



## Pension guide.

Giving you the freedom to enjoy your retirement

Product Disclosure Statement 21 September 2022



Please note: If you have a Term Pension, Term Allocated Pension or Lifetime Pension under a former Statewide Super pension arrangement you should refer to the information in the Statewide Super Legacy Product Guide at [hostplus.com.au/pds](https://hostplus.com.au/pds)

## The purpose of this guide.

This Pension Guide Product Disclosure Statement (guide) explains how the Hostplus Pension works and to help you determine whether it's right for you. It gives you information about the features, benefits, costs and risks of the Hostplus Pension who manages the product, your investment options, fees and costs, and important information about tax and other regulatory matters.

Please read this guide and either complete and return the membership form provided in the back section, or join online by going to: [pensions.hostplus.com.au](https://pensions.hostplus.com.au). The information you provide helps us complete your membership and improve our services to you. Please keep a copy of the guide for future reference.

Host-Plus Pty Limited ABN 79 008 634 704 is the trustee and licensee responsible for the Hostplus Superannuation Fund which includes the Hostplus Pension. Host-Plus Pty Limited is licensed to act as the trustee for the fund and also holds an Australian financial services licence (AFSL No. 244392). The registered office of Host-Plus Pty Limited (trustee) is located at Level 9, 114 William St, Melbourne VIC 3000.

This guide dated 21 September 2022 is issued by Host-Plus Pty Limited as trustee for the fund. A reference in this guide to "the trustee", "we" or "us" is to Host-Plus Pty Ltd in that capacity.

Issued by Host-Plus Pty Limited ABN 79 008 634 704, Australian Financial Services Licence No. 244392 as trustee for the Hostplus Superannuation Fund ABN 68 657 495 890, Unique Superannuation Identifier HOS0100AU.

## General advice warning.

The information in this guide is of a general nature. It has been prepared without taking into account your particular investment objectives, circumstances, financial situation or needs. Before acting on the information in this guide you should consider your own investment objectives, circumstances, financial situation and needs. You should consider seeking the advice of a licensed tax (financial) adviser. This guide is not intended to be, and should not be construed in any way as, investment, legal or financial advice.

You should also read and understand this guide in full, before making a decision to invest in Hostplus Pension.

For a description of the target market, please read the Target Market Determination (TMD), available at [hostplus.com.au/ddo](https://hostplus.com.au/ddo)

There are a number of service providers who assist the trustee to deliver this pension product. For a full list of our service providers, please visit [hostplus.com.au/super/about-us/governance-and-disclosures](https://hostplus.com.au/super/about-us/governance-and-disclosures)

Throughout this guide you may see references to statements about our service providers. The service providers have consented to these statements being included in this guide, and that consent has not been withdrawn.

## Important things to know.

The information in this product disclosure statement is current at the date of publication. It may change due to amendments to legislation or regulations, fund rules and other causes. In the event of a material change occurring in the information contained in this guide, the trustee will notify existing members in writing.

Hostplus may update information via its website, rather than via the PDS, if that information is not materially adverse to members.

You can find this updated information at [hostplus.com.au/retirement](https://hostplus.com.au/retirement) and on request, we will provide you, at no charge, a paper or electronic copy.

For the most up-to-date information, visit [hostplus.com.au/retirement](https://hostplus.com.au/retirement) or call **1300 348 546**, 8am – 8pm (AEST), Monday to Friday. You can call this number from anywhere within Australia for the cost of a local call.

You may request a printed copy of any change, which will be provided free of charge.

The trustee, the underlying investment managers and the appointed custodian, do not guarantee the performance or success of the product described in this guide, the rate of income or return from, or the repayment of any of your investment in it.

If you are printing an electronic version of this guide you must print all pages including the membership form. If you intend to invest in the Hostplus Pension, you must use the membership form provided in this guide or apply online at: [pensions.hostplus.com.au](https://pensions.hostplus.com.au)

A printed copy of this guide is available free of charge upon request by calling 1300 348 546, 8am – 8pm (AEST), Monday to Friday.

Hostplus is not required to accept your application. A 14-day cooling off period applies to your initial investment in the Hostplus Pension for you to reconsider your investment.

In this guide, 'the fund' refers to Hostplus Superannuation Fund and the Hostplus Pension.

The trustee does not recommend that you make decisions concerning your financial arrangements based solely on the information in this guide.

## For more information or help.

**Call** 1300 348 546, 8am – 8pm (AEST), Monday to Friday

**Visit** [hostplus.com.au/retirement](https://hostplus.com.au/retirement)

**Email** [pensions@hostplus.com.au](mailto:pensions@hostplus.com.au)

**Mail** Locked Bag 5046, Parramatta NSW 2124

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# About Hostplus

Hostplus is the industry superannuation fund for the hospitality, tourism, recreation and sport industries – but generally, anyone can join. Founded in 1988, we offer low administration fees, and we're run to benefit our members – you.

Hostplus is an award-winning fund, recognised often by independent ratings agencies.

Hostplus received Money magazine's Best of the Best awards for Lowest-Cost Pension Fund (for Hostplus' Indexed Balanced Option 2019) as well as best Lowest-Cost Balanced Super Fund (for the Indexed Balanced Option) for seven years running, 2013 to 2019.

At the SuperRatings 2019 awards we were delighted to be named SuperRatings' 2019 Career Fund of the Year. Hostplus also holds premium ratings – a AAA Fund Quality rating from Rainmaker, Chant West's highest quality rating – 5 Apples, and a SuperRatings Platinum Rating.

## Hostplus Pension.

You've worked hard to grow your retirement savings over the years. And now you can finally put your feet up and enjoy it. But retirement brings its own set of considerations. To help take some of the complexity out of your decisions, we offer Hostplus Pension, a great way to secure a regular income for your retirement. What's more, you can continue to enjoy all the benefits of being a Hostplus member even after you retire.

## Competitive fees.

Hostplus Pension members pay an administration fee of \$4.50 per week plus 0.0165% of their account balance per year. An additional \$49.22 p.a. per member is also deducted from the Fund's Administration Reserve during the year and not from members' account balances.

## Strong performance.

Our Balanced investment option delivered top long-term returns over 5, 7 and 10 years to 30 June 2022. (SuperRatings Fund Crediting Rate Survey - SRP50 Balanced (60-76) Index, June 2022).\*

Throughout this product disclosure statement (PDS) we refer to the Balanced investment option. Hostplus offers the Balanced investment option in the accumulation, transition to retirement and pension phase. Unless specified otherwise, all references to the Balanced option in the Pension PDS refer to the Balanced option in the pension and Transition to Retirement (TTR) phase.

## We're here for you.

If you have any questions about Hostplus Pension, our customer service representatives are here to help. Simply call **1300 348 546**, 8am – 8pm (AEST), Monday to Friday. Or email [pensions@hostplus.com.au](mailto:pensions@hostplus.com.au) any time.

# Reaping your rewards

Whether you're nearing retirement or fully retired, you can look forward to enjoying a lifetime of saving. But now you've got to decide how you'd like to manage your money. If you'd like to spread your savings over a period of time, then using a pension plan to fund your retirement could be the option you're looking for. Here's why.

## What is a pension plan?

A pension plan is simply an investment in a fund that produces a regular income for your retirement – much like your salary while you were working.

And the money you're not using for income can also be invested in a range of investment options.

In most cases, you can withdraw – commute – some or all of your account into a lump sum payment at any point. And in the event of your death, the remaining balance of your account can be paid to your spouse, dependants, estate or beneficiaries.

If you're nearing retirement, Hostplus Pension also gives you the opportunity to take advantage of Transition To Retirement (TTR) rules that allow you to access your super while you're still working. We explain TTR accounts a bit more on page 8.

You can plan for the future but you never know when life is going to throw you a curve ball. That's why Hostplus Pension gives you the flexibility to enjoy your savings the way you want.

## How does Hostplus Pension work?

You need to invest a minimum of \$10,000 but no more than the general transfer balance cap in the relevant financial year. The general transfer balance cap is the maximum amount of capital that you can transfer into a tax-free environment such as a pension account. You can invest your Hostplus super monies or roll over a benefit from one or more super funds.

When you invest in Hostplus Pension, we'll start an account in your name. You'll then be able to tell us how much income you'd like to receive and how often. You can choose to change your payment amount or frequency at any time as your needs change, as long as the amounts you choose comply with the limits set by the Federal Government (see page 11 for details).

Your account works on an accumulation basis, which means net investment returns (these can be positive or negative) are applied to your account while fees, taxes (if applicable), costs and pension payments, are deducted from your account, until your account is exhausted.

It is important to note that your pension account in the Hostplus Pension may not provide an income stream for the remainder of your life. Pension payments in accordance with the type of pension you select will only be made while there is enough money in your account.

How long your pension account lasts depends on several factors, including:

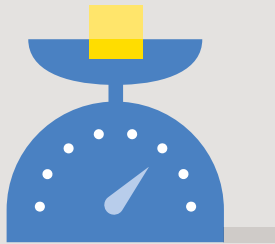
- the amount of your initial investment
- the amount taken as income
- any amounts withdrawn or commuted, and
- investment performance.

In the event of your death, the remaining balance in your account can be paid to your beneficiaries.

Once you've started your pension account, you won't be able to make additional contributions to it. If you'd like to invest more funds, you can start a second pension account in your name, as long as you meet the minimum investment requirement. This minimum amount must be transferred directly from a complying super fund.

If you are investing funds from more than one source, your funds will only be invested in your chosen investment option(s) – or the default option – and receive returns from that investment option(s) once all the funds you intend to invest are received by Hostplus Pension.

Refer to the investment section on pages 16–57 and the fees section on pages 58–64 for more information.



### **Transfer balance cap.**

The general transfer balance cap is \$1.7 million in the 2022-23 financial year, and it represents the amount of money you can have in the tax-free environment such as when you commence a pension, or you reach a condition of release with a nil cashing restriction while you hold a Transition to Retirement account.

If your pension account balance increases as a result of positive investment returns, your pension account balance can exceed the general transfer balance cap by the value of those investment returns. However, if it decreases as a result of pension payments or investment losses, you cannot top up.

### **Penalties apply if you exceed the general transfer balance cap**

You are responsible for ensuring that your commencement value of the pension account is within your personal transfer balance cap. Your personal transfer balance cap includes amounts held in any other superannuation pension plan. Your personal transfer balance cap will equal the general transfer balance cap in the relevant financial year when you commence a pension and enter the tax-free environment.

Tax on amounts that are transferred in excess of the \$1.7 million cap (including earnings on these excess transferred amounts) will apply. Excess amounts can be withdrawn from the pension account and transferred to a superannuation account where you can enjoy concessional tax treatment of investment earnings. If you are over 60 and meet a condition of release, and transfer excess amounts into your super, you can access this money anytime tax free. Alternatively you can withdraw the excess balance from superannuation altogether.

If you exceed your personal transfer balance cap, you may at anytime withdraw the excess amount or the ATO will direct you to commute (reduce) the amount of money you have in the tax-free environment by the amount of the excess (including excess transfer balance earnings) to rectify the breach.

If you do not act with the commutation authority issued to you by the ATO. The ATO will send it to Hostplus directly. Hostplus will contact you requesting instructions for the commutation amount.

Hostplus will send you a letter requesting instructions for the commutation amount. If you do not respond within 15 days of the date of the letter, Hostplus will transfer the amount into your existing Hostplus super account, or create a new Personal Super Plan account.

If a new Personal Super Plan is created on your behalf, the amount commuted will be invested in the Hostplus Balanced (MySuper) option in accordance with the Hostplus Super and Personal Plan Product Disclosure Statement.

### If you withdraw a lump sum from your pension account

Withdrawing a partial or full lump sum from your Hostplus pension account or from the total amount that is in the tax-free environment will free up the amount of space you can have in the tax-free environment at a future date. However, to work out the total amount of cap space that you can utilise you should consider if any proportional indexation will apply in addition to the lump sum amount withdrawn.

Additional events that may also free up your transfer balance cap space include family law payments, structured settlements, fraud and in some cases bankruptcy.

### The benefits of Hostplus Pension.

Hostplus Pension can provide you with these benefits:

- a regular income paid into your bank account
- flexible and tax free income once you reach age 60
- tax free access to your capital once you reach age 60 and have stopped working
- investment choice including access to a range of professional investment managers across different asset classes
- ability to directly buy and sell shares, Exchange Traded Funds (ETFs), Listed Investment Companies (LICs) or invest in term deposits through Choiceplus. **Please note: Choiceplus is not available through TTR accounts – but members may still invest in Choiceplus through a super account.**
- tax free net investment returns (TTR pension accounts however, are taxed at 15%).
- no loss of capital on premature death
- financial planning advice (see page 9)

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### **i** Hostplus Pension Online.

You can access your Hostplus Pension account online. This service has been developed to provide you with 24 hour, 7 days a week access to all the information you need on your account. You now have access to do the following:

- review your account balance and investment details
- check and update your personal information
- change your investment strategy
- view your transaction history
- access your Centrelink schedule
- request a lump-sum withdrawal (limits apply\* and not available for TTR accounts)
- make changes to your pension payments<sup>1</sup>
- Choiceplus members can buy and sell shares, ETFs, LICs or invest in term deposits. **Please note: Choiceplus is not available through TTR accounts – but members may still invest in Choiceplus through a super account.**

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\*minimum of \$1,000 and maximum of \$150,000 or 90% of your account balance, whichever is smaller.



### How much can I withdraw from my account?

As long as you withdraw the minimum limit set by the Federal Government (see page 11), you can draw as much – or as little – as you like from your account.

Some people decide on how long they'd like to receive payments and divide their super balance by the number of years of retirement to work out their payment amount.

Others think about how much they'll need each month and use that amount to work out how long they'll receive payments.

We recommend you speak to a licensed financial adviser to work out what's best for you.

### Can anyone invest in Hostplus Pension?

To invest in Hostplus Pension, you need to have funds that are currently invested in a super fund and you must meet one of the following conditions of release:

- you have reached the preservation age (see page 68) and permanently retired from the workforce
- you have reached age 60 and terminated employment
- you have reached age 65
- you are totally and permanently disabled
- you are terminally ill
- you are an eligible dependant in receipt of a death benefit income stream.

If you have reached your preservation age but are still working, you can start a Transition to Retirement (TTR) account. Your TTR account will be in a taxed environment until you meet a condition of release with a nil cashing restriction.

### Transition to Retirement (TTR) accounts.

The TTR rules allow you to access your super while you're still working. Putting your savings in a TTR account and drawing an income provides you with several benefits as you prepare for retirement.

- You can reduce your hours in full-time employment, still contribute to super and ease into retirement without loss of income.
- You can also make salary sacrifice super contributions, up to the concessional contribution cap, from your current wage and reduce the amount of tax you pay without loss of income.
- The investment returns in a TTR account are subject to a 15% tax rate.

The ability to successfully take advantage of the TTR rules will vary from person to person so we recommend you seek financial and taxation advice to work out what's best for you.

TTR is available to all super fund members who've reached their preservation age (see page 68 for more on preservation age). You won't be able to commute a TTR account into a lump sum payout until you satisfy a condition of release, except for any unrestricted non-preserved component.

If your circumstances change, you can transfer the balance of your TTR account into your superannuation fund.

### When is a TTR account in the taxed or tax-free environment?

The Transition to Retirement account will be either in the taxed environment or the tax-free environment.

You may be in the tax-free environment most commonly when you meet the following condition of release with a nil cashing restriction:

- attain 65 years of age; or
- reach preservation age and are retired; or
- are terminally ill or permanently incapacitated.

The restrictions that currently apply with a TTR account when it is in a taxed environment will no longer apply, i.e. there is no maximum limit on withdrawals.

Before 65 years of age the Transition to Retirement account is in the taxed environment where investment earnings are taxed at 15%\*. There is no limit on how much money you can have in your Transition to Retirement account.

From 65 years of age, the Transition to Retirement account is automatically in the tax-free environment where investment earnings are tax free and the transfer balance cap is triggered. The general transfer balance cap (currently \$1.7 million) limits how much money you can have in the tax-free environment.

Please refer to page 6 for further information about the Transfer balance cap.

If you have met the other conditions of release with a nil cashing restriction you will need to tell us to ensure your investments are in the tax-free environment.

**\* Unless you have retired and advised us that you have retired.**



### Get expert advice.

Deciding what to do with your super when you retire can be both complex and confusing.

While we've tried to make our Pension guide easy to understand, this guide can only give you general information about how a pension plan works. It doesn't say how a pension plan might work for you personally. To work out whether a pension plan is the right way for you to manage your retirement savings, we recommend you talk to a licensed financial planner.

A licensed financial planner can help you with the following questions:

- how much of your super you should move into a pension account,
- how much and how often you receive in each payment,
- how your money should be invested, and
- will it have an impact on how much or whether you receive the Age Pension.

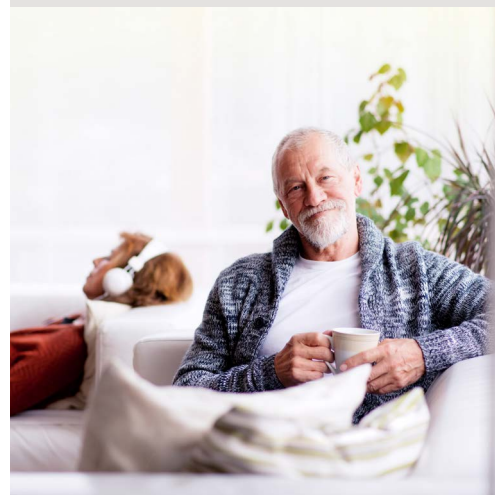
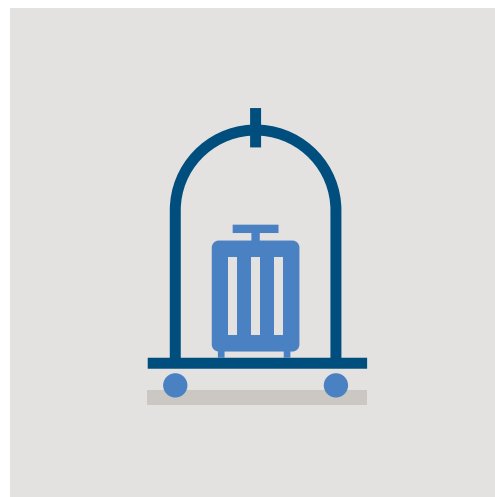
Hostplus members across Australia have access to high quality, competitively priced financial advice from Hostplus employed financial planners<sup>1</sup>.

The financial planners are experts in all things retirement and can provide you with personal advice in plain English to help you meet your retirement goals today.

Details of fees can be found on page 58.

For more information or to arrange a consultation, simply call us on **1300 303 188** or visit <https://hostplus.com.au/financial-planning>

1. Hostplus has engaged Industry Fund Services limited (IFS) ABN 54 007 016 195, AFSL 232514 to facilitate the provision of personal financial advice to members of Hostplus. Advice is provided by financial planners who are Authorised Representatives of IFS. Fees may apply for Comprehensive Financial Advice, further information about the cost of comprehensive advice is set out in the relevant IFS Financial Services Guide, a copy of which is available from your financial planner.



# Hostplus Pension in detail

Now that you have a better idea of what a pension plan is, read on for more information about how your Hostplus Pension account works. You can also refer to the glossary on page 71 for definitions of the terms used.

## Receiving Pension Plan payments.

Payments are made into your nominated Australian bank, building society or credit union account. Your nominated account must be held either in your name or if the nominated account is held jointly, you must be one of the account holders.

You can choose to have your payments fortnightly, monthly, quarterly, half yearly or yearly. Just tick the appropriate box on the membership form. For monthly payments, you can decide if you'd prefer to receive payments on the 15th day or the last day of the month.

For quarterly, half-yearly, or yearly payments, you can pick the month you would like your first payment to occur. Payment in the month chosen can be either mid-month or end of month. Your pension payments will only commence once all funds have been received. In this instance, payments will be made at the end of the month after the funds are allocated to your account.

If you do not nominate payment frequency, the payment frequency will default to an annual payment in June.

Your subsequent payments will then occur on the appropriate date after your initial payment, according to your instructions, unless you advise us in writing or online to alter your next payment.

Where your nominated payment date falls on a weekend or public holiday, payment will be made one working day before the payment date.

Your pension payments must start in the same financial year that you invest in Hostplus Pension. If you invest in Hostplus Pension between 1 – 30 June, you can choose to start your payments in the following financial year.

If you are invested in more than one investment option you can choose to draw down your investments in one of three ways:

- **Proportional:** you decide the proportion of your payment to be drawn down from your investments eg. 50% Cash (sector investment option), 50% Balanced (pre-mixed option).
- **Priority order:** you choose the order in which your payment is drawn from each option eg. Balanced (pre-mixed option) first, then Property (sector investment option).
- **Pro-rata:** your payment is drawn in the same proportion from each option as your total account balance eg. if 60% of your account balance is invested in Cash (sector investment option), then 60% of your payment is drawn from Cash.

If you don't make a selection, then payment will be Pro-rata.

If the investment option you choose to draw payment from runs out of funds, Hostplus Pension will draw your payments on a pro-rata basis from the remaining investment options – excluding the Choiceplus option.

You cannot draw a payment from the Choiceplus investment option.

Members investing in Choiceplus will need to maintain an income payment reserve in their non Choiceplus investments, allowing Hostplus to pay you at least the minimum annual pension required by legislation. The income payment reserve is further explained on page 71.

## **Please note: Choiceplus is not available through TTR accounts – but members may still invest in Choiceplus through a super account.**

At the start of each financial year, we'll notify you of your new pension payment amount for the year ahead. Your pension payment may increase or decrease from the previous year. You can choose to alter this amount as long as you meet the minimum criteria set out by the Federal Government (outlined below).

Once your account balance reduces to \$1,000, it will be paid to you via direct credit and the account will be closed. This may vary for TTR members.

We recommend you seek financial advice regarding the proportion, frequency and order in which your income payments are paid.

Your payment nomination will remain in place until you advise us in writing to change it.

## **End of financial year processing.**

Due to the end of financial year processing, the declared unit price may not be finalised for up to fourteen days after the end of June.

Fortnightly pension payments falling due in the fortnight after 30 June will be payable the fortnight after 30 June.

This means that you may receive two fortnightly pension payments during this period.

### Minimum limits on your Pension Plan payments.

The Federal Government has set a minimum limit on the amount that must be paid to you each year from your pension account. There is no maximum (except for TTR accounts – see page 8). The limit is simply a percentage of your account balance at the beginning of each financial year, or on the commencement date of your pension account in its first year.

### Minimum pension draw-down rates for the 2022-23 income years.

Minimum drawdown rates from pension accounts were reduced by half during the COVID-19 pandemic, so that members who did not wish to draw more than the new revised minimum annual limits – potentially requiring the sale of market-linked and other non-cash assets during the economic downturn – would not be required to do so.

These reduced minimum draw-down rates have now been extended to the 2022-23 financial year.

The following reduced minimum draw-down rates are applicable to both Account-based pension (ABP) and Transition to Retirement (TTR) pension accounts:

Age	Default minimum draw-down rates (2022-23)	Reduced minimum draw-down rates (2022-23)
Under 65	4%	2%
65-74	5%	2.5%
75-79	6%	3%
80-84	7%	3.5%
85-89	9%	4.5%
90-94	11%	5.5%
95+	14%	7%

### Example.

Helen is 62 years old and has invested \$80,000 in Hostplus Pension. Generally for 2022-23, the minimum payment she can receive is:

$$\$80,000 \times 2\% = \$1,600$$

Helen can draw as little as \$1,600 or as much as \$80,000 during the year. Of course the more she draws, the less income will be available in later years from her pension account.

This example is provided for illustrative purposes only.

There is no maximum withdrawal amount other than the balance of your Pension account, unless it is a TTR Pension.

When you establish your pension account with Hostplus and you have requested to receive the minimum income limit, the amount paid to you in your first year will be the pro-rated minimum amount from the commencement date of your account to 30 June, unless you request a pre-selected income amount.

Members investing in Choiceplus will need to maintain an income payment reserve in their non Choiceplus investments, allowing Hostplus to pay you at least the minimum annual pension required by legislation. **Please note: Choiceplus is not available through TTR accounts – but members may still invest in Choiceplus through a super account.**

### Maximum limits for TTR accounts only.

When you have a TTR account, a maximum annual income limit also applies. This is 10% of your account balance at the beginning of each financial year, or on the start date of your TTR account in its first year.

However this limit does not include payments made to pay:

- superannuation contribution surcharge
- tax on excess contributions.

The maximum income limit applies until you meet a condition of release as set out on page 8 under the heading "Can anyone invest in Hostplus Pension?".

### Example.

Ernie is 60 years old and has invested \$150,000 in a Hostplus TTR account. Generally, the minimum payment he can receive is:

$$\$150,000 \times 2\% = \$3,000$$

Because Ernie has commenced a TTR account, the maximum amount he can withdraw for the year is

$$\$150,000 \times 10\% = \$15,000$$

This example is provided for illustrative purposes only.

**Keeping up with inflation.**

You can nominate to have your Hostplus Pension payments indexed each year to keep up with inflation as measured by the Consumer Price Index (CPI) or indexed by a maximum of 5%. This feature is available only to members who haven't selected minimum or maximum drawdown amounts for their Hostplus Pension payments. Remember, a maximum limit only applies if you've selected the TTR option. To have your payments indexed each year, please ensure you complete the details in Step 4 of the membership form.

**Withdrawing from Hostplus Pension.**

You can fully or partially withdraw or commute your pension account into a lump sum payment at any time, unless you have a TTR account that is in the taxed environment, by making a withdrawal request.

The minimum partial withdrawal you can make from any investment option is \$1,000 unless you are withdrawing your entire balance. Please refer to page 66 for the tax treatment applicable to lump sum withdrawals. Withdrawals can only be paid to pre-nominated bank accounts just like your pension payments. Also, a minimum balance of \$1,000 must be maintained in each chosen investment option.

Simply complete a withdrawal form and mail the signed form to Hostplus Pension or advise us online. You can obtain a form by calling **1300 348 546** or from [hostplus.com.au/retirement](http://hostplus.com.au/retirement)

Withdrawal requests must be authorised by the appropriate signatories. Unsigned withdrawal requests will not be processed. Please note that once your withdrawal request is received, it can only be cancelled by providing us with written consent. We will process your withdrawal request and transfer your money to your previously nominated rollover institution or bank, building society or credit union account on your behalf.

Members investing in Choiceplus and making partial withdrawals will still need to maintain an income payment reserve.

Email and fax requests cannot be accepted.

The unit price of each investment option is declared and published daily.

Your completed request will usually be paid after two national business days using the latest available unit price. From time to time it may take longer.

Withdrawing money may have tax and/or social security implications.

When you reach age 60, for taxation purposes commutations made from your account do not count towards your total income drawn for the financial year. If you are under age 60 they may count toward your lump sum tax threshold.

Please refer to the section headed, "Taxation" on page 66 for more information.

Commutations made may also affect your Centrelink entitlements. For further information contact your licensed financial adviser or Centrelink.

Lump sum withdrawals from your pension account will increase your transfer balance cap space by the amount withdrawn.

**Transferring in or out of an APRA regulated fund.**

If you are transferring your monies in or out of the Hostplus Pension Plan to or from an APRA regulated fund, we are required to process your request within 3 days of receiving completed documentation. Your request will be processed using the latest available unit price.

If you have a TTR account, it can only be commuted:

- to pay out an unrestricted non-preserved benefit
- to pay a superannuation contributions surcharge
- to give effect to a payment split under family law
- to purchase another non-commutable pension product
- to rollover to your nominated super fund
- if you meet a condition of release as detailed on page 8.

To find out more about commuting your pension account to a lump sum, simply call **1300 348 546**, 8am – 8pm (AEST), Monday to Friday.

**Deciding who benefits from your pension account.**

In the event of your death, the remaining balance of your Hostplus Pension account may be paid to your dependants or legal personal representative (ie. executor or administrator of your estate, or if neither are available, to other beneficiaries, subject to the law's requirements).

The benefit may be paid as a lump sum or can generally be paid as a continuing Hostplus pension to certain dependants.

A death benefit paid as a lump sum can be received by the following dependants:

- your spouse (including de facto and same sex spouse)
- your child/children (including an adopted child, a step child, an ex-nuptial child)
- an interdependant

You have an interdependency relationship with another person (whether or not related by family) if all the following conditions are satisfied:

- you have a close personal relationship with the other person, and
- both of you live together, and
- one or each of you provides financial support to the other, and
- one or each of you provides domestic support and personal care to the other.

An interdependant relationship can also exist if a close personal relationship exists but the other requirements for interdependency are not satisfied because of a physical, intellectual or psychiatric disability.

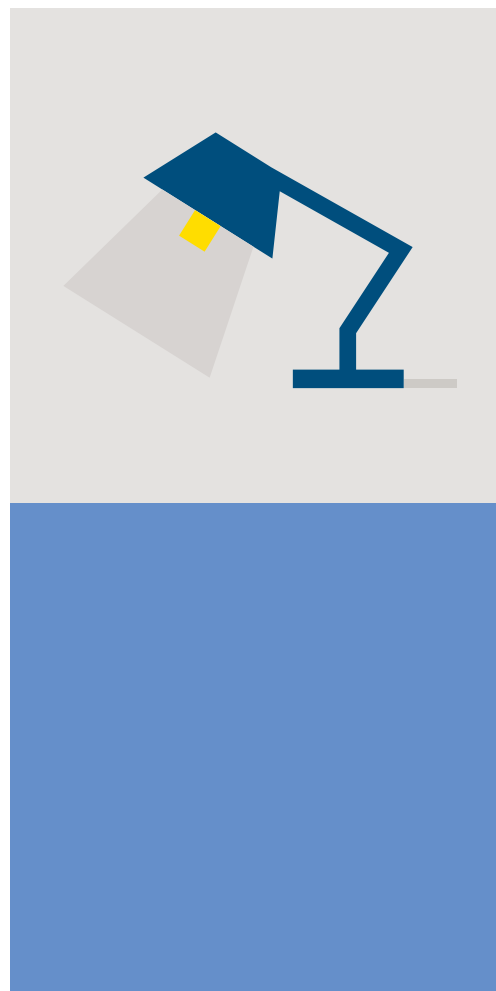
A death benefit paid as a Hostplus pension includes the following dependants:

- your current and any former spouse (including a de facto spouse)
- a permanently disabled child
- a child between 18 – 25 years of age, who is financially dependant on you\*
- a child under 18 years of age.

### **Make sure your loved ones benefit.**

You've worked hard for your retirement savings, so make sure it benefits those who matter most to you by nominating a beneficiary at the time you invest in Hostplus Pension. Nominating a beneficiary helps ensure those close to you are looked after.

\* A child aged 18 years or over cannot receive the death benefit in the form of a pension unless financially dependant and then, once the child turns 25 any pension must be commuted (cashed) as a tax free lump sum. If the child is permanently disabled, there is no requirement to commute the pension.



### Three ways to make a nomination.

#### 1. Nominate a reversionary beneficiary

If you nominate a reversionary beneficiary when you start your pension account, payments will automatically revert to the nominated person upon your death.\*

A reversionary payment will count towards the recipient's personal transfer balance cap. The payment will count towards the personal transfer balance cap 12 months from the day when they start to receive the death benefit income stream.

The general transfer balance cap limits how much money can be in the tax-free environment.

You can only nominate one person as your reversionary beneficiary. This person must be a dependant.

Once a reversionary beneficiary nomination has been accepted by the trustee, it is generally binding.

If you would like to change or remove your reversionary beneficiary at a later date, you can only do so by completing a new nomination form and transferring your existing Hostplus Pension account to a new Hostplus Pension account.

At the time of your death, your beneficiary will need to provide certain documents to the trustee to prove their identity in accordance with the trustee's requirements and any legal requirements including without limitation under the Anti Money Laundering and Counter Terrorism Financing (AML/CTF) Act 2006.

If you have nominated a reversionary beneficiary, they can request to redeem the remaining money in your account as a lump sum payment. However, certain tax implications may apply when this withdrawal is made.

At the time your pension reverts to your nominated beneficiary, the beneficiary will be asked to provide the following information to us:

- a tax file number (TFN) Declaration form if the beneficiary is less than 60 years old
- such personal information about the beneficiary as the trustee requires
- the beneficiary's bank account details, and
- such proof of identity as the trustee requires.

**\* A child aged 18 years or over cannot receive the death benefit in the form of a pension unless financially dependant and then, once the child turns 25 any reversionary pension must be commuted (cashed) as a tax free lump sum. If the child is permanently disabled, there is no requirement to commute the reversionary pension.**

Where your nominated reversionary beneficiary is less than 60 years old and does not provide a TFN Declaration form, the beneficiary may be subject to the highest tax rate. Please refer to the section headed, "Taxation" on page 66 for more information.

All fund rules and laws regulating your pension will continue to apply to the pension following reversion to your nominated beneficiary.

If your reversionary beneficiary takes up the option of a reversionary pension account, and he or she subsequently dies while still entitled to pension payments, the balance of the account will be paid as a lump sum to their estate.

We recommend you seek financial advice if you wish to make a reversionary nomination. Please see page 9 for more information about financial advice.

#### 2. Make a binding nomination

A valid and effective binding death benefit nomination is a binding direction from you to the Trustee to pay any death benefit to your estate or to one or more Dependants nominated by you and in the proportions that you have specified. If you make a binding death benefit nomination and it is still valid and in effect at the event of your death, the Trustee will usually be bound to follow it and pay your death benefit to your estate and/or the Dependants you have nominated and in the proportions specified by you.

Your nomination will become invalid if your beneficiary is no longer a dependant at the time of your death and the trustee will use its discretion to make benefit payments. Therefore, you should make a new binding nomination if any of your death benefit nominees is no longer a dependant.

Where you nominate more than one beneficiary you must also clearly state the proportions of the benefit each is to receive.

To help you keep track of your nominations, Hostplus Pension will notify you of your nomination on your annual statements and provide the opportunity to confirm or change it. Prior to your nomination lapsing, we will notify you in writing. You can also change it at any other time, by completing and returning a binding death nomination form – available from [hostplus.com.au/retirement](http://hostplus.com.au/retirement) or by calling 1300 348 546.

At the time of a claim, your beneficiary can choose to receive the pension account as a lump sum payment or if eligible to do so opt to receive an income stream.\*

A dependant who chooses to draw an income stream from the superannuation death benefit should ensure not to exceed the general transfer balance cap in the relevant financial year. For more information about the general transfer balance cap refer to the transfer balance cap section.

We recommend your beneficiaries seek financial advice as the applicable tax treatment of their benefits will depend on their circumstances. Please see page 9 for more information about financial advice.

If your binding nomination is not valid for any reason, discretion over the benefit payments will revert to the trustee.

### **3. Make a non-binding nomination or update your Will**

You can also nominate a preferred beneficiary using a non-binding nomination to receive a lump sum cash benefit. This is where you can decide who you would prefer the benefit to be paid to and in what proportion. In the event of your death, the trustee will take this into consideration as well as any Will you may have in place. However, it is under no obligation to comply with them. The trustee retains sole discretion as to who any benefit is distributed to.

Unlike binding nominations, a preferred beneficiary nomination doesn't need to be regularly confirmed. However, this means that if your circumstances change and you don't update your nomination, the trustee may not be fully aware of your wishes. So you should review your nominations from time to time and send any changes to Hostplus Pension.

#### **Make no nomination.**

If you don't nominate a beneficiary, the balance of your account will be paid to your estate or your dependants or a combination, as determined by the trustee.

#### **Death Benefits Rollover.**

Eligible beneficiaries who are able to take a death benefit in the form of an income stream may rollover superannuation death benefit lump sums which must immediately be used to commence a new death benefit income stream in the new fund. A death benefit cannot be rolled over into an accumulation account.

If you don't nominate a beneficiary, the balance of your account will be paid to your estate or your dependants or a combination, as determined by the trustee.





# Investing with Hostplus

When you invest in Hostplus Pension your funds will be automatically invested in the Cash option – our default investment option – unless you make an investment choice. You're free to invest your savings into one or more of the Hostplus investment options, which you can change daily (effective Monday to Friday only). Read on to find out more.

## Making an investment choice.

We recognise that you may want to take more control of your money and choose where your savings are invested. With a wide range of investment options you can mix and match as you wish.

Hostplus also offers our direct investment option, Choiceplus, that allows you to invest in shares, ETFs, LICs or term deposits. For more information on Choiceplus see page 49 or visit our website at [hostplus.com.au/choiceplus](http://hostplus.com.au/choiceplus).

**Please note: Choiceplus is not available through TTR accounts – but members may still invest in Choiceplus through a super account.**

To help you understand the importance of having the right investment mix, read our introduction to investing on page 18, then compare our options on pages 32 – 52.

You can choose how your pension account is notionally invested when you join online, or by selecting your investment choice on the membership form at the back of this guide. See the section below, headed "Choose one option or more". For an explanation of what is meant by being "notionally invested", please refer to the section below headed, "How your investment choice works" and if you do not make a choice, we will automatically invest your pension account in the default option which is the Cash option.

Of course, you can change your selected investment options in the manner set out in this guide. Please refer to the section (page 17) headed, "Switching investment options is easy".

## How your investment choice works

When you make a choice, Hostplus does not acquire an interest in the investment option on your behalf. Instead, you are notionally invested in the investment option.

As part of our investment strategy, we would have predetermined the amounts to be invested per asset class and an amount to be invested with any particular investment manager. We select managers and invest money with them via direct investment mandates or pooled trusts. Accordingly, the investment managers provide the trustee with financial services. But they do not have a contractual relationship with our members.

Under the notional structure, the actual asset allocations and manager allocations of each investment option are managed and monitored by the Trustee to ensure their alignment with their desired asset allocation settings (after allowing for member contributions, redemptions and switches) and consider market valuation movements. The Trustee may allocate funds to, or redeem funds from, investment managers to maintain these desired settings for each investment option.

The Balanced investment option, as the largest investment option, also plays a key role in the notional structure as the ultimate counterparty or "banker" within these notional arrangements. The Balanced investment option can offset trades with the other investment options to minimise the need for costly on-market transactions. This ensures that each non-Balanced investment option is maintained in alignment with its desired strategic asset allocation settings. However, it can result in the Balanced option marginally deviating from its desired settings, with the risk that this could result in either a positive or a negative relative outcome. To manage this deviation risk, the actual asset allocation of the Balanced investment option is closely monitored by the Trustee and, where necessary, actions are initiated to seek re-alignment with its desired settings.

Hostplus members can see the value of their investment options reflected in the unit price. The unit prices for each investment option are calculated by dividing the value of the net assets in the option by the number of units on issue, after allowing for fees (including fees paid to investment managers) and taxes. The Fund does not charge a buy-sell spread.

For example, Hostplus may have invested \$10 million in Australian Shares. A member then exercises investment choice, and directs us to invest \$10,000 of their account balance in that investment option. We do not invest a further \$10,000 (on top of the \$10 million already invested), but notionally allocate the net investment returns received from that investment option to the member's account.

We may in our absolute discretion vary the available investment options from time to time by adding or removing investment options. Please refer to the section Change of investment managers on page 27 for further information on what happens if we change an individual investment manager.

## Choose one option or more

You can choose one or more of any of the investment options detailed on pages 32 – 52. For example, you can have 50% notionally invested in Shares Plus (Pre-mixed option), 50% in Property (Sector investment option). The only requirement is that you must have a minimum of 1% in any selected option.

For information about our direct investment option Choiceplus, see page 49.

Three easy steps to help you make your investment choice	
1	Learn how the process works by reading this section and determine your investment style.
2	Take a look at the investment choices offered by Hostplus on pages 32 – 52.
3	Make your investment choice through your online account at <a href="http://hostplus.com.au/retirement">hostplus.com.au/retirement</a> , or call us on 1300 348 546 8am-8pm (AEST) Monday to Friday.

Please ensure you consider your individual portfolio (including assets/ investments outside of superannuation) to minimise risks associated with investments that are not diversified in their own right.

### **i** The Hostplus Pooled Superannuation Trust (PST).

Hostplus invests via a Pooled Superannuation Trust (PST) which then invests into a variety of underlying investments.

Members should note that their net investment return will be based on changes in the PST's investment values.

### Switching investment options is easy.

When you join Hostplus Pension you can make an initial investment choice online or on the Hostplus Pension membership form. After this initial investment choice you can switch between investment options through your online account at [hostplus.com.au/retirement](http://hostplus.com.au/retirement)

You can also request a switch over the phone by calling us on **1300 348 546**, 8am – 4pm (NSW time), Monday to Friday.

The minimum amount you can switch in each of the options is 1% of the balance of your account at the time of the switch, unless you are switching your entire balance.

We process your switching request and send you a letter confirming the details of your switch. Before you request a switch, we strongly advise you consult a licensed financial planner. Please see page 9 for more information about financial planning.

We process a switch as a withdrawal from one investment option and an investment into another option.

Switches are processed on every national business day. A national business day is a week day that is not a national public holiday or the NSW Queen's Birthday public holiday.

Switch requests between investment options received before 4.00pm (NSW time) are transacted at the unit prices applicable on the day your request is received, otherwise they are considered to have been received on the following national business day.

However, the calculation of unit prices takes two national business days, and therefore these unit prices will only be available to you two national business days after receipt of your requested investment switch. For example, if you make a switch on a Monday, and each of Monday, Tuesday and Wednesday are national business days, then the unit prices used for your switch will be those relating to Monday, and you will receive them on Wednesday.

		Member action	Unit Price
Day 0	Monday	Member raises investment switch before 4.00pm (NSW time)	Switch request 'T' (day zero) date
Day 1	Tuesday		
Day 2	Wednesday	Effective date for member investment switch	T + 2 date – transactions/switches are processed based on the declared unit price for day zero
Day 3	Thursday		
Day 4	Friday		

For all transactions, the number of units allocated or redeemed is the dollar value of the transaction divided by the unit price of the relevant investment option. Your account balance is equal to the number of units you hold in each investment option multiplied by the relevant unit price for the option.

If you choose to invest in the Choiceplus option you will be asked to transfer funds into your transaction account from your current Hostplus investment option(s). You must hold a minimum of \$200 in your Choiceplus transaction account at all times.

You will need to ensure that you have enough money available in your Choiceplus transaction account to invest. You can 'top up' your transaction account at any time subject to maintaining the minimum amounts in your other Hostplus investment options. The Hostplus investment platform will automatically calculate and display the amount of money you have available to invest in your transaction account.

If you are investing in Choiceplus, you must also ensure you have an income payment reserve (IPR). This is the amount you must retain in non Choiceplus investments, allowing Hostplus to pay you at least the minimum annual pension required by legislation. The IPR is reset each year when the new minimum pension amount is calculated for your pension plan.

### Transfer your Choiceplus shares, ETFs and LICs when commencing your Pension account.

Existing Choiceplus superannuation members may (as a once off when commencing a new Hostplus Pension) transfer their Choiceplus held shares, exchange traded funds (ETFs) and listed investment companies (LICs) to their new Pension account. For more information please see page 50. **Please note: Choiceplus is not available through TTR accounts – but members may still invest in Choiceplus through a super account.**

### Multiple switch requests.

A limit of one switch per day applies. In the case of multiple investment switch requests received including cash transfers to or from Choiceplus, your latest request will override all previous requests.

Where you have made an investment switch or cash transfer request as well as a benefit withdrawal request in the same week, the benefit withdrawal instruction will override the investment switch or cash transfer and therefore your existing investment choice will apply.

### Suspension of applications, switches, redemptions and withdrawals.

The trustee may suspend or restrict applications, switches, redemptions and withdrawal requests, for all or a particular investment option at its absolute discretion. In such circumstances, transactions may not be processed or may be processed with significant delay.

The trustee may also decide to process a transaction request for a particular type of benefit from a suspended, restricted or closed option on a case by case basis. Any decision about whether to process transactions from such an option will be made in the best interests of investors as a whole.

All impacted transaction requests will be processed using the effective unit price applicable on the date the suspension is lifted, or the date special approval is granted if earlier.

### Investment Switch Restrictions

To avoid conflicts of interest where some identified Hostplus Employees and Directors (Access Person) have access to information not generally available or option specific inside information, Hostplus imposes a Switching Window limitation. A Hostplus Access Person that may become aware of information that may impact decision-making, operation, performance, investment strategies or returns of the Fund would generally be considered to hold inside information.

The limitation means such persons can only make one investment switch, on an annual basis, during the Switching Window – generally 1 August – 31 August, unless the window is amended by the CEO. The CEO reserves the right to declare a Switching Window closed at any time at their sole discretion and without prior notice.

### An introduction to investing.

Before making your investment choices, you should consider:

- your attitude to risk and return
- your age and how long you will be investing for
- how prepared you are to accept variable returns in the short term in the interest of possibly getting a better potential long term result
- your attitude to the different types of investments
- other investments you may have and your future financial plans.

It also pays to do your homework. You could start with a licensed financial adviser. Good books about investing and pension products are also available, so ask at your local library, or do some research online, for example [www.moneysmart.gov.au](http://www.moneysmart.gov.au). But for now, here's just a brief overview of investing.

### What are asset classes?

You can invest your super in different types of assets. An asset is an investment used to gain a return. Assets are divided into asset classes such as cash, fixed interest, property, infrastructure, equity and other (alternatives). They are generally described as 'growth' or 'defensive'.

- **Growth assets.** Growth assets generally provide relatively higher returns over the longer term with a corresponding higher level of risk (increased chance of a negative return and volatility). A high proportion of their returns are derived from capital growth. Examples include shares and some property investments.
- **Defensive assets.** Defensive assets generally are lower risk (less chance of a negative return), with a corresponding expectation of lower returns over the longer term. A high proportion of their returns are derived from income (cash) flows. Examples include cash, term deposits and some fixed interest investments. Some asset classes, such as infrastructure, property and alternatives may have growth and defensive characteristics.

Where assets such as infrastructure, property and alternatives derive a high proportion of their returns from strong income (cash) flows rather than capital growth, these assets may be classified as defensive. Where they derive a high proportion of their returns from capital growth rather than income (cash) flows these assets may be classified as growth.

Investment markets are difficult, if not impossible, to predict. Often, different asset classes will not all perform well or poorly at the same time because they react differently to influences such as economic growth, inflation, interest rates and exchange rate movements. A change which is positive for one asset class can have a negative effect on another.

Basic asset classes make up your investment portfolio			
	Equity		Infrastructure
<b>What is it?</b>	Represents an ownership interest in a business, trust or partnership. Equity investments include shares and private equity.		Represents the basic physical systems of a country, state or region including transportation, communication, utilities, and public institutions. Infrastructure assets can also take the form of social infrastructure assets such as hospitals, schools and aged care facilities.
	<b>Shares</b> Represent part-ownership of a company through holding shares.	<b>Private equity</b> Private equity involves investments in entities or vehicles that are not listed on a stock exchange. They can be based in Australia and overseas.	
<b>How does the investment work?</b>	Because shares represent ownership of a part of the company, returns vary according to how the company performs. Returns can come in two ways – dividends paid to shareholders (revenue) and the increase in value of the shares (capital gain). Shares can also decrease in value resulting in a capital loss.	Private equity investments are usually made to finance one or more stages of a company's growth cycle, ranging from those in early stages of development to more mature businesses seeking capital. Private equity vehicles are used for many purposes including buying out the owners or founders of an existing business or asset.	Investments in infrastructure can be through direct investments in single assets, listed or unlisted pooled funds and investment through a fund of funds vehicle.
<b>What's the risk/return?</b>	Inflation, interest rates, exchange rates (for international shares) and changes in market conditions will all have an effect on the value of shares, as does the performance of the company itself. Shares are considered the highest risk investment because they may experience significant changes in value. Despite their short-term volatility, shares have traditionally provided higher returns to investors – over the longer term – than all other asset classes.	The private equity market is less efficient and less regulated than the listed market. This inefficiency creates opportunities for skilled managers to add value. Given the greater risk associated with private equity, a return premium of at least 4 – 5% above listed markets is generally considered necessary.	The investment objective for investing in infrastructure is typically to provide returns of inflation plus 6 – 8% per annum, but with the chance of a return that's lower than Australian and international shares, over a 5 – 10 year term.

**Basic asset classes make up your investment portfolio**

	<b>Property</b>	<b>Fixed interest</b>	<b>Cash</b>	<b>Other (Alternatives)</b>
<b>What is it?</b>	<p>Represents an investment in real estate where the earnings and capital value are dependent on cash flows generated by the property through sale or rental income.</p> <p>The investment in property could be made either directly or via property trusts.</p>	<p>Represents a loan, placement or debt security. Loans are financial assets that are created when a creditor lends funds directly to a debtor, and are evidenced by documents that are non-negotiable. Placements are liabilities of entities not described as authorised deposit-taking institutions, eg. State treasuries. Debt securities are securities which represent borrowed funds which must be repaid by the issuer with defined terms including the notional amount (amount borrowed), an identifiable return and maturity/renewal date.</p>	<p>Represents cash on hand and demand deposits, as well as cash equivalents. Cash equivalents represent short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash investments may include deposits in a bank, investments in short-term money markets and other similar investments.</p>	<p>Almost any non-traditional investment strategy could be classified as an alternative investment. For example, hedge funds or credit investments (see <b>Investment terms</b> for further information on Hedge Funds and Credit investments).</p>
<b>How does the investment work?</b>	<p>There are two ways that property can provide returns – by earning rental income (revenue) or by increasing in value over time (a capital gain). Property can also decrease in value resulting in a capital loss.</p>	<p>The investment is used to finance the operations of Governments, organisations or businesses, and is paid back on an agreed date with interest, which is also agreed or 'fixed' before the loan commences.</p>	<p>Cash investments, such as your own bank account, don't necessarily earn high returns, but they are usually very stable.</p>	<p>Alternative investments generally aim to achieve a return objective, rather than to outperform a specific sector goal.</p>
<b>What's the risk/return?</b>	<p>Property is considered a moderate to high risk investment. Returns rely on general economic factors like inflation, interest rates and employment, as well as location and quality. While returns are generally higher than cash or fixed interest, the value of property investments is also liable to change suddenly.</p>	<p>Fixed interest is seen as a moderate risk investment. If interest rates change during the term of the loan, there will be capital gains or losses. Fixed interest investments are generally less volatile over the short term than property or equity.</p>	<p>Cash is considered to be the lowest-risk investment because of its limited potential to rise and fall in value over the short term. However, this perceived safety comes at a price – cash investments typically may not earn enough to meet long-term goals like retirement.</p>	<p>Alternatives aim to produce returns in excess of cash over the long term. However its volatility over the long term is generally higher than that of fixed interest.</p>

Not making sense? Go to page 23 for more information about investment terms. Or call us to arrange a consultation with a Hostplus licensed financial planner.

### Risk versus return.

Risk and return are related, so the lower the risk usually the lower the expected return (or the lower the likelihood of a negative return). For a higher possible return, you increase the risk and the possibility of a negative return from year to year.

Hostplus investment options contain a mix of asset classes, to achieve their different risk/return objectives. Choosing to invest in sector investment options puts you in charge of selecting percentages of asset classes in your portfolio, depending on your investment objectives.

### Asset classes are invested according to a style.

Just as the different asset classes explain some of the different types of investments, there are many investment styles that describe how an investment is made, not just the form it takes. Here are some of the more common investment styles.

**Passive:** Sometimes referred to as 'index management', passive management seeks to achieve investment performance that aims to replicate an index or market returns (like the S&P/ASX100, for example). The investment manager does not make judgements on future market movements or which investments may grow in value, so the expenses associated with passive management are generally lower than other investment styles.

**Active:** This is the opposite of passive management and seeks to achieve returns above an index or other set benchmark. Active managers achieve this through asset allocation and investment selection. Active management is often paired with growth or value investment styles.

**Enhanced passive:** This investment style is between passive and active management. It is actively managed within the benchmark stocks but the risks are also tightly controlled. Enhanced indexing is essentially risk-controlled, active management.

**Growth:** A growth manager seeks to achieve capital gains from investments in companies they expect will have future growth in earnings. Typically, growth managers care less about price-earnings ratio and other ways of assessing the value of an investment, but focus purely on the earnings potential of an investment.

**Value:** Value managers seek to buy investments that are temporarily underpriced, and to take profits when they appear overpriced. The price-earnings ratio is a key valuation measure.

**Top-down:** A form of analysis that begins with forecasting broad economic trends, then assessing the impact on industries and finally, on individual companies. It is the opposite of bottom-up analysis.

**Bottom-up:** A form of analysis that begins with forecasting returns for individual companies, then moves to industries and finally the economy as a whole. It is the opposite of top-down analysis.

### How the asset classes have performed.

Investment markets are unpredictable. Past performance shows that over shorter periods, it's almost impossible to predict which asset class will earn the highest rate of return. However, over the long-term, growth assets, like equity, have consistently earned a higher rate of return than defensive assets such as cash and fixed interest.

Looking at the Benchmark returns over 25 years by traditional asset class table on page 22, you can see that the returns for growth assets are more unpredictable than the returns for defensive assets. Australian and international shares have usually provided the highest returns over the long-term. Clearly, someone who invested in these asset classes would have done better than someone who put all their money in cash or fixed interest over the same period.

While past performance is not a reliable indicator of future performance, it does give an insight into how each asset class has performed.

So, while it remains true that investment markets are hard to predict, different asset classes tend not to all move in the same direction, at the same time, or at the same speed. This is because the main asset classes react differently to influences such as growth, inflation, interest rates and exchange rates. A change that is good for one asset class can be bad for another. That's why diversification is so important to investors. Using diversification you may capture the returns you want to keep, and reduce the volatility, or risk, you want to avoid.

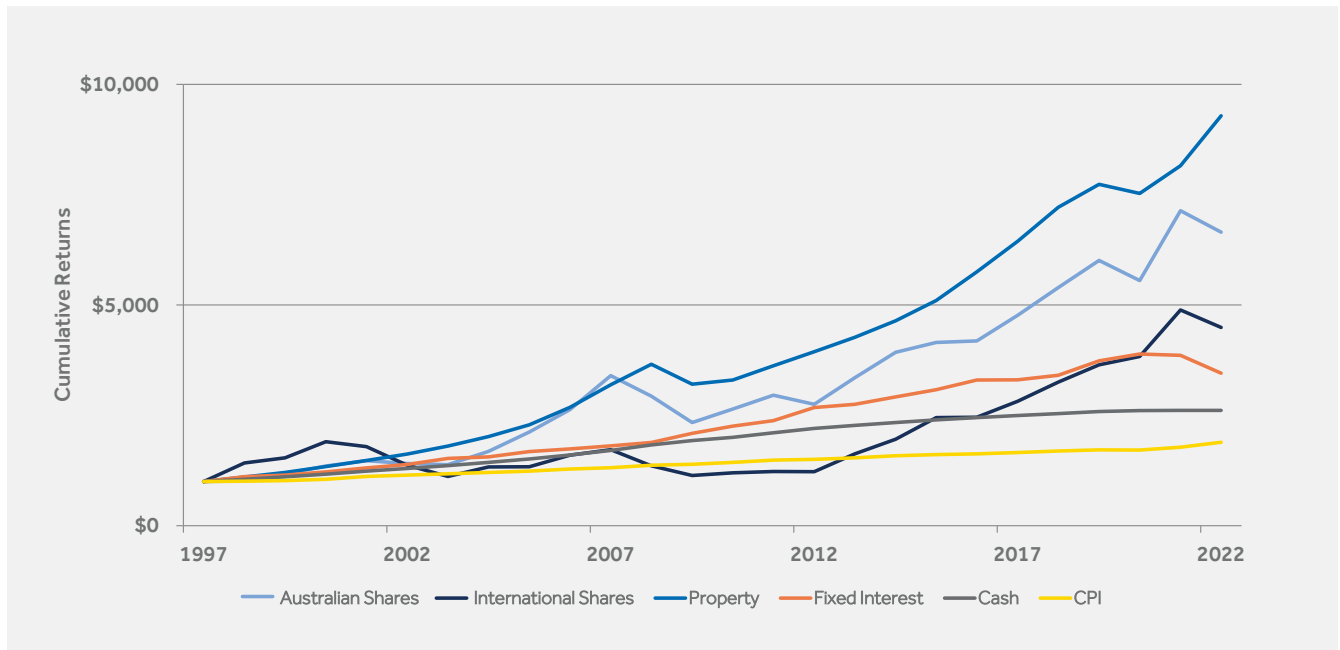
It makes sense to diversify your investment mix – and with Hostplus Pension it's easy. We have provided a broad range of investment options which give you the opportunity to create your own mix based on your financial needs and personal circumstances.

Benchmark returns over 25 years by traditional asset class					
Year ending 30 June	Growth Assets			Defensive Assets	
	Australian Shares	International Shares	Property*	Fixed interest	Cash
1998	1.6%	42.2%	10.2%	10.9%	5.1%
1999	15.3%	8.2%	9.4%	3.3%	5.0%
2000	15.1%	23.8%	10.9%	6.2%	5.6%
2001	9.1%	-6.0%	10.4%	7.4%	6.1%
2002	-4.5%	-23.5%	9.9%	6.2%	4.7%
2003	-1.6%	-18.5%	11.1%	9.8%	5.0%
2004	21.7%	19.4%	11.9%	2.3%	5.3%
2005	26.0%	0.1%	13.4%	7.8%	5.6%
2006	24.0%	19.9%	17.2%	3.4%	5.8%
2007	29.2%	7.8%	19.1%	4.0%	6.4%
2008	-13.7%	-21.3%	14.7%	4.4%	7.3%
2009	-20.3%	-16.2%	-12.4%	10.8%	5.5%
2010	13.1%	5.2%	3.0%	7.9%	3.9%
2011	11.9%	2.7%	9.8%	5.6%	5.0%
2012	-7.0%	-0.5%	8.8%	12.4%	4.7%
2013	21.9%	33.1%	8.3%	2.8%	3.3%
2014	17.3%	20.4%	8.8%	6.1%	2.7%
2015	5.6%	25.2%	10.0%	5.6%	2.6%
2016	0.9%	0.4%	12.7%	7.0%	2.2%
2017	13.8%	14.7%	12.1%	0.3%	1.8%
2018	13.2%	15.4%	12.0%	3.1%	1.8%
2019	11.4%	12.0%	7.2%	9.6%	2.0%
2020	-7.6%	5.2%	-2.7%	4.2%	0.8%
2021	28.5%	27.5%	8.3%	-0.8%	0.1%
2022	-6.8%	-8.1%	13.9%	-10.5%	0.1%

\* Property assets may have both growth and defensive characteristics. Past performance is not a reliable indicator of future performance. Market indices: Australian shares – S&P/ASX300 Accumulation Index, International shares – MSCI World Ex-Australia Index (Unhedged), Property – Mercer Unlisted Property Trust Index, Fixed interest – Bloomberg AusBond Composite Bond Index, Cash – Bloomberg AusBond Bank Bill Index. These indices relate to investment markets and do not relate directly to Hostplus investment options.



## Benchmark returns Cumulative value of \$1,000 invested over the past 25 years



This is an example only and assumes \$1,000 was invested on 1 July 1997 in each of the respective asset classes (using the relevant market indices – see Benchmark returns over 25 years by traditional asset class) and all money earned has been reinvested. The valuations are nominal, don't take into account CPI, tax payable, fees or costs and are for illustrative purposes only. Actual investment returns are not guaranteed, and can be higher or lower than set out in this example. Past performance is not a reliable indicator of future performance.

### Investment terms.

#### Alternative Investments

Almost any non-traditional investment strategy could be classified as an alternative investment. For example, hedge funds or credit investments.

#### Assets

In investment terms, assets are investments used to gain a return. Assets are generally described as growth or defensive. They are also divided into asset classes such as cash, fixed interest, property, infrastructure, equity and other (alternatives) (see page 19 for more details).

#### Asset allocation

This means the spread of investments within an investment portfolio across various asset classes. As part of the strategy of the portfolio, this involves periodically rebalancing the mix in order to maintain a long term goal for asset allocation.

#### Asset allocation ranges

The investment strategy is an asset allocation of each option set within ranges by the trustee. The trustee will regularly monitor aggregate asset allocation of the option.

#### Benchmark

A standard against which the performance of a security, asset class or investment manager can be measured. For example, a share market index (which represents a broad mix of shares listed on a stock exchange) can be used as a benchmark for listed equity investments.

### **Credit**

Credit covers a broad range of debt that is typically issued by non-government entities. The corporate bond market is the largest sector within credit markets and consists of debt issued by corporations. Other credit sectors include mortgage-backed and asset-backed securities. Credit ratings are typically assigned to debt issues/securities and can either be investment grade or sub-investment grade rated.

### **Custodian**

An independent organisation that safeguards the fund's assets. There are comprehensive rules governing who can issue instructions to the custodian, in particular how money can be released to investment managers.

### **Developed markets/countries**

A developed market is a country with a relatively high level of economic growth and security.

### **Diversification**

As the saying goes, it doesn't pay to put all your eggs in one basket. The same is true for investing. The key to successfully managing risk is through diversification.

Diversification means spreading your investments across a range of different types of investments so you have exposure to different asset classes. This could help offset poor performance that may occur in any individual asset class. For example, if one asset class is not performing well, another asset class may be experiencing better returns helping to offset the losses of the poorer performing asset class.

### **Emerging markets/countries**

The financial markets of developing countries are known as 'emerging markets/countries'. Emerging markets can be very volatile but have strong growth potential.

### **Hedge Fund**

A fund that pools capital from a number of investors and invests in complex strategies in shares and other securities. It aims to achieve positive returns in both rising and falling markets, while using strategies to reduce the chance of loss.

### **Inflation**

Inflation is the increase in the general price level of goods and services in the economy. It is usually measured using the movements of the consumer price index (CPI).

### **Portfolio**

A portfolio is a spread of investments across the various sectors, managed as a whole to achieve a particular investment strategy.

### **Returns**

Returns may include both the income received from the investment and/or an increase or decrease in the capital value of the investment.

### **SAA (Strategic Asset Allocation) Benchmark**

SAA is a target mix of asset classes (such as shares, property, and cash) which is used to implement an investment strategy for a fund's investment portfolio. It takes into account the portfolio's investment return objective, risk tolerance and time horizon.

### **Standard risk measure**

The Standard Risk Measure (SRM) has been adopted to assist members in comparing investment options (both within and across superannuation funds) using a simplified risk measure.

The SRM is based on industry guidance to allow members to compare investment options that are expected to deliver similar negative net investment returns over a 20 year period.

The SRM is not a complete assessment of all forms of investment risk; for instance, it does not detail what the size of a negative return could be or the possibility of returns not being adequate to meet a member's investment objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.

### **Volatility**

The short-term fluctuations such as in share prices, exchange rates and interest rates that affect an investment. The higher the volatility, the less certain an investor is of the return within a set time frame and hence volatility is one measure of risk.

## Risks.

Each asset class and investment option has its own level of risk and return. Typically, the greater an investment risk, the greater its potential return over the long term. Risks can be divided into two main categories: investment risks and operational risks.

### Investment risks

All investments are subject to varying risks and can change in value. There are risks in choosing to invest in superannuation and each investment option has different risk characteristics and volatility.

The most significant risks are:

- **Inflation risk** – inflation may exceed the return on your investment. Inflation is measured by the Consumer Price Index (CPI). Where the CPI increases, money has less purchasing power. When an investment provides a lower return than the increase in inflation, it actually loses value in terms of purchasing power. Therefore, it is important to invest in assets that are expected to generate returns in excess of inflation over the medium to long term.
  - **Market risks** – economic, technological, political or legal conditions and even market sentiment can change and affect the value of investments.
  - **Changes in interest rates** – interest rate changes can have a positive or negative impact on investment returns across asset classes.
  - **Foreign exchange** – if we invest in other countries there is a risk their currencies could change in value relative to our dollar and so, increase or reduce the value of the investment.
  - **Investment styles** – when choosing individual fund managers, varying investment styles will perform differently depending on the markets and other factors.
  - **Risks associated with each individual investment** – including the risk of financial loss. Individual investments can fall in value for many reasons. For example:
    - **Australian shares** – inflation, interest rates and changes in market conditions will all have an effect on the value of shares, as does the performance of the company itself.
    - **International shares** – the risks relating to international shares are the same as for Australian shares. There are also additional risks relating to foreign exchange, and political risks associated with investing in overseas countries.
    - **Property** – returns on property rely on general economic factors such as inflation, interest rates and employment, as well as factors unique to the property such as its location and quality.
    - **Australian fixed interest** – changes in interest rates in particular will have an impact on fixed interest investments so that, if interest rates change during the term of a loan, there could be capital gains or capital losses. Depending on the nature of the issuer of the investment, there is a varying level of risk that the borrower may default on repayment of the loan.
    - **International fixed interest** – similar to Australian fixed interest but with additional risks associated with foreign exchange and political developments.
- Other risks may also affect the accessibility or value of your investment with any super fund. These include:
- **Liquidity risks** – this refers to the ability to convert an investment into cash with little or no loss of capital and minimum delay. Some investments, such as direct property and private equity, are relatively illiquid. As such, the fund makes these investments for the long term and limits the exposure of any investment option to these sectors.
  - **Security specific risks** – where an individual company or asset fails, for example through bankruptcy, fraudulent activity or the business environment in which it operates, the value of the investment can fall sharply.
  - **Derivatives risks** – derivatives are used by the PST for many purposes, including hedging to protect an asset against market fluctuations, reducing costs of achieving a particular market exposure, and specifically using derivative overlays to manage the PST's exposure to foreign currency movements against the Australian dollar. Hostplus has appointed various external investment managers who can directly invest in derivatives in order to assist with the effective management and protection of Hostplus assets. To satisfactorily manage this risk we set appropriate terms, levels of usage and constraints. Hostplus also obtains confirmation from these investment managers that they have the appropriate risk management processes in place in relation to the use of derivatives.
  - **Market failure** – there is a risk of broad market failure or significant financial collapse that affects investments broadly eg. the global financial crisis. Such events are outside the control of the trustee. Consequently, even long term investors like superannuation fund members should be mindful of the risk that if such high impact events occur, their benefits may be less than the total amount of contributions invested.

It is wise to seek professional advice when making decisions about selecting and changing your investment options as each option has a different risk/return profile.

**Operational risks.**

Operational risks include the possibility of:

- adequacy of resources (human, financial and technological)
- business continuity / disaster recovery
- fraud and theft
- administrative errors
- inappropriate advice
- unit pricing errors, or
- failure of outsourced providers.

Most operational risks can be controlled by the trustee through their internal control framework.

The trustee has a compliance and risk management program in place to manage these risks. In addition to the operational risks that may arise, there is also the possibility for legal or legislative risks to occur. These risks include:

- superannuation legislation changes that may affect your benefit or ability to access a benefit
- taxation changes that may affect the value of your investment
- economic or political climate changes
- Government policy and law changes
- particular events being excluded from insurance cover
- insurance terms changes, or
- a fund’s termination, the trustee being replaced or investment managers changing.

**Unitised investment options.**

The Hostplus Pension investment options are unitised.

When you invest, we allocate units to you based on the investment options you have selected. We will redeem units from your investment options to pay withdrawals, process switches, make pension payments, to deduct account keeping fees and any other charges.

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**i** The value of your investment in an investment option is equal to the number of units held for you multiplied by the unit price at that time. Separate unit prices are calculated for each investment option.

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**The unit price you will receive.**

Switches between investment options and/or to Choiceplus made through your online account must be made by 4.00pm (NSW time), otherwise they are not considered to have been received until the following day. Investment switches take effect two national business days after receipt.

**Setting unit prices.**

Hostplus values the assets in each investment option at the latest available market prices. In valuing assets, we make allowances (based on estimates) for:

- the investment managers’ fee
- any performance based fees payable to investment managers
- the effects of imputation credits (where applicable)
- custodian and asset consulting fees
- fees and expenses specifically relating to the management of investments.

The result of this valuation is then divided by the total number of units in the investment option to give the unit price. Unit prices will generally rise and fall with movements in the value of the underlying assets.

**Calculating unit prices.**

Citigroup Pty Limited, the custodian of Hostplus, calculates unit prices each national business day.

The unit prices are published daily.

The calculation is based on the most recent valuation of the assets, less any liabilities, divided by the total number of units in the investment option.

On occasion, events beyond the control of Hostplus and Citigroup may occur which delay the release of unit prices.

**Unit prices for TTR members.**

TTR members receive unit prices which are calculated to include the 15% earnings tax.

**Buy/sell spread.**

There are no buy/sell spreads for any investment option.

### Choiceplus.

The value of your investment in Choiceplus is the combined total of money you hold in the Choiceplus transaction account, the holding you have in any shares, Exchange Traded Funds (ETFs) or Listed Investment Companies (LICs) calculated using the previous market close price and any un-matured term deposits. **Please note: Choiceplus is not available through TTR accounts – but members may still invest in Choiceplus through a super account.**

### Expertly and professionally managed.

With the exception of Choiceplus, our direct investment option, each investment option is designed with different investment objectives, strategies and risk profiles established by the trustee in consultation with our asset consultant, JANA Investment Advisers Pty Ltd (JANA). Together, we closely monitor and regularly review the performance of each investment as well as individual managers. Investment portfolios that make up the respective investment options are managed by professional, reputable managers selected by the trustee in consultation (where appropriate) with the trustee's professional advisers including its asset consultant.

Hostplus investments are held by a custodian, Citigroup Pty Limited. They report on the performance of the investment managers selected by Hostplus.

### Change of investment managers.

Hostplus is responsible for selecting investment managers, monitoring their progress and determining the overall investment profile. Sometimes, a decision may be made to remove an investment manager as a result of poor investment performance, change in key personnel, or a shift in a manager's style or Hostplus investment strategies.

When an investment manager is removed, a manager with a similar or different investment style can replace it. Alternatively, the assets in which that manager was investing may also be allocated to one or more of our existing managers.

As part of Hostplus fiduciary duties, investment managers are constantly reviewed and monitored. There may be circumstances where Hostplus will decide to terminate an individual investment manager at short notice or due to an unforeseen event. In these instances, Hostplus reserves the right to remove the individual investment manager immediately and transfer the funds to the Cash (default) option. Hostplus will notify affected members of the change after the event, but within 30 days of the change.

See pages 53 – 57 for a list of current Hostplus investment managers.



## Responsible investment

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

Responsible investment is an important part of our investment approach that 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 implemented through an approach based on four pillars – environmental, social and governance (ESG) integration; active ownership; building Australia’s future; and member values. Our Responsible Investment Policy can be found on our website at [hostplus.com.au/super/about-us/investment-governance](http://hostplus.com.au/super/about-us/investment-governance)

## Our predetermined view

Hostplus is committed to responsible investment across all its investment activities including: across all geographic locations, all asset classes; all structures (eg. mandated and pooled funds) and all styles (including active and passive management).

Hostplus’ approach to responsible investment is influenced by its investment strategy, including outsourcing to investment managers to invest on its behalf. The way and extent to which responsible investment is incorporated into investment decisions will differ across the portfolio and is dependent on the relevance of ESG factors to a particular asset class and the style of the investment strategy. ESG factors considered may include:

Environmental	Social	Governance
<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Pollution and waste</li> <li>• Resource depletion</li> <li>• Biodiversity</li> <li>• Land use changes</li> </ul>	<ul style="list-style-type: none"> <li>• Human rights</li> <li>• Labour rights</li> <li>• Health &amp; safety</li> <li>• Employee relations</li> <li>• Human capital management</li> <li>• Aboriginal and Torres Strait Islander rights and relations</li> <li>• Local communities’ relations</li> <li>• Consumer protection</li> <li>• Animal welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Board structure, size, diversity, skills and independence</li> <li>• Executive remuneration</li> <li>• Shareholder rights</li> <li>• Corporate culture and ethics</li> <li>• Bribery and corruption</li> <li>• Risk management</li> <li>• Lobbying</li> <li>• Tax strategy</li> </ul>

While consideration of ESG factors (labour standards or environmental, social or ethical considerations) is part of Hostplus’ approach to responsible investment across all investment activities, application of ethical screens in decisions about the selection, retention or realisation of Hostplus’ investments is limited to the extent these are relevant under Hostplus’ Controversial Weapons Divestment Policy.

Through this Policy, we do not directly invest in companies involved in the development, production, maintenance or sale of controversial weapons. Further, Hostplus does not explicitly apply minimum labour standards in decisions about the selection, retention or realisation of investments. Our Socially Responsible Investment (SRI) –Balanced Option does, however, apply a range of exclusions.

## ESG integration

For all asset classes, Hostplus is committed to ESG integration. ESG factors are considered as part of our annual strategic asset allocation process and are taken into account in setting investment objectives. Hostplus, together with its investment adviser, JANA Investment Advisers Pty Ltd (JANA), also reviews investment managers’ abilities to integrate ESG risks and opportunities into their investment decision making process as part of the investment manager selection and review process. While the approach to ESG integration may vary by manager, each manager’s ability to consider and evaluate ESG factors must be in line with that of their asset class peer group at a minimum for inclusion in the portfolio. In this way ESG considerations will be one factor that informs how Hostplus’ investment managers invest on behalf of Hostplus, including decisions about the selection, retention or realisation of Hostplus’ investments across the portfolio.

## Active ownership

Our preference is to retain exposure to a broad range of sectors and seek to create change within companies or sectors that we invest in through engagement rather than divest from a company or sector and lose influence. Therefore, Hostplus pursues an active ownership program (which includes engagement and proxy voting) in order to positively influence company behaviour and performance and therefore contribute positively to long-term returns. Key principles which direct our engagement and proxy voting focus on board oversight and accountability, shareholder rights, major transactions, remuneration and ESG risk management and disclosure. Hostplus engages with companies primarily through its membership of the Australian Council of Superannuation Investors (ACSI), as well as directly and through investment managers.

We also take our proxy voting rights seriously, aiming to vote in all matters where it is practical for us to do so. We make our voting decisions taking into account voting guidance from specialist service providers, recommendations from our investment managers and based on Hostplus' key engagement and voting principles. More information about our approach to proxy voting can be found in our Responsible Investment Policy and we publicly disclose a full record of our voting decisions on the investment governance section of our website: [hostplus.com.au/super/about-us/investment-governance](http://hostplus.com.au/super/about-us/investment-governance)

**Socially Responsible Investment (SRI) – Balanced Option**

In addition to the previously described responsible investment approach which applies across all investment options and is based on risk management, we offer the SRI – Balanced Option which provides members' with an opportunity to align investment of their superannuation with their personal values. SRI – Balanced Option investments are therefore selected, retained and realised according to more specific responsible investment criteria (including environmental, social and ethical considerations and labour standards), as outlined below.

The SRI – Balanced Option is invested in a diversified investment portfolio, including some growth assets and some lower risk investments. It seeks to exclude particular industries and invest in assets that contribute to sustainable outcomes.

Specifically, the SRI – Balanced Option seeks to:

1. Companies that own reserves, explore, mine, extract, produce, refine or generate energy from fossil fuels as well as those companies that receive revenue from servicing these sectors through equipment services, pipeline transport or distribution. A zero-materiality threshold is applied, but dedicated renewable energy generators with backup fossil fuel sources (<5%) may remain investible. Data is supplied by MSCI and Institutional Shareholder Services (ISS) Inc.
2. Companies that breach the United Nations (UN) Global Compact or International Labour Organisation's (ILO) Core Conventions. Data is supplied by MSCI.
3. Companies with a MSCI ESG rating B or CCC
4. Companies involved in the development, production, maintenance or sale of controversial weapons (including cluster munitions, anti-personnel mines, depleted uranium, biological weapons, chemical weapons, blinding laser weapons, non-detectable fragment weapons, incendiary weapons and nuclear weapons). Involvement includes companies directly involved as well as prime-contractors, key sub-contractors, and suppliers of key components. Data is supplied by ISS.
5. Companies involved in growing, processing or using palm oil, that derive >10% of their revenue from these activities and where <50% of the palm oil is Roundtable on Sustainable Palm Oil (RSPO) Certified. Data is supplied by ISS
6. Companies involved in predatory lending, including unfair or deceptive products, excessive interest rates, misleading marketing, inclusion of unnecessary costs and hidden fees and those targeting minority, low income or elderly consumers. Data is supplied by ISS.
7. Companies deriving >5% of their revenue from for-profit detention e.g. prisons and immigration detention. Data is supplied by ISS.
8. Companies deriving >5% of their revenue from gambling. Data is supplied by MSCI.
9. Companies that manufacture tobacco products, such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco. This also includes companies that grow or process raw tobacco leaves. Data is supplied by MSCI.
10. Companies involved in the export of live animals for the purpose of slaughter, husbandry and breeding, including specialized transportation. Data is supplied by ISS.

Like our other investment options, the SRI – Balanced Option invests in unlisted assets such as private equity/venture capital as well as listed investments. Because Hostplus is one of the largest Australian investors in venture capital, the SRI – Balanced Option is invested in companies including those that are developing the technology and solutions needed to tackle climate change and a range of other environmental and social challenges.

Exclude investments in particular industries...	Invest in companies and assets that contribute toward achievement of the Sustainable Development Goals (SDGs) ...
<ul style="list-style-type: none"> <li>• Fossil fuels<sup>1</sup></li> <li>• Companies that breach Human Rights or Labour Rights standards<sup>2</sup></li> <li>• Companies with very poor ESG policies and systems<sup>3</sup></li> <li>• Controversial weapons<sup>4</sup></li> <li>• Uncertified palm oil<sup>5</sup></li> <li>• Predatory lending<sup>6</sup></li> <li>• For-profit detention<sup>7</sup></li> <li>• Gambling<sup>8</sup></li> <li>• Tobacco production<sup>9</sup></li> <li>• Live animal export<sup>10</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Renewable energy</li> <li>• Green buildings</li> <li>• Healthcare and medical solutions</li> <li>• Clean water</li> <li>• Community infrastructure</li> <li>• Alternative foods</li> <li>• Green bonds</li> </ul>



To develop the SRI – Balanced Option, we partnered with specialist external investment managers. Hostplus or its investment managers also source sustainable investment data from external service providers (Institutional Shareholder Services (ISS) Inc and MSCI). Decisions about the selection, retention or realisation of investments, particularly for listed assets, apply a rules-based approach and may therefore be affected by the accessibility and accuracy of data or an error by an external service provider. This may result in inadvertent holdings, typically over the short-term, in companies or assets the investment option seeks to avoid.

While the option invests with managers through mandates or fund-of-one structures wherever possible in order to adhere fully to the above rules, there will be circumstances where the option invests in pooled funds. In such circumstances, we cannot set the specific exclusion criteria, but will aim for the closest fit to the criteria in selecting a pooled fund.

The following describes the SRI – Balanced Option’s approach to in respect of each asset class in further detail:

- **Australian and International Shares** – invested in listed Australian and International (developed market) share portfolios via an investment manager mandate. Investment manager applies rules-based exclusions as described above and then applies an optimisation to maximise the weighted average Sustainable Development Goal score<sup>11</sup> of the Portfolio for a given level of tracking error against the standard benchmark.
- **Property** – invested in diversified property funds that have been identified as leaders (at the overall, regional and/or strategy level) by their Global Real Estate Sustainability Benchmark (GRESB) score and ranking. Hostplus applies exclusions as described above when selecting funds for the option.
- **Infrastructure** – invested in infrastructure assets including renewable energy, water utilities and social infrastructure. Hostplus applies exclusions as described above when selecting assets for the option.
- **Private Equity** – invested in a diversified mix of funds that have been identified as including companies that contribute toward achieving one or more SDG and/or are managed by an investment manager that has stronger than average responsible investment processes relative to peers within the same asset class. Hostplus applies exclusions as described above when selecting funds for the option (this involves avoiding funds that have exposure to one or more of the excluded industries or that adopt a fund-of-fund or secondaries structure).
- **Diversified Fixed Interest** – invested in passively managed Australian and Global Bond ESG funds whose process most closely matches the exclusions described above. The investment manager applies rules-based exclusions to non-government securities associated with fossil fuels, alcohol, tobacco, gambling, adult entertainment, genetically modified organisms, military weapons, civilian firearms and nuclear power, and for the global bond fund, treasury and government-related issuers with an MSCI ESG government rating below “BB”<sup>12</sup>.
- **Cash** – invested in cash products that are managed by investment managers with responsible investment processes. Hostplus applies exclusions as described above when selecting products for inclusion in the option.

Environmental, social and ethical considerations and labour standards are considered as part of selection, retention and realisation of assets in the following ways:

- **Environment** – investments in fossil fuels, companies with very poor ESG policies and systems and uncertified palm oil are avoided. Shares, property, infrastructure and private equity all have either a preference for or exclusive focus on companies and assets that contribute toward positive environmental outcomes.
- **Social** – investments in companies that breach Human Rights and Labour Rights standards, companies with very poor ESG policies and systems, predatory lending, for-profit detention, gambling and tobacco production are avoided. Shares, property, infrastructure and private equity all have either a preference for or exclusive focus on companies and assets that contribute toward positive social outcomes.
- **Ethical** – investments in controversial weapons, predatory lending, for-profit detention, gambling, tobacco production and live animal export are avoided.
- **Labour Standards** – investments in companies that breach Human Rights and Labour Rights standards are avoided.

The SRI – Balanced Option’s investments are periodically reviewed to ensure they meet the criteria for inclusion. For listed assets, holdings are reviewed against the screening criteria at least quarterly. For unlisted assets, an assessment is undertaken prior to initial inclusion and at least once a year thereafter. If an investment is identified as not meeting the criteria, it will be sold or removed from the option at the next rebalance (at least quarterly for listed assets) or as soon as reasonably practicable but typically within two months (for other asset classes).

More information on the SRI – Balanced Option can be found on our website at [hostplus.com.au/super/about-us/investment-governance#socially-responsible-investment-option](https://hostplus.com.au/super/about-us/investment-governance#socially-responsible-investment-option).

11. SDG Solution Overall Score. Data is supplied by ISS.

12. Definitions for exclusions are based on the [Bloomberg Barclays Index exclusion methodology](#)

## Climate change

Hostplus recognizes that climate change may influence the performance of the Hostplus' investments over time and that the impact will be dependent on the extent of physical, social and regulatory changes. In order to manage the financial risk due to climate change in our portfolio, we consider the risks and impacts arising from climate change in all aspects of the investment process.

More information on Hostplus' approach to climate change go to [hostplus.com.au/investment/investment-governance/climate-change](https://hostplus.com.au/investment/investment-governance/climate-change).

## What is the relationship between Hostplus and the companies it invests through?

We have an arm's length commercial relationship with the companies we invest in.

The trustee undertakes that it will not deal with any companies in which it has an interest, more favourably than it would deal with any other independent service provider.

## Hostplus Pension investment options explained.

There are five main categories of investment options.

### Pre-mixed options

The pre-mixed options comprise of different mixes of sectors, assets and investments that we've put together for you.

They are:

- Capital Stable (Page 32)
- Conservative Balanced (Page 33)
- Socially Responsible Investment (SRI) – Balanced (Page 34)
- Indexed Balanced (Page 35)
- Balanced (Page 36)
- Shares Plus. (Page 37)

### Sector investment options

Our sector investment options allow you to focus on sector-specific asset types. They are:

- Cash (default) (Page 38)
- Diversified Fixed Interest (Page 38)
- Diversified Fixed Interest – Indexed (Page 39)
- Property (Page 39)
- Infrastructure (Page 40)
- Australian Shares (Page 40)
- Australian Shares – Indexed (Page 41)
- International Shares (Page 41)
- International Shares – Indexed (Page 42)
- International Shares (Hedged) – Indexed (Page 42)
- International Shares – Emerging Markets (Page 43).

## CPIplus

**CPIplus** seeks to provide members with a predetermined rate of return for a defined period. See pages 44 to 48 for further details. **Please note, the CPIplus investment option is not available to TTR members.**

## Direct investment option – Choiceplus

**Choiceplus** is our direct investment option that offers you a greater level of control and choice in investing your pension. See page 49. **Please note, the Choiceplus investment option is not available to TTR members.**

Pages 32 – 44 give an overview of each investment option including:

- return target
- level of investment risk
- investment style
- asset mix
- past performance
- Who is this investment suitable for, and
- Minimum Suggested Time Frame.

**Please note: For the Pre-Retirement Pension options, the return objectives are slightly different to the options shown on the following pages. They are the same as for the accumulation options which can be found at [hostplus.com.au/pds](https://hostplus.com.au/pds). Return objectives disclosed are after fees and taxes.**

## Investment objectives and strategies.

With the exception of Choiceplus, our direct investment option, Hostplus bases its objectives on professional advice from our independent asset consultant. The asset consultant takes into account the possible impact of economic forecasts on the different asset classes in which the options invest.


Investment strategies are developed by the Hostplus board in conjunction with the asset consultant to create a high probability of attaining the outlined objective of each investment option.

Strategies are amended from time to time to reflect changing circumstances in different markets.

The investment objectives are not an indicator of the future performance of the options, and in no way predict returns. They are provided in order to give members an indication of the level of net investment returns that the options could produce based on the historical, long-term experience of the different asset classes in which the options invest.


However, past performance is not a reliable indicator of future performance and investors should be aware that changing market conditions can cause the value of investments to change.

Pre-mixed options

Capital Stable			
Return target	<b>Pension:</b> CPI plus 3.0% per annum on average over 20 years.	<b>Transition to Retirement:</b> CPI plus 2.0% per annum on average over 20 years.	
Level of investment risk*	<b>Low to medium.</b> (Negative returns expected in between 1 to less than 2 out of every 20 years)		
Investment style	Most conservative and low-risk of the Hostplus pre-mixed investment options.		
Who is this investment suitable for?	Members with a five years plus investment horizon in pursuit of the lowest risk, diversified, pre-mixed investment option. Capital Stable has been designed for members seeking a much lower allocation to growth assets such as equities (shares) and a much higher allocation to defensive assets such as fixed interest and cash.		
Minimum Suggested Time Frame#	5 years plus.		
Asset Mix	Asset Class	Range	Strategic Asset Allocation Benchmark
	Australian Shares	0 – 30%	8%
	International Shares - Developed Markets	0 – 30%	8%
	International Shares - Emerging Markets	0 – 10%	3%
	Property	0 – 25%	11%
	Infrastructure	0 – 25%	11%
	Private Equity	0 – 10%	1%
	Credit	0 – 20%	6%
	Alternatives	0 – 20%	6%
	Diversified Fixed Interest	10 – 50%	25%
	Cash	10 – 50%	21%
	 <ul style="list-style-type: none"> <li><span style="color: blue;">■</span> 38% Growth Assets</li> <li><span style="color: yellow;">■</span> 62% Defensive Assets</li> </ul>		
Past Performance	Net investment returns to 30 June		
	2022		-1.13%
	2021		10.13%
	2020		-1.86%
	2019		4.24%
	2018		7.75%
	Compound average to 30 June 2022		
	3 year		2.23%
	5 year		3.72%
	10 year		5.77%
	Transition to Retirement Net investment returns to 30 June**		
	2022		-0.96%
	2021		8.93%
	2020		-1.64%
	2019		3.71%
	2018		6.81%
	Transition to Retirement compound average to 30 June 2022		
	3 year		1.99%
	5 year		3.28%

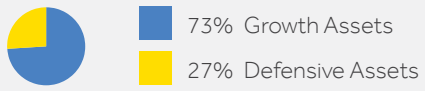
\*The Level of investment risk is based on an industry-wide Standard Risk Measure. #The Minimum Suggested Time Frame is based on the risk and return profile of the option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The above net investment returns are for comparison purposes only. To view previous Hostplus Pension unit prices, please visit [hostplus.com.au/investment/our-investment-performance/investment-returns](https://hostplus.com.au/investment/our-investment-performance/investment-returns). \*\* Transition to Retirement was offered by Hostplus from 30 June 2017.

## Pre-mixed options

Conservative Balanced			
Return target	<b>Pension:</b> CPI plus 3.5% per annum on average over 20 years.	<b>Transition to Retirement:</b> CPI plus 3.0% per annum on average over 20 years.	
Level of investment risk*	<b>Medium.</b> (Negative returns expected in between 2 to less than 3 out of every 20 years)		
Investment style	Contains roughly equal proportions of growth and defensive assets.		
Who is this investment suitable for?	Members with a five years plus investment horizon in pursuit of a medium risk diversified, pre-mixed investment option. Conservative Balanced has been designed for members seeking a lower allocation to growth assets such as equities (shares) and a higher allocation to fixed interest and cash. It contains a similar proportion of growth and defensive assets.		
Minimum Suggested Time Frame#	5 years plus.		
Asset Mix	Asset Class	Range	Strategic Asset Allocation Benchmark
	Australian Shares	10 – 30%	16%
	International Shares - Developed Markets	10 – 30%	16%
	International Shares - Emerging Markets	0 – 15%	6%
	Property	0 – 25%	10%
	Infrastructure	0 – 25%	9%
	Private Equity	0 – 10%	3%
	Credit	0 – 20%	6%
	Alternatives	0 – 20%	6%
	Diversified Fixed Interest	10 – 40%	15%
	Cash	5 – 25%	13%
	 <ul style="list-style-type: none"> <li><span style="color: blue;">■</span> 57% Growth Assets</li> <li><span style="color: yellow;">■</span> 43% Defensive Assets</li> </ul>		
Past Performance	Net investment returns to 30 June		
	2022		-2.42%
	2021		16.45%
	2020		-0.20%
	2019		5.68%
	2018		10.59%
	Compound average to 30 June 2022		
	3 year		4.28%
	5 year		5.79%
	10 year		5.77%
	Transition to Retirement Net investment returns to 30 June**		
	2022		-2.09%
	2021		14.49%
	2020		-0.21%
	2019		5.02%
	2018		9.41%
	Transition to Retirement compound average to 30 June 2022		
	3 year		3.80%
	5 year		5.15%


\*The Level of investment risk is based on an industry-wide Standard Risk Measure. #The Minimum Suggested Time Frame is based on the risk and return profile of the option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The above net investment returns are for comparison purposes only. To view previous Hostplus Pension unit prices, please visit [hostplus.com.au/investment/our-investment-performance/investment-returns](https://hostplus.com.au/investment/our-investment-performance/investment-returns).\*\* Transition to Retirement was offered by Hostplus from 30 June 2017.

Pre-mixed options

Socially Responsible Investment (SRI) – Balanced <sup>1</sup>			
Return target	<b>Pension:</b> CPI plus 4.0% per annum on average over 20 years.	<b>Transition to Retirement:</b> CPI plus 3.0% per annum on average over 20 years.	
Level of investment risk*	<b>High.</b> (Negative returns expected in between 4 to less than 6 out of every 20 years)		
Investment style	Responsible investment option invested through diversified investment portfolio, including some growth assets and some lower risk investments. Seeks to exclude particular industries and invest in assets that contribute to sustainable outcomes.		
Who is this investment suitable for?	Members with a five years plus investment horizon in pursuit of a diversified, pre-mixed investment option with a socially responsible investment style. The SRI Balanced option has been designed for members specifically seeking to avoid exposure to fossil fuels, companies that breach human rights or labour rights, uncertified palm oil, tobacco and other particular industries, while investing in assets that contribute to sustainable outcomes. Compared to our default Balanced option, SRI Balanced has a similar split between assets with growth and defensive characteristics.		
Minimum Suggested Time Frame#	5 years plus.		
Asset Mix	Asset Class	Range	Strategic Asset Allocation Benchmark
	Australian Shares	10 – 50%	24%
	International Shares - Developed Markets	10 – 50%	26%
	International Shares - Emerging Markets	0 – 20%	0%
	Property	0 – 30%	10%
	Infrastructure	0 – 30%	9%
	Private Equity	0 – 30%	8%
	Credit	0 – 20%	0%
	Alternatives	0 – 30%	10%
	Diversified Fixed Interest	0 – 30%	8%
	Cash	0 – 20%	5%
			
Past Performance <sup>1</sup>	<b>Net investment returns to 30 June</b>		
	2022		2.48%
	2021		25.43%
	2020		-1.63%
	2019		8.10%
	2018		9.74%
	<b>Compound average to 30 June 2022</b>		
	3 year		8.13%
	5 year		8.44%
	<b>Transition to Retirement Net investment returns to 30 June**</b>		
	2022		2.34%
	2021		22.47%
	2020		-1.40%
	2019		7.20%
	2018		8.63%
	<b>Transition to Retirement compound average to 30 June 2022</b>		
	3 year		7.30%
	5 year		7.55%

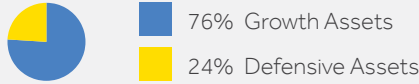
1. The Socially Responsible Investment (SRI) – Balanced Option was introduced on 28 March 2017. On 15 February 2021, changes were made to the option’s investment approach and underlying managers. Asset allocation ranges and the level of investment risk were not materially changed. It remains a balanced investment option, including some growth assets and some lower risk investments. \*The Level of investment risk is based on an industry-wide Standard Risk Measure. #The Minimum Suggested Time Frame is based on the risk and return profile of the option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The above net investment returns are for comparison purposes only. To view previous Hostplus Pension unit prices, please visit [hostplus.com.au/investment/our-investment-performance/investment-returns](https://hostplus.com.au/investment/our-investment-performance/investment-returns). \*\* Transition to Retirement was offered by Hostplus from 30 June 2017.

## Pre-mixed options

Indexed Balanced			
Return target	<b>Pension:</b> CPI plus 3.0% per annum on average over 20 years.	<b>Transition to Retirement:</b> CPI plus 2.5% per annum on average over 20 years.	
Level of investment risk*	<b>High.</b> (Negative returns expected in between 4 to less than 6 out of every 20 years)		
Investment style	Investments through diversified investment portfolio, including some growth assets and some lower risk investments.		
Who is this investment suitable for?	Members with a five years plus investment horizon in pursuit of a passively managed, diversified, pre-mixed investment option. 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 market indices. Indexed Balanced does not invest in unlisted assets and instead has a higher allocation to listed equities, fixed interest, and cash.		
Minimum Suggested Time Frame#	5 years plus.		
Asset Mix	Asset Class	Range	Strategic Asset Allocation Benchmark
	Australian Shares	20 – 60%	35%
	International Shares - Developed Markets	20 – 60%	40%
	International Shares - Emerging Markets	0 – 15%	0%
	Property	0 – 10%	0%
	Infrastructure	0 – 10%	0%
	Private Equity	0 – 10%	0%
	Credit	0 – 10%	0%
	Alternatives	0 – 10%	0%
	Diversified Fixed Interest	10 – 30%	17%
	Cash	0 – 20%	8%
	 <ul style="list-style-type: none"> <li><span style="color: blue;">■</span> 75% Growth Assets</li> <li><span style="color: yellow;">■</span> 25% Defensive Assets</li> </ul>		
Past Performance	Net investment returns to 30 June		
	2022		-6.56%
	2021		21.35%
	2020		0.15%
	2019		9.59%
	2018		10.84%
	Compound average to 30 June 2022		
	3 year		4.33%
	5 year		6.64%
	10 year		9.52%
	Transition to Retirement Net investment returns to 30 June**		
	2022		-5.76%
	2021		18.78%
	2020		0.19%
	2019		8.47%
	2018		9.58%
	Transition to Retirement compound average to 30 June 2022		
	3 year		3.89%
	5 year		5.91%

\*The Level of investment risk is based on an industry-wide Standard Risk Measure. #The Minimum Suggested Time Frame is based on the risk and return profile of the option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The above net investment returns are for comparison purposes only. To view previous Hostplus Pension unit prices, please visit [hostplus.com.au/investment/our-investment-performance/investment-returns](https://hostplus.com.au/investment/our-investment-performance/investment-returns). \*\* Transition to Retirement was offered by Hostplus from 30 June 2017.


Pre-mixed options

Balanced^			
Return target	<p><b>Pension:</b> CPI plus 3.5% per annum on average over 10 years.  <b>Pension:</b> CPI plus 4.5% per annum on average over 20 years.</p>	<p><b>Transition to Retirement:</b> CPI plus 3.0% per annum on average over 10 years.  <b>Transition to Retirement:</b> CPI plus 4.0% per annum on average over 20 years.</p>	
Level of investment risk*	Medium to high. (Negative returns expected in between 3 to less than 4 out of every 20 years)		
Investment style	Investments through a diversified investment portfolio, including some growth assets and some lower risk investments.		
Who is this investment suitable for?	Members with a five years plus investment horizon in pursuit of an actively managed, highly diversified, pre-mixed investment option with access to growth and defensive assets.		
Minimum Suggested Time Frame#	5 years plus.		
Asset Mix	Asset Class	Range	Strategic Asset Allocation Benchmark
	Australian Shares	10 – 40%	21%
	International Shares - Developed Markets	10 – 40%	21%
	International Shares - Emerging Markets	0 – 15%	8%
	Property	0 – 30%	11%
	Infrastructure	0 – 30%	11%
	Private Equity	0 – 25%	10%
	Credit	0 – 20%	7%
	Alternatives	0 – 20%	3%
	Diversified Fixed Interest	0 – 20%	3%
	Cash	0 – 15%	5%
	 <p>76% Growth Assets 24% Defensive Assets</p>		
Past Performance	Net investment returns to 30 June		
	2022		2.12%
	2021		25.55%
	2020		-1.88%
	2019		7.08%
	2018		13.54%
	Compound average to 30 June 2022		
	3 year		7.94%
	5 year		8.86%
	10 year		10.88%
	Transition to Retirement Net investment returns to 30 June**		
	2022		1.44%
	2021		22.44%
	2020		-2.01%
	2019		6.32%
	2018		12.37%
	Transition to Retirement compound average to 30 June 2022		
	3 year		6.76%
	5 year		7.77%

^ Throughout this product disclosure statement (PDS) we refer to the Balanced investment option. Hostplus offers the Balanced investment option in the accumulation, transition to retirement and pension phase. Unless specified otherwise, all reference to the Balanced Option in the Pension PDS refer to the Balanced Option in the pension and Transition to Retirement (TTR) phase.\*The Level of investment risk is based on an industry-wide Standard Risk Measure. #The Minimum Suggested Time Frame is based on the risk and return profile of the option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The above net investment returns are for comparison purposes only. To view previous Hostplus Pension unit prices, please visit [hostplus.com.au/investment/our-investment-performance/investment-returns](https://hostplus.com.au/investment/our-investment-performance/investment-returns).  
 \*\* Transition to Retirement was offered by Hostplus from 30 June 2017.





## Pre-mixed options

Shares Plus			
Return target	<b>Pension:</b> CPI plus 5.0% per annum on average over 20 years.	<b>Transition to Retirement:</b> CPI plus 4.5% per annum on average over 20 years.	
Level of investment risk*	<b>High.</b> (Negative returns expected in between 4 to less than 6 out of every 20 years)		
Investment style	Contains the highest investment in assets with potential for capital growth out of all available Hostplus pre-mixed options.		
Who is this investment suitable for?	Members with a five years plus investment horizon in pursuit of a diversified, pre-mixed investment option. Shares Plus has been designed for members seeking a higher allocation to growth assets, being listed equities (shares) and a lower allocation to assets with defensive characteristics, such as fixed interest and cash. It has the highest exposure to growth assets and is therefore the least risk averse of our pre-mixed investment options.		
Minimum Suggested Time Frame#	5 years plus.		
Asset Mix	Asset Class	Range	Strategic Asset Allocation Benchmark
	Australian Shares	10 – 50%	30%
	International Shares - Developed Markets	10 – 50%	30%
	International Shares - Emerging Markets	0 – 20%	11%
	Property	0 – 20%	7%
	Infrastructure	0 – 20%	7%
	Private Equity	0 – 20%	8%
	Credit	0 – 15%	5%
	Alternatives	0 – 10%	2%
	Diversified Fixed Interest	0 – 10%	0%
	Cash	0 – 10%	0%
	 <ul style="list-style-type: none"> <li><span style="color: blue;">■</span> 90% Growth Assets</li> <li><span style="color: yellow;">■</span> 10% Defensive Assets</li> </ul>		
Past Performance	Net investment returns to 30 June		
	2022		-4.80%
	2021		29.78%
	2020		0.65%
	2019		7.34%
	2018		15.48%
	Compound average to 30 June 2022		
	3 year		7.53%
	5 year		9.03%
	10 year		11.50%
	Transition to Retirement Net investment returns to 30 June**		
	2022		-4.16%
	2021		26.41%
	2020		0.51%
	2019		6.58%
	2018		14.03%
	Transition to Retirement compound average to 30 June 2022		
	3 year		6.78%
	5 year		8.15%

\*The Level of investment risk is based on an industry-wide Standard Risk Measure. #The Minimum Suggested Time Frame is based on the risk and return profile of the option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The above net investment returns are for comparison purposes only. To view previous Hostplus Pension unit prices, please visit [hostplus.com.au/investment/our-investment-performance/investment-returns](https://hostplus.com.au/investment/our-investment-performance/investment-returns). \*\* Transition to Retirement was offered by Hostplus from 30 June 2017.

## Sector investment options



	Cash (default) <sup>1</sup>			Diversified Fixed Interest		
<b>Return target</b>	<b>Pension:</b> CPI per annum on average over 20 years.	<b>Transition to Retirement:</b> CPI minus 0.5% per annum on average over 20 years.		<b>Pension:</b> CPI per annum on average over 20 years.	<b>Transition to Retirement:</b> CPI per annum on average over 20 years.	
<b>Level of investment risk*</b>	<b>Very low.</b> (Negative returns expected in between less than 0.5 out of every 20 years)			<b>Medium to high.</b> (Negative returns expected in between 3 to less than 4 out of every 20 years)		
<b>Investment style</b>	Cash investments could include deposits in a bank, investments in short-term money markets and other similar investments.			Usually a loan to a Government or business with a fixed interest rate and the length of the loan agreed in advance.		
<b>Who is this investment suitable for?</b>	Members with two years plus investment horizon in pursuit of exposure to short-term money market securities, bank deposits and other similar investments. This option aims to deliver stable returns over a market cycle.			Members with a two years plus investment horizon in pursuit of exposure to a portfolio of Australian and international government bonds and other investment grade debt. This option aims to provide capital stability and a return above cash over a market cycle.		
<b>Minimum Suggested Time Frame<sup>#</sup></b>	2 year plus.			2 years plus.		
<b>Asset Mix</b>	<b>Asset Class</b>	<b>Range</b>	<b>Strategic Asset Allocation Benchmark</b>	<b>Asset Class</b>	<b>Range</b>	<b>Strategic Asset Allocation Benchmark</b>
	Cash	100 – 100%	100%	Diversified Fixed Interest	90 – 100%	100%
				Cash	0 – 10%	0%
						
<b>Past Performance</b>	<b>Net investment returns to 30 June</b>			<b>Net investment returns to 30 June</b>		
	2022		0.27%	2022		-8.91%
	2021		0.09%	2021		-0.47%
	2020		1.02%	2020		3.72%
	2019		2.26%	2019		6.77%
	2018		1.68%	2018		3.53%
	<b>Compound average to 30 June 2022</b>			<b>Compound average to 30 June 2022</b>		
	3 year		0.46%	3 year		-2.03%
	5 year		1.06%	5 year		0.78%
	10 year		1.76%	10 year		4.04%
	<b>Transition to Retirement Net investment returns to 30 June**</b>			<b>Transition to Retirement Net investment returns to 30 June**</b>		
	2022		0.23%	2022		-7.88%
	2021		0.07%	2021		-0.41%
	2020		0.87%	2020		3.20%
	2019		1.93%	2019		5.76%
	2018		1.43%	2018		3.02%
	<b>Transition to Retirement compound average to 30 June 2022</b>			<b>Transition to Retirement compound average to 30 June 2022</b>		
	3 year		0.39%	3 year		-1.80%
	5 year		0.90%	5 year		0.62%

\*The Level of investment risk is based on an industry-wide Standard Risk Measure. #The Minimum Suggested Time Frame is based on the risk and return profile of the option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The above net investment returns are for comparison purposes only. To view previous Hostplus Pension unit prices, please visit [hostplus.com.au/investment/our-investment-performance/investment-returns](https://hostplus.com.au/investment/our-investment-performance/investment-returns).

\*\* Transition to Retirement was offered by Hostplus from 30 June 2017.

1. The Cash option will be invested approximately 60% in deposits with Commonwealth Bank of Australia Limited and 40% in deposits with Members Equity Bank Limited.\* Any remaining amounts of the Cash option will be invested in separate bank deposits, short-term money market investments or other similar investments. \*Please note that maintaining a specific allocation requires regular rebalancing and the actual allocation may vary between rebalancing dates.

## Sector investment options

	Diversified Fixed Interest – Indexed <sup>1</sup>			Property		
Return target	<b>Pension:</b> CPI per annum on average over 20 years.	<b>Transition to Retirement:</b> CPI minus 0.5% per annum on average over 20 years.		<b>Pension:</b> CPI plus 3.0% per annum on average over 20 years.	<b>Transition to Retirement:</b> CPI plus 2.0% per annum on average over 20 years.	
Level of investment risk*	<b>Medium to high.</b> (Negative returns expected in 3 to less than 4 years out of every 20 years)			<b>Medium to high.</b> (Negative returns expected in between 3 to less than 4 out of every 20 years)		
Investment style	Enhanced passive management.			An investment in property or buildings, either directly or via property trusts.		
Who is this investment suitable for?	Members with a two years plus investment horizon in pursuit of exposure to a portfolio of Australian and international government bonds and other investment grade debt. This option is designed for members with a primary focus on minimising fees. It uses an indexed-enhanced strategy base upon an established market index and then seeks to add modest value by exploiting market inefficiencies. This option aims to provide capital stability and a return above cash over a market cycle.			Members with a seven years plus investment horizon in pursuit of exposure to a diversified portfolio of unlisted property assets. This includes exposure to the traditional sectors, being retail, commercial, and industrial. These options aim to achieve income returns and capital growth over the long term.		
Minimum Suggested Time Frame <sup>#</sup>	2 years plus.			7 years plus.		
Asset Mix	<b>Asset Class</b>	<b>Range</b>	<b>Strategic Asset Allocation Benchmark</b>	<b>Asset Class</b>	<b>Range</b>	<b>Strategic Asset Allocation Benchmark</b>
	Diversified Fixed Interest	90–100%	100%	Property	90–100%	100%
	Cash	0–10%	0%	Cash	0–10%	0%
	 <span style="display: inline-block; width: 10px; height: 10px; background-color: blue; margin-right: 5px;"></span> 0% Growth Assets <span style="display: inline-block; width: 10px; height: 10px; background-color: yellow; margin-right: 5px;"></span> 100% Defensive Assets			 <span style="display: inline-block; width: 10px; height: 10px; background-color: blue; margin-right: 5px;"></span> 30% Growth Assets <span style="display: inline-block; width: 10px; height: 10px; background-color: yellow; margin-right: 5px;"></span> 70% Defensive Assets		
	Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.					
Past Performance	<b>Net investment returns to 30 June</b>			<b>Net investment returns to 30 June</b>		
	2022		–	2022		19.06%
	2021		–	2021		8.99%
	2020		–	2020		0.72%
	2019		–	2019		8.69%
	2018		–	2018		12.96%
	<b>Compound average to 30 June 2022</b>			<b>Compound average to 30 June 2022</b>		
	3 year		–	3 year		9.33%
	5 year		–	5 year		9.91%
	10 year		–	10 year		9.88%
	<b>Transition to Retirement Net investment returns to 30 June**</b>			<b>Transition to Retirement Net investment returns to 30 June**</b>		
	2022		–	2022		17.35%
	2021		–	2021		8.06%
	2020		–	2020		0.66%
	2019		–	2019		7.65%
	2018		–	2018		11.58%
	<b>Transition to Retirement compound average to 30 June 2022</b>			<b>Transition to Retirement compound average to 30 June 2022</b>		
	3 year		–	3 year		8.47%
	5 year		–	5 year		8.92%



1. The Diversified Fixed Interest - Indexed option was introduced on 18 March 2022.\*The Level of investment risk is based on an industry-wide Standard Risk Measure. #The Minimum Suggested Time Frame is based on the risk and return profile of the option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The above net investment returns are for comparison purposes only. To view previous Hostplus Pension unit prices, please visit [hostplus.com.au/investment/our-investment-performance/investment-returns](https://hostplus.com.au/investment/our-investment-performance/investment-returns).\*\* Transition to Retirement was offered by Hostplus from 30 June 2017.

Sector investment options

	Infrastructure <sup>1</sup>			Australian Shares		
Return target	<b>Pension:</b> CPI plus 2.5% per annum on average over 20 years.		<b>Transition to Retirement:</b> CPI plus 2.0% per annum on average over 20 years.	<b>Pension:</b> CPI plus 5.5% per annum on average over 20 years.		<b>Transition to Retirement:</b> CPI plus 4.0% per annum on average over 20 years.
Level of investment risk*	<b>Medium to high.</b> (Negative returns expected in between 3 to less than 4 out of every 20 years)			<b>High.</b> Negative returns expected in between 4 to less than 6 out of every 20 years)		
Investment style	Long-term direct investment option that invests in tangible infrastructure assets, such as airports, seaports, toll roads, renewable energy and utilities, both within Australia and globally.			Active management.		
Who is this investment suitable for?	Members with a five years plus investment horizon in pursuit of exposure to a diversified portfolio of infrastructure assets. This includes exposure to assets such as airports, seaports, and renewable energy generation. These options aim to achieve income returns and capital growth over the long term.			Members with a five years plus investment horizon in pursuit of exposure to a highly diversified portfolio of companies listed on the Australian Securities Exchange. This actively managed option aims to outperform the market by carefully selecting which companies to buy and sell. This option aims to achieve capital growth and income growth via dividends over the long term.		
Minimum Suggested Time Frame#	5 years plus.			5 years plus.		
Asset Mix	Asset Class	Range	Strategic Asset Allocation Benchmark	Asset Class	Range	Strategic Asset Allocation Benchmark
	Infrastructure	90–100%	100%	Australian Shares	80–100%	100%
				International Shares - Developed Markets	0–10%	0%
	Cash	0–10%	0%	Cash	0–10%	0%
	<p>60% Growth Assets 40% Defensive Assets</p> <p>Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.</p>			<p>100% Growth Assets 0% Defensive Assets</p> <p>Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.</p>		
Past Performance	Net investment returns to 30 June			Net investment returns to 30 June		
	2022		10.73%	2022		-4.27%
	2021		10.92%	2021		32.11%
	2020		-	2020		-5.33%
	2019		-	2019		6.20%
	2018		-	2018		17.69%
	Compound average to 30 June 2022			Compound average to 30 June 2022		
	3 year		-	3 year		6.18%
	5 year		-	5 year		8.39%
	10 year		-	10 year		11.31%
	Transition to Retirement Net investment returns to 30 June**			Transition to Retirement Net investment returns to 30 June**		
	2022		9.44%	2022		-3.63%
	2021		9.66%	2021		28.61%
	2020		-	2020		-4.61%
	2019		-	2019		5.61%
	2018		-	2018		16.02%
	Transition to Retirement compound average to 30 June 2022			Transition to Retirement compound average to 30 June 2022		
	3 year		-	3 year		5.73%
	5 year		-	5 year		7.69%

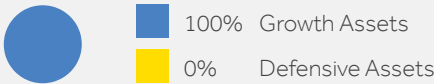
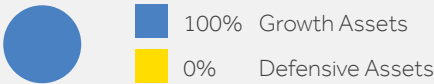
1. The Infrastructure investment option was introduced on 1 December 2019. \*The Level of investment risk is based on an industry-wide Standard Risk Measure. #The Minimum Suggested Time Frame is based on the risk and return profile of the option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The above net investment returns are for comparison purposes only. To view previous Hostplus Pension unit prices, please visit [hostplus.com.au/investment/our-investment-performance/investment-returns](https://hostplus.com.au/investment/our-investment-performance/investment-returns). \*\* Transition to Retirement was offered by Hostplus from 30 June 2017.

## Sector investment options

	Australian Shares - Indexed <sup>1</sup>			International Shares		
<b>Return target</b>	<b>Pension:</b> CPI plus 4.5% per annum on average over 20 years.		<b>Transition to Retirement:</b> CPI plus 3.0% per annum on average over 20 years.	<b>Pension:</b> CPI plus 5.0% per annum on average over 20 years.		<b>Transition to Retirement:</b> CPI plus 4.0% per annum on average over 20 years.
<b>Level of investment risk*</b>	<b>Very High.</b> (Negative returns expected in 6 or greater years out of every 20 years)			<b>High.</b> (Negative returns expected in between 4 to less than 6 out of every 20 years)		
<b>Investment Style</b>	Enhanced passive management.			Active management.		
<b>Who is this investment suitable for?</b>	Members with a five years plus investment horizon in pursuit of exposure to a highly diversified portfolio of companies listed on the Australian Securities Exchange. This option is designed for members with a primary focus on minimising fees. It uses an indexed enhanced strategy based upon an established market index and then seeks to add modest value by exploiting market inefficiencies. This option aims to achieve capital growth and income growth via dividends over the long term.			Members with a five years plus investment horizon in pursuit of exposure to a highly diversified portfolio of companies listed on international stock exchanges, including developed and emerging markets. This actively managed option aims to outperform the market by carefully selecting which companies to buy and sell. This option aims to achieve capital growth and income growth via dividends over the long term.		
<b>Minimum Suggested Time Frame<sup>#</sup></b>	5 years plus.			5 years plus.		
<b>Asset Mix</b>	<b>Asset Class</b>	<b>Range</b>	<b>Strategic Asset Allocation Benchmark</b>	<b>Asset Class</b>	<b>Range</b>	<b>Strategic Asset Allocation Benchmark</b>
	Australian Shares	90–100%	100%	International Shares - Developed Markets	50–100%	73%
	Cash	0–10%	0%	International Shares - Emerging Markets	0–40%	27%
				Cash	0–10%	0%
	 100% Growth Assets 0% Defensive Assets Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.			 100% Growth Assets 0% Defensive Assets Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.		
<b>Past Performance</b>	<b>Net investment returns to 30 June</b>			<b>Net investment returns to 30 June</b>		
	2022		–	2022		–17.79%
	2021		–	2021		33.75%
	2020		–	2020		7.37%
	2019		–	2019		6.60%
	2018		–	2018		17.06%
	<b>Compound average to 30 June 2022</b>			<b>Compound average to 30 June 2022</b>		
	3 year		–	3 year		5.69%
	5 year		–	5 year		8.05%
	10 year		–	10 year		11.94%
	<b>Transition to Retirement Net investment returns to 30 June**</b>			<b>Transition to Retirement Net investment returns to 30 June**</b>		
	2022		–	2022		–16.44%
	2021		–	2021		30.10%
	2020		–	2020		6.50%
	2019		–	2019		5.80%
	2018		–	2018		15.33%
	<b>Transition to Retirement compound average to 30 June 2022</b>			<b>Transition to Retirement compound average to 30 June 2022</b>		
	3 year		–	3 year		5.00%
	5 year		–	5 year		7.15%

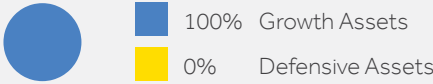
1. The Australian Shares - Indexed option was introduced on 18 March 2022. \*The Level of investment risk is based on an industry-wide Standard Risk Measure. #The Minimum Suggested Time Frame is based on the risk and return profile of the option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The above net investment returns are for comparison purposes only. To view previous Hostplus Pension unit prices, please visit [hostplus.com.au/investment/our-investment-performance/investment-returns](https://hostplus.com.au/investment/our-investment-performance/investment-returns). \*\* Transition to Retirement was offered by Hostplus from 30 June 2017.

### Sector investment options

	International Shares – Indexed <sup>1</sup>			International Shares (Hedged) – Indexed <sup>2</sup>		
<b>Return target</b>	<b>Pension:</b> CPI plus 3.0% per annum on average over 20 years.		<b>Transition to Retirement:</b> CPI plus 2.0% per annum on average over 20 years.	<b>Pension:</b> CPI plus 2.0% per annum on average over 20 years.		<b>Transition to Retirement:</b> CPI plus 1.5% per annum on average over 20 years.
<b>Level of investment risk*</b>	<b>Very high.</b> (Negative returns expected in between 6 or greater out of every 20 years)			<b>Very high.</b> (Negative returns expected in between 6 or greater out of every 20 years)		
<b>Investment Style</b>	Passive management			Passive management		
<b>Who is this investment suitable for?</b>	Members with a five years plus investment horizon in pursuit of exposure to a diversified portfolio of companies listed on international stock exchanges in developed markets only. This passively managed option aims to mirror established market indices and has been designed for members with a primary focus on minimising fees. This option aims to achieve capital growth and income growth via dividends over the long term.			Members with a five years plus investment horizon in pursuit of exposure to a diversified portfolio of companies listed on international stock exchanges in developed markets only. This passively managed option aims to mirror established market indices and has been designed for members with a primary focus on minimising fees, as well as applying currency hedging to seek to limit the impact of foreign currency movements. This option aims to achieve capital growth and income growth via dividends over the long term.		
<b>Minimum Suggested Time Frame#</b>	5 years plus.			5 years plus.		
<b>Asset Mix</b>	<b>Asset Class</b>	<b>Range</b>	<b>Strategic Asset Allocation Benchmark</b>	<b>Asset Class</b>	<b>Range</b>	<b>Strategic Asset Allocation Benchmark</b>
	International Shares - Developed Markets	90 – 100%	100%	International Shares - Developed Markets	90 – 100%	100%
	Cash	0 – 10%	0%	Cash	0 – 10%	0%
	 <p>Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.</p>			 <p>Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.</p>		
<b>Past Performance</b>	<b>Net investment returns to 30 June</b>			<b>Net investment returns to 30 June</b>		
	2022		-6.31%	2022		-11.42%
	2021		27.73%	2021		34.17%
	2020		5.19%	2020		1.74%
	2019		12.40%	2019		8.61%
	2018		–	2018		–
	<b>Compound average to 30 June 2022</b>			<b>Compound average to 30 June 2022</b>		
	3 year		7.97%	3 year		6.53%
	5 year		–	5 year		–
	<b>Transition to Retirement Net investment returns to 30 June**</b>			<b>Transition to Retirement Net investment returns to 30 June**</b>		
	2022		-5.63%	2022		-10.35%
	2021		24.86%	2021		30.23%
	2020		4.40%	2020		1.60%
	2019		10.45%	2019		7.56%
	2018		–	2018		–
	<b>Transition to Retirement compound average to 30 June 2022</b>			<b>Transition to Retirement compound average to 30 June 2022</b>		
	3 year		7.14%	3 year		5.85%

1. The International Shares – Indexed option is unhedged and is fully exposed to currency fluctuations. This option was introduced on 27 September 2017. 2. The International Shares (Hedged) – Indexed option is fully hedged and is not exposed to currency fluctuations. This option was introduced on 27 September 2017. \*The Level of investment risk is based on an industry-wide Standard Risk Measure. #The Minimum Suggested Time Frame is based on the risk and return profile of this option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The above net investment returns are for comparison purposes only. To view previous Hostplus Pension unit prices, please visit [hostplus.com.au/investment/our-investment-performance/investment-returns](https://hostplus.com.au/investment/our-investment-performance/investment-returns). Transition to Retirement was offered by Hostplus from 30 June 2017.

## Sector investment options

International Shares – Emerging Markets <sup>1</sup>			
Return target	<b>Pension:</b> CPI plus 5.0% per annum on average over 20 years.	<b>Transition to Retirement:</b> CPI plus 4% per annum on average over 20 years.	
Level of investment risk*	<b>High.</b> (Negative returns expected in between 4 to less than 6 out of every 20 years)		
Investment Style	Active management.		
Who is this investment suitable for?	Members with a five years plus investment horizon in pursuit of exposure to a highly diversified portfolio of companies listed on international stock exchanges within emerging market countries. This actively managed option aims to outperform the market by carefully selecting which companies of all sizes to buy and sell. This option aims to achieve capital growth and income growth via dividends over the long term.		
Minimum Suggested Time Frame <sup>#</sup>	5 years plus.		
Asset Mix	Asset Class	Range	Strategic Asset Allocation Benchmark
	International Shares – Emerging Markets	90–100%	100%
	Cash	0–10%	0%
	 <p>100% Growth Assets 0% Defensive Assets</p>		
	Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.		
Past Performance	Net investment returns to 30 June		
	2022		–
	2021		–
	2020		–
	2019		–
	2018		–
	Compound average to 30 June 2022		
	3 year		–
	5 year		–
	10 year		–
	Transition to Retirement Net investment returns to 30 June**		
	2022		–
	2021		–
	2020		–
	2019		–
	2018		–
	Transition to Retirement compound average to 30 June 2022		
	3 year		–

1. The International Shares - Emerging Markets option was introduced on 18 March 2022. \*The Level of investment risk is based on an industry-wide Standard Risk Measure. #The Minimum Suggested Time Frame is based on the risk and return profile of the option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The above net investment returns are for comparison purposes only. To view previous Hostplus Pension unit prices, please visit [hostplus.com.au/investment/our-investment-performance/investment-returns](https://hostplus.com.au/investment/our-investment-performance/investment-returns). \*\* Transition to Retirement was offered by Hostplus from 30 June 2017.



## CPIplus

CPIplus <sup>1</sup>	
<b>Return target</b>	CPI plus 2.0% per annum on average over 20 years.
<b>Level of Investment risk*</b>	<b>Very Low.</b> (Negative returns expected in less than 0.5 of every 20 years)
<b>Investment style</b>	<p>The CPIplus option is designed to offer returns that are more certain and less volatile than those available by investing in growth assets such as shares, while offering higher returns than those available by investing in conservative assets, such as cash.</p> <p>This is achieved by a mechanism whereby the rate of return of the CPIplus option is set at a predetermined rate above CPI (Consumer Price Index) for specified Return Periods (Return Period is the period that particular predetermined returns apply to. This is usually 12 months from 1 July). This means that returns for the Return Period are unaffected by the returns on the underlying investments of the option. Although the rate is predetermined for a specified period, Hostplus reserves the right to shorten the Return Period or discontinue offering the predetermined rate, as per the notification process detailed on page 48.</p> <p>While the return of the CPIplus option is predetermined, the Balanced Option in the Accumulation phase receives the benefit of any excess market returns generated on the underlying assets of the CPIplus option. If the investment returns generated on the underlying assets of CPIplus fall short of the predetermined return, assets of the Balanced Option in the Accumulation phase are applied to make up the shortfall.</p>
<b>Who is this investment suitable for?</b>	Members with a two years plus investment horizon in pursuit of a low-risk option targeting a consistent and competitive return above inflation over time. The CPIplus return formula provides for a minimum daily return floor of zero, meaning that irrespective of movements in CPI, the daily return of CPIplus will not be negative even if the CPI rate applicable to that period was negative.
<b>Minimum Suggested Time Frame<sup>#</sup></b>	2 years plus.
<b>Asset Mix</b>	The assets of the CPIplus option are invested in the same pool and alongside the Balanced Option in the pension phase however, the return for the CPIplus option is set at a predetermined rate above CPI for specified Return Periods, based on a predetermined return formula. This means that its return for any Return Period is unaffected by the returns on the underlying investments of the option.

1. CPIplus is not available to Transition to Retirement (TTR) members. The investment option is implemented by investing in CPIplus units in the Hostplus Pooled Superannuation Trust (PST) and as such, pages 45 to 48, describe the features of those units and references to Hostplus are to Hostplus in its capacity as trustee of the PST.

For further information about CPIplus see information on pages 45 to 48.

Throughout this product disclosure statement (PDS) we refer to the Balanced investment option. Hostplus offers the Balanced investment option in the accumulation, transition to retirement and pension phase. Unless specified otherwise, all references to the Balanced option in the Pension PDS refer to the Balanced option in the pension and Transition to Retirement (TTR) phase.

\* The Level of investment risk is based on an industry-wide Standard Risk Measure.

# The Minimum Suggested Time Frame is based on the risk and return profile of the option. The time frame considers volatility and the likelihood of negative annual returns in any one year. Past performance is not a reliable indicator of future performance. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. To view previous Hostplus Pension unit prices, please visit [hostplus.com.au/investment/our-investment-performance/investment-returns](https://hostplus.com.au/investment/our-investment-performance/investment-returns).

## CPIplus

### What is CPIplus?

CPIplus is an innovative Hostplus account-based pension investment option that aims to deliver consistent returns over the long term. The return of the CPIplus option is set in advance for each Return Period (currently 12 months from 1 July) and is expressed as a predetermined rate, 'n', above the average Consumer Price Index (CPI) rate.

The return for each Return Period is calculated using a formula,  $CPI + 'n'$ , where CPI is based on the average consumer price index rate for the last two quarters (and is updated each quarter) and 'n' is a predetermined rate of return (compounded daily over the Return Period) determined by Hostplus each year as part of its annual investment strategy review. The CPIplus return formula provides for a minimum daily return floor of zero, meaning that irrespective of movements in CPI, the daily return of CPIplus will not be negative even if the CPI rate applicable to that period was negative.

Although the rate for 'n' is predetermined for a Return Period, Hostplus reserves the right to shorten the Return Period or discontinue offering the predetermined return, however if it does so, members invested in CPIplus will be notified as per the notification process detailed on page 48.

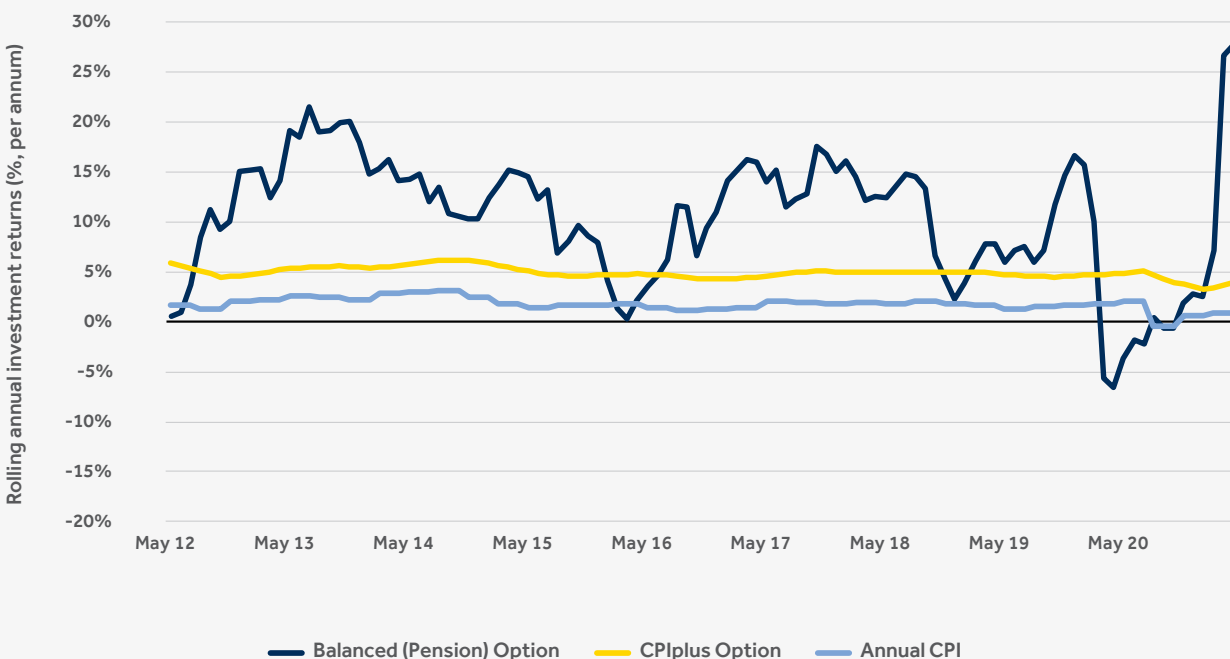
The CPIplus return formula including the value for 'n' will be regularly reviewed by Hostplus, in accordance with existing investment strategy and policy settings, and adjusted for future Return Periods if considered appropriate or necessary.

Please refer to the document titled **CPIplus Rates** available at [hostplus.com.au/cpiplusrates](https://hostplus.com.au/cpiplusrates) for details of the current rates of CPI and 'n' applicable to the CPIplus option.

CPIplus is an investment option offered under the Hostplus account-based pension product therefore unless specified otherwise, all standard terms of Hostplus account-based pension (such as and including the opening account balance, minimum and maximum investments, investment switching, etc.) apply to CPIplus.

The following graph shows the actual rate of return for the Balanced option in the Pension phase compared against a hypothetical rate of return for the CPIplus option **if it had been offered in the past with a Predetermined Return of CPI + 3% ('n' = 3%)**. This graph is intended to illustrate the reduction in volatility and improved stability of return that investment in the CPIplus option is designed to achieve. Rolling annual returns are shown on a monthly basis, net of investment fees however the returns are not adjusted for administration fees. This example assumes that the value of 'n' has remained the same over the projected period. The graph also illustrates the actual annualised value of CPI (Consumer Price Index) over this period. **In considering this example, it is important to note that past performance is not a reliable indicator of future performance, and that the comparative performance shown above may not necessarily be repeated.**

Hypothetical return of CPIplus vs. actual return of Balanced (Pension) Option



### What are the benefits of CPIplus?

CPIplus' target return objective is designed to increase the consistency of investment returns while continuing to maintain the simplicity, flexibility and liquidity of an account-based pension.

By offering a return above CPI, the CPIplus option ensures that the returns generated exceed the level of inflation (as measured by CPI) hence minimising the impact of inflation on the real value of the member's investment returns.

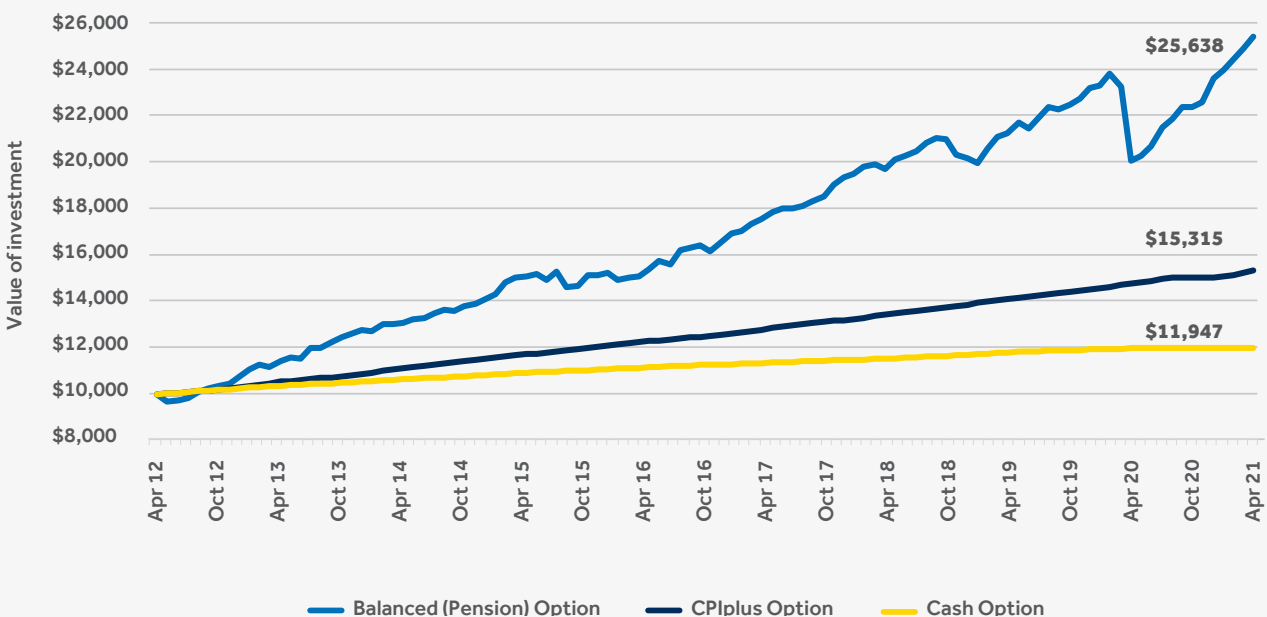
Over the long term, the CPIplus option is designed to provide returns that are more certain and less volatile than those available by investing in growth assets, such as shares, while offering higher returns than those available by investing in conservative assets, such as cash.

As the returns of the CPIplus option are set for specified Return Periods (usually a year), based on a predetermined return formula, its returns, for any Return Period, are unaffected by the returns on the underlying investments of the option. This means the returns of CPIplus are not adversely impacted by any potential underperformance of its underlying investments (and similarly does not obtain the benefit of investment returns on underlying assets if these exceed the predetermined return).

Also, with the daily return floor of zero, the CPIplus returns will not be negative for any Return Period.

The following graph illustrates the likely long-term investment return outcomes a \$10,000 investment in the selected Hostplus account-based pension options would have produced. The projected growth in investments is based on actual returns of the Balanced Option and the Cash Option compared against a hypothetical rate of return for the CPIplus option **if it had been offered in the past with a predetermined return of CPI + 3%**. The projected growth is net of investment fees however does not take into account the administration fees. This example assumes that the value of 'n' has remained the same ('n' = 3%) over the projected period and no withdrawals have been made. **In considering this example, it is important to note that past performance is not a reliable indicator of future performance, and that the comparative performance shown above may not necessarily be repeated.**

**Projected outcomes of investing \$10,000 in CPIplus (based on hypothetical return) vs. Balanced and Cash options in the pension phase (based on actual returns)**



Information used in this illustration is correct as at 1 July 2021.

## Eligibility for CPIplus

CPIplus is only available to members in Hostplus Pension (account-based pension) phase and not available to transition to retirement members.

## How is 'n' determined?

Hostplus will review the predetermined rate for 'n' annually and expects that over the long term, a value of 'n' between 2% to 3% should be achievable. Hostplus does not anticipate significant variation in the value of 'n'.

The process for setting 'n' involves balancing the interests of members in the CPIplus option (who benefit from a higher 'n') against the interests of members in the Balanced option within the Accumulation phase (who correspondingly would benefit from a lower 'n'). The mechanism for providing predetermined returns to CPIplus members is similar to a swap entered into by Hostplus on behalf of CPIplus members on the one hand and members invested in the Balanced option in the accumulation phase on the other.

## How is the value of CPI determined?

The Consumer Price Index (CPI) used for calculating the value of CPI in CPIplus is the "All groups CPI: Australia" (6401.0 - Consumer Price Index, Australia, Series ID: A2325850V) rate as determined by the Australian Bureau of Statistics (ABS).

Please refer to the ABS website [www.abs.gov.au](http://www.abs.gov.au) for more information.

The CPI rate used in the CPIplus formula is based on the average CPI rate for the last two quarters, and the rate is updated four times a year to align with the most recent quarterly release of CPI information by the ABS. Each CPI rate for CPIplus will apply from the first day of the month after each quarterly release of CPI information from the ABS, as set out in the CPI determination schedule below:

## CPI determination schedule

CPI quarter ending on	ABS CPI data release date	Hostplus quarterly CPI rate release date	CPI rate application period for CPIplus		CPI quarters included in the calculation of the CPI rate applicable to this application period
			From	Until	
31 March	Late April	Late April	1 May	31 July	Quarters ending December and March
30 June	Late July	Late July	1 Aug	31 Oct	Quarters ending March and June
30 Sept	Late Oct	Late Oct	1 Nov	31 Jan	Quarters ending June and September
31 Dec	Late Jan	Late Jan	1 Feb	30 April	Quarters ending September and December

For example, if the relevant CPI rate published by ABS for the quarters ending March and June are 1.5% and 1.2% respectively, the CPI rate for CPIplus from 1 August will be 1.35%, which is the average of the CPI rates for the quarters ending in March and June.

As soon as practicable after Hostplus determines the CPI rate for CPIplus, a notice of the new CPI rate will be published on the Hostplus website at [hostplus.com.au/cpiplusrates](http://hostplus.com.au/cpiplusrates)

Any revisions made by the ABS to a historical CPI quarterly rate, either up or down, will not be retrospectively applied to CPIplus.

Where there is an anomalous change in the CPI rate (as there was after the introduction of GST in 2000), Hostplus may seek independent advice to determine the appropriate CPI rate to apply and communicate this accordingly.

In an unlikely event where the revised quarterly CPI rate is unavailable or delayed, the previously published CPI rate will continue to apply until such time as Hostplus has published the revised CPI rate and the period over which it will apply.

## How are CPIplus assets invested?

The assets of the CPIplus option are invested in the same pool and alongside the Balanced option in the pension phase pursuant to the option's current investment strategy (noting that the assets of the Balanced option in the Accumulation and TTR phases are also invested in the same pool).

Returns in CPIplus are achieved by a mechanism whereby the returns of the CPIplus option are set in advance for specified Return Periods (usually a year), according to a predetermined return formula.

This means that its returns, for any Return Period, are unaffected by the returns on the underlying investments of the option. While the returns of the CPIplus option are predetermined, the Balanced Option in the Accumulation phase receives the benefit of any excess market returns generated on the underlying assets of the CPIplus option and if the investment returns generated on the underlying assets of the CPIplus fall short of the predetermined return, the Balanced Option in the Accumulation phase makes up the shortfall.

### What are the key risks of CPIplus?

The following key risks should be considered by members before investing in CPIplus:

- As the predetermined return formula (including 'n') is only set for the defined Return Period (usually 12 months from 1 July), the predetermined rate 'n', other aspects of the predetermined return formula, or terms of operation of CPIplus such as formula methodology, product rules, etc. may change in future Return Periods. Although Hostplus does not expect any significant variation in the value of 'n' in the long term, Hostplus has a discretion to set the value of 'n' to be higher, lower or negative for future return periods.
- Similar to other Hostplus pension investment options and while Hostplus expects to offer CPIplus to its pension members on an ongoing basis over the long term, Hostplus reserves the right and could determine to not offer CPIplus in the future.
- Although the Investment strategy reviews and determination of 'n' are scheduled to occur annually, Hostplus reserves the right to shorten the Return Period or discontinue offering the predetermined rate. Hostplus may conduct an interim investment strategy review if a 'risk trigger event' occurs.

A risk trigger event is defined as a severe event that results in a significant risk to the implementation of the investment strategy for the CPIplus option or the Balanced option. As an example, Hostplus conducted an interim investment strategy review in 2020 because it considered the sudden and significant changes in external environment due to the onset and impact of COVID-19 and government policy settings to qualify as a risk trigger event.

Hostplus reserves the right to bring forward the end of a Return Period or terminate the CPIplus option by providing members in CPIplus 30 days' notice in the case of changes resulting from a risk trigger event or 90 days' notice in all other cases.

- Other risks applicable to an account-based pension as detailed on pages 25 and 26 may also be applicable to the CPIplus option.

### How do I ascertain the value of 'n', the CPI rate, and the current Return Period?

We publish and update this information in a document titled **CPIplus Rates**, which can be accessed on our website at [hostplus.com.au/cpiplusrates](https://hostplus.com.au/cpiplusrates). You can also obtain a copy of this document for free by contacting us to request a copy. We will update the value of 'n' in this document at least 30 days before the end of each Return Period and the CPI rates will be updated as per the timeframes stipulated in the CPI determination schedule on page 47.

### How will any changes to CPIplus be communicated?

At least 30 days before the end of each Return Period, Hostplus will publish a new predetermined rate of 'n' and the details of the new Return Period.

If the current Return Period ends and Hostplus has not determined the new Return Period or the new predetermined rate 'n' applicable to the new Return Period, then CPIplus will come to an end at the end of the current Return Period. In that case, Hostplus will provide the members invested in CPIplus a minimum of 30 days' notice.

As noted above, a Return Period may also be ended by Hostplus bringing forward the end of the Return Period or terminating the CPIplus option. Should Hostplus decide to make these changes, it will provide members in CPIplus 30 days' notice in the case of changes resulting from a risk trigger event or 90 days' notice in all other cases.

### What happens if CPIplus is discontinued?

If CPIplus is discontinued, Hostplus may arrange for all the units held in the CPIplus option to be redeemed and for the proceeds of redemption to be applied to issue units in one or more Hostplus investment option(s) selected by the member or if the member does not make a selection within the timeframe allowed by Hostplus, in the investment option identified by Hostplus when notifying members of the discontinuation.

## Choiceplus.

Choiceplus is our direct investment option that offers you a greater level of control and choice in investing your pension.

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

The Choiceplus investment option offers many of the features available to a self-managed super fund (SMSF) at a low cost – and you continue to be invested in an APRA regulated fund with all the prudential protections that it provides – unlike an SMSF which does not provide the same protections.

It is important to bear in mind that investment decisions made in the Choiceplus investment option are made by you – not Hostplus.

### Who can invest?

To be able to invest in Choiceplus, you must:

- Be a Hostplus pension account member with more than \$10,000 in your account.
- Have access to the internet and a current email address.
- Read and accept the terms and conditions during the registration process.
- Maintain a balance of at least \$2,000 in one or more of your Hostplus premixed or sector investment options; noting you must keep enough funds outside of Choiceplus allowing Hostplus to pay you at least the minimum annual pension required by legislation
- Transfer and maintain at least \$200 into your Choiceplus transaction account from your other Hostplus investment options.
- Make an initial Choiceplus investment of \$200 minimum.

**Please note: Choiceplus is not available through TTR accounts – but members may still invest in Choiceplus through a super account.**

## What you should know...

Like any investment, Choiceplus carries its own level of investment and market risk. When choosing to invest in the sharemarket or any investment vehicle, you should be aware of the risks involved and be comfortable with the strategy you are putting in place. Here are a few considerations for you to think through before investing in Choiceplus, or any other investment option for that matter:

- Level of diversification (spreading your investment risk across different assets or asset classes). By pooling your money into one investment or class of investment, you could suffer from concentration risk – that is the risk of having your money tied up in too few assets as opposed to spreading it across a number of investment classes and options. You need to be aware of, and comfortable with, this type of investment risk.
- Short-term price volatility (volatility risk). This refers to the amount of uncertainty or risk about the size and frequency of changes in a security or assets value.
- The consequences of trading too often (frequency risk). With shares each trade incurs at the very least a brokerage fee. If you are continually buying and selling your shares you should really think about the costs involved and whether you are investing or speculating and if this is the right strategy for you.
- Tax impacts (financial or tax risk) – tax is not applied to your account when in the retirement phase
- Investing based upon your feelings (emotional risk) – chasing the market and emotionally buying or selling shares will not assist you in achieving your long-term financial and investment goals.

If you are continually concerned or wanting to change your mind then perhaps reconsider your investment in this option. investing for the long-term.

You should read the Terms and conditions for investing in the Choiceplus investment option in the Choiceplus guide available at [hostplus.com.au/retirement/pension-investment-options](http://hostplus.com.au/retirement/pension-investment-options)

Choiceplus is accessed via your online Pension account at [hostplus.com.au/retirement](http://hostplus.com.au/retirement)

Choiceplus allows you to invest directly in:

- Australian Shares (S&P/ASX 300 Index)
- Exchange Traded Funds (ETFs)
- Listed Investment Companies (LICs), and
- Term Deposits.

**Australian Shares (S&P/ASX 300 Index)**

The S&P/ASX 300 Index incorporates the largest 300 companies on the Australian Stock Exchange (by market capitalisation). Through the S&P/ASX 300 Index you can invest directly in well known Australian companies and some less well known or niche companies over a range of industries.

**Exchange Traded Funds (ETFs)**

ETFs are traded like shares, but are a collection of securities and generally represent a particular market index, (eg. ASX Small Caps). ETFs provide a low cost way to access a wide range of securities in Australian and international markets and different industry sectors without having to select shares yourself.

For the current list of ETFs available through Choiceplus, go to [hostplus.com.au/choiceplus](http://hostplus.com.au/choiceplus)

**Listed Investment Companies (LICs)**

LICs are listed managed investments, are traded like shares and are close-ended. This means they do not regularly issue new shares or cancel existing shares as investors join or leave. LICs enable investment into a collection of securities and provide a low cost way to access a diverse and professionally managed portfolio of assets, which can include shares, property and deposits.

For the current list of LICs available through Choiceplus, go to [hostplus.com.au/choiceplus](http://hostplus.com.au/choiceplus)

**Term Deposits**

The Choiceplus investment option allows you to invest your pension in term deposits provided by ME Bank - a division of Bank of Queensland Limited ABN 32 009 656 740 AFSL and Australian Credit Licence Number 244616.

Money invested in this investment has a locked in term and interest rate, which accrues interest daily and is credited to your account at the end of the selected term along with the original invested capital. The interest rate is generally higher than a normal bank deposit interest rate.

Choiceplus provides you with agreed maturity terms of 90 days, 180 days and 365 days on your term deposits.

You can establish automatic investment instructions that apply when your term deposit matures, as well as receive pre-maturity alerts.

It is important to bear in mind that investment decisions made in the Choiceplus investment option are made by you – not Hostplus.





Term deposits are deemed to be 'illiquid' investments, because once you have agreed on a term and locked your investment in, you cannot redeem your cash earlier without incurring a penalty on your interest rate.

Term Deposits cannot be transferred into your Pension account from your super account.

Hostplus reserves the right to change or add to the selection of investments available through the Choiceplus investment option as required.

#### **Choiceplus features:**

- easy to use online investment platform
- central transaction account
- access to Australian shares in the S&P/ASX 300 Index, selected ETFs, LICs and term deposits
- real time online share trading
- competitive administration and brokerage fees
- transfer your Choiceplus shares, ETFs and LICs when commencing your Pension account
- latest information, share prices and stock market news as it becomes available including independent research
- live share quotes and 20 minute delayed market data
- ability to participate in share dividend reinvestment plans
- ability to check the value of your investments when it suits you
- access to personalised share trading information and history
- consolidated portfolio and tax reporting for your Choiceplus investments
- comprehensive company and market information
- access to end of day market wrap up, and
- investment tools, including watchlists and charting.

#### **Moving between Hostplus Pension investment options and Choiceplus**

When you choose to invest in Choiceplus, you will nominate the amount of your existing Hostplus Pension investment that is to be transferred to your Choiceplus transaction account. This value will be deducted proportionately from your current non Choiceplus investment options, effective two national business days following receipt of your instruction.

When you choose to sell and transfer some or all of your Choiceplus holdings back into Hostplus Pension options, the transfer amount will be applied to your Hostplus investments proportionately across your current investment allocation.

#### **Transfer your Choiceplus Shares, Exchange Traded Funds (ETFs) and Listed Investment Companies (LICs) when commencing your Hostplus Pension**

You can transfer your Choiceplus held shares, exchange traded funds (ETFs) and listed investment companies (LICs) from your super to your pension account without the need to sell down. This transfer can only be achieved as a 'once only' when you commence a new Hostplus Pension, and does not include any Term Deposits you may hold.

Transfers for members with Term Deposits are not permitted and will result in the rejection of your application. Transfers cannot be initiated until Term Deposits reach full maturity.

**Please note: Choiceplus is not available through TTR accounts – but members may still invest in Choiceplus through a super account.**

Benefits of a transfer are:

- you don't have to sell and repurchase your super Choiceplus investments, thereby saving on buy and sell costs
- you will not have to pay any transfer or other transaction activity fees, meaning you enjoy a fee free transfer
- you are not exposed to out of the market risks because you remain invested throughout the transfer
- you may save on tax because the transfer occurs without the realisation of capital gains and the assets are transferred into a tax-free environment.

Additional matters you should consider:

- Term deposits cannot be broken in order to set-up your Pension account, meaning you may wish to consider delaying the commencement of your Hostplus Pension account until your Term Deposit(s) reach full maturity.
- Your super Choiceplus transaction account will be transferred to your new Pension account upon completion of the asset transfer.
- Your Choiceplus shares, ETFs and LICs cannot be transferred until any pending buy or sell orders have either been executed and settled or cancelled.
- Corporate actions and other asset specific events, such as pending cash transfers, pending trades, and pending non-income corporate actions may delay transfers.
- Tax credits associated with any trust distributions you received during a financial year may be lost when you close and exit your Choiceplus super account (including as a result of an asset transfer) if done prior to the Fund's annual true up calculation.
- The value of the transfer will be calculated at close of business the day before the transfer is completed.

For full information on tax and your investments in Choiceplus (including details on the 'annual true up' please refer to the Choiceplus guide.

Transfers from Pension to super or Pension to Pension are at the absolute discretion of the Trustee. Consideration will be given on application. The Trustee may also, from time to time, vary the available Choiceplus investment options available for transfer.

To elect to transfer your Choiceplus investments simply tick the Transfer my Choiceplus shares, exchange traded funds (ETFs) and listed investment companies (LICs) into my Hostplus Pension box in the Pension membership application form.

For more information see the Choiceplus guide at [hostplus.com.au/retirement/pension-investment-options](https://hostplus.com.au/retirement/pension-investment-options)

### Seek advice from a financial planner

While many people feel they have the ability to take a more active role in managing their super or pension, the reality is often quite different. We strongly recommend that you obtain advice from a licensed financial planner before investing in the Choiceplus investment option. Hostplus has engaged Industry Fund Services Ltd ABN 54 007 016 195, AFSL 232514 (IFS) to provide Hostplus members access to personal financial product advice. The financial planners are Authorised Representatives of IFS and provide advice under the IFS Australian Financial Services Licence. Hostplus pays service fees to IFS for adviser services. The financial planners are salaried Hostplus employees<sup>1</sup>.

Visit [hostplus.com.au/financial-planning/contact-a-financial-planner](https://hostplus.com.au/financial-planning/contact-a-financial-planner) to make an appointment online or contact us on (1300 348 546) to have one of our Member Services Consultants organise an appointment for you.

**1. Hostplus has engaged Industry Fund Services Limited (IFS) ABN 54 007 016 195, AFSL 232514 to facilitate the provision of personal financial advice to members of Hostplus. Advice is provided by financial planners who are Authorised Representatives of IFS. Fees may apply for Comprehensive Financial Advice, further information about the cost of comprehensive advice is set out in the relevant IFS Financial Services Guide, a copy of which is available from your financial planner.**

## Our investments and investment managers at 30 June 2022.

<b>Australian shares</b>	Martin Currie Investment Management Ltd
Airlie Funds Management Pty Ltd (Active Australian Equity)	Maverick Long Enhanced Fund Ltd – Maverick Long Enhanced Ltd
Airlie Funds Management Pty Ltd (Industrial Australian Equity)	Maverick Long Enhanced Fund Ltd - Series - Maverick Long Enhanced Ltd
Allan Gray Australia Pty Ltd	Maverick Long Enhanced Fund Ltd – Series B – Maverick Long Enhanced Ltd
Citigroup Transition Australian Equities	Maverick Long Enhanced Fund Ltd – Series B May 2022 – Maverick Long Enhanced Ltd
Firetrail Ltd (High Conviction)	Neuberger Berman Australia Pty Limited
First Sentier Investors (Australia) IM Ltd	Ninety One Australia Pty Limited
Greencape Capital Pty Ltd (Australian Equity)	Ninety One Australia Pty Limited (China A)
Hyperion Asset Management Limited	Ninety One Australia Pty Limited (Global)
IFM Investors Pty Ltd (Australian Equity SRI)	Northcape Capital Pty Ltd
IFM Investors Pty Ltd (Buyback)	Orbis Global Equity Fund – Orbis Investment Management Limited
IFM Investors Pty Ltd (Enhanced Indexed)	Paradice Investment Management Pty Ltd (Global Small Cap)
IFM Investors Pty Ltd (Small Cap)	RWC Asset Management LLP
IFM Investors Pty Ltd (Low Risk Alpha Strategy)	T. Rowe Price Australia Limited
L1 Capital Pty Ltd	Wellington International Management Company Pte Ltd (Asia ex-Japan Contrarian Equity)
Paradice Investment Management Pty Ltd (Large Cap)	Wellington International Management Company Pte Ltd (Global Contrarian Equity)
Paradice Investment Management Pty Ltd (Mid Cap)	
Paradice Investment Management Pty Ltd (Small Cap)	<b>Private Equity</b>
Pendal Institutional Limited (Manager)	AIF Capital Asia III
Tanarra Capital Australia Pty Limited	AIF Capital Asia IV
Vinva Australian Equity Alpha Extension Fund – Vinva Investment Management Limited	Airtree Opportunity Fund 2019 Trust
Yarra Capital Management Limited (Emerging Leaders)	Airtree Ventures 2019 Partnership LP
	Airtree Ventures 2021 Partnership LP
<b>International shares</b>	Airtree Ventures Opportunity Fund 2019
AllianceBernstein Investment Management Australia Limited	Airtree Ventures Opportunity Fund 2021
Apostle Dundas Global Equity Fund – Dundas Global Investors Limited	Artesian Female Leaders Fund – Artesian Venture Capital Fund of Funds Management, I.L.P
Baillie Gifford Overseas Limited	Artesian Hostplus China Venture Capital Fund 1 – Artesian Venture Capital Fund of Funds Management, I.L.P
BlackRock Investment Management (Australia) Limited	Artesian Hostplus VC Fund 1, ILP – Artesian Venture Capital Fund of Funds Management, I.L.P
Citigroup Global Markets Australia Pty Limited (Emerging International Equities)	Artesian Venture Capital Fund 2, ILP – Artesian AFOF Pty Ltd
Citigroup Global Markets Australia Pty Limited (International Equities)	Artesian Venture Capital Fund of Funds, ILP – Artesian AFOF Pty Ltd
Hosking Partners LLP	Australia Private Equity Fund No.1 – Continuity Capital Partners Pty Limited
IFM Investors Pty Ltd (International Equity DM SRI)	
IFM Investors Pty Ltd (Indexed Global Equities)	

Australia Private Equity Fund No.2 – Continuity Capital Partners Pty Limited	CSIRO Innovation Follow-On Fund 1 – Main Sequence Ventures Ltd
Blackbird After The Car Trust – Blackbird Ventures Pty Limited	CSIRO Innovation Fund 1, LP – Main Sequence Ventures Ltd
Blackbird Hostplus Trust – Blackbird Ventures Pty Limited	CSIRO Innovation Fund 2, LP
Blackbird Ventures 2015 Follow-On Fund – Blackbird Ventures Pty Limited	CSIRO MSV Co-investment (myriota) Trust
Blackbird Ventures 2015, LP – Blackbird Ventures Pty Limited	Five V Fund (SF1) III, LP – Five V Capital Pty Ltd
Blackbird Ventures 2018 Follow-On Fund – Blackbird Ventures Pty Limited	Harbour Vest Partners Co-Investment
Blackbird Ventures 2018, LP – Blackbird Ventures Pty Limited	Hermes GPE PEC III LP – Hermes GPE LP
Blackbird Ventures 2020 Follow-On Fund Trust	Hermes GPE PEC IV LP – Hermes GPE LP
Blackbird Ventures 2020 LP	Hermes GPE PEC V LP
Brandon Biosciences Fund 1 IIF Partnership	HL-HP Global Investments LP – HL-HP Global Investments GP LLC
Brandon Biosciences Fund No.1 Trust	Hostplus GO IV - Flexstone Partners, LLC
Carnegie Healthcare Fund, LP – M.H. Carnegie & Co. Pty Limited	Hostplus ROC Private Equity Trust – Roc Capital Pty Limited
Carnegie Innovation Fund II, LP – Carnegie Venture Capital Pty Limited	Hostplus US EM CI LP - Flexstone Partners, LLC
Carnegie Innovation Fund, LP – Carnegie Venture Capital Pty Limited	Hostplus US EMP, LLC - Series 1 – Flexstone Partners, LLC
Carnegie Private Opportunities Fund No.1 – M.H. Carnegie & Co. Pty Limited	Hostplus US EMP, LLC - Series 2 – Flexstone Partners, LLC
Carnegie Private Opportunities Fund No.2 – M.H. Carnegie & Co. Pty Limited	HP Special Investment Fund S.C.Sp – LGT Capital Partners (Ireland) Limited
Carthona Capital Venture Fund (HP) No.2 – Carthona Capital FS Pty Ltd	IFM Australian Private Equity Fund 3 – IFM Investors Pty Ltd
Carthona Capital Venture Fund (HP) No.3 – Carthona Capital FS Pty Ltd	IFM Australian Private Equity Fund 4 – IFM Investors Pty Ltd
Carthona Capital Venture Fund 1 (Part A) – Carthona Capital FS Pty Ltd	IFM International Private Equity Fund 1 – IFM Investors Pty Ltd
Carthona Capital Venture Fund 1 (Part B) – Carthona Capital FS Pty Ltd	IFM International Private Equity Fund 2 – IFM Investors Pty Ltd
Carthona Capital Venture Fund 1 (Part C) – Carthona Capital FS Pty Ltd	IFM International Private Equity Fund 3 – IFM Investors Pty Ltd
CM Capital Venture Trust No 4A Class	Industry Super Holdings Pty Ltd
CM Capital Venture Trust No 4B Class	IPG Hostplus 2018 Trust Class A – IP2IPO Australia HP Pty Ltd
Cornell Capital Partners II	IPG Hostplus 2018 Trust Class H – IP2IPO Australia HP Pty Ltd
Crown Co-Investment Opportunities PLC II – LGT Capital Partners (Ireland) Limited	ISPT Operations Trust – ISPT Pty Ltd
Crown Co-Investment Opportunities PLC III – LGT Capital Partners (Ireland) Limited	Kelso Investment Associates X, LP – Kelso & Company, L.P.
Crown Europe Middle Market II Plc – LGT Capital Partners (Ireland) Limited	Lexington Capital Partners VIII, L.P – Lexington Partners L.P
Crown Europe Middle Market III PLC	Lexington Co-investment Partners III, L.P – Lexington Partners L.P
Crown European Buyout Opportunities II Plc – LGT Capital Partners (Ireland) Limited	Lexington Co-investment Partners IV, L.P – Lexington Partners L.P
CSIRO Innovation Coinvestment - Class A	Lexington Co-Investment Partners V LP
CSIRO Innovation Coinvestment - Class B	Medical Research Commercialisation Fund
	MHC Hostplus Co-Investment Trust – M.H. Carnegie & Co. Pty Limited
	MRCF 3 Part A (HP) Trust – BCP3 Pty Ltd
	MRCF 3 Part B (HP) Trust – BCP3 Pty Ltd
	MRCF 3 Part C (HP) Trust – BCP3 Pty Ltd

MRCF 5 - BCP3 Pty Ltd	Southern Cross Fund No 1 Trust
MRCF BTF (CTH) Trust C Units	Southern Cross Fund No. 1 Promissory Note
MRCF BTF (SW) Trust	Square Peg 2018, LP – Square Peg Capital Pty Ltd
MRCF Hostplus BTF – BCP3 Pty Ltd	Square Peg 2020, LP
MRCF IIF LP VC LP	Square Peg 2022, LP
MRCF3	Square Peg Australia 2015 LP – Square Peg Capital Pty Ltd
MRCF3 Part B	Square Peg CI 2015 Trust – Square Peg Capital Pty Ltd
MRCF5 Trust Ordinary Units	Square Peg Global 2015 Trust – Square Peg Capital Pty Ltd
Partners Group Client Access 19 L.P. Inc. – Partners Group Management Ltd	Square Peg Global 2018 Trust – Square Peg Capital Pty Ltd
Partners Group Client Access 19A L.P. Inc. – Partners Group Management Ltd	Square Peg Global 2020 Trust – Square Peg Capital Pty Ltd
Partners Group Client Access 25 L.P. Inc. – Partners Group Management Ltd	Square Peg Global 2022 Trust – Square Peg Capital Pty Ltd
Partners Group Dandenong, L.P – Partners Group Management Ltd	Square Peg Opportunities 2020 Trust – Square Peg Capital Pty Ltd
Partners Group Direct Equity 2016	Stafford Cap TDCFII - Stafford Capital Partners
Partners Group Direct Equity 2016 – Partners Group Management Ltd	Stafford International One Fund
Partners Group Direct Investments 2012 (USD) ABC, L.P. – Partners Group Management Ltd	Stafford Private Equity 2 Fund
Partners Group Secondary 2008 (EUR), S.C.A., SICAR – Partners Group Management Ltd	Taconic European Credit Fund
Partners Group Secondary 2011 (EUR), S.C.A., SICAR – Partners Group Management Ltd	Taconic Market Dislocation Fund
Partners Group Secondary 2011 (USD)	Telstra Ventures Co-Investment H I
Partners Group Secondary 2015 (USD)	Telstra Ventures Fund II Sidecar, L.P. – T Ventures Fund II GP, Ltd
Pomona Capital VI Limited Partnership	TELSTRA VENTURES FUND III
Private Equity US Opportunities II, L.P – Flexstone Partners, LLC	Terra Australis Property Fund
Private Equity US Opportunities III, LP – Flexstone Partners, LLC	Virtual Communities Pty Ltd
Roc Asia Pacific Co-Investment Fund III – Roc Capital Pty Limited	Wilshire Private Markets Asia No.1 Fund – Wilshire Australia Pty Limited
ROC CAPITAL PRIVATE EQUITY TRUST - TRANCHE 2	Wilshire Private Markets Asia No.2 Fund – Wilshire Australia Pty Limited
Roc China Growth Fund – Roc Capital Pty Limited	Wilshire Private Markets Funds – Wilshire Australia Pty Limited
Safar Partners Fund II A LP	Wollemi Co-Investment Fund S.C.C.P.
Safar Partners Fund II LP	<b>Infrastructure</b>
Safar Partners Fund, L.P. – Safar Partners GP, LLC	Adelaide Airport Limited
Safar Partners Hostplus Special Opportunity Fund, L.P. – Safar Partners GP, LLC	Adelaide Airport RPS
Siguler Guff Asia Opportunities Fund LP	AMP Capital Community Infrastructure
Siguler Guff HP China Opportunities Fund LP – Siguler Guff HP China GP, LLC	AMP Capital Div Infra Trust A
Siguler Guff HP Opportunities Fund II, LP – Siguler Guff HP II GP, LLC	AMP Capital Div Infra Trust B
Siguler Guff HP Opportunities II, LP 202	Campus Living Villages Fund – Campus Living Funds Management Limited
Siguler Guff Small Buyout Opportunities Fund II, L.P – Siguler Guff SBOF II GP, LLC	Darling Harbour – Capella Management Services Pty Ltd
	European Diversified Infrastructure Fund

European Diversified Infrastructure Fund II SCSp – First Sentier Investors	Hostplus LEP Trust
FP Consortium PTY LTD	Invesco Commercial Mortgage Income Fund
FP Consortium PTY LTD Loan Note	Invesco Core Real Estate USA (ICRE) Fund – Invesco Core Real Estate U.S.A., L.P.
FSI Airport Fund	Invesco US Core Direct Property Fund QFP
FSI Infrastructure Fund (Anglian Water Group Sector) – First Sentier Investors (Australia) RE Ltd	ISPT Core Fund – ISPT Pty Ltd
Gardior Fund A – Infrastructure Units (IU) – Gardior	ISPT Development and Opportunities Fund II – ISPT Pty Ltd
Gardior Fund B – Infrastructure Units B (IUB) – Gardior	ISPT Non-Discretionary Residential Mandate – ISPT Pty Ltd
GDIF Hedged Feeder Fund 2 – First Sentier Investors	ISPT Retail Australian Property Trust – ISPT Pty Ltd
GIP Gemini Fund LP – Global Infrastructure Partners	KAMOB Investors III, L.P. – Kayne Anderson Capital Advisors, L.P.
Golden NA Power Holdings LLC	Kayne Anderson Core Intermediate Fund LP
IFM Australian Infrastructure Fund – IFM Investors Pty Ltd	Kayne Anderson Core Real Estate, L.P. – Kayne Anderson Core Real Estate Advisors I, LLC
IFM International Infrastructure Fund – IFM Investors Pty Ltd	Kayne Anderson Real Estate Partners VI,L
Infrastructure(LUX)3 S.C.A Sicav-Raif EF	Lasalle Australia Club Investments Trust
Macquarie Global Infrastructure Fund II	Lendlease Asian Retail Investment Fund 2 - Lendlease Investment Management
Macquarie Global Infrastructure Fund II A	Lendlease Asian Retail Investment Fund 3 - Lendlease Investment Management
NSW Ports Consortium – Industry Funds Management Pty Ltd	Lendlease Sub-Regional Retail Fund – Lendlease Investment Management
Octopus Managed Platform	Long Weighted Investment Partnership (LWIP) Trust – Charter Hall Wholesale Management Limited
QGIF Iona Aggregator Trust – QIC Investments No. 1 Pty Ltd	Long Weighted Investment Partnership (LWIP) Trust II – Charter Hall Wholesale Management Limited
QIC Global Infrastructure Fund – QIC Limited	Macquarie Real Estate Equity Fund 6 – Macquarie Admin Services Pty Limited
QIC REV Investment Trust No. 1 – QIC Infrastructure Management No. 2 Pty Ltd	Pretium Single-Family Rental Fund III
QIC REV Investment Trust No. 4 – QIC Infrastructure Management No. 2 Pty Ltd	QIC Australia Core Plus Fund – QIC Limited
US Power Fund Leveraged Feeder II LP	QIC Property Fund – QIC Limited
Utilities Trust of Australia – H.R.L Morrison & Co Limited	Select Property Portfolio No. 3 – AMP Capital Investors Limited
<b>Property</b>	U.S. Cities Multifamily Fund, L.P – U.S. Cities Industrial Fund GP LLC
AMP Ethical Leaders Private Asset Fund	U.S. Cities Multifamily Fund, L.P – U.S. Cities Multifamily Fund GP LLC
Australian Prime Property Funds (Retail, Commercial & Industrial) – Lendlease Investment Management	<b>Fixed Income</b>
Blackrock Europe Property Fund III	Citigroup Global Markets Australia Pty Limited (Australian Fixed Interest Transition Fund)
Charter Hall Prime Industrial Fund – Charter Hall Funds Management Limited	IFM Australian Bond Fund - IFM Investors Pty Ltd
Charter Hall Prime Office Fund – Charter Hall Funds Management Limited	Citigroup Global Markets Australia Pty Limited (International Fixed Interest Transition Fund)
Chauvel Neighbourhood Convenience Fund I	iShares ESG Aust Index – BlackRock Asset Management Australia Limited
Dexus ADPF	iShares ESG Global Index - – BlackRock Asset Management Australia Limited
Dexus Wholesale Property Fund	
Gresham Australian Private Equity Real	
Hostplus Commercial Trust	

iShares Global Bond Index Fund – BlackRock Asset Management Australia Limited	Blue Ocean Fund Class I
iShares Wholesale Aust Bond Index Fund – BlackRock Asset Management Australia Limited	Blue Ocean Fund Class I-B USD
Macquarie True Index Australian Fixed Interest Fund – Macquarie Investment Management Australia Limited	Cross Ocean GCD Fund I Offshore Feeder L
Metrics Credit Part Diversified Australian Bond Fund - Metrics Credit Holdings Pty Ltd	Cross Ocean Global SIF (H) L.P.
Pimco Gkocal Bond Fund - PIMCO Australia Management Limited	Cross Ocean Partners US SS Fund – Cross Ocean Partners Management LP
<b>Cash</b>	Cross Ocean USSS Fund I (A) Cayman
Citigroup Pty Ltd	HAYFIN DIRECT LENDING FUND II LP
CBA Pty Ltd	Hayfin Hostplus L.P – HayFin Hostplus GP Limited
IFM Investors Pty Ltd	HayFin Special Opportunities Credit Fund LP – HayFin Special Opportunities GP Limited
Members Equity Bank Pty Ltd	HayFin Special Opportunities Fund II LP – HayFin Special Opportunities Fund II GP LP
<b>Alternatives</b>	HayFin Special Opportunities Fund II USD Co-Invest LP – HayFin Special Opportunities Fund II GP LP
Apollo/Athene Dedicated Investment Program (B), L.P. – Apollo ADIP Advisors L.P.	HPK Partners, LLC – Kayne Anderson Capital Advisors L.P.
Apostle People and Planet Diversified Fund	Kayne Anderson Real Estate Debt II LP – Kayne Anderson Capital Advisors, L.P.
Ardea Real Outcome Fund	Kayne Anderson Real Estate Debt III LP – Kayne Anderson Capital Advisors, L.P.
Athora Holding Ltd.	Kayne Anderson Real Estate Debt IV LP – Kayne Anderson Capital Advisors, L.P.
Blackrock Multi Opportunity	Kayne Senior Credit III Offsh Fund L.P. – Kayne Anderson Capital Advisors, L.P.
Capula Global Relative Value Fund LTD	Loomis Sayles CLO II Ltd – Apollo ST Fund Management LLC
Fitzroy Horizons Fund – International Asset Management Limited	Redding Ridge Holdings LP
GMO Systematic Global Macro Fund – GMO Australia Limited	Willow Tree Fund I (Offshore), LP – Willow Tree Fund I (Offshore) GP, LLC
GSA Capital Partners Trend Fund – GSA Capital Partners LLP	Willow Tree Fund II (Offshore), LP – Willow Tree Fund II (Offshore) GP, LLC
Janus Henderson Multi-Strategy FD LTD - C	<b>Currency</b>
Perpetual Pure Equity Alpha Fund	Currency Overlay – Mesirow Financial Investment Management Inc.
Resolution Life Group Holdings - SW	<b>Choiceplus</b>
Resolution Life Group Holdings L.P. – Resolution Life Group Holdings Ltd.	Choiceplus Cash
Select Market Access Fund – Tangency Capital Ltd	Term Deposits
Snow Phipps & Guggenheim LP (Offshore)	Direct Equities (ASX 300 shares & ETFs)
Wellington Aus Global Total Rtrn Fund	
<b>Credit</b>	
Apollo Offshore Structured Credit Recovery Fund IV Ltd – Apollo ST Fund Management LLC	
Apollo ST Fund Management LLC	
APOLLO TOTAL RETURN FUND	
Bain Capital High Income Feeder	
Barings LLC	

The investments and investment managers listed in this disclosure may change. Please refer to page 27 'Change of investment managers' for further information on what happens if we change an individual investment manager.



# Fees and other costs

Because Hostplus is an industry super fund, our Pension administration fees are a competitive \$4.50 per week plus 0.0165% of your account balance per year. An additional \$49.22 p.a. per member is also deducted from the Fund's Administration Reserve during the year and not from members' account balances.

Like most super funds, investment fees and costs may apply. But we strive to ensure our investment fees and costs are competitive. Other fees and costs apply. You'll find an explanation of our fees and other costs here.

## Consumer Advisory Warning.

### DID YOU KNOW?

**Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.**

**For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).**

**You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.**

**You or your employer, as applicable, may be able to negotiate to pay lower fees\*. Ask the fund or your financial adviser.**

### TO FIND OUT MORE.

If you would like to find out more or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.

## Fees and other costs

This section shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole.

Other fees, such as activity fees and advice fees for personal advice may also be charged, but these will depend on the nature of the activity or advice chosen by you. Entry Fees and exit fees cannot be charged.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

The fees and other costs for each investment option offered by Hostplus are set out on pages 59 to 61.

\*The wording in this section is prescribed by law, and employers are unable to negotiate fees on behalf of pensioners who may hold a TTR account.

## Fees and costs summary

Hostplus Pension		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
Administration fees and costs	\$234.00 p.a. (\$4.50 per week)  plus \$49.22 p.a.  plus trustee fee of 0.0165% p.a. of your account balance.	Deducted monthly from your account.  Deducted from the Fund's Administration Reserve throughout the year (and not from your account).  <b>Non Choiceplus investments:</b> deducted daily and paid to the Trustee monthly from gross investment earnings before net investment returns are applied to your account.  <b>Choiceplus investments:</b> calculated daily and deducted monthly from your Choiceplus cash account.
Investment fees and costs <sup>2</sup>	0.94% for the Balanced option and varies between 0.02% and 0.94% for other investment option(s). <sup>3</sup>  This includes the 0.0155% trustee fee on your account balance invested in non Choiceplus investments. See page 61 for further information.	Deducted daily from gross investment earnings before net investment returns are applied to your account.  Included in the investment fees and costs of your chosen investment option(s) (other than Choiceplus) deducted daily and paid to the Trustee monthly from the option's gross investment earnings before net investment returns are applied to your account.
Transaction costs	0.12% for the Balanced option and varies between 0.00% and 0.40% for other investment option(s). <sup>3</sup>  See page 61 for further information.	Deducted from gross investment earnings as and when incurred before net investment returns are applied to your account.
<b>Member activity related fees and costs</b>		
Buy – sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Other fees and costs	See 'Additional explanation of fees and costs' for a description of other fees and costs; such as activity fees, advice fees for personal advice and Choiceplus investment option fees	

Additional fees and costs apply for your investments in Choiceplus. See page 64 for further information.

\*For further information about the trustee fee go to page 63.

1. If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

2. Investment fees and costs includes an amount up to 0.43% for performance fees. The calculation basis for this amount is set out under "Additional explanation of fees and costs" on page 61.

3. These fees and costs are based on actual figures and estimates from the previous financial year, except in the case of performance fees which are generally averaged over 5 financial years. The fees and costs payable in respect of each future year may be higher or lower. Where estimates were used, they have been informed by management, historical and industry experience, as well as information from third party service providers.

### Example of annual fees and costs for a superannuation product

This table below gives an example of how the ongoing annual fees and costs for the Hostplus Balanced option for this superannuation product can affect your pension over a 1-year period. You should use this table to compare this product with other superannuation products.

Example – Hostplus Balanced option		Balance of \$50,000
<b>Administration fees and costs</b>	\$234.00 p.a. (deducted from your Hostplus account) plus \$49.22 p.a. (deducted from the Fund's Administration Reserve) plus \$8.25 trustee fee p.a. on your account balance.	For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment <b>\$8.25</b> in administration fees and costs, plus <b>\$283.22</b> regardless of your balance.
<b>PLUS Investment fees and costs</b>	0.94%	<b>And</b> , you will be charged or have deducted from your investment <b>\$470</b> in investment fees and costs.
<b>PLUS Transaction costs</b>	0.12%	<b>And</b> , you will be charged or have deducted from your investment <b>\$60</b> in transaction costs.
<b>EQUALS Cost of product</b>		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of <b>\$821.47</b> for the superannuation product.

**Note:** Additional fees may apply. Please note the Hostplus Pension default investment option is the Cash option, not the Balanced option demonstrated above and these fees will vary from option to option. The inclusion of a Balanced option example is required by law. **The fees and costs charged if you invest via the Choiceplus platform relate to Choiceplus and access to Choiceplus investments only, and do not include the fees and costs that relate to investing in those investments. Additional fees and costs will be charged by the issuers of the Choiceplus investments that you decide to invest in.**

### Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a 1-year period for all superannuation products and investment options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product information assumes a balance of \$50,000 at the beginning of the year. (Additional fees such as a buy-sell spread may apply: refer to the Fees and costs summary for the relevant superannuation product or investment option.)

You should use this figure to help compare superannuation products and investment options.

Investment option	Cost of product
Capital Stable	<b>\$576.47</b>
Conservative Balanced	<b>\$626.47</b>
Socially Responsible Investment (SRI) – Balanced	<b>\$496.47</b>
Indexed Balanced	<b>\$316.47</b>
Balanced	<b>\$821.47</b>
Shares Plus	<b>\$736.47</b>
Cash	<b>\$301.47</b>
Diversified Fixed Interest	<b>\$376.47</b>
Diversified Fixed Interest – Indexed	<b>\$341.47</b>
Property	<b>\$811.47</b>
Infrastructure	<b>\$681.47</b>
Australian Shares	<b>\$581.47</b>
Australian Shares – Indexed	<b>\$311.47</b>
International Shares	<b>\$551.47</b>
International Shares - Indexed	<b>\$341.47</b>
International Shares (Hedged) - Indexed	<b>\$326.47</b>
International Shares – Emerging Markets	<b>\$631.47</b>
CPIplus	<b>\$821.47</b>

### Additional explanation of fees and costs

Hostplus Pension				
Investment option	Investment fees and costs (excl Performance Fees)	Performance Fee	Transaction costs	Total investment fees and costs
Capital Stable	0.32%	0.16%	0.09%	0.57%
Conservative Balanced	0.38%	0.19%	0.10%	0.67%
Socially Responsible Investment (SRI) – Balanced	0.25%	0.11%	0.05%	0.41%
Indexed Balanced	0.04%	0.00%	0.01%	0.05%
Balanced	0.53%	0.41%	0.12%	1.06%
Shares Plus	0.50%	0.28%	0.11%	0.89%
Cash	0.02%	0.00%	0.00%	0.02%
Diversified Fixed Interest	0.13%	0.00%	0.04%	0.17%
Diversified Fixed Interest – Indexed	0.06%	0.00%	0.04%	0.10%
Property	0.56%	0.08%	0.40%	1.04%
Infrastructure	0.48%	0.15%	0.15%	0.78%
Australian Shares	0.34%	0.13%	0.11%	0.58%
Australian Shares – Indexed	0.04%	0.00%	0.00%	0.04%
International Shares <sup>1</sup>	0.44%	0.00%	0.08%	0.52%
International Shares - Indexed	0.10%	0.00%	0.00%	0.10%
International Shares (Hedged) - Indexed	0.07%	0.00%	0.00%	0.07%
International Shares – Emerging Markets	0.53%	0.00%	0.15%	0.68%
CPIplus	0.53%	0.41%	0.12%	1.06%

The total investment fees and costs listed against the CPIplus option does not impact (diminish) the net value of return of CPIplus. These costs represents the cost incurred by the Balanced investment option, which is where CPIplus assets are invested. CPIplus returns are based on a predetermined rate based on CPI + 'n'. No further investment fees and costs are deducted from that return.

1. The Trustee has determined the performance fees for the International Shares option is -0.03% for the year ended 30 June 2022. This has the effect of reducing the investment fees and costs for the International Shares option. However, where performance fees are negative, the law requires the amount of performance fees included in investment fees and costs disclosed to be zero.

These costs are based on actual figures and estimates. The costs payable in respect of each future year may be higher or lower.

## Defined fees

### 1. Activity fees

A fee is an activity fee if:

- (a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
  - that is engaged in at the request, or with the consent, of a member; or
  - that relates to a member and is required by law; and
- (b) those costs are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a buy sell spread, a switching fee, an advice fee or an insurance fee.

### Family Law fee

Under family law, your spouse, a person considering entering into a superannuation agreement with you, or their authorised representative, can request information about your account. Hostplus charges a \$75 fee for supplying this requested information, which is paid by the person making the application at the time the request is made.

Hostplus also charges a fee of \$60 for splitting the interest in your account upon receipt of a splitting agreement or court order, which is deducted from your account at the time the benefit is split.

### Dishonoured payment fees

If you make a contribution by cheque or direct debit that is dishonoured, a handling fee of \$15 will be deducted from your account.

### Contribution splitting fees

A \$60 contribution splitting fee will be payable by the splitting member for each transaction which will be deducted from the member's account.

### 2. Administration fees and costs

Administration fees and costs are fees and costs that relate to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that:

- (a) relate to that administration or operation of the entity; and
- (b) are not otherwise charged as investment fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

\$234 in Administration fees and costs are deducted from your account over the year and paid into the Fund's Administration Reserve. A further \$49.22 per member is also deducted from the Administration Reserve. This amount does not impact or reduce your account balance. It is based on information from the previous financial year. The administration fees and costs payable in respect of each future year may be higher or lower.

The Fund's Administration Reserve is separately maintained by the Trustee to manage the receipt of administration fees and costs and the payment of Fund expenditure. Any tax benefit associated with Fund expenditure is paid into the Fund's Administration Reserve. Administration fees and costs include part of the trustee fee.

### 3. Advice fees

A fee is an advice fee if:

- (a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:
  - a trustee of the entity; or
  - another person acting as an employee of, or under an arrangement with, the trustee of the entity; and
- (b) those costs are not otherwise charged as administration fees and costs, investment fees and costs, a switching fee, an activity fee or an insurance fee.

Throughout this PDS, advice fees are referred to as "financial planning fees".

Members who choose to engage the services of a financial planner will receive a fixed quote before proceeding with personal advice services. This quote will be provided to you once the planner has understood and agreed with your specific requirements. The fee (once approved by you) will be charged on a fee for service basis.

Hostplus members can elect to authorise the fund to deduct all or a portion of the agreed advice fee from their Hostplus account to cover the cost of personal advice that relates solely to the members' interest in Hostplus (please note; conditions apply).

For more information or to arrange a consultation, simply call us on **1300 348 546** or refer to the IFS Financial Services Guide (FSG).

### 4. Buy-sell spreads

A buy-sell spread is a fee to recover costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity. Hostplus does not charge members any buy-sell spread fees.

### 5. Exit fees

An exit fee is a fee other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity. Hostplus does not charge members exit fees.

## 6. Investment fees and costs

Investment fees and costs are fees and costs that relate to the investment of the assets of a superannuation entity and includes:

- (a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- (b) costs incurred by the trustee of the entity that:
  - (i) relate to the investment of assets of the entity; and
  - (ii) are not otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

For non-Choiceplus investments, investment fees and costs include part of the trustee fee.

### Performance fee

In certain circumstances, Hostplus agrees, as part of the fees payable to an investment manager, to pay a performance fee. Performance fees are payable to investment managers if they outperform required performance targets. The performance fees payable varies between the underlying investment managers and may change from year to year.

These performance fees are included within the investment fees and costs and are borne by members invested in an investment option before investment earnings are declared and applied to their account. Investment fees and costs can change as a result of changes to the performance fees.

For the purposes of calculating the performance fees, Hostplus:

- (a) includes the performance fees that accrued in relation to:
  - (i) the product or option or part of such product or option; and
  - (ii) any interposed vehicles referable to that option, averaged over the previous 5 financial years;
- (b) where an option was not in operation for the previous 5 financial years, Hostplus calculates the average by reference to the number of financial years in which the option has operated;
- (c) where an option did not have a performance fee charging mechanism in place in each of the previous 5 financial year, Hostplus calculates the average by reference to the number of financial years in which the option had a performance fee charging mechanism in place;
- (d) where an option was first offered in the current financial year, Hostplus calculates the average by reference to its reasonable estimate of the performance fee for the current financial year adjusted to reflect a 12 month period.

## How we estimate our investment fees and costs

Investment fees and costs are based on actual figures and estimates. The estimated information:

- was informed by information obtained from investment managers;
- used an assumption that the asset allocation for each investment option was that which applied as at 31 May 2022; and
- used an assumption that the funds under management for each investment option was maintained at 31 May 2022 levels.

## 7. Switching fees

A switching fee for a superannuation product other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

Hostplus does not charge members switching fees.

## 8. Transaction costs

Transaction costs are costs associated with the sale and purchase of assets of the superannuation entity other than costs that are recovered by the superannuation entity charging buy-sell spreads.

Transaction costs are associated with acquiring or disposing investments and can include costs such as brokerage, settlement costs, stamp duty and clearing costs. Transaction costs are deducted from the valuation of investments before unit prices are calculated. They may be paid directly by Hostplus or from an interposed vehicle.

Transaction costs are not directly charged to members but are an additional cost to the member if not recovered in the form of a buy-sell spread fee. The transaction costs shown in the fees and costs summary is shown net of any amount recovered by a buy-sell spread charged by Hostplus. Hostplus does not charge a buy-sell spread to its members.

### 9. Trustee fee

Effective from 18 March 2022, the trustee fee has been introduced in response to recent legislative changes (to sections 56 and 57 of the Superannuation Industry (Supervision) Act 1993 (Cth) (SIS Act)), which impact the Trustee on and from 1 January 2022.

These legislative changes have significantly broadened the types of penalties for which the Trustee and its Directors cannot be indemnified out of the assets of the Fund or the PST.

As the Fund and PST are operated on a profit-for-member basis, the Trustee does not currently hold sufficient capital that could be used to indemnify the Trustee and its Directors, or otherwise meet related liabilities. Instead, the Trustee and its Directors have previously relied on being able to draw against the assets of the Fund and PST to recover such costs.

As a result of these legislative changes, the Trustee risks becoming insolvent if a penalty were to be imposed on it, or its Directors (e.g., as a result of an inadvertent breach of Commonwealth legislation), and the Trustee does not have sufficient capital to pay the penalty.

The trustee fee is paid to the Trustee in relation to the risks of it and its Directors carrying out their duties and obligations in acting as trustee of the Fund and the PST. The Trustee holds the trustee fee paid to it in a Special Purpose Reserve within the Trustee (and not within the Fund or PST), thus ensuring these funds are kept separate from Fund members' and PST Investors' funds. The Special Purpose Reserve will only be used to meet relevant liabilities incurred on or after 1 January 2022 for which the Trustee and its Directors cannot be indemnified out of the assets of the Fund or PST.

The trustee fee forms part of your Administration fees and costs and is calculated against your entire account balance. The trustee fee also forms part of the Investment fees and costs calculated on investment options other than amounts invested in ChoicePlus.

### 10. Insurance fees

A fee is an insurance fee for a superannuation product if:

- (a) the fee relates directly to either or both of the following:
  - (i) insurance premiums paid by the trustee of a superannuation entity in relation to a member or members of the entity;
  - (ii) costs incurred by the trustee of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and
- (b) the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and
- (c) the premiums and costs to which the fee relates are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a switching fee, an activity fee or an advice fee.

### 11. Fee changes

We are required to let you know 30 days before an increase in fees takes effect where required by law. In addition, we may introduce or change the amount of fees or costs fees at our discretion and without members' consent, including where increased charges are incurred due to government changes to legislation; increased costs; significant changes to economic conditions and/or the imposition or increase of processing charges by third parties.

### 12. Fees and costs for the Choiceplus investment option

The fees and costs set out below are current at the date of this publication but may vary from time to time in the future.

For more information about Choiceplus download the Choiceplus guide from [hostplus.com.au/retirement/pension-investment-options](http://hostplus.com.au/retirement/pension-investment-options)

#### Choiceplus transfer fees

Hostplus does not charge for transfers of your Choiceplus investments between your Hostplus accounts. For more information about asset transfers please see the Choiceplus option information on page 49 or the Choiceplus guide available at [hostplus.com.au](http://hostplus.com.au)

#### Portfolio administration fee

The Choiceplus investment option has an additional portfolio administration fee of \$15.00 a month (\$180.00 a year including GST). The portfolio administration fee will be deducted from your Hostplus Choiceplus transaction account at the end of each month. A portfolio administration fee will be payable for each Choiceplus account held by you.

#### Transaction account fees and costs

Gross interest earned on any cash held in your transaction account is subject to an investment fee of 0.50% and an indirect cost of 0.40%. These fees and costs are estimates based on previous financial year and are not deducted from your account balance. These are deducted daily from gross interest earnings before net interest returns are applied to your transaction account. Because the investment fee and indirect costs are estimates, fees and costs payable in respect of each future year may be higher or lower.

#### Brokerage fees for shares, Exchange Traded Funds (ETFs) and Listed Investment Companies (LICs)

Whenever you buy and sell shares, ETFs and LICs via Choiceplus, there are brokerage fees that apply. The applicable fees are shown in the table below.

Brokerage fee per trade	
Transaction value	Brokerage fee*
\$0.00 to \$10,000.00	\$19.95
\$10,000.01 to \$27,500.00	\$29.95
\$27,500.01 to \$250,000	0.11% of trade value

\* Fees are exclusive of Goods and Services Tax (GST).



The brokerage fee payable depends on the transaction amount and where it falls within the above ranges (only one range is applicable per trade). For example, a \$9,000 trade would incur a brokerage fee of \$19.95 (exclusive of GST). A \$24,000 trade would incur a brokerage fee of \$29.95 (exclusive of GST) – and if you placed a \$45,000 trade, your total brokerage would be calculated as:

$\$45,000 \times 0.11\% = \$49.50$  (exclusive of GST).

**\*Brokerage fees are subject to Goods and Services Tax at the rate of 10%. A refund (for the reduced input tax credit) of 75% of the GST paid will be credited to members' accounts at the time of settlement. For example, brokerage fees of \$19.95 are subject to GST of \$1.99. Members will be credited 75% of the GST paid ie. \$1.50.**

For any limit/market orders not fully executed on the same trading day, normal brokerage will be charged for the portion executed each day.

#### **Management fees for Exchange Traded Funds (ETFs) and Listed Investment Companies (LICs)**

The price quoted on the ASX for each ETF or LIC reflects all fees and expenses incurred in the management of that ETF or LIC. Management fees, custody costs and other expenses are included in the ETF & LIC fees and deducted from the returns of the underlying securities in the ETF or LIC. These fees may cause the total return of the ETF or LIC to be different to the return of the underlying index which the ETF or LIC aims to track.

**i** The fees and costs charged if you invest via the Choiceplus platform relate to Choiceplus and access to Choiceplus investments only, and do not include the fees and costs that relate to investing in those investments. Additional fees and costs will be charged by the issuers of the Choiceplus investments that you decide to invest in.

### **13. Superannuation tax**

See **Taxation** on pages 66-68 for information on tax. Please note; all fees and costs are inclusive of GST (unless otherwise stated) less any input tax credits and stamp duty (if applicable). The fund passes on any tax deduction on investment costs in the form of higher returns to beneficiaries. For more information on tax and your Choiceplus investment options please refer to the Choiceplus Guide available at [hostplus.com.au](http://hostplus.com.au)



# Taxation

## Changes to fees and charges.

Hostplus may change fees and costs at any time. You will receive at least 30 days' notice before any increase to fees deducted directly from your account.

Here is a brief summary of how pension and lump sum benefits are taxed. The tax information set out in this guide based on tax law current as at the date of this guide. It is general information only and you should seek independent professional taxation advice for detailed tax advice specific to your circumstances.

## Tax File Numbers.

We are authorised to collect your Tax File Number (TFN) under the Superannuation Industry (Supervision) Act 1993.

If you are aged under 60, you will need to complete the TFN Declaration form at the back of this guide. If you are over age 60, you don't have to provide your TFN. However, if you don't provide your TFN, the taxable component of your pension account may be subject to tax at the highest marginal tax rate plus Medicare levy (if applicable).

What's more, if you don't provide your TFN, the trustee, the trustee of another super fund, or RSA provider holding super benefits for you now or in the future may not be able to locate or consolidate those benefits for you, or may not be able to identify your benefits in order to pay them.

The consequences of not providing your TFN may change in the future as a result of legislative change.

If you provide your TFN, we may pass it on to another pension fund that receives transferred benefits in the future – unless you tell us not to do so. Your TFN may also be given to the ATO. We will only use your TFN for lawful purposes, including for the purposes of administering your account, identifying or finding your benefits where other information is insufficient, calculating tax on payments, and providing information to the ATO.

## Rollovers into your pension account.

You don't pay tax on any funds you roll over from another super fund to begin a pension account, except where your rollover comes from an 'untaxed' fund. Untaxed funds are uncommon and generally are older funds for government employees. If your lump sum comes from an untaxed fund, the trustee is obliged to deduct 15% tax from this untaxed rollover amount when you establish your Hostplus Pension account.

## Net investment returns and tax.

When your account is in the tax-free environment there is no tax payable on the gross investment returns.

Gross investment returns in a TTR account that are in the taxed environment are taxed 15%. To determine if your TTR account is in the taxed or untaxed environment refer to the When is a TTR account in the taxed or tax-free environment? section.

## Taxable components of your benefit.

If you have reached age 60 when you receive income from your pension account or make a lump sum withdrawal, you don't pay any tax.

If you are under age 60, your benefit will be taxed as per the table below. Lump sum payments from your Hostplus Pension account are composed of taxable and tax-free components. The taxable component is subject to tax as follows.

Tax treatment of taxable components		
Age	Lump sum benefits	Pension Plan benefits
Under preservation age	Taxable at 20% (plus Medicare levy)	Taxable at marginal rate (plus Medicare levy) 15% tax offset may apply in limited cases such as a disability super benefit or a death benefit income stream.
Between preservation age and 59	First \$230,000* is tax-free and the balance is taxed at 15% (plus Medicare levy)	Taxable at marginal tax rate (plus Medicare levy) 15% tax offset
Aged 60 and over	Tax free	Tax free

\* This is the low rate cap amount applicable to the 2022-23 income year. The low rate cap is indexed annually in line with AWOTE but only increases in increments of \$5,000. The tax rate figures above do not include the 2% Medicare levy which is also payable. Visit [ato.gov.au](http://ato.gov.au) for more information.

### Tax-free components of your pension plan.

The tax-free portion of your pension payment incurs no income tax and is calculated by dividing your tax-free component by the beginning balance of your Hostplus account. The tax-free amount is calculated when you first rollover into a Hostplus Pension account.

Your tax-free component is the sum of your:

- non-concessional contributions (personal contributions, spouse contributions and co-contributions)
- pre-July 1983 benefits calculated at 30 June 2007
- any capital gains tax (CGT) exempt component
- post 1 June 1994 invalidity component.

This results in a percentage which will then be applied to all your future income payments and lump sum commutations/ payments to determine the portion of that payment which is exempt from tax. Once you reach age 60, all payments are tax-free.

### Tax offsets.

You may receive a 15% tax offset on your pension payments if you are:

- aged 58 or over (but under age 60)
- in receipt of a pension due to disability, or
- in receipt of a pension due to the death of another person and there is a taxable component of their income.

If you are under age 60 and wish to reduce the tax paid on your income payment by the tax offset and tax-free threshold, please indicate your preferences on the Australian Taxation Office TFN Declaration form included in this guide.

### Example.

David aged 58 has chosen to receive an income of \$7,000 from his Hostplus Pension account this year. His tax-free portion is 10%. David will only declare \$6,300 (\$7,000 less 10%) of this income for tax purposes.

He also received a tax offset of \$945 (15% of \$6,300) which will reduce the tax that he may pay.

This example is provided for illustrative purposes only.

Working out your tax offset	
Insert your chosen annual income payment \$	\$
Less your tax-free portion	\$
Equals:	\$
Multiply by 15% (0.15) equals your tax offset	\$

### Restrictions on commutations.

If you request a full commutation we must pay you the minimum (pro-rata) pension payment prior to receiving your remaining account balance as a lump sum payment.

If you request a partial commutation, the above requirement does not apply provided you leave a sufficient amount to meet the remainder of that year's minimum retirement income payments.

Members investing in Choiceplus will need to maintain an income payment reserve in their non Choiceplus investments, allowing Hostplus to pay you at least the minimum annual pension required by legislation.

TTR pensions generally cannot be commuted except in limited circumstances.

### Preservation.

Under federal legislation, superannuation benefits must be 'preserved' for retirement. This means they must be retained within a complying superannuation or rollover fund until a condition is met for benefits to be paid – or released from the preservation rules.

In most cases, the condition for payment of benefits is permanent retirement once the member has reached their 'preservation age' (see preservation age table). However, there are other conditions under which Hostplus can release benefits before permanent retirement:

- permanent disability (subject to trustee approval)
- death
- reaching age 65, whether working or not
- reaching age 60, and ceasing current employment
- terminal illness.

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960–30 June 1961	56
1 July 1961–30 June 1962	57
1 July 1962–30 June 1963	58
1 July 1963–30 June 1964	59
From 1 July 1964	60

### Deeming rules and account-based pensions.

Deeming rules apply to your income streams. Deeming is the income included when calculating your eligibility for the Age Pension. Deemed income is where the Government assumes you earn a rate of return even if that rate isn't what you actually earn on your investment – meaning all financial assets are assessed under the same rules.

Hostplus Pension members who started an income stream before 1 January 2015 and who are receiving an eligible income support payment will continue to be assessed under existing rules, unless they have moved their balance to a new account-based pension or their income support payment ceased from 1 January 2015.

We recommend you discuss your circumstances with your licenced financial adviser or Centrelink before deciding to invest in Hostplus Pension to determine how the deeming rules apply to your personal circumstances.

### Death benefits and taxation.

Death benefits are paid as a pension or a lump sum to your dependants in most circumstances. Dependants for tax purposes include:

- current or former spouse (or de facto spouse)
- a child under 18 years of age
- a financially dependent child who is under 25
- a child who is disabled irrespective of their age
- an interdependant (see page 13).

The tax rates quoted in the table assume that the death benefits recipient's Tax File Number has been provided.

We strongly recommend that you consult a licensed financial and taxation adviser about how these laws may apply to your specific circumstances.

# Important information

## Your privacy.

Protecting your privacy is important to Hostplus. Under the Privacy Act, we are required to handle your personal information in accordance with a set of principles known as the Australian Privacy Principles (APPs).

We collect your information to enable us to identify you, set up your superannuation account, to keep it running smoothly and respond to any queries or request you may have regarding your account. The kind of information we collect from you includes your name, date of birth, address, tax file number and phone numbers via membership application forms, over the phone via our contact centre, through our online portals when you update your details and from financial planners licensed by Industry Fund Services.

At times we may need to disclose relevant personal information to external organisations that help us provide product and services to you. This includes our fund administrator, insurer, mail houses, other superannuation funds and regulatory bodies to the extent required by law. We and our fund administrator may also need to disclose your personal information to overseas recipients.

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**i** You should read our privacy policy for more detailed information. Our privacy policy also provides information about how you can access and correct your information, as well as how you can make a complaint about a breach of the APPs or the Privacy Act.

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For more information on privacy or to obtain a copy of the Hostplus privacy policy, visit [hostplus.com.au/privacy](https://hostplus.com.au/privacy) or call **1300 348 546**. You can also email us at [privacy@hostplus.com.au](mailto:privacy@hostplus.com.au) or write to us at Locked Bag 5046, Parramatta NSW 2124.

If our Privacy Officer is unable to resolve your complaint, you may lodge a complaint with the Privacy Commissioner. You can contact the Office of the Australian Information Commissioner (OAIC) on **1300 363 992** or by visiting [www.oaic.gov.au](http://www.oaic.gov.au)

## Enquiries and complaints.

If you have an enquiry or complaint, just call **1300 348 546**. We'll do everything in our power to attend to your matter promptly and courteously. If you are not happy with the way your matter is handled, we want to know. Please write to us at:

Hostplus  
Resolutions Officer  
Locked Bag 5046  
Parramatta NSW 2124  
or email to [resolutions@hostplus.com.au](mailto:resolutions@hostplus.com.au)

The Trustee will acknowledge complaints within 24 hours (or 1 business day) of receiving it, or as soon as practicable and a resolution will be provided to complainants within 45 days for superannuation matters and 90 days for complaints relating to the distribution of a superannuation death benefit, or reasons will be provided for the delay of a resolution for either type of complaint within each respective timeframe.

If you are not satisfied with either the way Hostplus handles your complaint or its resolution, you may contact the Australian Financial Complaints Authority (AFCA). AFCA provides free, fair and independent financial services complaint resolution to Hostplus members and their beneficiaries. Although you are able to refer the matter to AFCA at any time, they will not usually deal with your complaint until it has been through Hostplus' complaints handling process. You can contact AFCA via:

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

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

## Cooling off period.

After making your initial investment into Hostplus Pension, you have 14 days to reconsider your investment. The 14-day cooling off period starts on the date of issue of your welcome letter.

Within this period, you may withdraw your investment or transfer to another institution without being subject to fees imposed by Hostplus Pension. To withdraw or transfer your investment, simply send a letter to Hostplus Pension within the 14-day period.

If you choose to withdraw during the cooling off period the amount you receive may be less than the amount of your original investment. It will reflect any movement in the value of the option/s you have selected, transaction costs, amounts already paid to you, and any tax payable on that amount. If contributions already made were taxable, then this tax may already have been paid, and you may be able to claim it back from the ATO.

If any of the investments you made to Hostplus Pension were transferred from another complying superannuation fund, approved deposit fund or RSA, and were either preserved or restricted non-preserved benefits from the other fund (which means that under Federal Government regulations, they could not be paid out to you but had to be preserved in that fund until some future time), then those amounts can only be repaid to you or your beneficiary if you have satisfied a condition of release (see page 8).

If you have not satisfied a condition of release amounts will be transferred to another complying superannuation fund, non-commutable pension product or approved deposit fund of your choice.

### **Your rights and obligations.**

Your rights as an investor will be governed by the trust deed and by certain provisions of the law. The Hostplus trust deed and the law set out the conditions under which Hostplus Pension operate and the rights, responsibilities and duties of the trustee.

### **Family law and pensions.**

The Family Law Act 1975 allows couples to divide their pension interests in the event of the breakdown of their relationship. The interests may be divided by formal agreement or by a Family Court order. Interests can be divided in the payment phase (when the member is in receipt of income payments) as a percentage of the regular income payments.

In the event that a member's pension interests are split, a new Hostplus Pension account can be created by the non-member spouse or their interest may be transferred, rolled over to another regulated superannuation fund or paid in cash, subject to eligibility.

Family law payment splits may affect your transfer balance cap. If your pension account is subject to a payment split, your personal transfer balance cap space will increase by the amount withdrawn.

We recommend that you seek professional advice from your legal adviser or the Family Court as to the consequences of separation and divorce on your pension interests.

### **The trustee.**

Host-Plus Pty Limited is responsible for the administration and management of the fund. The trust deed and the law contain the main obligations of the trustee.

### **Trust deed.**

The Hostplus trust deed deals in part with the trustee's powers, responsibilities and obligations as the trustee for Hostplus Pension. It contains certain minimum provisions. The trustee can change the trust deed but if we believe the change will adversely affect your rights as a member, we will not make changes without at least 30 days notice to you.

You can view the Trust Deed at [hostplus.com.au/super/about-us/governance-and-disclosures](https://hostplus.com.au/super/about-us/governance-and-disclosures)

### **Custodian.**

An independent custodian, appointed by the trustee, holds Hostplus assets. As at the date of this guide the custodian is Citigroup Pty Limited.

## **Glossary of terms used.**

For a glossary of investment terms see page 23.

### **Australian Financial Services Licence (AFSL)**

A licence issued by the Australian Securities and Investments Commission (ASIC) under the Corporations Act that permits the issuing of a financial product or giving of financial advice.

### **Beneficiary**

A person for whose benefit assets are being held. Beneficiaries of a pension are the members and their dependants.

### **Commutation**

The process of converting part or all of a pension product into a lump sum benefit.

### **Complying superannuation fund**

A superannuation fund that qualifies for concessional tax rates. Under legislation, only a regulated superannuation fund that meets the operational standards set down by the government can be a complying fund. If a fund is not a regulated superannuation fund and/or is non-complying, it is ineligible for the taxation concessions.

### **Consumer Price Index (CPI)**

A measure of the quarterly changes in the prices of a 'basket' of goods and services which account for a high proportion of representative expenditure of metropolitan wage and salary earners. To calculate the CPI, the Australian Bureau of Statistics collects approximately 100,000 prices of a fixed list of goods, four times a year. The CPI is the most common method of measuring the rate of inflation.

### **Income Payment Reserve (IPR)**

The income payment reserve (IPR) is the amount you must retain in non Choiceplus investments, allowing Hostplus to pay you at least the minimum annual pension required by legislation. The IPR is reset each year at 1.5 times the new minimum pension amount calculated for your pension plan. For information about the minimum limits on your pension payments see page 11.

### **Licensed financial adviser**

Refers to a financial services licensee or an authorised representative of a financial services licensee as defined in the Corporations Act 2001. A licensed financial adviser will work with you to establish your goals and develop a plan to help you achieve them.

A financial adviser must hold an AFSL or be an authorised representative of an entity that holds such a licence in order to provide financial services including financial products advice.

### **Rollover**

Transfer of a lump sum to a rollover fund or to another pension fund.

### **Switching**

Transferring an account balance or portion thereof between investment options available within a fund.

### **Tax File Number (TFN)**

A unique number issued to each taxpayer by the Australian Tax Office. The TFN enables the tax office to match information it receives about income earned by taxpayers, with details disclosed in their tax returns. Trustees for superannuation funds are required to seek, store and pass on TFNs of beneficiaries who have authorised the use of the TFN for superannuation and tax purposes. Trustees must request, quote and transfer TFNs in accordance with statutory guidelines.

### **Transfer Balance Cap**

The total amount of superannuation that can be transferred into the retirement phase.

### **Trustee**

A person or company (corporate trustee) appointed under the terms of the trust deed to hold the trust property for the beneficiaries and to make sure that the plan is operated in accordance with the trust deed. Superannuation trustees must also comply with a number of legislated requirements as set out in the Corporations Act and Regulations and the Superannuation Industry Supervision (SIS) Act and Regulations.



**Helpful contact details.**

**Taxation and superannuation**

Australian Taxation Office  
Phone 13 10 20  
Web [www.ato.gov.au](http://www.ato.gov.au)

**Retirement Services**

Centrelink  
Phone 132 300  
Web [www.centrelink.gov.au](http://www.centrelink.gov.au)

**Retirement Services**

Department of Veterans Affairs  
Phone 133 254  
Web [www.centrelink.gov.au](http://www.centrelink.gov.au)

**Hostplus Pension**

Hostplus Pension  
Phone **1300 348 546**  
Mail Locked Bag 5046, Parramatta NSW 2124  
Web [hostplus.com.au/retirement](http://hostplus.com.au/retirement)

**Privacy Act**

Office of the Australian Information  
Commissioner (OAIC)  
Phone **1300 363 992**  
Web [www.oaic.gov.au](http://www.oaic.gov.au)

If you have a question  
or need assistance call  
**1300 348 546**, 8am – 8pm  
(AEST), Monday to Friday  
and we'll be happy to help.



# Starting a Hostplus Pension account

Now that you've read our Pension guide, all you need to do is apply online at [pensions.hostplus.com.au](https://pensions.hostplus.com.au) or complete and return the enclosed membership form. To help, there's a handy checklist you should complete.

If you have a question or need assistance call **1300 348 546** 8am-8pm (AEST), Monday to Friday and we'll be happy to help.

## Communicating with you.

On joining, you will receive a welcome kit including:

- a welcome letter – this may be issued electronically
- certificate of membership
- Centrelink schedule (this is also available online at [hostplus.com.au/retirement](https://hostplus.com.au/retirement)).

Each year you will receive:

- An annual statement for the period 1 July to 30 June (generally available in September) showing all transaction fees, switches and beneficiary details. You can view your annual Statements on Pension online. We will let you know via your nominated contact details when your statement is available and how you can access it. If you would prefer us to mail your full statement to you, you may opt out any time by calling us on **1300 348 546**, or updating your communication preferences on Pension Online.

If you opt out within seven days of the date of this notification, any disclosures already delivered digitally will be sent to your nominated contact details\*.

- access to an annual report which is available online at [hostplus.com.au](https://hostplus.com.au) between September and December each year
- by 15 July, if you are under age 60, PAYG payment summary in relation to pension income paid and tax deducted during each year
- early in the financial year you will receive new details of your minimum/maximum amounts and variation form (if applicable).

In the event of significant change to products and services relating to your account Hostplus will email you the details relating to the change. If we do not hold your email address we will write to you.

Throughout the year your investment transactions will be made available to you via the Pension Online.

In addition, you can request details of your Hostplus Pension account at any time by contacting our customer service centre on **1300 348 546**.

\* We can send notification and disclosures to you at a different electronic or postal address. Please update your contact details by calling us or logging into Pension Online.

## Providing proof of your identity.

When submitting forms to Hostplus Pension, you may be required to provide documentation so we can prove you are the person entitled to establish the pension account and to whom the superannuation benefit belongs. By law you are required to provide certified copies of identity documents in certain circumstances. (eg. When applying to establish a pension account).

Please ensure the person certifying your proof of identity documents has no connection to any organisation which will benefit from the establishment of your Pension account.

Note that Hostplus has to satisfy itself as the Trustee of your Pension fund as to the identity of its pensioners prior to being able to establish the account in your name. To facilitate this, Hostplus may use your certified ID on its own or in conjunction with an electronic identity verification service such as greenID.

Please submit documents from the list below:

### Primary Document

A certified copy of any one of the following:

- Current drivers licence or learners permit issued by a State or Territory of Australia with your photograph (both sides)
- Current passport issued by the Commonwealth of Australia that has not expired within the past two years (Information and photo page)
- Current Foreign passport containing a photograph and the signature of the person (documentation not written in English must be accompanied by an English translation prepared by an accredited translator (National Accreditation Authority for Translators and Interpreters (NAATI))
- Card issued under a State or Territory containing a photograph of the person AND Date of Birth of the person, eg. proof of age card or key pass, boat licence

### OR

### Secondary Documents

Certified copies of any one of the documents from List 1 and a certified copy of one of the documents from List 2 :

**List 1**

- Birth certificate or birth extract issued by a State or Territory of Australia
- Citizenship certificate issued by Commonwealth of Australia
- Medicare Card
- One of the following Centrelink Pension Cards:
  - Health Care Card
  - Commonwealth Seniors Health Card
  - Pensioner Concession Card
  - Indigenous community card with your photograph issued by Australian government or local indigenous community organisation.

**List 2**

- A letter from Centrelink regarding your government assistance payment (less than 3 months old) containing your full name and residential address
- Utility bill (less than 3 months old) containing your full name and residential address
- Rates notice from local council (less than 12 months old) containing your full name and residential address
- Notice of assessment from the Australian Taxation Office (less than 12 months old) containing your full name and residential address.
- For members under the age of 18:
- A written notice issued by a school principal containing your full name and residential address that records the period of time the individual attended the school (issued within the last 3 months)

**Change of Name**

Your name must be the same as shown on your proof of identity. If you have changed your name you will need to provide a certified copy of one of the following 'linking documents' from the Registry of Births, Deaths & Marriages in addition to the certified ID requirements as above:

- Marriage Certificate
- Divorce Certificate
- Deed poll of change of name certificate

**Signing on behalf of another member.**

If you are signing on behalf of a hostplus member, you need to provide a certified copy of one of the following in addition to the certified ID requirements as above:

- Power of Attorney
- Guardianship papers

**Important Information for Indigenous Australians.**

If you are a member with Indigenous Australians and/or Torres Strait Islander heritage and unable to meet the above mentioned supporting document requirements, please refer to [hostplus.com.au/super/about-us/rap](https://hostplus.com.au/super/about-us/rap) for alternative identification requirements.

**The simple way to certify proof of identity.**

You are required by law to provide certified copies of proof of identity documents in certain circumstances. (For example: when withdrawing your benefit). To help you provide the right documentation, we've provided a step-by-step guide on how to certify your proof of identity documents. If you have changed your name or you are signing on behalf of someone else you must follow this same process.

**What is a certified copy?**

A certified copy is a copy of an original document, which has been certified and signed by a person who is authorised to certify that it is a true and correct copy of the original.

**How do I obtain a certified copy of a document?**

You will need to take your original document(s) and a clear and legible photocopy of both sides of the original document to a person who is authorised to certify proof of identity documents.

### What do the certifiers need to do?

The certifier will need to sight and compare the original document with your copy (front and back) to ensure both documents are identical.

To properly certify your identification documents the copy requires the following:

1. Certifier's writing or stamp declaring 'this is a true and correct copy of the original or 'certified true copy'
2. Certifier's signature
3. Certifier's name, qualification/current position held and address
4. Date of authorisation
5. Certifier's stamp or registration number (if applicable)

### What does a certified identity document look like?

This is what a certified proof of identity document should look like:



### Find someone to certify your documents.

Only certain people are authorised to certify identification documents. For a complete list of people permitted to certify documents go to [hostplus.com.au/id](http://hostplus.com.au/id). A few common examples are:

- Police officer
- Agent of the Australian Postal Corporation who is in charge of, or a permanent employee with two or more years of continuous service with, an office supplying postal services to the public
- Pharmacist
- Legal practitioner
- Medical practitioner
- Justice of the Peace

### Member residing overseas.

For members residing overseas, the **only** persons who are authorised to certify identification documents are:

- An Australian Consular Officer or Australian Diplomatic Officer (within the meaning of the Consular Fees Act 1955).
- An employee of the Commonwealth or the Australian Trade Commission who is authorised and exercises his or her function in that place.
- A person authorised as a notary public in a foreign country.

### **i** Important note.

- All pages of your proof of identity documents must be certified.
- The certification must be on the copy of the document, not on the back of the page or a separate page attached to the document.
- The certified copies of your proof of identity documents must contain an original signature. Faxed or emailed copies will not be accepted.
- If any documents are written in a language other than English, they must be accompanied by an English translation prepared by an accredited translator.
- Documents certified more than 12 months ago will not be accepted.
- If these conditions are not met, Hostplus will be unable to process your request. If you need more information about certifying a document, simply call **1300 467 875**, 8am–8pm (AEST), Monday to Friday.

# Membership form checklist.

## You can also join Hostplus Pension online at [hostplus.com.au](https://hostplus.com.au)

Before you return your completed Membership application form, use the checklist below to ensure your application is processed promptly and we can get your super working for you without a hitch.

- Are you aware that under the transfer balance cap rules you can only commence a pension account with a maximum balance of \$1.7 million which includes any other retirement phase accounts you may have?
- Have you provided all your contact details? (Step 1, membership form)
- Have you supplied certified documents where requested?
- If you're under age 60, have you completed a TFN Declaration?
- Have you completed a transfer authority for each listed rolling over fund? (Step 2, membership form)
- Have you completed payment details? (Step 5, membership form)
- Have you provided a bank statement and completed your bank account details? (Step 6, membership form)
- Have you consulted a financial adviser before choosing the reversionary beneficiary option? (Step 7, membership form)
- Have you read, understood and signed the Declaration in Step 10, membership form?
- Have you read and understood the Pension Product Disclosure Statement (PDS) prior to completing and submitting the application form?



There is a cooling off period for 14 days from the date of issue of your welcome letter.

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Office use only

# Hostplus Pension membership form.

21 September 2022

You can also join Hostplus Pension online at [hostplus.com.au](http://hostplus.com.au)

Complete this application if you are joining Hostplus Pension. **This form must be completed in full. Please use BLOCK letters and dark ink. Please attach certified proof of identity documents. Please refer to page 74 of the PDS for details and the fact sheet on "The simple way to certify proof of identity" document in the pack.**

(This application is related to the **Pension Guide Product Disclosure Statement** dated 21 September 2022.)

## 1 Provide your personal details. \*Mandatory fields

Title\*  Mr  Mrs  Ms  Miss  Dr  Other  Gender\*  Male  Female

Given names\*

Surname\*

Date of birth\*

Residential address\*

Suburb  State  P/C

Postal address (if different from your residential address)\*

Suburb  State  P/C

Home phone

Business phone

Mobile phone\*

Preferred method of contact  Mail  Email  Phone

Email address\*

Tax File Number  For members under 60 years, please complete the enclosed TFN Declaration form.

As a member of Hostplus Pension, you may receive information on new products, special offers and promotions from Hostplus, Hostplus industry partners and associations from time to time. Please tick the box if you do not consent to receive such information.

**Are you applying as a Transition to Retirement (TTR) member?**  Yes  No  
 Only mark the yes box if you are choosing TTR. Please ensure you have read and understood the information provided in this PDS before selecting this option. This option is only available to members who are under 65 years and working.

**Are you intending to claim a tax deduction for the current financial year for any super contributions?**  Yes  No  
 If yes, you must lodge your section 290-170 notice of intent to claim form with your respective funds prior to commencing your Hostplus Pension account. Not submitting a valid notice (in the approved form) may impact on the deductibility of contributions and the amount of contributions that count toward your contribution limits. This can have significant tax consequences. We recommend you speak with a licensed tax (financial) adviser in relation to your eligibility to claim.





### 3 Investment options.

Your money will be invested in the default Cash option unless specified by you. If you wish to select how you would like your funds invested, please provide us the instruction by completing the table below. You must have at least 1% in any selected option. If you do not make an investment choice or your choice is invalid (eg. does not add up to 100%) your money will be invested in the default Cash option.

Either

**Percentage:** Specify in the table below the percentage to be invested in each option.

Or

**Amount:** Specify in the table below the amount to be invested in each option.

Investment options	Percentage of total %	Amount
<b>Pre-mixed options</b>		
Capital Stable	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
Conservative Balanced	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
Socially Responsible Investment (SRI) – Balanced	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
Indexed Balanced	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
Balanced	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
Shares Plus	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
<b>Sector specific options</b>		
Cash (default)	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
Diversified Fixed Interest	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
Diversified Fixed Interest – Indexed	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
Property	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
Infrastructure	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
Australian Shares	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
Australian Shares – Indexed	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
International Shares	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
International Shares – Indexed	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
International Shares (Hedged) – Indexed	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
International Shares – Emerging Markets	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
<b>CPIplus</b> (not available to TTR members)	<input type="text"/> <input type="text"/> <input type="text"/> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .
<b>Total</b>	<input type="text"/> <b>1</b> <input type="text"/> <input type="text"/> <b>0</b> <input type="text"/> <input type="text"/> <b>0</b> %	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .

#### Future investment switches

After this initial investment choice, please make your switches through your online account at [hostplus.com.au/retirement](http://hostplus.com.au/retirement) or by calling us on **1300 348 546**, 8am - 4pm (NSW time) Monday to Friday.

You can only invest in Choiceplus once your pension account has been established. For more information about Choiceplus visit [hostplus.com.au/choiceplus](http://hostplus.com.au/choiceplus) and download the Choiceplus guide. **Please note: The Choiceplus investment option is not available to TTR members.**

**Amount**

Please tick either options A, B or C indicating the amount you would like to receive:

**A.**  
 The standard minimum amount allowed under government legislation.

**B.**  
 Maximum amounts (this option is only for members who are between preservation age and 64, working and choosing the Transition to Retirement facility).

**C.**  
 specify an amount (before tax) of \$ , ,  from the commencement date of my pension plan to 30 June,  
 OR \$  per payment

**If you have selected a specific dollar amount:**

Would you like to index this amount in line with CPI each year?  Yes  No

or  
 Would you like to increase this amount by a nominated percentage each year (subject to minimum and maximum amounts)?  Yes  No

If yes, please indicate % amount. If no instruction is received, the default will be 'No' (whole numbers up to 5% pa).  %

**Frequency of income payments**

Fortnightly  Monthly  Quarterly  Half-yearly  Yearly

For monthly payments, please choose the starting date

15th of each month OR  End of month

For quarterly, half-yearly or yearly payments, please fill in the starting month you wish to receive payment

Your payment cannot be made until all funds are allocated to your account. Your payment nominations will remain in place, until you advise us in writing to change them. If you do not nominate the frequency of your pension payments, your pension will be paid annually in June, unless you advise us in writing to the contrary. **Please note:** If you invest between 1 June and 30 June, you may choose not to receive a payment until the next financial year.

## 5 Payment details.

Please indicate how you would like to draw down your pension payments. If you do not make any nomination below, payments will be drawn down Pro-rata ie. in proportion to your current investment allocation.

**Either**

Proportional: Specify below the proportion to be withdrawn from each investment option.

**Or**

Priority order: Elect to have the pension payments withdrawn from each investment option in the order you specify below.

**Or**

Pro-rata

Investment options	Proportional eg. 25%	Priority order eg. 1, 2, 3
Capital Stable	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
Conservative Balanced	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
Socially Responsible Investment (SRI) – Balanced	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
Indexed Balanced	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
Balanced	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
Shares Plus	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
Cash (default)	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
Diversified Fixed Interest	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
Diversified Fixed Interest – Indexed	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
Property	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
Infrastructure	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
Australian Shares	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
Australian Shares – Indexed	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
International Shares	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
International Shares – Indexed	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
International Shares (Hedged) – Indexed	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
International Shares – Emerging Markets	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
CPIplus (not available to TTR members)	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/>
<b>Total</b>	<b>1 0 0</b> %	

### Future payment choices:

After this initial selection, please make your payment choices through your online account at [hostplus.com.au/retirement](https://hostplus.com.au/retirement) or by calling us on **1300 348 546**, 8am - 8pm (AEST) Monday to Friday. Payments cannot be made directly from the Choiceplus investment option. **Please note: The Choiceplus investment option is not available to TTR members.**



**8 How did you hear about Hostplus Pension?**

\*Mandatory section

Please tick appropriate box.

Financial adviser

Industry super fund employee

Fund communication  
(eg. newsletter)

Advertising (trade journals, newspaper)

IFFP retirement planning seminar

Friends/family/  
work mates

Other (please specify)

**9 Financial adviser authority (if applicable).**

\*Mandatory section

The purpose of this authority is to enable your financial adviser to obtain relevant information and/or monitor all your Hostplus account(s) on your behalf.

This authority continues until revoked in writing by you.

**Financial adviser's details\***

Adviser's name

Adviser's company name\*

Fax\*

Email address

Address\*

Suburb

State

P/C

Country

Business phone\*

Mobile phone\*

Australian Financial Services Number (AFSL)\*

Australian Business Number (ABN)\*

Additional contact person

Before you sign this application form the trustee or licensed financial adviser is obliged to provide you with a Product Disclosure Statement (PDS) which is a summary of important information relating to the plan. The PDS will help you to understand the product and decide whether it is appropriate to your needs.

#### Your Privacy

Hostplus is authorised under the Superannuation Industry (Supervision) Act 1993 and the Anti-Money Laundering and Counter Terrorism Financing Act 2006 to collect personal information from you so we may set up a pension account for you as well as administer your pension account on an ongoing basis. The personal information we are seeking to collect from you is your name, address, date of birth, Tax File Number (TFN), contact details, bank account details, and your nominated beneficiaries.

We need to collect the requested personal information from you for the following purposes:

- to establish and manage your pension account
- to implement your investment choices
- to transfer monies or pay benefits to you
- to report the investment performance of your account to you
- to keep you up to date about other products and services available to you as a member of Hostplus (which may include direct marketing communications).

The Hostplus privacy policy is available on the Hostplus website at [hostplus.com.au/privacy](http://hostplus.com.au/privacy) and includes information about overseas disclosure of personal information, how you may access and seek correction of your personal information as well as how you can make a complaint about a breach of your privacy.

Hostplus usually discloses your personal information to our administrator Australian Administration Services Pty Limited (AAS) ABN 62 003 429 114, mail houses and the ATO. AAS (a company within the LINK Group of companies) may also disclose your personal information to overseas recipients. Please see the LINK Group's Privacy Policy at [www.linkgroup.com/privacy.html](http://www.linkgroup.com/privacy.html) for further information. As a member of Hostplus Pension, you may receive information on new products, special offers and promotions from Hostplus, Hostplus industry partners and associations from time to time.

I, whose signature appears below, declare that:

#### General – relating to your Hostplus account

- All details in this application are true and correct.
- I have received, read and understood the PDS dated 21 September 2022 to which this application applies and agree to be bound by the provisions of the trust deed (as amended from time to time) governing the plan.
- The details of my investment in Hostplus Pension can be provided to the financial planning group or adviser authorised in Step 9.
- The whole of my investment is made up of one or more rollover benefits.

- If this application is signed under Power of Attorney, the Attorney declares that no notice of revocation of that Power of Attorney has been received. (A certified copy of the Power of Attorney should be submitted with this application unless we have already sighted it.)
- I have read and understood the Privacy Statement on page 69.
- I undertake to provide the trustee with any further information it may request relating to my Hostplus membership and I will update the trustee if any of the information provided changes.

#### Where I have requested the transfer of my Choiceplus shares, ETFs and LICs to my Pension, I confirm that:

- I have read, understood and agree to the terms and conditions relating to the transfer as set out in the PDS and the Choiceplus guide provided by the trustee via the Hostplus website, and agree to be bound by the terms and conditions for investing in the Choiceplus investment option (as amended from time to time)
- I have sought financial and taxation advice (as appropriate) to understand any implications of the transfer; and
- release and indemnify the trustee at all times against any and all costs, charges, expenses and losses incurred directly or indirectly in connection with any requests made for an asset transfer that results in:
  - (i) the cancellation of pending buy or sell orders for any Choiceplus Investments I hold;
  - (ii) a delay caused as a result of a pending term deposit, or other asset specific event (such as pending cash transfers, trades, or non-income corporate actions); and/or
  - (iii) closure of my Choiceplus account.

#### I declare that, with regard to my eligibility to become a member of Hostplus Pension, one of the following is true (tick as appropriate):

- I have reached my preservation age but have not ceased gainful employment and I agree to be bound by the conditions relating to the payment of Transition to Retirement accounts, described in this PDS.
- I have reached my preservation age and am no longer gainfully employed. I am not intending to rejoin the workforce either full-time or part-time at any time in the future.
- I am 60 years or older and I have ceased gainful employment since turning 60.
- I have been declared permanently and totally disabled/incapacitated and have provided the trustee with two medical certificates to that effect.
- I am 65 or over.
- I am eligible as a dependant to receive a death benefit income stream. For information about eligibility please refer to page 15.

Signature of applicant\*

Date\*










Faxed or scanned forms cannot be processed. However photocopied forms can be processed if signed with an original signature.



It is important that you answer all questions on this form. In confidence when completed.

On completion, please send your original application to:  
Hostplus Pension, Locked Bag 5046, Parramatta NSW 2124.





## Payer information

The following information will help you comply with your pay as you go (PAYG) withholding obligations.

### Is your employee entitled to work in Australia?

It is a criminal offence to knowingly or recklessly allow someone to work, or to refer someone for work, where that person is from overseas and is either in Australia illegally or is working in breach of their visa conditions.

People or companies convicted of these offences may face fines and/or imprisonment. To avoid penalties, ensure your prospective employee has a valid visa to work in Australia before you employ them. For more information and to check a visa holder's status online, visit the Department of Home Affairs website at [homeaffairs.gov.au](http://homeaffairs.gov.au)

### Is your payee working under a working holiday visa (subclass 417) or a work and holiday visa (subclass 462)?

Employers of workers under these two types of visa need to register with the ATO, see [ato.gov.au/whmreg](http://ato.gov.au/whmreg)

For the tax table "working holiday maker" visit our website at [ato.gov.au/taxtables](http://ato.gov.au/taxtables)

## Payer obligations


If you withhold amounts from payments, or are likely to withhold amounts, the payee may give you this form with section A completed. A TFN declaration applies to payments made after the declaration is provided to you. The information provided on this form is used to determine the amount of tax to be withheld from payments based on the PAYG withholding tax tables we publish. If the payee gives you another declaration, it overrides any previous declarations.

### Has your payee advised you that they have applied for a TFN, or enquired about their existing TFN?

Where the payee indicates at question 1 on this form that they have applied for an individual TFN, or enquired about their existing TFN, they have 28 days to give you their TFN. **You must withhold tax for 28 days at the standard rate according to the PAYG withholding tax tables.** After 28 days, if the payee has not given you their TFN, you must then withhold the top rate of tax from future payments, unless we tell you not to.

### If your payee has not given you a completed form you must:

- notify us within 14 days of the start of the withholding obligation by completing as much of the payee section of the form as you can. Print 'PAYER' in the payee declaration and lodge the form – see 'Lodging the form'.
- withhold the top rate of tax from any payment to that payee.


 For a full list of tax tables, visit our website at [ato.gov.au/taxtables](http://ato.gov.au/taxtables)

## Lodging the form

You need to lodge TFN declarations with us within 14 days after the form is either signed by the payee or completed by you (if not provided by the payee). **You need to retain a copy of the form for your records.** For information about storage and disposal, see below.

You may lodge the information:

- **online** – lodge your TFN declaration reports using software that complies with our specifications. There is no need to complete section B of each form as the payer information is supplied by your software.
- **by paper** – complete section B and send the original to us within 14 days.

 For more information about lodging your TFN declaration report online, visit our website at [ato.gov.au/lodgetfndeclaration](http://ato.gov.au/lodgetfndeclaration)

## Provision of payee's TFN to the payee's super fund

If you make a super contribution for your payee, you need to give your payee's TFN to their super fund on the day of contribution, or if the payee has not yet quoted their TFN, within 14 days of receiving this form from your payee.

## Storing and disposing of TFN declarations

The TFN Rule issued under the *Privacy Act 1988* requires a TFN recipient to use secure methods when storing and disposing of TFN information. You may store a paper copy of the signed form or electronic files of scanned forms. Scanned forms must be clear and not altered in any way.

If a payee:

- submits a new *TFN declaration* (NAT 3092), you must retain a copy of the earlier form for the current and following financial year.
- has not received payments from you for 12 months, you must retain a copy of the last completed form for the current and following financial year.

### Penalties

You may incur a penalty if you do not:

- lodge TFN declarations with us
- keep a copy of completed TFN declarations for your records
- provide the payee's TFN to their super fund where the payee quoted their TFN to you.

# Identification requirements.

March 2021

Follow the below guide to supply appropriate documentation for identity verification.

## Step 1. Select suitable identity documentation and make a copy.

Select either **one** primary document or **two** secondary documents which must include a minimum of one document from List 1.

<b>Primary document</b> One document required	<b>Secondary documents</b> Two documents required including one document from list 1
<ul style="list-style-type: none"><li><input type="checkbox"/> Current drivers licence or learners permit issued by a State or Territory of Australia with your photograph (a copy of both sides is required)</li><li><input type="checkbox"/> Passport issued by the Commonwealth of Australia that has not expired within the past two years (Information and photo page)</li><li><input type="checkbox"/> Current Foreign passport containing a photograph and the signature of the person. Documentation not written in English must be accompanied by an English translation prepared by an accredited translator (National Accreditation Authority for Translators and Interpreters)</li><li><input type="checkbox"/> Card issued under a State or Territory of Australia containing a photograph of the person AND date of birth of the person, e.g. proof of age card or key pass, boat licence</li></ul>	<p><b>List 1</b></p> <ul style="list-style-type: none"><li><input type="checkbox"/> Birth certificate or birth extract issued by a State or Territory of Australia</li><li><input type="checkbox"/> Citizenship certificate issued by the Commonwealth</li><li><input type="checkbox"/> Medicare Card</li><li><input type="checkbox"/> One of the following Centrelink Pension Cards:<ul style="list-style-type: none"><li>- Health Care Card</li><li>- Commonwealth Seniors Health Card</li><li>- Pensioner Concession Card</li></ul></li><li><input type="checkbox"/> Indigenous community card with your photograph issued by Australian government or local indigenous community organisation.</li></ul> <p><b>List 2</b></p> <ul style="list-style-type: none"><li><input type="checkbox"/> A recent letter from Centrelink regarding your government assistance payment (less than 3 months old) containing your full name and residential address</li><li><input type="checkbox"/> Utility bill (less than 3 months old) containing your full name and residential address</li><li><input type="checkbox"/> Rates notice from local council (less than 12 months old) containing your full name and residential address</li><li><input type="checkbox"/> Notice of assessment from the Australian Taxation Office (less than 12 months old) containing your full name and residential address.</li><li><input type="checkbox"/> For person under the age of 18, a written notice that was issued by a school principal within three months, containing your full name, residential address, and period of time you attended the school.</li></ul>

### Important Information for Indigenous Australians

If you are a member with Indigenous Australians and/or Torres Strait Islander heritage and are unable to meet the supporting document requirements mentioned in option 1 and 2, please refer to [hostplus.com.au/super/about-us/rap](http://hostplus.com.au/super/about-us/rap) for guidance on proving your identity through a community referral.

## Have you changed your name or are you signing on behalf of another person?

In addition to providing the certified IDs as above, you will need to provide a certified linking document if you have changed your name or signing on behalf of another person.

If you've changed your name, you will need provide one of the following certified linking documents from the Registry of Births, Deaths, and Marriages that proves a relationship exists between two (or more) names:

- Marriage certificate
- Divorce certificate
- Deed poll or Change of name certificate

If you are signing on behalf of the applicant, you will need to provide a certified copy of Guardianship papers and/or Power of Attorney.

## Step 2. Certify your document(s).

Take your original document(s) and a coloured and legible photocopy of both sides of the original document to a person who is authorised to certify proof of identity documents.

## Who can certify my document?

Only certain people are authorised to certify identification documents. For a complete list of people permitted to certify documents go to [hostplus.com.au/id](http://hostplus.com.au/id). A few common examples are:

- Police officer
- Agent of the Australian Postal Corporation who is either in charge of an office supplying postal services to the public or is a permanent employee with two or more continuous service
- Pharmacist
- Legal practitioner
- Medical practitioner
- Justice of the Peace

The person certifying your documents **must** be over the age of 18 years. The certifier also cannot be an immediate relative, a person residing at the same address as you, a benefactor of your account, nor be connected to any organisation you are using to assist you in obtaining access to your super, even if they are authorised to certify documents.

## Are you a member residing overseas?

For members residing overseas, the **only** persons who are authorised to certify identification documents are:

- An Australian Consular Officer or Australian Diplomatic Officer (within the meaning of the Consular Fees Act 1955).
- An employee of the Commonwealth or the Australian Trade Commission who is authorised and exercises his or her function in that place.
- A person authorised as a notary public in a foreign country.

## What does the certifier need to do?

The certifier will need to sight and compare the original document with your copy (front and back) to ensure both documents are identical.

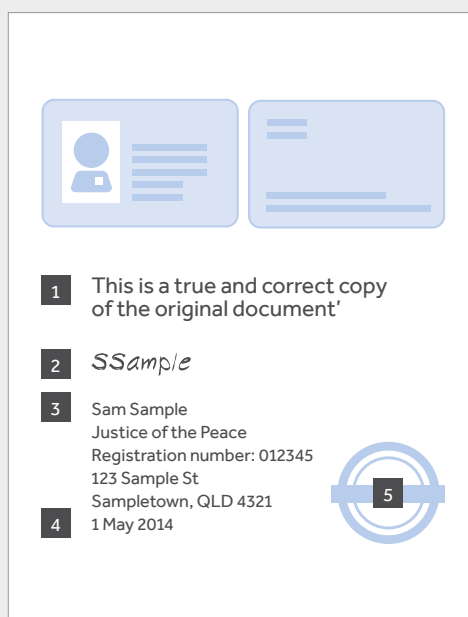
To properly certify your identification documents the copy requires the following:

1. Certifier's writing or stamp declaring 'this is a true and correct copy of the original or 'certified true copy'
2. Certifier's signature
3. Certifier's name, qualification/current position held and address
4. Date of authorisation
5. Certifier's stamp or registration number (if applicable)

See the below illustration for an example of a certified proof of identity.

## What does a certified identity document look like?

This is what a certified proof of identity document should look like:



## **i** Important note.

- All pages of your proof of identity documents must be certified.
- The certification must be on the same page as the copy of the document, not on the back of the page or a separate page attached to the document.
- If any documents are written in a language other than English, they must be accompanied by an English translation prepared by an accredited translator.
- Documents certified more than 12 months ago will not be accepted.
- If these conditions are not met, Hostplus will be unable to process your request. If you need more information about certifying a document, simply call **1300 467 875**, 8am–8pm (AEST), Monday to Friday.
- If for any reason you are unable to provide the ID documents mentioned in option 1 and 2 simply call **1300 467 875** 8am–8pm (AEST), Monday to Friday

# Hostplus Pension binding death benefit nomination form.

21 September 2022

**i** Complete this form to make, update or cancel a binding death benefit nomination for your Hostplus Pension account.

Various requirements must be met for this form to be valid including:

- it must be signed by two witnesses over 18 who are not listed as beneficiaries on this form
- you and your witnesses must sign and date at the same time
- your total benefit nominations must equal 100%, and
- it must have been received by the Trustee

This form must be completed in full and signed on the reverse. Please use **BLOCK** letters and dark ink.

## 1 Provide your details.

\*Mandatory fields

Pension Plan membership number (if known)

Date of birth\*

Title\*

 Mr  Mrs  Ms  Miss  Dr  Other

Given names\*

Surname\*

Address\*

Suburb

State

P/C

Country

Home phone\*

Business phone

Mobile phone\*

Email address\*

## 2 Tell us what you want to do.

Please tick one box only

- Make a binding death benefit nomination, **go to Section 3**
- Update an existing binding death benefit nomination, **go to Section 3**
- Cancel a binding death benefit nomination

**i** A cancelled, invalid or expired form means that Hostplus will decide which of your spouse, children, dependants or estate receives your death benefit, and in what proportions.



## 4 Sign the declaration.

\*Mandatory fields

Please read this declaration before you sign and date your form.

- I have read and understood the Important information overleaf.
- I understand that various requirements must be met for this form to be valid including:
  - the beneficiary/ies listed in Section 3 are my spouse, child, dependant or legal personal representative, as stated in the definitions on page 12
  - it is signed by me in the presence of two witnesses who are 18 years of age or older and not listed as beneficiary/ies on this form
  - my two witnesses and I sign and date this form at the same time
  - my benefit nomination percentages total 100%, and
  - it must have been received by the Trustee.
- I understand that:
  - this binding death benefit nomination is effective for three years from the date on which it is signed
  - my beneficiary/ies and I will be bound by the provisions of the Hostplus trust deed
  - I can cancel or update a binding death benefit nomination at any time by completing a new binding death benefit nomination form
  - this nomination binds the Hostplus trustee to distribute my benefit as specified, unless my binding nomination is invalid or has expired; in which case I understand that Hostplus can use its discretion to identify and pay beneficiaries, and
  - Hostplus accepts no responsibility for an incorrect nomination or completion of this form.
- I understand that it is my responsibility to inform my beneficiaries that I provided Hostplus with their personal information and refer them to the Hostplus privacy policy at [hostplus.com.au/privacy](http://hostplus.com.au/privacy).
- I have read the Hostplus privacy policy at [hostplus.com.au/privacy](http://hostplus.com.au/privacy) and I understand how my personal information may be used.

Signature of applicant\*

Date\*

## 5 Witness declaration.

\*Mandatory fields

The member signed and dated this binding death benefit nomination form in my presence. I am over 18 years of age and I am not listed as a beneficiary on this form.

Witness given names\*

Surname

Signature of witness\*

Date\*

Witness given names\*

Surname

Signature of witness\*

Date\*



Faxed or scanned forms cannot be processed. However photocopied forms can be processed if signed with an original signature.



It is important that you answer all questions on this form. In confidence when completed.

On completion, please send your original application to:  
Hostplus Pension, Locked Bag 5046, Parramatta NSW 2124.



### Binding death benefit nominations

- To provide greater certainty about who receives your benefit when you die, you can make a nomination which binds the trustee to pay to whom you direct (providing you are still a member of Hostplus Pension when you die).

The person/s you nominate must be any one or more of the following:

- Your current spouse (including de facto).
- Your child (including step, adopted or ex-nuptial).
- Any person/s financially dependent or interdependent on you.
- Your legal personal representative, which means the executor or administrator of your estate.

It is important to note that all your nominated beneficiaries must be alive and fall within one of these categories after your death.

A number of options are available so binding nominations should be considered carefully. (See pages 14 – 15).

Please note that Hostplus Pension will not charge you a fee for making a binding nomination.

At the time of a claim a beneficiary can choose to receive the pension as a lump sum payment or opt to continue the pension (if eligible). We recommend financial advice is sought as treatment of tax and benefits will depend on personal circumstances.

### How long is the nomination valid?

If you make a binding nomination, it will be valid for three years from the date it was signed. It is important that you update your nomination regularly to ensure that your wishes are met.

You may renew, change or cancel your nomination at any time.

Your dependants have the right to complain to the Australian Financial Complaints Authority (AFCA) about the trustee's decision. AFCA will review the decision and all supporting documentation and may be able to change the decision in some circumstances (for example, if the nomination had expired at the date of death).

### Is your binding death benefit nomination form valid?

A valid and effective binding death benefit nomination is a binding direction from you to the Trustee to pay any death benefit to your estate or to one or more Dependants nominated by you and in the proportions that you have specified. If you make a binding death benefit nomination and it is still valid and in effect at the event of your death, the Trustee will usually be bound to follow it and pay your death benefit to your estate and/or the Dependants you have nominated and in the proportions specified by you.

Your binding death benefit nomination is invalid if:

- it is not made using this Binding Death Benefit Nomination Form,
- this Binding Death Benefit Nomination Form has not been properly completed (for example, the nominated proportions are not clear or do not equal 100%, or the form has not been signed and witnessed correctly),
- at the time of your death, one or more of the persons nominated by you have died or is not your Dependant or legal personal representative,
- you were legally incapable of making the nomination, or
- the Trustee is legally restrained or prohibited from paying your benefit payout to one or more of the persons nominated by you.

### How do I update my binding nomination?

If you want to make a new or cancel a binding nomination you must complete a new Binding nomination form.

Additional binding death benefit nomination forms can be obtained from Hostplus Pension by calling **1300 348 546** or from [hostplus.com.au/retirement](http://hostplus.com.au/retirement)

### Default option

The trustee of Hostplus Pension will use its discretion to determine how your benefit should be paid if, at the time of your death:

- you have not made a binding death nomination
- your nomination has been cancelled
- your nomination is invalid (for example, it is not correctly signed and witnessed, if it is more than three years old and has not been renewed, or any of the people nominated die before you or no longer fall within one of the permitted categories).

### Privacy

Hostplus only collects information on this form that is essential for the administration of your binding death nomination. Hostplus will not use the information about you, or your witnesses, for any other purpose, or pass it to any organisations without express permission, except as required by law. You should consider consulting your legal adviser before making or cancelling a binding death nomination. It is your responsibility to inform your beneficiaries that you have provided Hostplus with their personal information. You should refer them to the Hostplus privacy policy at [hostplus.com.au/privacy](http://hostplus.com.au/privacy)







**Hostplus Pension administration**

**Mail** Locked Bag 5046, Parramatta NSW 2124

**Phone** 1300 348 546

**Visit** [hostplus.com.au/retirement](http://hostplus.com.au/retirement)

**Online** [hostplus.com.au/contact](http://hostplus.com.au/contact)