chief Executive Officer (CEO) Update

The CEO welcomed and thanked members for attending. He also acknowledged the Wurundjeri people as Traditional Custodians of the land and paid respects to their Elders past, present and emerging.

The CEO then spoke to the following matters:

- Despite the pandemic, Hostplus stuck to its mission and purpose: “To maximise our members’ superannuation outcomes so that they might enjoy a dignified retirement.”
- As an Industry Fund, all profits are owned by and benefit members.
- Balanced (MySuper) – best result in its 33-year history with annual return of 21.32%. Placed in top three industry balanced options over 5, 7, 10, 15 and 20 years.
- Low-cost Indexed Balanced option returned 18.88%.
- Sustainability-focused option, Socially Responsible Investment (SRI) - Balanced, returned 21.82%.
- Members get net benefit advantage through low account-based admin fees, competitive investment costs and impressive long-term performance.
- SuperRatings found, in past 15 years, a Hostplus default Balanced option member was \$26,000 better off than an average industry super fund member and \$63,000 better off than an average retail super fund member.
- A review of Hostplus’ recently refreshed three-year strategic plan for 2021–23, through a COVID-19 lens, confirmed it is fit-for-purpose.
- Growing size and scale helps realise greater cost efficiencies – savings passed to members.
- Soft launch of new CPIplus, in response to retired members saying they wanted more investment certainty and risk protection. Very popular – formal launch soon.
- 3,000+ members surveyed about SRI Balanced option. SRI now better reflects members’ values re fossil fuels, human rights, environment, weapons etc. Work continuing to increase renewables, green building technology, healthcare and medical solutions.
- Hostplus ‘industry first’ Self-Managed Invest product (SMI) rising in popularity with SMSF trustees and advisers. Product grew an impressive 82% (\$109 million) in 2020–21.
- New SMI website and investment in SMI’s functional, reporting and data-feed capabilities for advisers. Further developments planned to increase growth.
- Hostplus worked closely with members to improve the mobile app.
- Hostplus mergers and partnerships with Club Super, AUSfund, Maritime Super and Intrust Super consistent with government reforms – achieves scale benefits, cuts costs, improves returns.
- SG rises – important in supporting more retirees without relying entirely on Age Pension.

- Contribution caps increased – from \$25,000 to \$27,500 for concessional and from \$100,000 to \$110,000 for non-concessional. Transfer balance cap up from \$1.6 to \$1.7 million. Members can put more into super.
- Hopes that 'YFYS' will improve the superannuation landscape for members and employers.
- On 1 July 2021, APRA began assessing MySuper options against benchmarks – poorly performing funds will be identified and restricted from being MySuper funds.
- Hostplus is concerned that tests will not be a true reflection of actual fees paid by a member over the same period as the returns received.
- Hostplus is pleased the benchmarks will now assess longer-term performance of unlisted assets, like infrastructure, private equity and property.
- Hostplus passed APRA's performance test, indicating strong, longer-term net benefit investment outcomes in the flagship Balanced MySuper option.
- To reduce duplicate fees and costs, workers are now 'stapled' to one super fund, shown in the ATO portal. Employers must pay into this unless the employee states otherwise. Businesses must still nominate a default fund for new workforce entrants.
- Hostplus has always acted in member's best financial interest – ahead of reforms.
- Under design and distribution obligations (DDOs), from 5 October 2021, all super funds must publish Target Market Determinations covering key products offered, their purpose, key features and intended target market.
- In accordance with the federal government's proposed, but not yet legislated, Retirement Income Covenant, Hostplus has already commenced developing its retirement income strategy, including its post-retirement product suite and related services. The CEO referenced the Fund's recent introduction of its new CPIplus investment solution as a key element of this work.
- Hostplus works hard and consults with bodies like the Australian Council of Superannuation Investors and Industry Super Australia to minimise wage theft, modern slavery etc., so Australians obtain their lawful super rights and entitlements.
- Most employers do the right thing but members should check their super is paid correctly.

The Chief Executive Officer concluded his remarks and introduced the next speaker, Independent Board Director, Alex Grayson.

ITEM 4. Independent Director Update

Independent Director Alex Grayson also acknowledged the Wurundjeri people, as well as the Gadigal people – traditional custodians of the land in Sydney from where she was speaking. She paid her respects to Elders past, present and emerging.

Alex Grayson spoke to the following matters:

- Hostplus is always striving for service excellence and reaching high standards.

- Members contacting the Service Centre rated Hostplus 8.5/10 for professionalism and knowledge, while 9 in 10 said high service standards, not just financial performance, encourage them to stay with Hostplus.
- 97.5% of Hostplus' 312,000 members receiving Early Release of Superannuation claims, did so within five business days of applying.
- The new dedicated Hostplus Service Excellence Centre (HSEC), jointly created with Link, offers world-class customer service, including AI, call-back functionality, click-to-chat etc.
- HSEC incorporates the Service Centre established in 2006, with outbound comms, complaints handling and employer services teams, closely supervised and governed by Hostplus for consistent, member-focused service.
- Hostplus offers members general advice on products and services, maximising super, wealth creation and protection, insurance and preparing for retirement.
- Dedicated advice and financial planning teams cover each state and territory, delivering online, over the phone or face-to-face.
- Experienced, qualified financial planners deliver informative webinars on topics that matter – attended by thousands.
- To become the 'fund for life' Hostplus needed a revised advice strategy and operating model. The breadth of advice services has now increased, using modular offerings and pricing, to lower costs while reaching more members.
- The multi-faceted digital transformation project will optimise and enhance members' experience, reduce business inefficiencies, sustain value and competitiveness and help position Hostplus as a fund of choice.
- Member Online has better design and navigation, multi-factor authentication, shows current and previous employment details, and has an online work test for continued contributions.
- The mobile App was developed in close consultation with members, using customer-centred design principles to make keeping up with super easier. Updates are ongoing.
- In April 2022, a new website with simplified navigation and improved intuitive search experiences for members, employers, investors and advisers will be released.

Alex Grayson concluded her remarks and introduced the next speaker, Employee Representative Board Director, Imogen Beynon.

ITEM 5. Employee Director Update

Imogen Beynon also acknowledged the Wurundjeri and Gadigal peoples. She paid her respects to all Elders past, present and emerging.

Imogen Beynon spoke to the following matters:

- Hostplus' Board has an important role in governance and overseeing workplace culture. The workforce is expected to keep members front of mind.

- Diversity, flexible work practices and investment in people so they feel valued and supported, helps embed a 'member first' and inclusive culture.
- Hostplus routinely seeks employee feedback. Recent surveys reflect how important the 'member first' ethos and philosophy is, and that a strong sense of team has been created.
- The employee value proposition continues to evolve, focusing on the team's professional and personal skills. Hostplus offers competitive terms and conditions via the enterprise agreement, career pathways, leadership development and flexible work arrangements.
- Many staff, particularly in NSW and Victoria, worked from home for 18+ months in the pandemic. Flexibility in some capacity will continue.
- A diverse workforce helps forge strong connections with Hostplus' diverse membership and employers, drives innovation and improves decision-making and business performance.
- Clear gender targets for the Board were exceeded, the flexible work policy was enhanced to encourage work life balance, and parental leave benefits were improved.
- Gender representation targets are being met and pay equity is improving. For three years Hostplus has done annual gender equity reviews and reports regularly to the Workplace Gender Equality Agency.
- Staff from Intrust Super and Statewide Super are being transitioned into Hostplus, expanding the workforce's skills, experience and background. The best parts of their workplace cultures will be adopted. Hostplus hopes these new employees will thrive long-term with the Fund.

Imogen Beynon concluded her remarks and introduced the next speaker, Chief Investment Officer Dr. Sam Sicilia

ITEM 6. Chief Investment Officer (CIO) Update

The CIO also acknowledged the Wurundjeri people and paid his respects to all Elders past, present and emerging.

The CIO then spoke to the following matters:

- The 2020–21 financial year was exceptional in many respects. Global investment markets bounced back strongly from the early 2020 downturn – driven by historic low interest rates, unprecedented government stimulus and shifts in consumer behaviours.
- MySuper Balanced Option's highest ever result benefited most Hostplus members. It's been one of the two best super options over 20 years, averaging 7.88% per annum after taxes and investment management fees.
- Hostplus is a consistent top performer due to a disciplined approach to a long-term investment strategy despite short-term market noise.
- Popular, low-cost Indexed Balanced option turned ten, delivering an impressive 9.20% per annum, and now has \$10 billion in FUM. This year's 18.88% is its best-ever one-year return.

- The option is passively managed – a style of investing which costs only 0.06% per annum, one of the lowest cost ratios available from a super fund.
- SRI Balanced Investment, Capital Stable and Shares Plus had best-ever one-year returns.
- Nine of ten Hostplus members were in options that had a best-ever one-year result.
- Investment strategy is based on active management, strong diversification and many unlisted assets. Execution is long-term and needs stronger cashflows than most funds have.
- Average Hostplus member is younger at 36 years old. So, long-term assets like unlisted property and infrastructure, private equity and venture capital can help spread risk.
- Nearly 50% of our MySuper Balanced is invested in unlisted assets, including innovative projects and leading-edge science and technology advancements to improve our world.
- Hostplus has over \$2.2 billion committed to venture capital, much in life sciences where global demand for life-saving and world-changing innovations is accelerating – biotech, pharmaceuticals, medical devices and genetics.
- Hostplus members are also invested in a \$5.6 billion of infrastructure projects across Australia and the world, including renewable energy and innovative waste solutions.
- Investment strategy is dynamic. Unallocated funds allow access to new investment opportunities quickly, without needing to sell other assets or rebalance our portfolios.
- Pre-mixed options (except Indexed Balanced) have investments in companies like Canva, Commonwealth Fusion Systems and Oxford Nanopore Technologies.
- Canva – founded in 2021, is an Australian tech start-up success story. One of the fastest growing tech companies, with 60 million+ people across the world using Canva’s platform.
- Commonwealth Fusion Systems (CFS) and First Light Fusion – This year, the US-based CFS announced a major breakthrough with their high-temperature superconducting magnet. It provides a clear path to harnessing fusion power and finally delivering global clean energy.
- Oxford Nanopore Technologies – a UK company making products for real-time genetic analysis, including handheld devices for scientists anywhere. By September 2021, 500,000+ COVID-19 sequences in the global genomic database had been sequenced on a Nanopore device.
- Powering Australia Renewables Fund (PoWAR) – Australia’s largest renewable energy business. Its wind farms and other renewable projects, such as solar, will soon generate enough power to run 1,000,000 Australian homes a year.
- Hostplus is committed to responsible investing, thoughtfully managing risks and opportunities to optimise members’ retirement outcomes sustainably.
- Environmental, social and governance (ESG) considerations are integral in research, analysis, selection and monitoring investments and investment managers. They foster accountability.

- Active ownership in companies where Hostplus holds shares, is critical to long-term governance and ESG outcomes. Hostplus engages with companies, and votes on resolutions.
- During the financial year, Hostplus engaged with 913 companies either directly, or through specialist providers, indirectly contributing to:
 - strong scrutiny of executive bonuses during the pandemic
 - greater awareness and focus, within the mining sector, on cultural heritage
 - 14 target companies committing to net zero emissions by 2050
 - board changes in response to concerns over performance and oversight
 - increased diversity on boards – 30% of ASX300 company directors now women.
- Hostplus shared its views, as a shareholder, on 31,000+ proposals at 2,500+ company meetings – many top-listed in Australia and overseas.
- The refreshed SRI Balanced option now excludes all companies that mine, produce or generate energy from fossil fuels as well as those receiving more than 10% of revenue from servicing these sectors. It avoids companies that breach human or labour rights standards, have poor environmental practices or invest in controversial weapons.
- The SRI Balanced option invests in companies and assets that contribute toward the Sustainable Development Goals – green buildings, renewable energy, essential water infrastructure, green bonds, medical solutions, sustainable farming, alternative foods, etc.
- Many members expressed appreciation that Hostplus’ investments align with their values.
- Hostplus’ responsible investment strategy and governance strategy achieved an A+ rating from the world’s leading advocate – Principles for Responsible Investment.
- Climate change mitigation is considered in all aspects of the Hostplus’ investment philosophy, strategic asset allocation process, stress testing, investment manager selection and review, and reporting of Hostplus’ emissions.
- Hostplus is thinking through how to improve its commitment to net zero emissions. A future statement will set meaningful objectives and measurable, achievable interim milestones so members, stakeholders and the broader community can assess progress.

The CIO encouraged members to visit Hostplus’ website for more information and to download the latest annual report for more details on areas he had covered, thanked them for their attention and wished them the best for the year ahead. He hoped for a continued strong economic recovery and a return to social norms.

The CIO concluded his remarks and handed the meeting back to the Chair, to facilitate a question-and-answer segment.

ITEM 7. Question-and-Answer

The Chair facilitated the Questions and Answer session, during which a number of responses were provided to members’ questions submitted both ahead of and during the meeting.

A record of the meeting's question-and-answer segment is available on the following page. This document also contains answers to the questions that couldn't be responded to at the meeting.

ITEM 8. Meeting Conclusion

The Chair thanked the audience for their attendance and for the continuing trust and support of its membership.

The Chair declared the meeting closed at 11.00 am (AEDT).

Annual Members' Meeting questions: Written responses

Investment strategy – cryptocurrency

What are your thoughts on cryptocurrency? Is this too great a risk for industry funds?

Will Hostplus provide exposure to cryptocurrency? The Commonwealth Bank has just opened an ETF last week to great success.

With the first of the big four (CWB) announcing addition of cryptocurrency, will Hostplus be considering choices for members to invest their super in crypto? If yes, any timeframe on this (the sooner the better)?

12 months ago I asked if there was any plan to invest in bitcoin. The answer was a firm “no” then. With bitcoin rising by well over 200% in this timeframe, has your position or thinking changed at all, even for a small allocation?

When will Hostplus allow members the ability to buy top tier cryptocurrencies (bitcoin and Ethereum)? We are being disadvantaged compared to SMSF outside of Hostplus.

How will crypto be introduced into investments?

Your thoughts on the cryptocurrency markets making headlines in the media?

Do you see Hostplus, and the financial system in general, being undermined by private internet currencies (e.g. BetaShares Crypto Innovators)?

What is Hostplus' view regarding the rising trend of cryptocurrencies? There are investment funds that have chosen to hedge in this space. What is Hostplus' strategy to ensure members do not miss the boat?

There may be a day where cryptocurrency becomes mainstream for institutional super funds. However, while we continue to research cryptocurrencies, we do not currently have any plans to invest in them, nor to offer an investment option based on them.

As a long-term investor, Hostplus needs to be cognisant of the ways that markets are evolving. We are always looking for new opportunities to optimise financial outcomes for our members.

When it comes to cryptocurrencies, it's not just about the return. We also need to consider a governance structure; we need to think about how to safekeep our assets, and we need to consider any regulatory requirements, which are still evolving.

There is significant work required in this space before Hostplus could consider investing in cryptocurrency.

Finally, I'd like to explain why cryptocurrency Exchange Traded Funds, or ETFs, are not currently available on our Choiceplus platform.

We have rigorous quality standards for all investments offered in Choiceplus, and ETFs must receive, at a minimum, a 'recommended' rating from Lonsec before we will add them to the platform.

We formally review our product list in Choiceplus at least annually and engage Lonsec to discuss investment options that members suggest – including cryptocurrencies.

We will continue having those conversations, while also keeping in mind our own quality standards and risk management assessments when it comes to the ETFs offered through Choiceplus.

Investment strategy

What might be the medium-term impacts on investment markets if interest rates begin to rise again?

Interest rates have been abnormally low for a long period of time now.

Central banks around the world initially lowered interest rates in response to the global financial crisis in 2008, in an attempt to keep their economies afloat.

In theory, low interest rates should encourage people and businesses to borrow more money, which in turn stimulates the economy as the borrowers then spend that money on goods and services.

The problem is, with interest rates now at record low levels in Australia and many other countries, central banks have not yet found a way to raise rates without upsetting the apple cart.

The member has asked, if rates do begin to rise, what would be the impact on investment markets?

Well, the answer very much depends on the market. In very general terms, an increase in interest rates will negatively affect company share prices.

This is largely because higher interest rates make it harder for people to pay back their debt, across both credit cards and mortgages.

Consumers will have less money to spend, so businesses see smaller revenues. Also, businesses don't borrow as much and must pay extra interest on their own loans, eating into profits.

When that happens, fewer investors want to buy company shares, and so share prices tend to fall.

In contrast, as shares become less attractive to investors, bonds become relatively more attractive, as higher interest rates typically drive up the yields that investors can get from bonds.

At Hostplus, we set our investment strategy for the long term. Our strategy takes into account several important factors, including the impact of interest rate changes.

We work closely with our external investment consultant, JANA, to regularly review and update our strategy and to select the best fund managers from around the world to execute that strategy for us.

What stake will we have in Sydney airport, post IFM's acquisition? Can you outline your real assets strategy and how Hostplus is going about it?

The acquisition the member refers to is a recently-announced offer by a group of investors, including IFM investors, to buy Sydney Airport. Their offer of \$23.6 billion has been accepted, but is subject to regulatory and shareholder approval. Hostplus is not directly

involved in this deal, but as we invest in two funds managed by IFM that are involved in the deal, we will likely gain some indirect exposure to Sydney Airport through those two funds.

The percentage of the airport we end up holding will be determined by our percentage holding in the two IFM funds that are participating in the transaction.

Hostplus' infrastructure strategy aims to invest in assets, both domestically and abroad, with the following traits. They should provide essential services to the community and they should generate predictable cashflows with a level of inflation protection.

Our \$5.6 billion infrastructure portfolio helps support Australia's transition to a more sustainable energy future. Investments include renewable energy, innovative waste solutions, and more.

Hostplus partners with a number of industry leading infrastructure investors. We are continually looking for unique opportunities that will further diversify and enhance our investment portfolios for Hostplus members.

Do the Balanced or IFM portfolios have any exposure to China and in particular Chinese Real Estate?

The Balanced option does have exposure to China. It holds Chinese equities, via some of our emerging market fund managers.

The Balanced option contains no direct exposure to Chinese real estate. That is, we don't own any real estate directly, but we may own shares in real estate companies as part of our equities allocation.

We offer four investment options managed by IFM: the IFM Australian Infrastructure option; the IFM Australian Shares option; the International Shares – Indexed option; and the International Shares (Hedged) – Indexed option. These options do not hold any exposure to China.

Does Hostplus believe the latest inflation data is transitory or permanent?

We believe the inflation data is transitory, though we are watching it closely to look for any signs of systemic changes.

The factors driving recent increases in inflation, as we see them, are shortages of labour, a reduction in immigration, and supply imbalances, each of which are mainly associated with challenges arising from the pandemic. Accordingly, we believe these factors are largely short term.

Hello, I'm interested to hear investment strategies for indexed funds whilst taking inflation into consideration, thanks.

Our Indexed Balanced option is passively managed, so doesn't actively take inflation into account – except with regard to its strategic asset allocation (SAA). Should inflation look likely to persist long-term, we would look to adjust the option's SAA to seek to optimise financial outcomes for our members.

For example, when inflation is moderate, we believe it's a positive for equities. For high inflation though, when companies cannot pass on that inflation via higher prices to consumers, this is less supportive for equities. However, we don't think that high inflation will persist over the long term.

Why did Hostplus, unlike some of its competitors, have a negative return in the default option for the financial year ended June 2020? I understand it's due to COVID, but other funds still managed to get a positive return even marginally.

For the 12 months ended 30 June 2020, our Balanced (MySuper) option delivered a negative return of -1.85%. The median MySuper option returned -0.91%,¹ which means the majority of balanced funds had negative returns in financial year 2020.

Relative to some of our competitors, our Balanced option's negative return that year was primarily driven by a lower exposure to fixed interest investments (which performed well), and a higher allocation to property investments, which were affected (particularly retail properties). Our foreign currency exchange management also detracted from performance.

Our Balanced (MySuper) option's long-term investment strategy and risk appetite means we anticipate a negative return about once every 4-5 years, on average. While such periods are never desirable, it's important to remember that super is generally a long-term investment. Consistent with that characteristic, investment cycles should be viewed over the longer term too.

We're pleased to report that our Balanced (MySuper) option's return for the 12 months to 30 June 2021 was a strongly positive, and market-leading 21.32%. This was the highest one-year return in the option's 33-year history.

¹ Source: SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Balanced (60–76) Index, June 2020.

What are the highest risk investments in this current economic climate?
If there is a Wall Street crash, what is the safest investment?

Our purpose at Hostplus is to maximise our members' retirement outcomes. We do that by setting and adhering to a well-diversified, disciplined, long-term investment strategy.

Unfortunately, we can't advise members what the riskiest or safest investments are. That depends very much on your individual circumstances, risk appetite and investment timeframe. That's why we offer a number of different investment options, each with differing asset class exposures and underlying risks.

To further help members identify and manage their investment risk, we offer members access to personal advice from our team of qualified and licenced financial planners, who can help you plan for your future. You can book an appointment [via our website](#).

What is the outlook for Hostplus' investments in the next 5 years?

What's the best investment portfolio in the next few years as far as Hostplus is concerned?

What areas will Hostplus invest more in?

Our Balanced (MySuper) option, in which most Hostplus members invest, has a material allocation to unlisted assets, including private equity and venture capital. We believe there will continue to be good opportunities in that space and anticipate further growing our investment over the coming years.

We will be looking more at emerging market investments, both in terms of equities, where we already hold an allocation, and potentially fixed interest too. These are the developing economies including China, Brazil and India, to name a few. We believe these emerging economies, as a whole, offer good growth opportunities compared to developed markets.

We expect to continue to find attractive investments in property and infrastructure and will look to expand these investments outside of Australia.

Additionally, we are already significant investors in renewables and new energy technologies, such as fusion energy and waste-to-energy technology. There are innovative areas we see as assisting in the transition to a low carbon economy and will be a continuing growth area and opportunity for the Fund.

Finally, our investment strategy will retain its core pillars which have delivered excellent results for Hostplus members to date. These are: strong diversification, active management, a relatively high exposure to unlisted assets, and a long-term focus.

I have noticed a change in the volatility of the returns in relation to the movements of the ASX and other markets. I know the spread of investments but would like comment on any investment policy changes that have caused this recently.

Each of our investment options generate different returns corresponding to the option's investment strategy, level of risk and portfolio volatility (fluctuations in returns). As an example, the returns we achieve in our more actively managed equities options will differ from those of the passively managed options, which closely track listed benchmarks. In general terms, a feature of active management is that it's likely to differ in its performance relative to a given benchmark, as the asset managers employ their skill to try to identify investment opportunities in an attempt to outperform that benchmark.

Hostplus' believes that over the longer term, active management of our members' assets will likely outperform passive investment strategies. Our approach, although not a guarantee of future performance, has generally held us in good stead, given our long-term net returns generated for our members.

We haven't implemented any investment policy changes within our equities options recently that would drive any increased volatility. The fund managers that we work with follow a range of investment strategies and styles, which are rewarded or impacted depending on market movements, sentiment and trends.

It is useful to know the view of Hostplus investment experts on the impact of COVID-19 on the allocated pension balanced portfolio during the next five years (FY 2022 - 2026).

While no-one can predict the future, we believe that the impacts of COVID-19 on our investment portfolios are largely short term. Many of the broader economic challenges that COVID-19 has triggered (such as workplace shutdowns and travel restrictions), we believe should diminish in impact as the pandemic's threat also reduces with the advent of vaccinations.

Barring a substantially negative new variant, we believe the world will recover from its pandemic-induced dormancy and that economic growth and investment opportunities will similarly improve. We are already preparing for such a scenario and building this view into our portfolios so as to benefit from this expected global economic recovery.

From an investment perspective, we have also considered the opportunities that may arise from what a "COVID normal" way of life might entail. People and businesses must find new ways of working and seek new solutions in areas such as commerce, social interaction and medical technology, as a few examples. Our significant investment in venture capital and private equity projects is designed to benefit from this level of disruption and reinvention.

What strategies are you looking to implement as a result of the COVID-19 pandemic and the global move towards cryptocurrency.

In respect to our strategy as it relates to the COVID-19 pandemic, please refer to the answers above.

In respect to our position on cryptocurrency, please refer to the answer at the top of this document.

Why does the Indexed Balanced option have returns significantly lower than the other two balanced options? (2-3%?)

The Indexed Balanced option has been designed for members with a primary focus on minimising fees and has the lowest Total Investment Cost of the Hostplus pre-mixed options. This option aims to track established markets using passive funds which are designed to closely track market indices, asset classes and underlying markets.

Unlike our default Balanced (MySuper) and Socially Responsible Investment Balanced options, Indexed Balanced does not invest in unlisted assets. It instead has a higher allocation to listed equities, fixed interest, and cash. It invests through experienced managers such as IFM Investors, BlackRock and Citi.

It is our view that over time active management can deliver higher net returns. This is why our default Balanced (MySuper) and a number of our other popular options are actively managed.

For the 12 months to 30 June 2021, this proved to be the case, with Indexed Balanced returning 18.88% versus 21.32% for Balanced and 21.82% for SRI Balanced.

Over the past 10 years to 30 June 2021, the Balanced (MySuper) option has also delivered higher net returns than our Indexed Balanced option. It returned 9.67% per year on average, versus 9.20% per year for Indexed Balanced. That's net of all taxes, administration fees and investment fees.

Why are superannuation fund performances, including Hostplus, so bad especially when including fees (looking at 10+ year perspective and not specifically looking at COVID-19 time period)?

Our MySuper Balanced option has been ranked one of the top three options over rolling 1, 5, 7, 10, 15 and 20 year periods for members in the accumulation phase.² We're proud of this consistent track record as we strive to help our members achieve a dignified retirement.

Over the 10 years to 30 June 2021, the Hostplus Balanced (MySuper) option returned a net (i.e. after administration fees, investment fees and taxes) 9.67% per year on average.

To put this return into perspective, our Balanced (MySuper) option's longer-term investment objective is to deliver a return which is 3% higher than inflation per year on average over 10 years (and 4% higher than inflation per year on average over 20 years). Assessed by reference to that long-term objective, an average return of 9.67% per year over 10 years is an excellent outcome for Hostplus members.

What are the underlying investments that make up the Balanced option?
How to get a picture of what my investment option is invested in?

The Balanced option invests across ten different asset classes, including Australian shares, international shares, credit, alternatives and cash. Nearly 50% of the Balanced option's investments are in unlisted assets like property, infrastructure and private equity.

Unlisted assets are a great way to diversify an investment portfolio, and typically don't experience volatility in the way that listed assets can. They also allow us to invest in nation building infrastructure and life-changing technology, contributing to better economic outcomes and standards of living for all of us.

All asset classes and underlying investment managers engaged by Hostplus are listed on our website for everyone to view and are updated regularly. We also provide a number of investment holdings reports detailing the assets held by Hostplus. You can download our holdings disclosure sheets for a complete list of assets we invest in, as well as view our investment manager allocations, [on our website](#).

² Source: SuperRatings Accumulation Fund Crediting Rate Survey – SR50 Balanced (60–76) Index, June 2021.

Responsible investment – climate change

What steps have the board taken to divest Hostplus of investments in companies such as mining and bad energy that will become increasingly risky in the push for net zero emissions?

Does Hostplus have ANY direct or indirect financial investment in carbon-based companies? (this applies to all and any Hostplus suppliers and supply-chain that used). If so, what is Hostplus' plan to withdraw all such investment by 2022?

Does the Hostplus SRI Balanced option sufficiently exclude fossil fuels, such as coal, oil and natural gas?

As the world switches off fossil fuels, and Australia lags behind, what are you doing both from an investment and political perspective to divest fossil fuels from your portfolio?

Around 75% of your members are <44, which more females than males. These members will be highly likely to be impacted by the climate crisis. What are you doing to divest from fossil fuels and in doing so protect the future of these members?

When will Hostplus divest completely from fossil fuels? (The answer for me will determine my divestment from Hostplus).

Hostplus recognises that climate change poses a material, direct and current financial risk.

That risk is relevant to Hostplus' investment strategy and how we manage our investment portfolio on behalf of members.

We therefore take climate change and its associated risks very seriously.

We firmly believe that simply divesting or selling our holdings in such companies does not in-and-of-itself address the climate change issue. That is, divesting from these companies may reduce our own portfolio emissions, but has no impact on reducing the overall amount of emissions generated by these companies.

Instead, we prefer to retain ownership in those companies and use our influence as an active and engaged shareholder to create change within companies by encouraging and supporting the transition to a low-carbon economy.

Our engagement focuses on understanding and analysing how companies are strategically responding to climate change and their capacity to transition to a low carbon environment.

By taking an engagement approach, including collectively through recognised organisations such as AFSA, Hostplus can exert greater influence beyond our own shareholding in a company and manage its resources more effectively and efficiently in the best financial interest of members.

Hostplus has concluded that it is not in the financial best interests of our members to apply a blanket ban on any exposure to fossil fuels in our Fund.

Instead, we rely upon our rigorous investment process, which includes external investment managers considering climate-related risk as one of a range of factors, to determine decisions about the selection, retention, or realisation of Hostplus' investments across the portfolio.

For members who would like to avoid investments in fossil fuels, our Socially Responsible Investment (SRI) Option:

- excludes fossil fuel investments;
- avoids companies that breach human or labour rights standards;
- avoids companies with poor ESG practices or investments in controversial weapons;
- invests more in assets that contribute to sustainable outcomes.

Renewable energy for the infrastructure asset class for the 20-21 period was 3.7% & energy storage was 3%. With the shift in focus privately and by government, is Hostplus reviewing acquisition of further renewable energy and distribution assets?

Hostplus continues to look at all sectors and opportunities that will responsibly enhance member financial outcomes. As it relates to renewables, the portfolio is currently approximately 13% exposed to renewable generation and energy-from-waste assets. Hostplus expects that the renewable sector will continue to present attractive opportunities into the future. We will continue to actively seek to identify and secure world-class investments in this important element of our overall portfolio.

How is the climate crisis affecting investment decisions especially in infrastructure such as airports, areas vulnerable to sea level risk and flooding, etc.?

Before, during and after we invest, significant due diligence is completed on all risks associated with an asset, including climate risks. But that's not where our risk assessments end. As a key part of the ongoing asset management process, we continue to actively monitor and manage risks to ensure our ownership and stewardship of these assets remains in the best financial interests of members. And, importantly, that we maintain our social licence to own, manage and operate such assets.

What is Hostplus doing about climate change?

What is the Hostplus investment strategy response to the associated investment risks of climate change.

What is Hostplus doing to encourage actions to combat climate change?

Which investment options are active in this area and what do they do?

Climate change is one of the biggest challenges facing the world today, and one we take very seriously.

We incorporate climate change factors into our investment process by:

- using our influence as a shareholder to create change within companies;
- offering Members the choice to avoid investing in fossil fuels completely through our SRI – Balanced Option;
- recently appointing a new Head of Responsible Investments, who will be leading our team in responsible investing practices; and
- capitalizing on opportunities that are available in the clean energy investments space.

Hostplus is one of the largest Australian investors in venture capital, and we have committed more than \$2.2 billion to projects that aim to change our world for the better - as well as deliver future investment returns to our members. These include renewable energy storage facilities, wind and solar farms and fusion energy technology, in addition to other investments in some highly promising areas of the renewable and sustainable energy space.

Our investments in the renewable energy space support many of the United Nation's ambitious sustainable development goals such as affordable and clean energy and climate action.

Responsible investment – general

What green and responsible initiatives will Hostplus take in the coming years?
Will you commit to fully sustainable investments in the future?

Hostplus has a number of investments in renewable energy.

Hostplus is one of the largest Australian investors in venture capital, and we have committed more than \$2.2 billion to projects that aim to change our world for the better - as well as deliver future investment returns to our members.

These include renewable energy storage facilities, wind and solar farms and fusion energy technology, and investments in some other highly promising areas of the renewable and sustainable energy space.

Our investments in the renewable energy space support many of the United Nation's ambitious sustainable development goals, such as affordable and clean energy, climate action and life below water.

Please could you tell us what Hostplus is currently doing in relation to sustainable and ethical investments and what the strategy is over the next few years?

What are you doing to demand a higher standard of ethics from the investments you hold and any funds that manage them, so as to ensure a safe and equitable world and environment for your members, now and for the decades to come and beyond?

Given the impact that investors can have to help shape an ethical, net-zero world, what are you doing to make it easy and accessible for your members to choose ethical investments for their superannuation?

Hostplus recognises that the world faces many environmental and social challenges and is committed to a responsible investment approach across all our investments.

These challenges can pose a material, direct and current financial risk, which is relevant to Hostplus' investment decisions and to the management of our investment portfolio on behalf of our members, especially over the long-term.

Responsible investment is an important part of our investment approach and helps us better manage risk and optimise retirement outcomes for our members.

Our approach to responsible investment is informed by our responsible investment beliefs and is based on four pillars:

- environmental, social and governance (ESG) integration;
- active ownership;
- building Australia's future; and
- member values.

We are a signatory to the United Nations-supported Principles for Responsible Investment (PRI) and we are proud to have achieved an A+ rating for our Responsible Investment Strategy and Governance from the PRI in 2020.

Our approach to responsible investment varies across our investment portfolio and depends on the relevance of ESG factors to a particular asset class and the style of the investment strategy.

Our preference is to retain exposure to a broad range of sectors and actively engage with companies rather than divest from a company or sector and thereby lose influence.

We believe this is our greatest opportunity to effect change.

We review our approach to climate-related risk management on an annual basis and report the results to the Board through the ESG Review. We are also working towards making a commitment to Net Zero Carbon emissions.

In addition, we note that APRA has recently released a new prudential practice guide to help super funds prepare for climate risks and set expectations for managing those risks. Hostplus welcomes this guidance, which we intend to review and adopt as part of our risk management processes.

As mentioned above, for members who would like to avoid investments in fossil fuels, our Socially Responsible Investment (SRI) option:

- excludes fossil fuel investments;
- avoids companies that breach human or labour rights standards;
- avoids companies with poor ESG practices or investments in controversial weapons;
- invests more in assets that contribute to sustainable outcomes.

Operational – Risk

Please advise what Hostplus' policy is around conflict of interests for critical staff? For example, staff who are exposed to critical market information, such as the events recently flagged by APRA that may have seen people working for super funds profiting from insider trading?

In the course of their duties some staff may become aware of investment information or other commercially confidential information that the public is not privy to. Hostplus employees are required to comply with our improper use of information policy, which prohibits employees or directors from acting on this inside information.

Employees who may have access to inside information relating to investment selections, divestments or valuations can only make investment switches once per year during a designated period. This designated time occurs when the risk of insider trading is lower. These employees must also submit a request to our Risk and Compliance team before making this investment switch, confirming that they are not making the switch due to inside information.

All employees are required to complete compliance training and submit a written declaration confirming their adherence to this policy each year.

Operational – Marketing

Hostplus spends enormous amounts of members' funds on sports sponsorship. These resources could be better used to update online systems and improving customer support. When will Hostplus management rebalance the use of members' resources?

13.3% or \$16.3m of Admin expenses relate to marketing and sponsorship. What is the cost of current sporting sponsorship and how many such contracts? What independent cost/benefit has been undertaken to justify and the dollar returned for dollar spent?

At Hostplus, our primary goal as trustee of the Hostplus Superannuation Fund is to optimise member financial outcomes for retirement.

In order to achieve that paramount objective, Hostplus has in place a detailed set of documented strategic plans and objectives. Those plans and objectives are continually reviewed and optimised by our executive and Board over time to reflect changes in member needs, economic conditions and regulatory requirements.

As part of our strategic objectives, we recognise and act on the basis that one of the most effective and efficient ways to optimise member financial outcomes is to attract and retain members, which in turn increases funds under management and resultant scale of the Fund.

Hostplus has developed and analysed objective data which demonstrates that greater scale in the Fund, and the resultant improved economic efficiencies and financial resources, delivers tangible financial outcomes for our members in their retirement.

By way of example, increased scale allows us to invest in innovative product development and services, invest in proven asset classes such as unlisted infrastructure that are in the best financial interests of our members, whilst at the same time keeping our administration fees low. Together, these outcomes are designed to result in a higher net return to members.

Increased brand awareness and association is critical in achieving the above outcomes in the best financial interest of members. Hostplus operates in a highly concentrated and competitive superannuation market, where Australians are rightfully being encouraged to actively choose their preferred fund. By increasing our brand awareness, we are able to ensure that, when making that very important decision, the Hostplus offering — including our strong long-term performance and low fee model — is front of mind.

Hostplus has in place documented and rigorous governance processes to ensure our marketing program, including partnerships with sporting and other industry organisations, is appropriately adapted towards delivering tangible financial outcomes for our members.

Part of those governance procedures and protocols includes ensuring that any sporting partnerships that we enter into are carefully selected and regularly monitored to deliver a high level of positive brand exposure — particularly as compared to other mainstream media like TV and Radio.

Given the commercial-in-confidence nature relating to a number of these contracts and arrangements, and the competitive advantages and intellectual properties attached to the arrangements, Hostplus does not publicly disclose the exact amounts spent on sponsorships for sporting codes such as the AFL or specific teams.

Importantly, these costs are not derived from the Fund's investment returns and therefore does not reduce the net return delivered to members. Rather, all marketing and partnership costs are funded entirely from our low account-based administration fee.

Sponsorship appears focused on men's AFL, NRL and FFA, both at a league and club level. Why focus on sport when there is a broader hospitality & tourism sector and why is there limited sponsorship in women's sector?

Hostplus engages in a variety of sponsorships as part of our overall marketing and brand awareness strategies. These partnerships span a broad range of industries, including not just sporting teams, but also hospitality, tourism and recreation sector events and industry bodies.

Through our sporting sponsorships, we can connect with members working in these industries, at sporting events and venues, including in allied industries such as food, catering and security. Well-targeted marketing and brand awareness promote the attributes of Hostplus, which is critical in ensuring the Fund can attract and retain members in a highly competitive and concentrated market. As the Fund grows, our scale allows us to negotiate better fees with service providers, and realise operational efficiencies and improvements.

Consistent with our paramount duties and objectives, these benefits are passed on to members in the form of low fees, a broad range of products and services and market-leading investment outcomes.

A number of our current sporting partnerships support both women's and men's interests, audiences and teams. These include with the AFL, Richmond Football Club, Gold Coast Suns Football Club, and the Melbourne City Football Club. Hostplus is also the major sponsor of the Sydney Flames in the WNBL.

AFL and NRL sponsorship usually provide for free match ticketing and function invites. Are such freebies restricted to Hostplus Board staff and suppliers or can members, who indirectly pay for these sponsorships, also avail of such benefits?

Hostplus' marketing and sporting partnerships do not include any game day ticketing assets or other direct-to-member, or indeed staff, benefits. Super funds, their trustees and associates are also prohibited by superannuation laws from engaging in particular activities or conduct that could reasonably be expected to influence an employer to choose or remain with a default fund for their employees, or encourage employees to choose or retain membership of a fund.

Hostplus ensures that its marketing and associated initiatives and activities occur in the best financial interests of our members and are otherwise carried out in full accordance with these laws and the industry regulator's guidance and requirements.

Why aren't there any webinars on any investment options provided by Hostplus?

We have a range of information and guidance for members, contributing employers and the public more generally about our investments, available online and offline. But we also have an exciting line-up of webinar programs coming in 2022 that will cover a range of investment related topics, for all member levels. Our current program includes such topics as navigating your super, making the most of transition to retirement strategies and more.

Some of the upcoming topics we're looking to add to our website include investments, getting your super fit, women and super and more. Our webinar page, hostplus.com.au/webinars, will be updated regularly and members will be sent invitations via email alerting them to these too, so keep an eye on your inbox for news on those.

Operational – Fees

According to the ATO YourSuper comparison, Hostplus' MySuper Balanced option has one of the higher total annual fees (significantly higher than the comparable industry funds Australian Super and Unisuper). Why is this?

Why are the fees so high?

How can Hostplus advertise as being 'low fee' when you are listed as 10th out of 80 for highest fees on Your Super (i.e. \$628 annual fee)?

If Hostplus is 'low fee', where does the YourSuper figure of \$625 for \$50,000 balance come from? This makes Hostplus one of the most expensive funds, and is comprised of the 'fees and costs' sections in our statements.

Balanced investment option or default has one of the highest total fees/cost @ 0.99%. Why higher than most other investment options? Who receives the performance fee of 0.28%?

The ATO's YourSuper comparison tool uses a super fund's total annual fees and net returns to compare each fund against benchmarks. Super products are then ranked against industry peers.

Investment manager fees, performance fees, administration and advice fees are measured as part of this total annual fee calculation. Some of these underlying costs within our default Balanced MySuper investment option routinely vary from year to year, and generally relate to the payments Hostplus makes to third parties in return for their professional services – such as investment managers and administrators.

We have set a long-term investment strategy and identified best-of-breed fund managers with the aim of delivering sustainable market-leading net investment returns, while keeping investment costs as low as possible. Though some of these fund managers have higher fees, they have delivered very competitive returns after these fees have been paid.

Over the past 20 years, Hostplus' Balanced MySuper option has delivered market-leading net returns for our members – that is, the returns members see in their accounts **after** any investment fees, administration fees, costs and taxes have been paid. Our Balanced option ranks in the top three over 3, 5, 7, 10, 15 and 20-year periods to 30 June 2021, according to SuperRatings. Although not a guarantee of future performance, these consistent long-term results demonstrate the strength and resilience of our long-term investment strategy and our disciplined focus on costs efficiency and minimisation.

I've heard that Hostplus is planning to charge a new fee to members in the new year to cover any fines it receives in future. How much will it be?

Our application to alter our Trust Deed and potentially charge an additional fee to members is currently a matter before the South Australian Supreme court. The Fund is investigating our ability to introduce a new "trustee fee" of up to 0.04% per annum.

The trustee fee may be introduced in response to recent legislative changes that are coming into effect on 1 January 2022. These changes widen the types of penalties for which Hostplus and its directors cannot be indemnified by the assets of the Fund or the PST.

The Fund is applying for orders from the Court authorising a variation to the trust deed governing the pooled superannuation trust, or PST. This variation would permit a risk premium charge to be levied against the assets of the PST from time to time, allowing Hostplus to establish and maintain a reserve of assets to be held on its own account as a Risk Premium Reserve, addressing insolvency and related risks for Hostplus.

The Fund is also seeking rulings from the Court that it is justified in applying a risk premium charge to the fund's assets on the basis of its existing fee charging powers under the trust deed, which will also be held to the account of the Risk Premium Reserve.

Finally, the Fund is seeking rulings that, if the court thinks fit to authorise the variation to the trust deed, Hostplus is justified in applying a risk premium charge to the assets of the PST on the basis of the proposed new power.

We expect the combined trustee fee, which is to be accumulated over a three-year period, to be between 0.08% and 0.10% of a Fund member's or PST investor's account balance, with no single-year fee expected to exceed 0.04% per annum of the Fund member's or PST investor's account balance.

The Fund's performance over a long period has been excellent. How does the Fund intend to control its expenses in a period of higher inflation and increased costs of compliance?

We're very focussed on our cost discipline and this has had a large bearing on our market-leading net benefit outcomes for members over a long period, including seeing us having maintained our low member administration fee for an unprecedented 17 consecutive years now.

Our growth, including recent and planned mergers, allows for even greater scale benefits and cost efficiencies to be realised. As the fund has grown, we have been better able to improve services to our members, introduce new and innovative investment options and negotiate better fees with investment managers and other service providers.

Hostplus products

Does Hostplus offer retirees a pension option that would pay low interest payments while leaving the principal intact?

Is Hostplus developing new products for retirees, particularly a lifetime pension?

Our Hostplus Pension Plan is available for members and is a great way to secure a regular income in retirement or when transitioning to retirement. The pension allows for flexible payment options and a diverse choice of investments which can be switched to suit changing member needs.

Your income can be paid directly into your bank account at the frequency of your choice and has the benefit of adding a beneficiary, much like your accumulation account. It can be used in conjunction with any Government benefits you may be receiving.

We are also pleased to inform you about an exciting addition to our Account-Based Pension plan. Our members have told us they want a simple, low-cost option, with flexibility of access to capital and improved certainty of retirement income. We have purpose-built this option with CPIplus.

CPIplus is designed to offer long-term returns that are more certain and less volatile than those typically available by investing in growth assets such as shares, while offering higher returns than those generally available by investing in conservative assets, such as cash.

The first of its kind in Australia, CPIplus provides the benefits of a predetermined investment return while maintaining the simplicity, flexibility, and liquidity that comes with an account-based pension. It aims to deliver a consistent return of 3% above the Consumer Price Index (CPI) over the long term. CPIplus is designed to increase the consistency of your investment returns.

Our account-based pension members can invest today via Pension Online. Importantly, we also recommend a discussion with our Retirement Specialists from our Financial Planning & Advice area.

In line with recent Government legislation, Hostplus will be formally developing a retirement income strategy ahead of July 2022. We are well advanced in both our strategy development and planning for this new legislative requirement, including our product suite. Our retirement strategy will also cover the services that we provide our members in both planning ahead for, at and after their retirement, including retirement income products, advice and guidance services and technology that makes it easy to manage these matters.

We will be actively assessing retirement products, such as deferred and lifetime annuities, as part of our retirement product strategy and proposition.

Given the increase in members in an SMSF from four to six and the fund's cost-effective self-invest option, any thought on improved marketing to counter leakage to high cost SMSFs from miss-selling?

Many of our members and employers choose to operate a self-managed super fund (SMSF) and an increasing number do so alongside also being a member of Hostplus, seeking the best of both worlds.

Partly as a response to this, and in order to develop long-term and mutually beneficial relationships with SMSF investors, we launched our Self-Managed Invest (SMI) product in 2019, which is steadily growing in popularity with both SMSF trustees and advisers. The product makes it easy for SMSF investors to build strong, diversified portfolios that deliver growth, flexibility and a better retirement while these investments help grow Hostplus' scale benefits.

As part of our long-term growth strategy, it's our ambition to continue to develop this product to provide great access to quality assets and investment managers for SMSFs. In 2020-21, the product grew an impressive 82% (\$109 million). To further support this continued growth, and the value SMI delivers to investors and advisers, we have continued to make various enhancements to the product and user experience.

In 2021-22, Hostplus will continue developing and improving the SMI investment experience, including assessing the number and types of Hostplus' investment options to be made available to SMSF investors via SMI. We're also looking to introduce account management and reporting technology that will allow better data-feed integration, assisting the financial planning and wealth management businesses and platforms that many SMSFs invest through.

Will you make the SRI Balanced option available to SMI investors?

We are currently reviewing the suite of Hostplus investment options available to SMI investors and will likely complete this review over the coming months. As a result of this review, we expect to be able to provide SMI investors with access to a broader range of Hostplus investment options in 2022.

Why is Hostplus unable to provide a timeframe for when an SRI low to medium risk option will become available to members? Members who want their super to be entirely fossil-free are currently unable to choose their risk profile

Hostplus is currently reviewing our suite of investment options. As part of this review, we will consider if it is suitable to offer a Socially Responsible Investment option with a different risk profile.

For those members who wish to construct their own portfolio, our Choiceplus investment option is available to invest in. This option allows Hostplus members to invest directly into companies in the S&P/ASX 300 Index, ETFs, Listed Investment Companies and Term Deposits. Members can use Choiceplus to divest completely from fossil-fuels in line with their preferred risk profile.

Hostplus products – Choiceplus

Is it possible to directly invest in the share market through my Hostplus super fund? If not, does Hostplus support a self-managed super option that does?

Our Choiceplus investment option has been developed for members who want a more active role in the choosing of investments for their super. Members invested in our Choiceplus product can directly invest in companies that trade on the S&P/ASX 300 Index, Exchange Traded Funds (or ETFs) that cover developed, emerging and commodity markets, as well as Listed Investment Companies and Term Deposits. Any investment decisions that are made through the Choiceplus investment option are made by you, not Hostplus, and carry their own level of investment and market risk.

We also offer a Self-Managed Invest (or SMI) product to make it easier for Self-Managed Super Fund Investors and their advisers to build diversified portfolios that aims to deliver growth and flexibility. With SMI, advisers and SMSFs can access unique assets that are generally inaccessible to retail and SMSF investors. It's a simple way to enjoy the benefits of investing with one of Australia's top super funds, while maintaining control of your SMSF.

Will you be able to provide any Exchange Traded Funds (ETFs) investment options (e.g. precious metals or cryptocurrencies) for retirement members in the future?

Our [Choiceplus](#) investment option is available to all members, including retired members (except via the transition to retirement product). Choiceplus allows Hostplus members to invest directly into companies in the S&P/ASX 300 Index, ETFs (including commodities such as gold), Listed Investment Companies and Term Deposits.

While Choiceplus offers a good range of investment options, including access to a number of the most popular ETFs, we don't presently offer one that provides exposure to cryptocurrencies.

We conduct routine reviews of Choiceplus' Approved Product List and continually add to our Choiceplus investment range based on Hostplus' rigorous APL selection criteria and risk filters. We will continue to monitor the market in relation to cryptocurrency securities, and particularly ETFs, with a view to assessing these as they are developed. However, these would need to be at a minimum formally rated "Recommended" by Lonsec and as having met our quality, market and risk filters before being formally considered for our Choiceplus APL.

You can find out more about Choiceplus and our current APL on our website and in the [Choiceplus Guide](#).

Your no-advice online service matches online brokers. Your brokerage charges have been unchanged for decade[s] and are automated and almost costless, yet your fees haven't changed for decade[s]. Please reduce for captive members to market rates e.g. Bell Direct.

While I support lower fees, fees on the trading share platform for Hostplus members should also be reviewed as the cost of trading in the share market has significantly reduced over the years.

Hostplus regularly benchmarks our Choiceplus fees and costs with comparable competitors and solutions. We also research members to understand where and how we can look to further improve our already competitive product features, fees and costs.

We are currently undertaking a further market review to ensure Choiceplus continues to provide members with a well-diversified and valued service and that its fees and costs are similarly market-leading. We expect that this review will be completed in the coming months and we look forward to updating members once this review has been finalised.

LICs show management expense ratios (MERs) that are higher with Hostplus than on their own sites. Does Hostplus add a few percentage points to MERs to let us buy the LICs? Three Vanguard ETFs tested OK. Are there any other issues with extra MER costs?

Hostplus doesn't charge a higher MER than that charged by the security provider. The MER that's published on our website relating to a security is based on the MER of each of these investments at the time of publication. However, this information may change from time to time, and before such changes can be included in our periodically updated guides and disclosure material.

We encourage members to visit the Choiceplus platform to keep up to date with any such changes made by the investment security provider.

For the Choiceplus investment option, when will more Exchange Traded Funds (ETF) be added and how are they determined to be an addition?

Through Choiceplus we can invest gold bullion. Can we please have the choice to invest in silver bullion and copper bullion also. And can we add these now, not in the next revision time of the top 300 in ASX?

Are there any plans to expand the Choiceplus options beyond the ASX 300 and the currently available Listed Investment Companies (LIC) and ETFs, for example to allow investment in specific small cap Australian stocks or foreign stocks listed in USA, Europe or elsewhere?

How does Hostplus choose what companies are available to trade on the platform. I am often surprised at what companies make it onto the platform when so many are better quality long term?

Very limited supply of LICs are available on the Choiceplus Platform (ARG/AFIC). Can the number of LICs offered be widened to include LICs that focus on the small to midcap sector of the market where higher growth, less well-known opportunities exist?

While Choiceplus offers a good range of investment options, including access to a number of the most popular and well-rated ETFs and LICs, there are a number of securities we don't currently offer. This is generally due to these not having met one or more of our investment quality and risk assurance requirements. This currently includes several of the securities referenced.

We conduct routine reviews of Choiceplus' Approved Product List (APL) and continually add to our Choiceplus investment range based on Hostplus' rigorous APL selection criteria and risk filters. We will continue to monitor the market in relation to a number of securities that members have requested, and particularly emerging ETFs, with a view to assessing these as they are developed.

We formally review Choiceplus' APL at least annually, with the assistance of Lonsec, one of Australia's leading and most experienced investment researchers. This includes reviewing and assessing newly rated ETFs and LICs as well as others that might be member-requested, to identify opportunities for inclusion on the APL.

We have rigorous quality standards for all investments offered in Choiceplus, and all ETFs and LICs must receive, at a minimum, a 'recommended' rating from Lonsec and also meet our other quality, market and risk filters before being formally considered for our Choiceplus APL.

As a result of these reviews, in recent years we have made significant additions to Choiceplus' APL. This has seen the list of approved investments expand into esoteric, sector specific, emerging markets, ESG-focussed and other ETFs. We will continue to actively consider securities and related investments that members might seek for Choiceplus, while also necessarily maintaining our quality standards and risk management assessments.

Financial planning

How much should women be aiming to save before retirement?

The Association of Superannuation Funds of Australia (ASFA) have developed a retirement income standard that estimates how much money you'll need in retirement, depending on your lifestyle.

ASFA's 'comfortable' standard estimates how much money is needed for retirees to be involved in a range of leisure activities and to have a good standard of living including: private health insurance, a reasonable car, household goods and holidays. ASFA's 'modest' standard estimates how much money is needed for the basics. Both standards apply for people retiring at age 65 who will live to an average life expectancy of about 85. Both assume you own your home.

ASFA's current 'comfortable' living standard estimate for a single person is \$45,239 p.a. and for a 'modest' living standard is \$28,775 p.a. Its estimate for a couple is \$63,799 p.a. and \$41,446 p.a. respectively.

To achieve the 'comfortable' level incomes, ASFA estimates that a single person would need to save \$545,000, and a couple \$640,000. This goal should apply to both men and women, but unfortunately, the super gender gap is a very real problem in Australia, and often leaves women with a significantly lower super balance than men upon retirement.

According to Industry Super Australia, on average, women retire with \$67,000 less than men. There are a variety of factors that contribute to this statistic, including the gender pay gap, as well as the likelihood for women to take time off from work to care for family.

There are a number of strategies available in super that may help women close this gap, including the Spouse Contribution Tax Offset, the Government co-contribution and the carry-forward contribution rules.

Hostplus' team of licensed and experienced financial advisers and planners can assist members to identify strategies to grow their super savings and tailor an estimate of what they may require as an income in retirement.

Business strategy

As a new member, how can I determine you're different from other failing super funds?

The Government's Your Future, Your Super legislation is partly designed to help members compare and assess the performance of superannuation funds. As part of these reforms, all MySuper funds are now subject to an annual performance test, conducted by the superannuation regulator, the Australian Prudential Regulation Authority (APRA). This test measures the net investment returns of MySuper products, such as Hostplus' Balanced MySuper option, against certain benchmarks.

People can now also assess and compare the longer-term net investment performance and fees of all MySuper funds, and from 2022 all other 'choice' super options offered by funds, using the Australian Taxation Office's YourSuper comparison tool. This comparison tool allows you to compare MySuper funds ranked by fees and net returns, and compare up to four funds at a time in more detail. It also shows which funds have failed APRA's annual performance test.

Hostplus is pleased to report we have passed APRA'S inaugural MySuper performance test. This pass mark is one indicator that Hostplus is delivering on its long-term investment outcomes when measured against industry peers.

Given the nature of long-term nature of superannuation, it is also relevant to examine our consistent performance over a sustained period of time. Hostplus' Balanced MySuper option has been ranked by independent researcher, SuperRatings, as one of the top three default options over rolling 5, 7, 10, 15 and 20-year periods as of 30 June 2021. Although this is not a guarantee of future performance, our consistent long-term results give us confidence to continue our proven investment strategy.

We're also a proud profit-to-member fund. We're run only to benefit our members, and everything we do is done in the best financial interests of our members.

What's Hostplus' view on the potential impact on members of the significant merger and acquisition activity in the superannuation space? Will super funds with more scale be able to deliver better outcomes to its members?

Hostplus has benefitted from this activity over the last few years, having merged or partnered with four super funds. We are also on track to merge with South Australian based industry fund Statewide Super in April 2022.

In our view – which is also supported by the federal government's recent Retirement Income Review and the Productivity Commission's 2018 review of Australia's superannuation system – a consolidated industry is likely to mean greater scale benefits, reduced costs and improved investment returns for members generally. Ultimately, a more consolidated super industry, with fewer funds that are able to leverage their scale to enhance and deliver ever greater member outcomes, is in our view a good thing.

Thank you for your great products and service over the years. I would just like to know your opinion regarding any future effect on superannuation of both COVID-19 and predictions by some scientists of climate change.

How much does the Federal Government's failure to act on climate change, slow vaccination rollout nationally, inaction on gender equality, and trashing our reputation worldwide, impact the performance of super?

COVID-19 continues to significantly impact the global and Australian economy. Australia's recession in 2020 was relatively short, with headline employment returning to pre-pandemic levels. However, lockdowns and border closures continue to affect many businesses and employees, particularly within hospitality and tourism sectors. It's our view that these impacts will continue throughout FY22.

Hostplus recognises that climate change poses a material, direct and current financial risk. That risk is relevant to Hostplus' investment strategy and how we manage our investment portfolio on behalf of members. We therefore take climate change and its associated risks very seriously.

In both assessing and responding to the impact of climate change on our members' superannuation and retirement savings we incorporate a range of climate change factors into our investment process, including by:

- using our influence as a shareholder to create change within companies;
- offering Members the choice to avoid investing in fossil fuels completely through our SRI – Balanced Option;
- recently appointing a new Head of Responsible Investments, who will be leading our team in responsible investing practices; and
- capitalising on opportunities that are available in the clean energy investments space.

Hostplus has a number of investments in renewable energy. Hostplus is also one of the largest Australian investors in venture capital, and we have committed more than \$2.2 billion to projects that aim to change our world for the better - as well as deliver future investment returns to our members. These include renewable energy storage facilities, wind and solar farms and fusion energy technology, in addition to other investments in some highly promising areas of the renewable and sustainable energy space.

Our investments in the renewable energy space support many of the United Nation's ambitious sustainable development goals such as affordable and clean energy and climate action.

Additionally, Hostplus' leadership team regularly reviews and updates the Fund's strategic plan. It starts with a detailed analysis of our performance against our core objectives, while accounting for the influence and impact of key external forces – such as the pandemic and climate change. This work helps to ensure we are assessing and adjusting to the changing superannuation landscape, keeping us on track to achieve our objective of optimising member outcomes in retirement.

With COVID-19 restrictions lifting are there going to be any changes in our superannuation?

We aren't expecting that the lifting of Covid-19 restrictions will lead to any specific or material changes to the way we invest and manage your superannuation. Nevertheless, it has been a challenging year for the Australian community in general, and thankfully we're starting to hopefully emerge from the worst of the pandemic's challenges. Although this year has proven to be as tough as the last, Hostplus has remained steadfast in our mission and purpose – to maximise our members' superannuation outcomes so that they might enjoy a dignified retirement. In challenging times like these, that goal is more important to us now than ever.

Have Hostplus funds under management recovered from the billions withdrawn under the government's coronavirus early release of superannuation scheme? That is, how do members' funds now compare to balances pre covid?

Many members found the past year very challenging. Hit hard by the pandemic and its economic effects, they took the tough decision to withdraw some, or all, of their super to make ends meet. When the Early Release of Superannuation scheme ended on 31 December 2020, Hostplus had paid \$3.1 billion to 312,000 members over two financial years.

The good news is that as investment markets improved from their lows in mid-2020 and as our economy has similarly improved as vaccine rates have increased and lockdowns ended, our members' retirement savings have bounced back. Indeed, as a fund, we have experienced significant growth this year, and as at 30 June 2021 we had over \$68 billion in funds under our management, which has subsequently increased to around \$76.3 billion as at 30 November 2021.

Do you aim to stay on top of Scott Pape's recommended list?

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

To achieve this, Hostplus remains innovative, forward-thinking, and consistently recognised and awarded for its leading products, exceptional member services and ongoing commitment to delivering the best possible retirement outcomes to members.

This, and our impressive history of strong investment performance and a commitment to transparency around administration and other costs, and delivering outstanding results to the people that matter – our members, has pleasingly attracted the interest, advocacy and endorsement of many of Australia's leading investment and superannuation researchers, commentators and subject matter experts.

In that connection, we've been pleased and flattered to have been particularly referenced by Scott Pape (aka, "the Barefoot Investor"), a former investment adviser, media commentator and author, in his highly popular finance book. However, and importantly, we are not affiliated with, nor have a commercial relationship with, Scott. Mr Pape's recommendation of our popular and low-cost Indexed Balanced option in his book is entirely of his own opinion and preference.

Operational – website and mobile app

I'd like to find out how my super is performing year on year. Can a record of my investment returns be added to the Hostplus app dashboard, or to the website? And when can we expect Pension accounts to be accessible on the app?

You can view your investment returns received over the last 12 months on the 'account activity' page on our app. You can access the account activity page via the menu in the top left of the app.

If you wish to see the percentage return of each Hostplus investment option over 1 year, this is a feature we are currently working on. We hope to add this to the app early next year. However, you can view the investment performance of each investment option over 3, 5, 7, 10, 15 and 20 years on the 'Investment performance' screen of the app.

As for Pension accounts, we are looking to add these accounts to the app and expect to have this feature available to our pension members later in 2022.

It would be useful if the app also shows the + or - change for each investment category on a daily basis. This should not be too hard as data is there on daily basis.

Thanks for the feedback and suggestion as to how we can further improve our app for members. Our member experience design team are continually assessing and developing our app and Member Online portal's features. We've passed this feedback onto them.

You say you are there for all your members, but you are not for me. I am blind and use voice over on my phone and JAWS on my laptop. Neither your app or website meet the Australian standard for accessibility. Why not?

Firstly, thanks for your feedback, which we greatly appreciate. Accessibility to all our relevant communication and information channels, sites and tools for all members is important. We are currently well advanced in the process of reviewing and redeveloping our key channels and sites, including our website, to ensure these meet the Web Content Accessibility Guidelines (WCAG) standards for level AA compliance. We're aiming to have our new website live by mid-2022. Also, our improved Member Online portal has recently been relaunched and is built towards AA accessibility requirements. Additionally, we're working on enhancements to our mobile app to ensure it also meets the WCAG standards for AA compliance.

When will there be a smartphone app for pension members?

Why can't I see my pension account on the app? I would like to see details of both my accumulation and pension account in the app like I can on the web.

When will the Hostplus app cover pension members?

We're in the process of building the pension account feature for our mobile app and aim to have this available to pension members by mid-2022.

Your new log-on security is a problem when people a) travel outside voice/SMS coverage, and have internet access via Wi-Fi, or b) access Hostplus with no SMS nor voice service. There will be many others with internet access but NO mobile phone access. Please allow the security feature to be bypassed/ignored.

Thanks for the feedback on our improved security settings. We believe having the most appropriate and recommended level of security access to our portals, which contain member's data, is very important. As such, and in keeping with financial services best practice in this area, we've adopted Multi-Factor Authentication (MFA) as a core component of a strong identity and access management risk control.

We understand that a member's mobile phone may not always be available. In such cases we recognise that MFA may be difficult.

We've passed this feedback on to our operations and IT team who manage our MFA policy and protocol to further consider this matter.

I download the pension performance CSV weekly. WinXP Google Chrome is now not fully able to do this. Apparently the site has changed to be only fully functional with Google Chrome (WIN7) but with no restrictions advice. Ensure the CSV remains consistent now and has blank columns.

Thank you for advising us of your experience. We've passed this feedback on to our technical operations team for further investigation and resolution.

How do we know how our investment is performing % wise where we use Choiceplus? The app and online shows Hostplus Balanced and Indexed Balanced, but nowhere does it show the Choiceplus performance – so I have no idea if the shares I purchased are good?

Thanks for your feedback. Presently, the app doesn't provide members with access to their Choiceplus investments. The good news, however, is that we are building a Choiceplus portal for the app and expect to add this feature in 2022.

In the meantime, you can view all your Hostplus investments, including those you hold in Choiceplus, simply by logging in to Member Online. You can find out more about Choiceplus and its features, including reporting on your investments, resources and FAQs on our [website](#).

Operational - general

Why does Hostplus not produce an annual statement at the end of each financial year? Receiving only half yearly statements is not industry standard and makes it difficult to compare.

Hostplus has traditionally produced half yearly statements for the six-monthly periods ending 31 December and 30 June. Regular statements have been a good way to keep members informed of their account activity when they might not have engaged with their super or checked their balance regularly.

With the vast majority of members now having access to on-demand statements and reports via Member Online, we will be moving to providing one annual statement per year from 2022. As such, members will not receive a statement covering the six months to 31 December, and will instead receive an annual statement in September, covering the 12 months to 30 June each year.

Future superannuation investment help for beginners?

Superannuation is one of the biggest investments Australians make during their lifetime and one of the most important. At Hostplus, we want to ensure we educate our members to better understand and get the most from their super and to work towards the retirement they desire and deserve.

We currently offer a range of member education and financial literacy initiatives through a variety of channels, including our website. You can find detailed information on our investment options, insurance, consolidation, additional contributions and more. In 2022, we'll be releasing a larger range of member education resources to help members even more. This will include topics from "Super 101" basics to specialist aged care information and guidance.

We also provide a digital advice tool, Super Adviser, which members can use to understand their contribution strategy and investment options, determine appropriate insurance levels and make retirement projections. Members can also contact our team of Superannuation Advisers and Financial Planners, who can also provide a wealth of information, guidance and advice.

You can call the team on 1300 348 546, Monday to Friday 8am – 8pm AEDT.

Hostplus provides unsatisfactory support for pension members, with support staff unable to answer basic questions, promises to have expert staff call members unfulfilled, and excessively slow response to formal complaints. Why?

We're sorry to hear of your experience, and thank you for taking the opportunity to let us know.

It's our aim and intention to deliver the best possible customer service experience for all our members. Hostplus' Service Excellence Centre (HSEC) forms a key part of our member service approach and is our central point for initial enquires and service requests from both members and employers. In cases where the HSEC team are unable to address initial queries or service requirements, these are usually escalated to specialist teams for action and response.

Where a member is unsatisfied with the support they receive, we want to know, so that we can address that and continue to improve our services. We also take complaints very seriously, and are required by law to respond within 45 days. If you've made a complaint and believe we haven't satisfactorily handled it, or its resolution, you can contact the Australian Financial Complaints Authority (AFCA). AFCA provides free, fair and independent financial complaint resolution services to Hostplus members and their beneficiaries.

Can I transfer funds to my Hostplus Pension Fund from my self-managed super fund without penalty from Centrelink?

When rolling any monies out of or between super funds, and particularly from an SMSF to and APRA regulated fund, such as a retail or industry fund, it's recommended that you seek guidance and financial advice about your circumstances and objectives, as well as the steps of the process. This is to ensure that the process is undertaken correctly with regard to any transfer caps or other restrictions and potential tax and Age Pension implications.

We suggest you consult your current adviser or accountant regarding your intentions and objectives before proceeding to transfer your funds, and/or wind-up your SMSF, which also would need to be done pursuant to ATO requirements.

If, however, you do not have an adviser or accountant assisting you with your SMSF, Hostplus has qualified and experienced financial advisers that can provide you with further assistance in these matters.

You can call the team on 1300 348 546, Monday to Friday 8am – 8pm AEDT or visit our website for further information.

Hostplus has some great investment switching options and I appreciate this. Will Hostplus report to APRA their own unit pricing errors during switches – as required by RG94 – and provide transparency of any corrections in members accounts?

The Australian Securities & Investments Commission's (ASIC) RG 94 Unit pricing: Guide to good practice is premised on its and the Australian Prudential Regulation Authority's (APRA) joint guidance for funds as to good practice principles for unit pricing.

Hostplus follows the guidance provided by ASIC and APRA pursuant to RG 94, including as it relates to unit pricing policy, practice and, in the case of any unit pricing error, reporting, remediation and compensatory requirements and practices.

In the case of a unit pricing error occurring, and so that members are not disadvantaged, Hostplus would rectify the error by recalculating the unit price and applying it effectively such that the member's account is in its correct state. That is, we ensure that members would be returned to the financial position they would have been in if the error had not occurred.

If a unit pricing error were to occur and some members affected by it have exited or rolled out of Hostplus before the error was rectified, those members would be advised, in writing, of the unit pricing error, how it had impacted their account and what steps Hostplus was taking to calculate and apply the appropriate compensating amount, including steps taken to send this adjustment to either the member or the rollover fund. In such circumstances the member's records and Hostplus exit statement would be amended to reflect this action and payment.

Hostplus records and reports all unit pricing errors as part of its breaches and incident policy and procedures. Where these are determined to be material and reportable to APRA and

ASIC, Hostplus will do so in accordance with superannuation laws, guidance notes and relevant policies.

Operational – Insurance

Can you give me more details for the insurance connected with the Fund please? All Hostplus memberships should come with insurance to cover all employee accidents especially those that have an injury and continue to work out of necessity.

We agree that appropriate and affordable insurance cover is a very important feature of most people's superannuation arrangements.

However, there have been some major changes to the way insurance is provided inside superannuation over the last several years. Legislation reforms have been introduced in that period that aim to protect members' superannuation account balances from unnecessary cover and premiums, depending on factors such as age and account balance, by restricting when insurance can be provided on member accounts.

More specifically, these legislative reforms aim to ensure members are not paying for insurance cover they may have forgotten about, or no longer need, and that premiums don't inappropriately erode their retirement savings.

Depending on their age and other eligibility criteria, Hostplus members receive automatic Death and Total & Permanent Disability (TPD) insurance. Death and TPD insurance provides a lump sum benefit to yourself or your loved ones should you pass away, or suffer an illness or injury that leaves you totally and permanently disabled.

However, members under age 25 or those with very low balances may not automatically receive or retain these levels and types of insurance cover.

Hostplus members can also choose to opt-in to income protection insurance, also known as salary continuance. This helps to protect your income if you can't work due to illness or injury. Income protection provides a regular monthly benefit to help meet your living expenses.

Hostplus does not generally offer income protection insurance automatically. Members who wish to obtain income protection insurance must voluntarily opt-in to do so upon or after joining the fund. Members can apply for income protection insurance through [Member Online](#).

We strongly encourage all members to review the type and level of insurance they have as part of their Hostplus membership, and make informed decisions as to whether their cover is sufficient and appropriate for their particular needs and requirements.

To make things easier, we provide members with access to an online insurance calculator. This takes into account your lifestyle, your age, your financial situation and your health. The insurance calculator will help you decide on the right insurance. We also provide a digital advice tool, Super Adviser, which members can access and use to help them understand and determine appropriate insurance levels. Members can also contact our team of

Superannuation Advisers and Financial Planners, who can also provide a wealth of information, guidance and advice.

The insurance calculator and Super Adviser tool can be accessed via our website, or you can call the team on 1300 348 546, Monday to Friday 8am – 8pm AEDT.

Is there a difference between white collar workers and blue collar worker salary continuance premiums? Why are women's more expensive than men's?

Hostplus has three categories of occupational ratings that apply to Income Protection insurance – Management/Clerical (White collar), Light Blue Collar and Heavy Blue Collar. Premiums differ across these occupational categories depending on your age, your type of cover, and your applicable occupational rating factor, which are outlined in the table below.

Income protection occupational rating	Occupational rating factor
Management/Clerical (White collar)	1.00
Light Blue Collar	2.10
Heavy blue collar	3.20

You may be able to pay a lower premium based on your occupation and associated occupational rating set by the insurer. For example, if you mostly work in an office, you may meet the professional or white-collar occupational rating definitions and receive reduced premiums.

When it comes to determining insurance premiums for income protection cover, insurers take into account a number of factors. When setting premiums, the insurer determines the level of past claims history and related risk profiles and experience, which has traditionally seen females making more claims than men. Correspondingly, this higher volume of claims by women generally translates to a higher level of premiums for female members.

Operational – AMM

Is the AMM Meeting going to be held via ZOOM?

Good morning, was the meeting recorded? I joined an hour late from Queensland forgetting to take into account daylight savings in the start time. I would really appreciate a copy or link to view the meeting.

This year's AMM was held as a streamed online event. We have recorded the entire meeting and this will be available to view on demand via our website soon.

The Q & A session appeared to be a very staged event. Whilst questions were relevant the responses at times were read from prepared scrips, were very long-winded and often repeated information that had previously been discussed.

So that we could respond to as many questions as possible on the day of the AMM, we grouped similar questions together into the one answer, where possible, which required some preparation before the event. We also received many questions during the AMM that were very similar to those submitted ahead of it and for which we'd prepared considered responses to.

The remaining questions that we couldn't provide a response to during the AAM are answered here.

Operational - talent

Better stability across leadership teams can mean better performance. Is it expected that the CEO and executive team will remain relatively stable at Hostplus into the future?

In any organisation, experience and stability are important attributes for a leadership team. We're proud to say we have a fantastic team of talented and experienced executives and senior managers, many of whom have served at Hostplus for a number of years.

Our CEO, David Elia, has been with the Fund for over 22 years, leading it as its CEO for 18 of those years. He has built an impressive reputation for delivering market-leading financial outcomes for our members. In doing so, he's gathered and empowered a formidable leadership team to lead and manage our operations, client services, investments, and many other functions within the business.

In something of a competitive advantage that the Fund has worked hard to secure and leverage, the average tenure of Hostplus' executive leadership team is nine years. Importantly, this includes our CIO, Dr. Sam Sicilia, who has been our Chief Investment Officer for more than 13 years, a period that has seen some significant investment phases, seasons and challenges.

During David Elia's 18 years leading the Hostplus team, the Fund's assets under management have grown from \$2 billion to over \$72 billion today, and our membership has grown from around half a million to 1.3 million.

Our long-term net investment performance has also been market-leading for two decades. Again, this is in large part due to the vision, expertise, stability and leadership of both our board and executive management team and in turn testament to those in our teams that have worked closely and well to realise such consistent outcomes.

CEO's and CIO's fixed salary increased by 7 - 8% in FY21. This appears to be significantly above market, whereby most ASX100 listed company CEO's received no salary increase or only a 2-3% increase from FY20. How is this increase justified?

Has there been an increase in the remuneration for senior management?

Our remuneration frameworks at Hostplus are designed to incentivise and reward superior performance and long-term commitment to Hostplus, which in turn results in improved financial outcomes for members. Details of the remuneration paid to our Board directors and leadership team are available [publicly on our website](#).

We aim to remunerate fairly and equitably, and in a manner which is consistent with the best financial interests of members.

The CEO and Executive team salaries are benchmarked by an independent remuneration specialist who reports to the People, Performance and Culture Committee, a subcommittee of the Board.

We believe and act upon the fundamental principle that our remuneration structures should facilitate the delivery of superior long-term investment returns to our members. As a result, Hostplus remuneration structures includes systems to reflect the markets the Fund operates in, as well as measures to attract, retain, motivate and align the talents we need to achieve our member goals, whilst reinforcing leadership, accountability, teamwork and innovation.

Consistent with that objective, when reviewing salaries for the CEO and CIO, Hostplus has regard to both general and specific market factors and considerations relating to the financial services and superannuation sector.

There is no KPI scorecard to provide transparency for short term incentives paid to CEO and CIO. Annual report should clearly set out targets and outcomes for any bonus similar to requirements for all listed companies.

Our remuneration structures are designed to attract, retain, motivate our staff and to incentivise high performance in furtherance of our purpose of delivering superior net long term investment returns to members and enhanced member services.

To achieve that objective, Hostplus ensures that its remuneration structures and systems:

- reflect the market in which we operate
- links individual key performance objectives to our strategic goals and objectives — including, but not limited to, the management of risk
- encourage and reward outcomes and behaviour that supports our culture and strategic goals
- incorporate and uphold our risk management framework; and
- comply with legal and regulatory obligations.

Can you provide an update to your commitment to Diversity and Inclusion within governance and staffing structures, including not only gender diversity but also racial, disability, LGBTQI+ and age diversity?

Companies with diverse boards and leadership are well documented and researched as having superior financial returns. What are you doing to ensure your portfolio companies have diverse boards and leadership teams?

Genuinely supporting diversity is key to Hostplus' culture and values. We strive to create an inclusive workplace and culture – across genders, ages, ethnicities, disabilities, sexual orientation and inter-sex status. We support this through our recruitment and selection process, and our attraction and retention policy.

We have committed to a Hostplus Reconciliation Action Plan, to help Indigenous Australians access employment at Hostplus. We provide cultural leave allowances to employees that need time off to meet their cultural, religious or traditional law obligations. We are also committed to supporting employees balancing their work and caring responsibilities with our flexible work policy.

Next year, we are looking to develop a new strategy on diversity and inclusion, which will then inform a number of other initiatives that we are excited about developing.

Our work in this area is regularly monitored and reported to our People and Remuneration Committee - including the effectiveness of our diversity-related initiatives.

Some of our recent successes include a significant improvement to our gender representation – we have successfully met our targets in this space across a large proportion of roles.