



Annual report.

For the financial year ended 30 June 2019



**Strength
in numbers.**

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

Cover image: Sunshine Coast Lightning, runners up of the 2019 Suncorp Super Netball Grand Final which attracted 900,000 TV viewers, making it the highest rated program in its timeslot. The 2019 season drew a crowd close to 300,000 across 10 cities, with almost 6 million tuning in from home.

This information is general information only and does not take into account your personal objectives, financial situation or needs. You should consider if this information is appropriate for you in light of your circumstances before acting on it. Please read the relevant Hostplus Product Disclosure Statement (PDS), available at www.hostplus.com.au before making a decision about Hostplus. Issued by Host-Plus Pty Limited ABN 79 008 634 704, AFSL 244392 as trustee for the Hostplus Superannuation Fund (the Fund) ABN 68 657 495 890, MySuper No 68 657 495 890 198.

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**Strength
in numbers.**



**Strength comes in many forms:
strong performance, strong growth,
strong leadership. Hostplus represents
strength across the board.**

Our proud industry fund heritage, our exceptional long-term investment performance and our remarkable growth – in both funds under management and membership – are a testament to our strength as an Industry SuperFund. As we grow, we are afforded the strength to refine our product and service offering, cementing our position as a true leader in the superannuation landscape.

Message from the CEO.

It's often said there is strength in numbers, and that's undeniably true for Hostplus. The 2018–19 financial year has delivered some truly impressive results, and I'm pleased to share them here, along with the Fund's other significant developments and achievements.

We finished the year representing the retirement needs of more than 1.2 million Australians and over \$44 billion in Funds Under Management (FUM) – an increase of some \$11 billion from 30 June 2018. Growth of this nature ensures we can continue to leverage our scale to negotiate even better value for our members across investments, insurance and other associated offerings.

While many funds have elected to incorporate asset-based administration fees, we have again committed to retain our fixed member fee of just \$1.50 per week, unchanged for over 15 years. This decision is aligned with the Superannuation Productivity Commission's view that there is 'no obvious basis for variable administration fees' and that 'funds should be required to justify percentage-based administration fees to the regulator.'^{*}

Taking pride in our outstanding long-term performance

I'm exceptionally proud to report that Hostplus continued to deliver in terms of investment performance. For the 2018–19 financial year, our default MySuper Balanced option returned 6.8%. This surpassed our return target of Consumer Price Index (CPI) plus 5% for the year, and is well above our 20-year objective of CPI plus 4% p.a.

More importantly, over the longer term Hostplus remains one of the best performing super funds in the country. According to SuperRatings' SR50 Balanced Fund Survey for June 2019, our default MySuper Balanced option has ranked number one over 3, 5 and 7 year periods, and number two over 10, 15 and 20 year periods. In a truly outstanding result for our members, we have delivered a 9% p.a. return, net all fees and taxes, on our default MySuper Balanced option for over 30 years. Members in our highly regarded Indexed Balanced option have also benefited from a strong result of 8.51% for the year to 30 June, and 10.54% p.a. over 7 years: a further testament to our long-term performance capabilities.

Adding up the benefits

Investment performance and administration fees are only half the story. Ultimately, it comes down to how much more money members can anticipate in retirement. According to data released by SuperRatings^{**} for every \$1 paid in fees, Hostplus members invested in our default MySuper Balanced option earned \$9.20, compared to just \$4 for the average retail master trust over the 15 years to 30 June 2019. When starting with a balance of \$50,000, this difference equates to an extra \$60,000 in a member's account at retirement.

Embracing disruption

These results do not come about by chance. The current marketplace represents a new world of investment with constrained inflation, low interest rates and underlying tensions between the US and an ascendant China well and truly out in the open. The market is in a permanent state of disruption with new technologies transforming the way we live and work, and climate change affecting all of us in increasingly significant ways.

^{*}Superannuation: *Assessing Efficiency and Competitiveness*, Productivity Commission Inquiry Report No. 91, 21 December 2018.

^{**}Source: SuperRatings, Net Benefit model as at 30 June 2019. This model compares the average differences in net benefit of Hostplus' Balanced (MySuper) investment option and the main balanced options of other retail super funds (also known as retail master trusts) tracked by SuperRatings, taking into account historical investment earnings after fees and taxes – excluding contribution, entry, exit and additional adviser fees. Outcomes vary between individual funds. Assumptions: \$50,000 account balance, \$50,000 salary, 3.5% p.a. salary increase, 9.5% SG contribution, 15% contribution tax, annual inflation rate 2.5%. Past performance is not a reliable indicator of future performance.

However, within this disruption is opportunity, especially for nimble, forward-thinking investors willing to embrace, accept and even anticipate change.

There are risks in following this path, but the greater risk would be to do nothing and to expect the world to remain the same. These are stark challenges indeed, and it's clear that portions of the market are fearful of this new environment. At Hostplus though, we proceed with caution and not with fear. We express this caution via broad investment diversification to ensure that whatever path eventuates, we remain well placed to endure and thrive. Our strong venture capital program also enables us to be ahead of the curve, especially with regard to technological disruption.

Securing our position

And while we expect future returns over the long term to be lower than those of the recent past, this does not mean that higher short-term returns are not possible or even probable. Globally, \$17 trillion is now invested in negative yielding bonds, meaning investors are happy to accept less money in the future than they've invested today. In this new world, positive yielding assets like our infrastructure, property and even equities will continue to command a premium for investors willing to look over the horizon to the long term.

According to data released by SuperRatings*, over the 15 years to 30 June 2019, for every \$1 paid in fees Hostplus members earned \$9.20, compared to just \$4 for the average retail master trust.

Valuing our unlisted assets

Hostplus holds almost half of its asset allocation in unlisted assets – predominantly within the Property, Infrastructure, Private Equity, Credit and Alternatives asset classes.

Combined with listed assets like equities, unlisted assets are vital in balancing the overall fund investment portfolio. And as long-term holdings, unlisted assets are highly suitable for our members to save for their retirement over an extended period.

Valuation of these assets is key to the calculation of investment performance, and ultimately enables us to fairly distribute investment earnings to members. Recognising the challenge of ensuring appropriate valuation, the trustee seeks best practice in accordance with Australian Accounting Standards.

As such, all steps of the valuation process are external to both the trustee and management, and the vast majority are also independent of the custodian and investment managers.

Management and the Fund's asset consultant review external valuation policies to ensure these policies align with the trustee's.

Unlisted assets can be valued weekly, monthly, quarterly or annually, whichever represents best practice, for that asset class. Further, the trustee receives annual assurance of the valuations of all assets as at 30 June every year by the trustee's external financial auditor.

Capitalising on growth

Our growth and consistent investment performance set the foundations for future opportunities that leverage our scale and stability, to further improve outcomes for members. Earlier this year we introduced Hostplus Self-Managed

Message from the CEO

Invest (SMI), which allows self-managed super funds to access a number of Hostplus' investment options. In the few short months since we launched SMI, it has attracted close to 500 investors and over \$85 million in FUM. The positive feedback and rapid growth of SMI demonstrate objectively that Hostplus is truly an innovator in the industry.

Welcoming Club Super

On 1 November 2019 Hostplus and Club Super officially merged, with all Club Super members and employers welcomed into the Hostplus family. As Industry SuperFunds, Hostplus and Club Super share a common heritage of serving the hospitality, tourism, recreation and sporting sectors. Philosophically, there is a strong alignment between our organisations; when combined, we are confident we will deliver greater outcomes to all members.

The decision to merge was not made lightly and reflects extensive due diligence carried out by the Funds. This is a major milestone for Hostplus and a proud moment we share with Club Super as we move forward, united by the purpose of delivering the best possible outcomes to members.

Protecting Your Superannuation Package Legislation

Earlier this year, the Federal Government introduced the Protecting Your Superannuation Package Act, designed to protect superannuation accounts from unnecessary erosion by fees and insurance costs associated with unwanted or unnecessary insurance cover.

As a signatory to the Insurance in Superannuation Voluntary Code of Practice, Hostplus is committed to improving insurance arrangements for members; as such, we responded quickly and effectively to the new legislation. More than 2.5 million individual communications were issued to members to educate, inform and to advise the necessary steps to follow to ensure their insurance needs continue to be met.

Defending the superannuation guarantee

As Hostplus' CEO, I'm passionate about keeping our members and the wider public informed about issues affecting our industry today, and their impacts on their future. One of the most pressing matters to my mind, is the need to maintain the already legislated increases to the superannuation guarantee (SG). At present, the SG is legislated to increase from the current 9.5% to

12% by 2026. The SG is one of the most significant developments in Australia's financial history; efforts to stifle the legislated increases are short-sighted at best. I believe that any failure to increase the SG rate, as legislated, will risk increased reliance on the age pension and, by extension, taxpayers: a situation with adverse consequences for everybody.

Addressing unpaid super and the gender pay gap

Unpaid super continues to adversely affect members of many super funds. Industry Super Australia (ISA) reports indicate workers are currently missing out on approximately \$6 billion in super each year in a systemic issue affecting almost 1 in 3 Australians. Hostplus and ISA are of the firm belief that the time has come to legislate for super contributions to be paid at the same time as wages. This would reduce the likelihood of payments falling through the cracks and ensure Australians' super is working as hard as possible, as early as possible, for their retirement.

On a related front, Hostplus and ISA are strongly committed to closing the gender pay gap, which currently sees women retiring, on average, with \$90,000 less than men. In addition to defending the SG, Hostplus and ISA believe there are two actions that can be taken now to significantly improve retirement outcomes for women.

Namely, we support ongoing super contributions for paid parental leave and compulsory SG contributions for workers earning less than \$450 per month. Women are unfairly affected by both these arrangements; these proposed changes would have a profoundly positive impact on many women's retirement outcomes.

Taking steps towards reconciliation

A further source of pride for all of us at Hostplus is improving access to superannuation and boosting retirement outcomes for Aboriginal and Torres Strait Islander peoples. In May 2019, I was pleased to launch our 'Innovate' Reconciliation Action Plan (Innovate RAP), the second major step in our journey to promote awareness and close the retirement savings gap between Aboriginal and Torres Strait Islander peoples and other Australians. Our Innovate RAP focuses on developing and strengthening relationships, engaging employees and stakeholders in reconciliation, as well as developing innovative strategies to empower those who may be at a disadvantage as a result of social and cultural barriers.

This is a major milestone for the Fund, and I am personally committed to achieving our RAP vision over the coming years.

The year ahead

We now set our sights to 2019–20, with significant plans to launch an innovative new retirement investment solution and other member service enhancements over the coming year. As we move forward, we remain confident that our long-term investment strategies, member-first philosophy and Industry SuperFund affiliation will continue to serve as a strong foundation on which we can build a bigger, brighter future for our members, their employers and our stakeholders. The financial year 2018–19 has been a truly phenomenal one for Hostplus, and I thank you for your ongoing support now and in the years to come.

Thank you.



David Elia
Chief Executive Officer



Results like this speak volumes to the hard work and dedication to member outcomes demonstrated by Industry SuperFunds like Hostplus.



In 2019, Vivid Sydney attracted 2.4 million visitors and generated \$172 million in tourism expenditure for NSW. Guests enjoyed more than 300 events over 23 days and nights, as the city celebrated lights, music and ideas.





Message from the Chair.

The past year has been a significant one for our industry, our fund and members, their employers and our stakeholders. Macro-economic headwinds and geopolitical forces have influenced investment markets, which have been increasingly challenging and volatile.

Domestically, the Productivity Commission recently concluded its review into the efficiency and competitiveness of the Australian superannuation system, and an impending further review has been commissioned by the federal government to examine Australia's retirement income system.

Additionally, following the conclusion of the Financial Services Royal Commission earlier this year, we have seen a significant focus on the role, performance and behaviours of the broader financial services sector and those entities that regulate and oversee it.

The repercussions of the Commission's more significant findings and recommendations are likely to influence legislative changes, governance practices and fiduciary oversight in the foreseeable future.

In this environment, Hostplus has maintained two overarching focuses: growth and innovation – both of which represent our key achievements over the last year.

In relation to growth, Hostplus' FUM grew by over \$11 billion this financial year, representing year-on-year growth of 33%. Importantly and significantly, the largest contributor to this growth was \$7.1 billion in transfers from other funds. New contributions of \$3.3 billion – an increase of 44% over the previous year – also significantly contributed to our growth.

In addition, some 132,000 Australians chose to join us in the past 12 months, representing about half of our total membership growth this year: an annual increase of 8.5%. Over 30,000 employers elected to join us too, representing growth of over 19% in this important group. We are very appreciative of this vote of trust in us and for our member-first focus and approach.

We've continued to deliver long-term market-leading investment outcomes in our default MySuper Balanced option while also reducing our overall costs.

And, as our CEO David Elia noted in his message, we are especially proud to be one of the very few major funds to only charge members a fixed fee for fund administration – \$1.50 per week – which we've now maintained for an unprecedented continuous 15 years.

We enjoy a key competitive edge in the form of our comparatively young membership demographic. As the national industry fund for hospitality, tourism, recreation and sport, we have the privilege of being many young Australian's first experience of superannuation.

This young membership base and the strong net positive cashflows that are commensurate with these underlying demographic fundamentals, allows us to take a truly patient, long-term, capital investment view. This in turn provides us the capacity – more so than many other funds – to apply our investment beliefs, which include leveraging the illiquidity premium that investing in top-tier real assets (eg. property, infrastructure, private equity and venture capital) affords us.

Our investments are world class, consistently delivering top quartile returns over the longer term while investing locally in nation-building projects as well as internationally in the global market to support innovation and emerging technologies.

Despite the turbulent investment environment and potential short-term volatility and uncertainty, the Board is confident that our investment strategy, beliefs and execution will continue to hold the fund in good stead to secure positive outcomes for our members.

The year ahead

While many funds have been focused on regulatory challenges and changes, Hostplus has also continued to realise and deliver on its innovative product and services strategy which has included recently launching our investment solution for Self Management Super Funds (SMSFs), Self-Managed Invest (SMI).

Investors in SMI can enjoy access and opportunity to hard-to-access high-performing options asset classes and investments previously available to Hostplus members only.

Over the coming year, Hostplus will bring to market further product innovations. These will include a bespoke member-centric mobile application, a reimagined website and member portal, and a retirement investment solution to help our members reduce investment volatility and inflation risk and to improve income longevity.

We are also reviewing our insurance design and operating model which we are confident will realise market-leading value for our members.

Governance and accountability

At the request of the Australian Prudential Regulation Authority (APRA) Hostplus completed a self-assessment into its governance, accountability and culture frameworks. The work for this assessment began in July 2018 and was completed and submitted to APRA in December 2018.

Through the assessment process the Hostplus Board identified many strengths, but also some areas that could be enhanced to ensure the continuous improvement of Hostplus' risk governance, accountability and culture.

The Hostplus Board has agreed to implement all of the 22 initiatives identified and believes this work will help Hostplus continue to be an industry leader in superannuation and provide positive retirement outcomes for all of our members.

Hostplus has since established a program to oversee the implementation of these 22 initiatives which is being led by the Group Executive of Risk and Compliance. The program provides regular updates to the Board at each board meeting to ensure ongoing accountability and delivery of these important initiatives.

To date the program has completed 9 of the 22 initiatives and continues to work towards its commitment to complete all actions by December 2020.

These initiatives include:

- The implementation of a Fund wide Governance, Risk and Compliance system
- The introduction of a Senior Leadership Risk Forum
- The enhancement of risk reporting to all levels of the organisation
- The development of collective risk Key Performance Indicators.

The full report is available at hostplus.com.au/reports

Message from the Chair

Finally, I'd like to acknowledge and thank the other Board directors for their hard work, passion and diligence over the past year. On behalf of the Board, I'd also like to recognise and thank our CEO, David Elia, his executive team and Hostplus' staff for their collective efforts and commitment to working tirelessly and delivering great outcomes for our members.

Thank you.



David Elmslie
Chair of the Board

As we move forward into 2020, we can take pride knowing that Hostplus continues to represent the best interests of our members with respect to their retirement savings, while supporting the hospitality, tourism, recreation and sport industries they work in and love every day.





For the year ending 30 June 2019, the Northern Territory attracted more than 1.95 million visitors, who stayed on average 6.3 nights and contributed an average of \$1,307 each to the local economy, for a combined expenditure of \$2.5 billion.



■

In its 123rd season, 7.5 million fans attended 207 Australian Football League games across 27 rounds, capped off by the Richmond Football Club taking home their second flag in 3 years, in front of a home crowd of 100,014.



Hostplus snapshot.

From June 2009:

To June 2019:

0.9m
members

1.2m
members

46k
employers

188k
employers

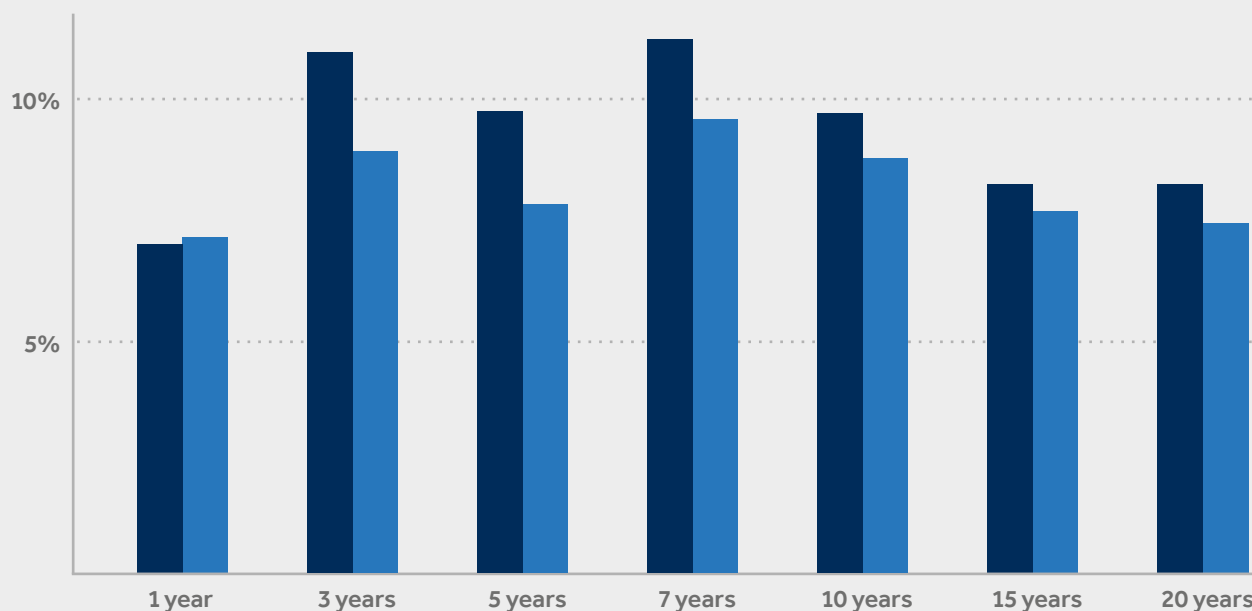
\$7b
funds under
management

\$45b
funds under
management



Our investment returns to 30 June 2019¹.

Hostplus default MySuper Balanced option
Median SR50



■ What we did for members²:



670k
calls answered



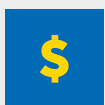
160k
members
consolidated super



\$123m
insurance claims paid



283k
new accounts



\$447m
retirement benefits

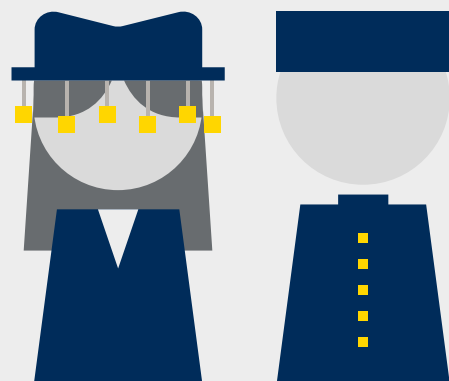
■ Our typical member³:

35
years old

\$37k
in super

\$2.5k
received in investment
returns last year

\$78
administration fee p.a.



1. Hostplus returns are net investment returns for the default MySuper Balanced option, net of investment-related fees, costs and taxes compared to the SR50 median. All figures are taken from the SuperRatings Fund Crediting Rate Survey – SR50 Balanced (60-76) Index, 30 June 2019. Past performance is not a reliable indicator of future performance.

2. All figures are based on the fiscal year 2019: calls are inbound only; consolidations are when funds are brought across from another superannuation provider; insurance claims are benefits paid to members; new accounts are those opened in the fiscal year 2019; retirement benefits include accumulation lump sums, pension benefits and pension lump sums.

3. Typical member is based on the average values for age and total super balance of an Accumulation member at 30 June 2019. Returns for the last financial year are based on 6.8% return for the default MySuper Balanced option, which is net of fees and taxes. The administration fee of \$1.50 per week is deducted directly from the member's account.

All figures have been rounded.



■ Arts Centre Melbourne proudly welcomed over 3 million visitors to its venues for the year to 30 June 2019. Around 500 employees served over 370,000 cups of coffee and helped close to 20,000 students from low socio-economic areas experience the wonder of live performance.



Corporate governance report.

At Hostplus, we believe strong and effective corporate governance is fundamental to ensuring the Fund is managed properly to deliver long-term financial security for our members.

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

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

Corporate governance structure

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

Hostplus is governed by its duties as a trustee, by its constitution and the Hostplus Trust Deed. The Trust Deed is a legal document that sets out the governing rules for the establishment and ongoing operations of the Fund.

Hostplus holds the relevant licences and authorities required to operate, including:

- A registrable superannuation entity licence (RSE L0000093) from the Australian Prudential Regulation Authority (APRA)
- An Australian financial services licence (AFSL # 244392) issued by the Australian Securities and Investments Commission (ASIC).

Hostplus operates a Board-approved risk management framework and compliance framework that support the Board to identify and manage our risks and compliance obligations.

In all matters, Hostplus acts in accordance with its constitution, Trust Deed and the authorisations and conditions of our regulatory licences.

Board of directors

Our Board represents our members in accordance with financial services laws and the Fund Trust Deed.

Our Board has equal representation from:

- Three employer representative Directors
- Three employee representative Directors
- Three Independent Directors.

Board governance

The Board Charter details the key policies and processes the Board has in place for governance of the Fund. These are designed to facilitate fairness, transparency and accountability in corporate governance.

The Board Charter outlines the key roles and responsibilities of the Board, which including strategic planning, corporate culture and monitoring and evaluation of management.

The charter's terms of reference govern Board proceedings, such as Board membership, roles and responsibilities, operating functions, appointment of chair, quorum requirements, voting entitlements and meeting arrangements.

Each year, the Board and committees employ the services of an external consultant to formally assess and benchmark their performance.

Board appointments and renewals

All directors are appointed on a non-executive basis, and nominations and appointments are made in accordance with our constitution and the Fit and Proper Policy:

- Employer representative directors are nominated by the Australian Hotels Association (AHA)
- Employee representative directors are nominated by United Workers Union
- Independent directors are jointly selected by AHA and United Workers Union or, failing agreement, by the Selection Committee.

Corporate governance report

Directors are appointed for a three-year term. At the conclusion of each term, the nominating body either renews the term of the existing director or appoints another representative.

In assessing board appointments, consideration is given to the overall balance of skills, experience and expertise of the Board, taking into account stability, longevity of tenure, experience and corporate knowledge.

The chair of our Board (who must be an independent director) is elected by the full Board.

Board committees

Under the Fund's Trust Deed, the Board has the ability to delegate its powers and responsibilities to the Board's committees.

Currently, our Board has six committees as described on page 25.

Members of these committees are appointed by the Board or, if permitted under the charter of the relevant committee, by the CEO. As for Hostplus' Board, each committee operates in accordance with its terms of reference.

You can find out more about Hostplus' governance and disclosures at hostplus.com.au/board-committees

Annual members' meeting

We are delighted to announce that Hostplus' inaugural annual members' meeting will be held on 26 March 2020 (commencing 9am AEST) at:

Location: Sofitel Melbourne on Collins
Collins Place
25 Collins Street,
Melbourne VIC 3000

Time: Commencing 9:00am
AEST

The meeting will give Hostplus members an opportunity to ask questions of our key personnel and receive important updates about the Fund. More information about the meeting and its agenda will be available on our website.

Hostplus' Board committees

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

A chef with long brown hair tied back, wearing a white chef's coat and a dark apron, is focused on plating a dish. She is standing at a stainless steel counter in a professional kitchen. In the background, there are stacks of white plates, metal trays, and other kitchen equipment. The lighting is warm and focused on the chef's work area.

■

There are around 9.3 million international visitors to Australia each year who contribute more than \$40 billion to the local economy by spending roughly \$160 per day at local restaurants, hotels and attractions.



Environmental, social and governance considerations

Hostplus recognise the importance of considering environmental, social and governance (ESG) opportunities and risks in our investment decision-making processes. We believe entities that prudently manage ESG opportunities and risks will deliver better long-term financial performance for their members.

Central to our ESG approach is a preference for engagement with, over divestment from, an asset class, industry, sector or company. We believe engagement is a more effective strategy as it allows us to use our asset ownership to help, influence and change behaviours, whereas divestment means foregoing such influence. These stewardship activities are critical to the governance of our investments over the long term.

Our position on climate change

As a global, long-term, investor and signatory to the United Nations-supported Principles for Responsible Investment (PRI), Hostplus acknowledges that climate change is a material risk with a wide range of consequences that may affect our investment portfolio. We are committed to considering climate change in selecting and assessing the Fund's investments in companies, sectors, regions and asset classes.

While climate change is only one component of Hostplus' ESG considerations, we recognise it is one of the largest economic challenges facing investors today.

We recognise climate change as a financial risk to the Fund's investments that includes the risk of costs associated with physical damage to the Fund's assets resulting from climate change impacts on the weather, regulatory changes and other costs to transition to a lower carbon economy and litigation risk.

Like other financial risks, climate change risks are taken into account to the extent they are relevant to the Fund's overall investment strategy and investment portfolio.

As a responsible trustee, we are committed to improving our understanding of Hostplus' exposure to material climate change opportunities and risks. Such risks and opportunities are complex, often global in nature, and addressing them effectively entails collaborative approaches.

We understand and respect the concern and commitment shown by members of our community who are working to confront this problem, as well as those who have different investment preferences. We share many members' belief in the importance of addressing climate change, and think the best approach for our Fund is to consider climate change's multifaceted risks and incorporate these considerations into our investment decisions and manager selections.

As individuals and as a community, we extensively rely on the products and services of the fossil fuel industry for so much of what we do every day – for heating and lighting our buildings, fuelling our transportation, as well as running our nation's commerce and industries. As a long-term investor, it is difficult for us to reconcile boycotting a whole class of companies as we do not believe this is a 'silver bullet' approach or solution to the investment challenges posed by climate change.

Furthermore, divestment can cause company valuations to fall, shifting them from public markets to private ownership with lower reporting obligations. Such a shift could hurt transparency and limit everyone's ability to engage these companies in meaningful discussions on climate change. We prefer to exercise our influence as major investors to bring about positive and sustainable change.

Engagement over divestment

As a shareholder, Hostplus favours engagement over divestment. In this context, engagement means two-way constructive communication between us and investee companies on matters such as the organisation's performance, strategy, ESG issues, leadership and quality of reporting.

To maximise our ability to constructively engage with multiple companies, we primarily engage with companies collectively through the Australian Council of Superannuation Investors (ACSI), which represents a number of Australian and international asset owners.

Hostplus is a founding member of ACSI. ACSI seeks to influence companies through constructive engagement with their boards about material ESG issues, with the aim of promoting long-term shareholder value and minimising risk. Some examples of ESG risks discussed are company board diversity and independence, remuneration report recommendations, carbon asset risk, human rights in supply chains and sustainability reporting disclosure.

Environmental, social and governance considerations

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

Proxy voting

We take proxy voting rights very seriously. It is our policy to vote the proxy rights associated with all of our Australian and international equity holdings. Our proxy voting records are available at hostplus.com.au/proxy-voting

Principles for Responsible Investment

Hostplus is a signatory to the United Nations-supported PRI, which establish a collective international framework for institutional investors to integrate ESG considerations into their investment decision-making.

The principles are:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

We believe that the PRI provides an important universal framework for signatories to work together, learn from each other and collectively voice concerns on ESG issues. We also believe that the PRI will continue to grow as a framework through which investors communicate their expectations on ESG issues to their investee companies.

Socially Responsible Investment (SRI) option

In addition to incorporating ESG considerations across our investment portfolio, we also offer our members a separate ESG investment option, SRI – Balanced. This option provides a distinct option for members who wish to access responsible investment opportunities across a wide range of asset classes, including shares, property, fixed income, infrastructure, alternatives and cash.

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

The SRI – Balanced option's investment approach aims to carefully select a mix of investments that help achieve the option's responsible investment objectives. Importantly, this option excludes certain types of investments that are not aligned with its investment philosophy.

Sustainable investments

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

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

To find out more about our sustainable investments and to see the full list of our socially responsible assets, visit hostplus.com.au/socially-responsible

Your investments in Australia

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

So, we are not only growing our members investments with Hostplus; we are also helping to build our nation.



■

In 2018 South Australia's Barossa Valley drew over 1 million visitors, generated over \$210 million across 362 businesses that directly employed 900 individuals in one of Australia's premier wine regions.



Our people.

Our Board of directors

Hostplus' Board comprises a 3-3-3 structure of equal representation by:

- Three directors nominated by the AHA
- Three directors nominated by United Workers Union
- Three independent directors jointly selected by the AHA and United Workers Union.

The Board represents our members in accordance with Hostplus' constitution, Trust Deed and superannuation law. It also ensures that Hostplus meets all prudential requirements for the fair and safe operation of the fund.

Independent directors

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

Employer directors appointed by AHA

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

Employee directors appointed by United Workers Union

- Tim Lyons, Deputy Chair
- Bev Myers
- Judith Hill.

Alternate directors

- Neil Randall, Alternate Employer Director
- Robyn Buckler, Alternate Employee Director.

Our group executive team

Our group executive team is responsible for the day-to-day management of the Fund's operations and the implementation of the corporate strategy to ensure we meet the needs of our members, employers and stakeholders.

The members of this team are:

- David Elia, CEO
- Natalie Strickland, Group Executive – People, Performance and Culture
- Sam Sicilia, Chief Investment Officer (CIO)
- Kelly Cantwell, Group Executive – Service Operations¹
- Norlena Brouwer, Group Executive – Risk and Compliance
- Lewis Tassone, Group Executive – Finance, Strategy and IT²
- Paul Watson, Group Executive – Member Experience³
- Umberto Mecchi, Chief Marketing Officer.⁴

For full remuneration details of our directors and officers, please visit hostplus.com.au/remuneration

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

1. Position changed from Group Executive – Service Operations and IT to Group Executive – Service Operations, effective 17 October 2018.

2. Appointed Group Executive – Finance, Strategy and IT, effective 17 October 2018.

3. Position changed from Group Executive – Retirement Solutions & Advice to Group Executive – Member Experience, effective 17 October 2018.

4. Resigned, effective 7 December 2018.

Independent directors



David Elmslie

Roles and responsibilities

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

Appointment date

9 February 2007

Qualifications and memberships

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

Experience

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



The Hon Peter Collins AM QC

Roles and responsibilities

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

Appointment date

1 July 2006

Qualifications and memberships

- Bachelor of Laws, University of Sydney
- Bachelor of Arts, University of Sydney
- Member of the Order of Australia in 2004 and recipient of the Centenary Medal
- RG 146 (ASIC Tier 1) for the Superannuation Industry, (AIST)
- Fellow of the AIST.

Experience

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

- Chair of the Australian Institute of Health and Welfare (2004–2011)
- Member of Cancer Council of NSW (2004–2006)
- Chair of Cancer Institute of NSW (2005–2008)

- Deputy Chair of the Centenary of ANZAC Commemoration Committee for NSW (2010–2011)
- Chair of Barton Deakin Government Relations
- Board member of Macquarie Generation (2006–2009)
- Board member of the Workers Compensation Insurance Fund Investment Board of NSW (2005–2012)
- Honorary Colonel of 1st Commando Regiment (1995–2000)
- Active service in Iraq in 2007, for which he was awarded the US Joint Service Commendation Medal
- Captain in the Royal Australian Naval Reserve (retired 2012)
- Acting Fleet Legal Officer for RAN (2003)
- NSW Parliament (1981–2003) including Minister for Health, Arts, Consumer Affairs and State Development, Attorney General, Treasurer of NSW, Deputy Leader and Leader of the NSW Opposition
- Chair of ISA (2013–2018), currently Deputy Chair
- Chair of the Nepean Blue Mountains Local Health District since 2016
- Chair of the Legal Aid Commission of NSW (2008–2011)
- Chair of St John Ambulance (NSW) (2007–2013).

Independent directors



Alexandra Grayson

Roles and responsibilities

- Independent Director
- Member of the Operations Committee.

Appointment date

24 October 2013

Qualifications and memberships

- Bachelor of Laws (awarded prizes for Legal Ethics, Legal Accounting and Law of Evidence)
- Bachelor of Commerce – Industrial Relations/Management
- RG 146 (ASIC Tier 1) for the Superannuation Industry, AIST.

Experience

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

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

Employer directors



Mark Robertson OAM

Roles and responsibilities

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

Appointment date

6 June 2003

Qualifications and memberships

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

Experience

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

- Vice President of the AHA (Victoria)
- Councillor of the AHA (Victoria).



David Gibson

Roles and responsibilities

- Employer Director
- Chair of the People and Remuneration Committee
- Member of the Special Investment Group
- Appointed by the AHA.

Appointment date

1 July 2012

Qualifications and memberships

- Licensed Real Estate Agent (Queensland)
- Diploma in Financial Markets, Financial Services Institute of Australasia (FINSIA)
- Member of the AICD
- Life Membership Award 2009, Tourism and Transport Forum
- RG 146 (ASIC Tier 1) for the Superannuation Industry AIST.

Experience

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

His key senior roles have included:

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

Employer directors



The Hon Mark Vaile AO

Roles and responsibilities

- Employer Director
- Appointed by the AHA.

Appointment date

1 July 2012

Qualifications and memberships

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

Experience

Since 2008, Mark has pursued a career in the private sector and sits on a number of boards as Director or Chairman. He also provides corporate advice to a number of Australian companies operating in the international marketplace. Mark is a former member of the House of Representatives for the seat of Lyne in New South Wales (NSW), Leader of the National Party and Deputy Prime Minister in the Howard Government from 2005 to 2007.

He has enjoyed a distinguished parliamentary career over 18 years and before that, served on the Taree City Council. His key parliamentary and ministerial appointments have included:

- Deputy Prime Minister (July 2005–December 2007)
- Minister for Transport and Regional Services (September 2006–December 2007)
- Minister for Trade (July 1999–September 2006)
- Minister for Agriculture, Fisheries and Forestry (October 1998–July 1999)

- Minister for Transport and Regional Development (October 1997–October 1998)
- Member of the Speaker's Panel (January 1995–October 1997).

Prior to joining federal parliament, Mark held a number of roles in local government and agriculture.

Employee directors



Tim Lyons

Roles and responsibilities

- Employee Director and Deputy Chair, Host-Plus Pty Limited¹
- Member of the Audit, Risk and Compliance Committee
- Member of the People and Remuneration Committee
- Member of the Nomination and Board Renewal Committee
- Member of the Special Investment Group
- Appointed by United Workers Union.

Appointment date

17 August 2015²

Qualifications and memberships

- Bachelor of Arts, University of Tasmania
- Diploma in Company Directors Course, AICD
- Diploma in Financial Services (Financial Planning), AIST / Association of Superannuation Funds of Australia (ASFA).

Experience

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

Prior to this role, Tim held various positions at the National Union of Workers (1995–2008).

1. Commencement date 15 May 2015.

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

Employee directors



Bev Myers

Roles and responsibilities

- Employee Director
- Member of the Operations Committee
- Appointed by United Workers Union.

Appointment date

10 February 2017

Qualifications and memberships

- Master in Public and International Law (Honours), University of Melbourne (2006)
- Bachelor of Laws (Honours), University of Melbourne (2003)
- Bachelor of Arts (Honours), University of Melbourne (2003)
- Graduate Certificate in Legal Practice, Skills and Ethics (Honours), Monash University (2006)
- Admitted to legal practice; New South Wales (2016–present)
- Supreme Court of Victoria (2004–2010)
- High Court of Australia (2004–present)
- Graduate of AIST's Trustee Director Course
- Awarded the Garry Weaven Emerging Trustee Director Scholarship 2019.

Experience

Bev has a background in industrial, corporate and regulatory law and extensive experience in media and communications strategy, stakeholder management and operational affairs. She has worked for over a decade in senior management positions in not-for-profit and member-based organisations:

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



Judith Ann Hill

Roles and responsibilities

- Employee Director
- Appointed by United Workers Union.

Appointment date

10 February 2017

Qualifications and memberships

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

Experience

Judith has experience as an independent consultant on workplace reform and industrial relations, mainly in the tertiary education sector and the NSW public sector. She has also been employed as:

- Secretary of the Australian Insurance Employees Union, NSW
- Senior Manager of Human Resources, Sydney Water
- Consultant Adviser to a federal government minister.

Alternate directors



Neil Randall

Roles and responsibilities

- Alternate Employer Director
- Appointed by the AHA.

Appointment date

1 July 2013

Qualifications and memberships

- RG 146 (ASIC Tier 1) for the Superannuation Industry, AIST
- Member of the AIST.

Experience

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

- President of the AHA State Council (Western Australia)
- Senior roles with the AHA since 1994
- Owner/operator of Paddington Ale House, Mount Hawthorn
- Partner, The Sandbar, Scarborough Beach
- As a former league footballer, Neil held various executive roles over a 30-year period, including as Director of Football Operations (10 years) and President of Subiaco Football Club (7 years).



Robyn Buckler

Roles and responsibilities

- Alternate Employee Director
- Chair of the Claims Review Committee
- Appointed by United Workers Union.

Appointment date

28 May 2003¹

Qualifications and memberships

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

Experience

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

- Assistant Branch Secretary of United Workers Union (SA)
- Training Liaison Officer and Industrial Officer at United Workers Union
- Training Coordinator at Corrs Chambers Westgarth
- Secondary School Teacher
- Governance, Property Management Officer.

1. Appointed Employee Director, 28 May 2003–14 October 2015, and as Alternate Employee Director, effective 28 October 2015.

Executive team



David Elia

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

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

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

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

His role as Director of FEAL is testament to his dedication to the professional development of leaders in the super industry.

Roles and responsibilities

- CEO
- Company Secretary¹.

Year of appointment

2003

Qualifications and memberships

- Bachelor of Economics, La Trobe University (May 1991)
- Professional Year, Institute of Chartered Accountants (November 1995)

- Graduate Diploma in Applied Finance and Investments, FINSIA (April 2005)
- Building and Sustaining Competitive Advantage, Harvard Business School (June 2006)
- Graduate Diploma in Company Directors Course, AICD (October 2010)
- Member of Chartered Accountants Australia and New Zealand (November 1995)
- Fellow of FINSIA (July 2002)
- Fellow of Association of Superannuation Funds of Australia (ASFA) (February 2012)
- Fellow of AIM (August 2012)
- Member of AIST
- Member of FEAL
- Director of Hotel Care Foundation (Vic) Pty Ltd.

Experience

David has more than 25 years' experience in senior positions in superannuation, finance, marketing, corporate and fund governance, taxation, risk management, audit, corporate and strategic planning and implementation.

1. Effective 28 June 2002.



Natalie Strickland

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

Natalie and her team are responsible for driving, implementing and managing the Fund's People, Performance and Culture strategy, which includes recruitment, performance, payroll, culture, learning and development and health, safety and wellbeing.

Natalie is passionate about providing Hostplus employees with the best possible employment experience and supporting leaders to deliver superior performance at the Fund. She has seen success in areas of:

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

Roles and responsibilities

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

Year of appointment

2014

Qualifications and memberships

- Diploma of Human Resources, Swinburne University of Technology
- Member of AIST
- Member of FEAL
- Member of ASFA.

Experience

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

1. Effective 19 September 2014.

Executive team



Sam Sicilia

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

- Director of Investment Consulting with Russell Investments, with responsibility for leadership of the Alternative Assets and Unlisted Property Sector teams, covering private markets, such as infrastructure, private equity and direct property.
- Senior Manager at Bank of Ireland Asset Management, with responsibility for gathering market intelligence and keeping abreast of industry developments across all asset classes, providing thought leadership and championing and facilitating global product development initiatives.
- Senior Consultant with Frontier Investment Consulting, a foundation member of Frontier's management team and Chair of the Frontier Research Practice Meeting: a monthly think tank forum in which investment manager assessments and ratings were determined and investment house views established, reviewed and debated.
- Senior Asset Consultant with Towers Perrin and a foundation member of the Australian Asset Consulting Services leadership team responsible for the ongoing formulation and review of business strategy. Sam was an architect and the inaugural coordinator of Towers Perrin's manager research process in Australia, with responsibility for overseeing the manager research function. Sam was also Towers Perrin's Asia Pacific regional representative, a foundation member of the Global Investment Manager Research Group and Director of Investment Manager Research for Towers Perrin in the US.

Roles and responsibilities

- CIO¹
- To provide strategic leadership across Hostplus Investments
- To deliver consistent growth in net benefit to members.

Year of appointment

2008

Qualifications and memberships

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

Experience

Sam has more than 20 years' experience in senior executive positions that have included:

- Director of Investment Consulting at Russell Investments
- Senior Manager of Bank of Ireland Asset Management
- Senior Consultant at Frontier Investment Consulting
- Senior Asset Consultant at Towers Perrin
- Director of Investment Manager Research at Towers Perrin (US).

1. Effective 31 March 2008.



Kelly Cantwell

With over 29 years of financial services experience, Kelly Cantwell is Group Executive – Service Operations.

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

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

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

Roles and responsibilities

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

Year of appointment

2016

Experience

- 11 years' experience with John Millett Independent Financial Advisors in key roles, including Fund Service Coordinator, Account Manager and Contact Centre Manager
- 15 years' experience in previous roles at Hostplus, including a number of years as Group Executive.

Executive team



Norlena Brouwer

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

Norlena joined Hostplus in 2014 following a number of senior roles within the sphere of risk, compliance and governance.

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

Roles and responsibilities

- Group Executive – Risk and Compliance
- To lead and oversee the risk team's execution and delivery of the risk business plan
- To regularly report in a timely fashion to the Board, Audit, Risk and Compliance Committee, group executive and other stakeholders on risk management practices and emerging risks
- To communicate risk management obligations to stakeholders and enhance risk awareness across the organisation on a continuous basis
- To develop robust frameworks, processes and systems for the identification, management, mitigation and monitoring of risk across the organisation
- To identify compliance issues and recommend enhancements to existing – and development of new – risk controls and processes
- To select and retain, in consultation with the CEO, external counsel as required, to obtain legal opinions or handle claims and litigation.

Year of appointment

2016

Qualifications and memberships

- Diploma of Financial Services, Integrated Risk Management, Australian and New Zealand Institute of Insurance and Finance
- Member of Risk Management Institute of Australia
- Member of Governance Risk and Compliance Institute
- Member of ASFA
- Member of AIST.

Experience

Norlena has eight years' experience in senior risk management and advisory positions with a number of organisations, including Cricket Australia, Bankwest and Property Exchange Australia.



Lewis Tassone

Appointed Group Executive – Finance, Strategy and Information Technology in 2018, Lewis' extensive leadership experience sees him well equipped to manage the responsibilities of this position.

Lewis joined Hostplus in 2013 following several key roles across the financial services industry.

As Group Executive – Finance, Strategy and Information Technology, Lewis is responsible for all commercial, financial and taxation matters, setting the strategic direction of Hostplus and managing information technology (IT) strategy and operations.

In addition to his portfolio responsibilities, Lewis also acts as the lead executive for our Audit, Risk and Compliance Committee. As a result, Lewis plays a key role in making sure Hostplus maintains a strong internal control environment that safeguards and protects the interests of our members.

Roles and responsibilities

- Group Executive Finance – Strategy and Information Technology
- To provide strategic financial leadership of Hostplus
- To lead and manage the finance function, including commercial matters, financial accounting, budgets, internal and external audits and taxation obligations
- To create and oversee the development and monitoring of Hostplus' strategy and business plans
- To oversee business intelligence functions to facilitate the delivery of insights, analytics and reporting
- To oversee the project management office to facilitate the delivery of major business projects, including business transformation
- To lead and manage the IT function to facilitate the delivery of IT operations and IT strategy, including architecture, security and digital solutions.

Year of appointment

2018

Qualifications and memberships

- Graduate Diploma in Chartered Accounting, Chartered Accountants Australia and New Zealand
- Currently completing a Master of Organisational Leadership, University of Melbourne
- Bachelor of Business (Accounting), Monash University
- Diploma of Management, Swinburne University of Technology
- ASFA 146 Superannuation, ASFA
- Chartered Accountant, Chartered Accountants Australia and New Zealand
- Fellow of ASFA
- Fellow of AIST
- Member of FEAL.

Experience

- Head of Finance and Business Services at Hostplus
- Manager of Finance and Business Services at Hostplus
- Financial Controller at Hostplus
- Financial Controller at the Victorian Managed Insurance Authority
- Manager of Fund Reporting (Plum), National Australia Bank
- Accounting Manager at Mercer
- Manager at KPMG.

Executive team



Paul Watson

As Group Executive – Member Experience, Paul makes a valued contribution to our leadership team through the development and implementation of Hostplus' strategy, brand and marketing, business plans, stakeholder and policy engagement, product development and operational service delivery.

Paul principally provides key executive strategic leadership, development and management of our Member Experience division, and is responsible for the achievement of high-quality experiences and outcomes for Hostplus' members, employers and stakeholders. His portfolio encompasses marketing/brand, strategic partnerships, business growth, key client relationships, products, retirement solutions and advice.

Paul leads a talented team dedicated to ensuring that, as one of Australia's most trusted superannuation brands, Hostplus is at the forefront of delivering market-leading products and services to members, employers and stakeholders. The team works hard to ensure these products and services are, at all times, high performing, compliant and member-focused, to achieve key outcomes in alignment with Hostplus' broader strategy.

As Group Executive responsible for business growth, key strategic client relationships and financial planning and advice portfolios, Paul is instrumental in leading Hostplus' efforts to identify and secure new-to-Hostplus business growth opportunities, to deliver high-quality account management services to our key employer stakeholders and to provide timely and valued financial advice to our members.

With over 28 years' experience in superannuation and the financial services industry across a range of business disciplines, Paul has an in-depth understanding of the dynamics of successful organisations. He has held C-suite and senior executive roles in both public and private sectors, including chief executive, executive director and group executive positions in several of Australia's best known and performing superannuation and pension funds. Prior to that, he enjoyed a 13-year career in the Australian Public Service in which he held a number of senior officer roles in central agencies and contributed to the development and delivery of retirement income policies, initiatives, multi-agency programs and national information and education campaigns.

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

Roles and responsibilities

- Group Executive – Member Experience
- To manage and deliver our Marketing and Brand Strategy
- To lead Hostplus' key employer and member relationship management and retention initiatives, activities and programs
- To lead new business development and growth initiatives focused on key strategic accounts in existing distribution channels and identify and secure new streams of growth and retention opportunities
- To engage and manage stakeholders strategically
- To design and deliver Hostplus' member education program
- To lead and manage the provision of end-to-end financial planning and advice solutions and services for Hostplus' various market segments
- To contribute to Hostplus' product strategy and suite, service delivery and business insights
- To lead the development of retirement-specific solutions and strategy development for post-retirement risk management and mitigation, and provide internal post-retirement subject matter expertise

- Provide external advice and intermediary engagement and support services (ie. external advisers, accountants, SMSF intermediaries and trustees)
- To undertake stewardship, development and management of the direct investment platform (Choiceplus)
- To be accountable, as Operational and Responsible Officer for Hostplus' MyRetirement regulatory framework and related compliance obligations
- To represent Hostplus in relevant retirement policy development and advocacy forums.

Year of appointment

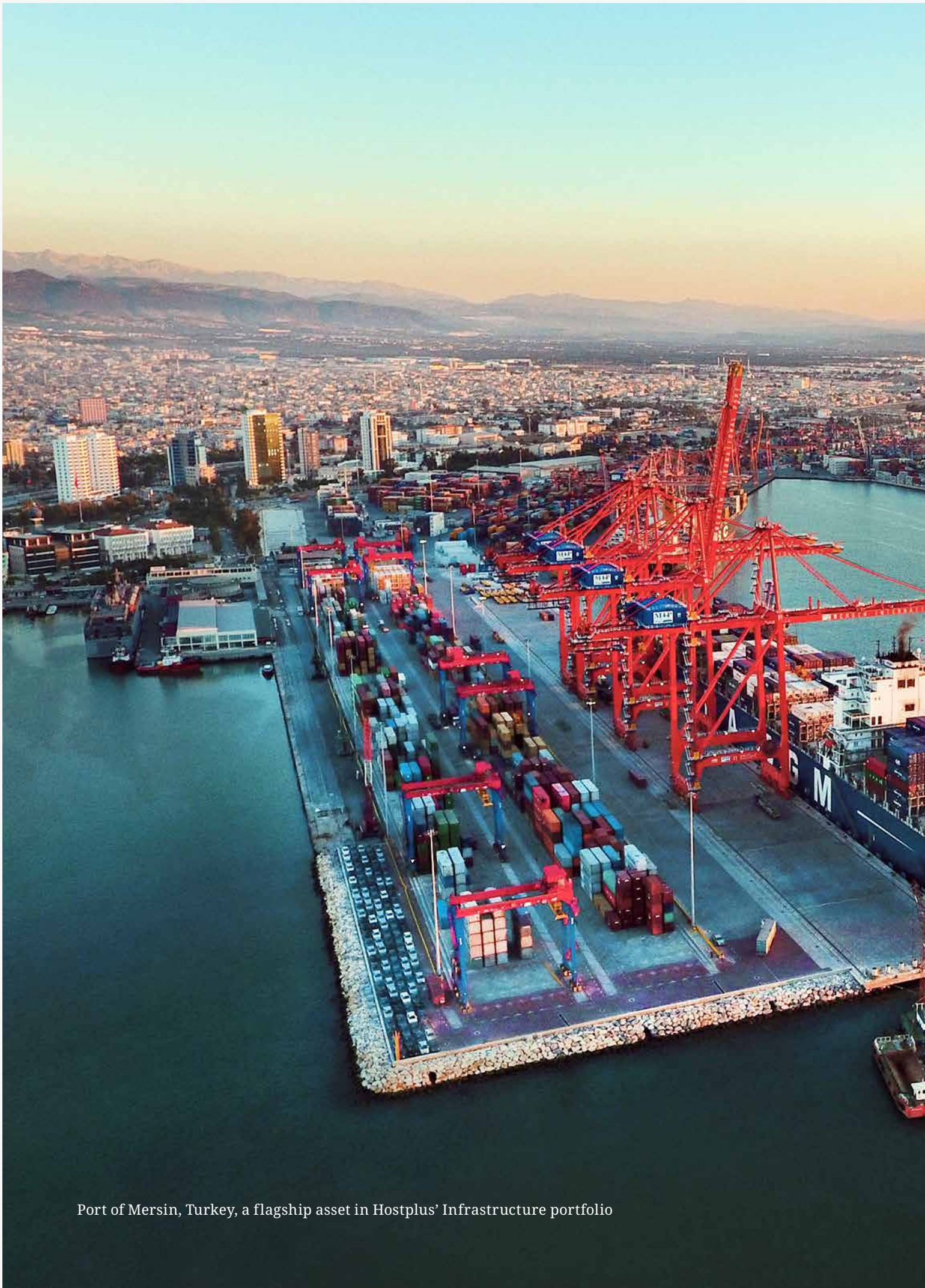
2011

Qualifications and memberships

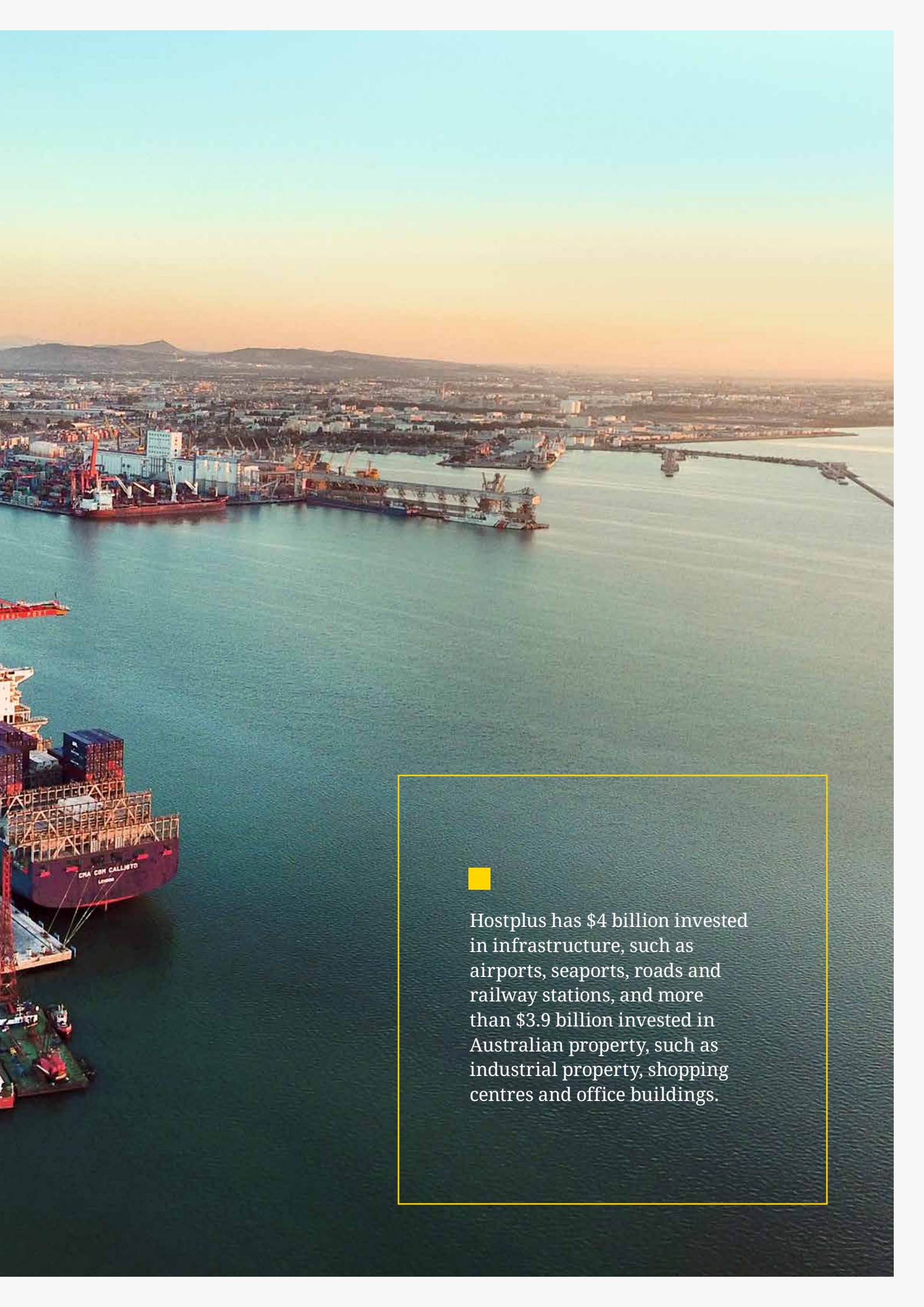
- Program for Leadership Development, (Executive Education), Harvard Business School.
- Diploma of Management (Financial Services), Macquarie University
- Diploma of Financial Planning, Deakin University
- Fellow of AIST
- Fellow of ASFA
- Director of FEAL
- Member of the Super System Design Policy Council, ASFA.

Experience

- Hostplus Group Executive – Retirement Solutions and Advice
- Hostplus Group Executive – Business Growth, Client Relationships, Products and Advice
- Hostplus Executive Manager, Member and Employer Relationships
- CEO of Military Super
- Deputy CEO of Australian Reward Investment Alliance
- Deputy Executive Director of the Motor Trades Association of Australia
- Senior officer roles in the departments of Finance, Defence and the Attorney General's, Australian Taxation Office (ATO) and Commonwealth Superannuation Corporation.



Port of Mersin, Turkey, a flagship asset in Hostplus' Infrastructure portfolio



Hostplus has \$4 billion invested in infrastructure, such as airports, seaports, roads and railway stations, and more than \$3.9 billion invested in Australian property, such as industrial property, shopping centres and office buildings.

The Sydney International Convention Centre





The Sydney International Convention Centre

had 1.4 million attendees: generating \$896 million for NSW, creating 5,790 full-time equivalent jobs and 1.77 million overnight stays

Southern Cross Station

serves 1.2 million people every week

Melbourne Airport

saw a record 37 million travellers last year

NSW Ports

contributes close to \$4 billion of NSW's gross state product annually

Ausgrid

provides power to over 1.7 million customers

Manchester Airports Group

serves 62 million passengers per year



Investments.

Hostplus offers 22 investment options diversified across pre-mixed, sector-specific and individual manager offerings.

Our top-performing default MySuper Balanced option suits most members and comprises a highly diversified range of asset classes. We also cater for those who prefer a more targeted socially responsible focus (SRI – Balanced option) or a greater focus on lower fees (Indexed Balanced option). For those members who want additional control of their investments, we offer asset class options such as property, infrastructure, fixed interest as well as indexed options – all of which can be mixed as needed to suit any investment strategy.

In addition, we offer a direct investment option, Choiceplus. This option provides direct investment into companies in the S&P/ASX 300 Index, exchange traded funds (ETFs) covering developed, emerging and commodity markets, a number of listed investment companies (LICs) and term deposits.

Valued partnerships, diversification at both asset class and manager level, a focus upon unlisted assets and being long-term investors, are key components of our strategy.

These attributes allow Hostplus the flexibility to invest for the future while remaining vigilant of the current environment.

Investing in the future

The default MySuper Balanced option holds 52% in listed equities – including Australian and international shares – in both developed and emerging markets. However, a key differentiator is our investments in unlisted asset classes, such as private equity and infrastructure, which offer not only quality investment opportunities but also put us in the privileged position of helping to drive innovation and to build Australia.

Our growing investments in Venture Capital (VC) make Hostplus one of the largest institutional investors in local VC. As at 30 June 2019, we have committed over \$1 billion to Australian VC managers in areas such as emerging technology and biomedical engineering. In addition to the investment benefit to members, these investments help foster a VC ecosystem, keeping jobs, businesses and intellectual property in Australia rather than offshore, and building vital industries fit for a technology-focused future.

Having the majority of Hostplus' 1.2 million members working in the hospitality, tourism, recreation and sport industries, with an average member age of 35, means strong cash inflows that enable a long-term investment focus: a requirement to invest in unlisted/illiquid assets.

Hostplus has \$4 billion invested in infrastructure such as airports, seaports, roads and railway stations, and more than \$3.9 billion invested in Australian property, such as industrial property, shopping centres and office buildings.

These investments in nation-building infrastructure contribute to our economic, social and environmental future.

In addition to ongoing investments in energy efficient buildings and renewable energy infrastructure, Hostplus has invested in clean energy funds to create new ways to produce, store, distribute, own and trade renewable energy.

For example, we have recently invested in a company that is developing fusion technology, a carbon-free, non-combustion source of energy where hydrogen atoms undergo fusion to create energy with zero carbon emission – a possible replacement for fossil fuels in the future.

We remain committed to long-term investing, as we believe this provides our members with the greatest opportunity to experience long-term capital growth and wealth accumulation to provide for their retirement benefits.

The Hostplus investment options are reviewed annually. The following investment option descriptions were approved by the Hostplus board on 26 July 2019, and first published in our relevant Product Disclosure Statements on 20 September 2019.

Pre-mixed options

| Balanced (default MySuper option) | | |
|---|---|---|
| Return target Accumulation | CPI plus 3% per annum on average over 10 years CPI plus 4% per annum on average over 20 years | |
| Return target Pension | CPI plus 3.5% per annum on average over 10 years CPI plus 5% per annum on average over 20 years | |
| Level of investment risk¹ | Medium to High (negative returns expected for 3 to less than 4 years out of every 20 years) | |
| Investment style | This option invests through a diversified investment portfolio, that includes some growth assets and some lower risk investments. | |
| Who is this investment suitable for? | This option is diversified across a range of growth and defensive assets and aims to produce consistent returns over time. This option may suit Accumulation members who have a five year plus investment time horizon. This option may suit Pension members who have a four year plus investment time horizon. | |
| Minimum suggested time frame² | Accumulation: 5 years + Pension: 4 years + | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| Australian Shares | 15–45% | 22% |
| International Shares – Developed Markets | 10–30% | 22% |
| International Shares – Emerging Markets | 0–15% | 8% |
| Property | 0–30% | 13% |
| Infrastructure | 0–30% | 12% |
| Private Equity | 0–15% | 8% |
| Credit | 0–20% | 7% |
| Alternatives | 0–20% | 8% |
| Diversified Fixed Interest | 0–20% | 0% |
| Cash | 0–10% | 0% |
| Growth Assets | | 76% |
| Defensive Assets | | 24% |

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

2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Pre-mixed options

| Capital Stable | | |
|---|---|--------------------------------------|
| Return target Accumulation | CPI plus 2.5% per annum on average over 20 years | |
| Return target Pension | CPI plus 3.5% per annum on average over 20 years | |
| Level of investment risk ¹ | Low to Medium (negative returns expected for 1 to less than 2 years out of every 20 years) | |
| Investment style | This option is the most conservative and low risk of our pre-mixed investment options. | |
| Who is this investment suitable for? | <p>This option has a lower risk return profile than the fund's default option.</p> <p>This option may suit Accumulation members who have a three year plus investment time horizon.</p> <p>This option may suit Pension members who have a three year plus investment time horizon.</p> | |
| Minimum suggested time frame ² | <p>Accumulation: 3 years +</p> <p>Pension: 3 years +</p> | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| Australian Shares | 5–20% | 8% |
| International Shares – Developed Markets | 5–15% | 8% |
| International Shares – Emerging Markets | 0–5% | 3% |
| Property | 0–20% | 10% |
| Infrastructure | 0–20% | 7% |
| Private Equity | 0–5% | 1% |
| Credit | 0–10% | 8% |
| Alternatives | 0–20% | 10% |
| Diversified Fixed Interest | 10–50% | 20% |
| Cash | 10–40% | 25% |
| Growth Assets | | 33% |
| Defensive Assets | | 67% |

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

2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Conservative Balanced

| | |
|---|--|
| Return target Accumulation | CPI plus 3% per annum on average over 20 years |
| Return target Pension | CPI plus 4% per annum on average over 20 years |
| Level of investment risk¹ | Medium to High (negative returns expected for 3 to less than 4 years out of every 20 years) |
| Investment style | This options contains roughly equal proportions of growth and defensive assets. |
| Who is this investment suitable for? | This option is diversified across a range of growth and defensive assets, and has a lower risk return profile than the fund's default option. This option may suit Accumulation members who have a five year plus investment time horizon. This option may suit Pension members who have a four year plus investment time horizon. |
| Minimum suggested time frame² | Accumulation: 5 years + Pension: 4 years + |

| Asset Class | Range | Strategic Asset Allocation Benchmark |
|--|--------|--------------------------------------|
| Australian Shares | 10–30% | 16% |
| International Shares – Developed Markets | 10–25% | 16% |
| International Shares – Emerging Markets | 0–10% | 6% |
| Property | 0–20% | 10% |
| Infrastructure | 0–20% | 8% |
| Private Equity | 0–10% | 2% |
| Credit | 0–10% | 6% |
| Alternatives | 0–20% | 6% |
| Diversified Fixed Interest | 10–40% | 15% |
| Cash | 5–25% | 15% |
| Growth Assets | | 52% |
| Defensive Assets | | 48% |

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

2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Pre-mixed options

| Socially Responsible Investment (SRI) – Balanced | | |
|---|--|---|
| Return target Accumulation | CPI plus 3.5% per annum on average over 20 years | |
| Return target Pension | CPI plus 4% per annum on average over 20 years | |
| Level of investment risk¹ | High (negative returns expected for 4 to less than 6 years out of every 20 years) | |
| Investment style | A responsible investment option that invests in companies that contribute to a socially and environmentally sustainable world by integrating heightened environmental, social and ethical considerations, labour standards and corporate governance factors into the investment analysis. | |
| Who is this investment suitable for? | <p>This option encourages corporate practices that promote environmental stewardship, consumer protection, human rights, and diversity, and seeks to limit exposure to companies which have a material exposure to the most carbon intensive fossil fuels.</p> <p>This option may suit Accumulation members who have a four year plus investment time horizon.</p> <p>This option may suit Pension members who have a three year plus investment time horizon.</p> | |
| Minimum suggested time frame² | Accumulation: 4 years + Pension: 3 years + | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| Australian Shares | 15–45% | 25% |
| International Shares – Developed Markets | 15–45% | 34% |
| International Shares – Emerging Markets | 0–20% | 3% |
| Property | 0–20% | 5% |
| Infrastructure | 0–20% | 4% |
| Private Equity | 0–20% | 0% |
| Credit | 0–20% | 8% |
| Alternatives | 0–20% | 2% |
| Diversified Fixed Interest | 0–30% | 17% |
| Cash | 0–20% | 2% |
| Growth Assets | | 69% |
| Defensive Assets | | 31% |

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Indexed Balanced

| | |
|---|--|
| Return target Accumulation | CPI plus 2.5% per annum on average over 20 years |
| Return target Pension | CPI plus 3.5% per annum on average over 20 years |
| Level of investment risk¹ | High (negative returns expected for 4 to less than 6 years out of every 20 years) |
| Investment style | This option has a diversified investment portfolio that includes some growth assets and some lower risk investments. |
| Who is this investment suitable for? | This option is diversified across a range of growth and defensive assets, and aims to produce consistent returns over time. This option may suit Accumulation members who have a seven year plus investment time horizon. This option may suit Pension members who have a six year plus investment time horizon. |
| Minimum suggested time frame² | Accumulation: 7 years + Pension: 6 years + |

| Asset Class | Range | Strategic Asset Allocation Benchmark |
|--|--------|--------------------------------------|
| Australian Shares | 25–55% | 32% |
| International Shares – Developed Markets | 25–55% | 43% |
| International Shares – Emerging Markets | 0–10% | 0% |
| Diversified Fixed Interest | 10–30% | 15% |
| Cash | 0–20% | 10% |
| Growth Assets | | 75% |
| Defensive Assets | | 25% |

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

2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Pre-mixed options

| Shares Plus | | |
|---|---|--------------------------------------|
| Return target Accumulation | CPI plus 4.5% per annum on average over 20 years | |
| Return target Pension | CPI plus 5.5% per annum on average over 20 years | |
| Level of investment risk ¹ | High (negative returns expected for 4 to less than 6 years out of every 20 years) | |
| Investment style | This pre-mixed option contains the highest investment in assets with potential for capital growth. | |
| Who is this investment suitable for? | <p>This option is less diversified than the fund's default option and has a higher risk and return profile.</p> <p>This option may suit Accumulation members who have a six year plus investment time horizon.</p> <p>This option may suit Pension members who have a four year plus investment time horizon.</p> | |
| Minimum suggested time frame ² | Accumulation: 6 years + Pension: 4 years + | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| Australian Shares | 30–50% | 30% |
| International Shares – Developed Markets | 20–40% | 30% |
| International Shares – Emerging Markets | 0–15% | 11% |
| Property | 0–20% | 8% |
| Infrastructure | 0–20% | 6% |
| Private Equity | 0–15% | 7% |
| Credit | 0–10% | 6% |
| Alternatives | 0–10% | 2% |
| Diversified Fixed Interest | 0–10% | 0% |
| Cash | 0–10% | 0% |
| Growth Assets | | 86% |
| Defensive Assets | | 14% |

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

2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Hostplus Life

Return target

| Age bracket | Investment option | Objective |
|-------------|-----------------------|--|
| Under 40 | Shares Plus | CPI plus 4.5% per annum on average over 20 years |
| 40–49 | Balanced | CPI plus 4% per annum on average over 20 years |
| 50–59 | Conservative Balanced | CPI plus 3% per annum on average over 20 years |
| 60 and over | Capital Stable | CPI plus 2.5% per annum on average over 20 years |

Level of investment risk¹

| Age bracket | Investment option | Level of risk | Number of years negative returns are expected (out of every 20 years) |
|--------------------|-----------------------|----------------|---|
| Under 40 | Shares Plus | High | 4 to less than 6 years |
| 40–49 | Balanced | Medium to High | 3 to less than 4 years |
| 50–59 | Conservative Balanced | Medium to High | 3 to less than 4 years |
| 60 and over | Capital Stable | Low to Medium | 1 to less than 2 years |

Investment style

This option moves with our member's financial needs. It is focused on long-term capital growth during the member's younger years, with a higher investment in shares and property. As retirement nears, this option will be increasingly invested in more defensive assets, with less exposure to risk and more focus on providing a steady income and preserving capital.

Who is this investment suitable for?

This option is suitable for members who prefer to have investment decisions made on their behalf.

Recommended minimum suggested time frame²

| Age bracket | Investment option | Minimum investment time frame |
|-------------|-----------------------|-------------------------------|
| Under 40 | Shares Plus | 6 years + |
| 40–49 | Balanced | 5 years + |
| 50–59 | Conservative Balanced | 5 years + |
| 60 and over | Capital Stable | 3 years + |

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

2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Pre-mixed options

| Hostplus Life (continued) | | | | |
|--|-------------|--------------------------------------|----------|--------------------------------------|
| Asset Class | Shares Plus | | Balanced | |
| | Range | Strategic Asset Allocation Benchmark | Range | Strategic Asset Allocation Benchmark |
| Australian Shares | 30–50% | 30% | 15–45% | 22% |
| International Shares – Developed Markets | 20–40% | 30% | 10–30% | 22% |
| International Shares – Emerging Markets | 0–15% | 11% | 0–15% | 8% |
| Property | 0–20% | 8% | 0–30% | 13% |
| Infrastructure | 0–20% | 6% | 0–30% | 12% |
| Private Equity | 0–15% | 7% | 0–15% | 8% |
| Credit | 0–10% | 6% | 0–20% | 7% |
| Alternatives | 0–10% | 2% | 0–20% | 8% |
| Diversified Fixed Interest | 0–10% | 0% | 0–20% | 0% |
| Cash | 0–10% | 0% | 0–10% | 0% |
| Growth Assets | | 86% | | 76% |
| Defensive Assets | | 14% | | 24% |

| Hostplus Life (continued) | | | | |
|---|------------------------------|---|-----------------------|---|
| | Conservative Balanced | | Capital Stable | |
| Asset Class | Range | Strategic Asset Allocation Benchmark | Range | Strategic Asset Allocation Benchmark |
| Australian Shares | 10–30% | 16% | 5–20% | 8% |
| International Shares – Developed Markets | 10–25% | 16% | 5–15% | 8% |
| International Shares – Emerging Markets | 0–10% | 6% | 0–5% | 3% |
| Property | 0–20% | 10% | 0–20% | 10% |
| Infrastructure | 0–20% | 8% | 0–20% | 7% |
| Private Equity | 0–10% | 2% | 0–5% | 1% |
| Credit | 0–10% | 6% | 0–10% | 8% |
| Alternatives | 0–20% | 6% | 0–20% | 10% |
| Diversified Fixed Interest | 10–40% | 15% | 10–50% | 20% |
| Cash | 5–25% | 15% | 10–40% | 25% |
| Growth Assets | | 52% | | 33% |
| Defensive Assets | | 48% | | 67% |

Sector investment options

| Cash | | |
|---|--|--------------------------------------|
| Return target Accumulation | CPI plus 0.5% per annum on average over 20 years | |
| Return target Pension | CPI plus 1% per annum on average over 20 years | |
| Level of investment risk ¹ | Very Low (negative returns expected for less than 0.5 years out of every 20 years) | |
| Investment style | This option consists of cash investments that can include deposits in a bank, investments in short-term money markets and other similar investments. | |
| Who is this investment suitable for? | <p>This option may suit members who have a short-term investment horizon. It will provide security of capital but returns will typically be lower than that produced by the fund's default option over the medium to long term.</p> <p>This option may suit Accumulation members who have a two year plus investment time horizon.</p> <p>This option may suit Pension members who have a one year plus investment time horizon.</p> | |
| Minimum suggested time frame ² | Accumulation: 2 years + Pension: 1 years + | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| Cash | 0–100% | 100% |
| Growth Assets | | 0% |
| Defensive Assets | | 100% |

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

2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Diversified Fixed Interest

| | |
|---|--|
| Return target Accumulation | CPI plus 0.5% per annum on average over 20 years |
| Return target Pension | CPI plus 1% per annum on average over 20 years |
| Level of investment risk¹ | Medium to High (negative returns expected for 3 to less than 4 years out of every 20 years) |
| Investment style | This option is usually a loan to a government or business with a fixed interest rate, with the duration of the loan agreed in advance. |
| Who is this investment suitable for? | <p>This option may suit members who seek lower volatility over the medium term.</p> <p>While returns can fluctuate, the risk and return profile is lower than the fund's Shares options.</p> <p>This option may suit Accumulation members who have a three year plus investment time horizon.</p> <p>This option may suit Pension members who have a four year plus investment time horizon.</p> |
| Minimum suggested time frame² | Accumulation: 3 years + Pension: 4 years + |

| Asset Class | Range | Strategic Asset Allocation Benchmark |
|----------------------------|--------|--------------------------------------|
| Diversified Fixed Interest | 0–100% | 100% |
| Growth Assets | | 0% |
| Defensive Assets | | 100% |

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

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Sector investment options

| Property | | |
|---|---|--------------------------------------|
| Return target Accumulation | CPI plus 2.5% per annum on average over 20 years | |
| Return target Pension | CPI plus 3.5% per annum on average over 20 years | |
| Level of investment risk¹ | High (negative returns expected for 4 to less than 6 years out of every 20 years) | |
| Investment style | This option invests in property or buildings, either directly or via property trusts. | |
| Who is this investment suitable for? | <p>This option aims to achieve income returns and capital growth over the longer term.</p> <p>This option may suit Accumulation members who have a seven year plus investment time horizon.</p> <p>This option may suit Pension members who have a three year plus investment time horizon.</p> | |
| Minimum suggested time frame² | <p>Accumulation: 7 years +</p> <p>Pension: 3 years +</p> | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| Property | 0–100% | 100% |
| Growth Assets | | 30% |
| Defensive Assets | | 70% |

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

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Australian Shares

| | |
|---|---|
| Return target Accumulation | CPI plus 5% per annum on average over 20 years |
| Return target Pension | CPI plus 6.5% per annum on average over 20 years |
| Level of investment risk¹ | High (negative returns expected for 4 to less than 6 years out of every 20 years) |
| Investment style | Active management. |
| Who is this investment suitable for? | This option is less diversified than the Fund's default option and has a higher risk and return profile. This option may suit Accumulation members who have a five year plus investment time horizon. This option may suit Pension members who have a four year plus investment time horizon. |
| Minimum suggested time frame² | Accumulation: 5 years + Pension: 4 years + |

| Asset Class | Range | Strategic Asset Allocation Benchmark |
|-------------------|--------|--------------------------------------|
| Australian Shares | 0–100% | 100% |
| Growth Assets | | 100% |
| Defensive Assets | | 0% |

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

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Sector investment options

| International Shares | | |
|---|--|--------------------------------------|
| Return target Accumulation | CPI plus 4% per annum on average over 20 years | |
| Return target Pension | CPI plus 5% per annum on average over 20 years | |
| Level of investment risk ¹ | High (negative returns expected for 4 to less than 6 years out of every 20 years) | |
| Investment style | Active management | |
| Who is this investment suitable for? | <p>This option is less diversified than the Fund's default option and has a higher risk and return profile.</p> <p>This option may suit Accumulation members who have a five year plus investment time horizon.</p> <p>This option may suit Pension members who have a five year plus investment time horizon.</p> | |
| Minimum suggested time frame ² | Accumulation: 5 years + Pension: 5 years + | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| International Shares – Developed Markets | 0–100% | 73% |
| International Shares – Emerging Markets | 0–100% | 27% |
| Growth Assets | | 100% |
| Defensive Assets | | 0% |

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

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

International Shares – Indexed

| | |
|---|---|
| Return target Accumulation | CPI plus 2.5% per annum on average over 20 years |
| Return target Pension | CPI plus 3% per annum on average over 20 years |
| Level of investment risk¹ | Very High (negative returns expected for 6 or more years out of every 20 years) |
| Investment style | Passive management |
| Who is this investment suitable for? | This option is less diversified than the Fund's default option and has a higher risk and return profile. This option may suit Accumulation members who have a seven year plus investment time horizon. This option may suit Pension members who have a six year plus investment time horizon. |
| Minimum suggested time frame² | Accumulation: 7 years + Pension: 6 years + |

| Asset Class | Range | Strategic Asset Allocation Benchmark |
|--|--------|--------------------------------------|
| International Shares – Developed Markets | 0–100% | 100% |
| Growth Assets | | 100% |
| Defensive Assets | | 0% |

The International Shares – Indexed option is unhedged and fully exposed to currency fluctuations.

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Sector investment options

| International Shares (Hedged) – Indexed | | |
|---|--|--------------------------------------|
| Return target Accumulation | CPI plus 2.5% per annum on average over 20 years | |
| Return target Pension | CPI plus 3% per annum on average over 20 years | |
| Level of investment risk ¹ | Very High (negative returns expected for 6 or more years out of every 20 years) | |
| Investment style | Passive management | |
| Who is this investment suitable for? | <p>This option is less diversified than the Fund's default option and has a higher risk and return profile.</p> <p>This option may suit Accumulation members who have a five year plus investment time horizon.</p> <p>This option may suit Pension members who have a five year plus investment time horizon.</p> | |
| Minimum suggested time frame ² | Accumulation: 5 years + Pension: 5 years + | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| International Shares – Developed Markets | 0–100% | 100% |
| Growth Assets | | 100% |
| Defensive Assets | | 0% |

The International Shares (Hedged) – Indexed option is fully hedged and is not exposed to currency fluctuations.

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Individual manager options

| Macquarie Investment Management – Australian Fixed Interest | | |
|---|--|--------------------------------------|
| Return target Accumulation | CPI plus 0.5% per annum on average over 20 years | |
| Return target Pension | CPI plus 1% per annum on average over 20 years | |
| Level of investment risk ¹ | Medium to High (negative returns expected for 3 to less than 4 years out of every 20 years) | |
| Investment style | Passive management | |
| Who is this investment suitable for? | <p>This option may suit members who seek lower return volatility over the medium term.</p> <p>This option may suit Accumulation members who have a four year plus investment time horizon.</p> <p>This option may suit Pension members who have a two year plus investment time horizon.</p> | |
| Minimum suggested time frame ² | <p>Accumulation: 4 years +</p> <p>Pension: 2 years +</p> | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| Diversified Fixed Interest | 0–100% | 100% |
| Growth Assets | | 0% |
| Defensive Assets | | 100% |

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

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
 2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Individual manager options

| BlackRock Asset Management – International Fixed Interest ¹ | | |
|--|---|--------------------------------------|
| Return target Accumulation | CPI plus 0.5% per annum on average over 20 years | |
| Return target Pension | CPI plus 1% per annum on average over 20 years | |
| Level of investment risk ² | Medium to High (negative returns expected for 3 to less than 4 years out of every 20 years) | |
| Investment style | This option is passively managed: the manager invests in securities that form the Barclays Global Aggregate Index, using an index tracking approach to manage securities. | |
| Who is this investment suitable for? | <p>This option may suit members who seek lower return volatility over the medium term.</p> <p>This option may suit Accumulation members who have a three year plus investment time horizon.</p> <p>This option may suit Pension members who have a two year plus investment time horizon.</p> | |
| Minimum suggested time frame ³ | <p>Accumulation: 3 years +</p> <p>Pension: 2 years +</p> | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| Diversified Fixed Interest | 0–100% | 100% |
| Growth Assets | | 0% |
| Defensive Assets | | 100% |

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

1. From its inception on 1 June 2011 to 14 January 2014, this option was invested in the BlackRock Indexed World Government Bond Fund, which tracked the Citigroup World Government Bond Index (hedged in AUD with net dividends reinvested). From 15 January 2014, this option has been invested in the BlackRock Global Bond Index Fund, which tracks the Barclays Global Aggregate Index (hedged in AUD with net dividends reinvested).
2. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
3. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Industry Super Property Trust – Property

| | | |
|---|---|---|
| Return target Accumulation | CPI plus 2.5% per annum on average over 20 years | |
| Return target Pension | CPI plus 3% per annum on average over 20 years | |
| Level of investment risk¹ | High (negative returns expected for 4 to less than 6 years out of every 20 years) | |
| Investment style | This option has an income bias that aims to offer investors lower relative earnings volatility and a higher income yield. | |
| Who is this investment suitable for? | <p>This option aims to achieve income returns and capital growth over the longer term.</p> <p>This option may suit Accumulation members who have a seven year plus investment time horizon.</p> <p>This option may suit Pension members who have a three year plus investment time horizon.</p> | |
| Minimum suggested time frame² | <p>Accumulation: 7 years +</p> <p>Pension: 3 years +</p> | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| Property | 0–100% | 100% |
| Growth Assets | | 30% |
| Defensive Assets | | 70% |

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

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Individual manager options

| Lendlease-managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property | | |
|--|---|---|
| Return target Accumulation | CPI plus 2.5% per annum on average over 20 years | |
| Return target Pension | CPI plus 3% per annum on average over 20 years | |
| Level of investment risk¹ | High (negative returns expected for 4 to less than 6 years out of every 20 years) | |
| Investment style | This option has long-term direct investments in a quality portfolio of major regional core retail assets, commercial assets and industrial assets across Australia. | |
| Who is this investment suitable for? | <p>This option aims to achieve income returns and capital growth over the longer term.</p> <p>This option may suit Accumulation members who have a seven year plus investment time horizon.</p> <p>This option may suit Pension members who have a three year plus investment time horizon.</p> | |
| Minimum suggested time frame² | <p>Accumulation: 7 years +</p> <p>Pension: 3 years +</p> | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| Property | 0–100% | 100% |
| Growth Assets | | 30% |
| Defensive Assets | | 70% |

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

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

IFM – Australian Infrastructure¹

| | |
|---|--|
| Return target Accumulation | CPI plus 3% per annum on average over 20 years |
| Return target Pension | CPI plus 3.5% per annum on average over 20 years |
| Level of investment risk² | High (negative returns expected for 4 to less than 6 years out of every 20 years) |
| Investment style | This option has long-term direct investments in tangible infrastructure assets, such as airports, seaports, toll roads, renewable energy and utilities across Australia. |
| Who is this investment suitable for? | This option has a higher risk and return profile than the Fund's default option and aims to achieve income returns and capital growth over the longer term. This option may suit Accumulation members who have a five year plus investment time horizon. This option may suit Pension members who have a four year plus investment time horizon. |
| Minimum suggested time frame³ | Accumulation: 5 years + Pension: 4 years + |

| Asset Class | Range | Strategic Asset Allocation Benchmark |
|------------------|--------|--------------------------------------|
| Infrastructure | 0–100% | 100% |
| Growth Assets | | 55% |
| Defensive Assets | | 45% |

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

1. The option may be closed to new investors if a cap of 3% of total funds under management for the Fund is reached.
2. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
3. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Individual manager options

| Balanced Equity Management – Australian Shares | | |
|--|--|--------------------------------------|
| Return target Accumulation | CPI plus 5% per annum on average over 20 years | |
| Return target Pension | CPI plus 6% per annum on average over 20 years | |
| Level of investment risk ¹ | Very High (negative returns expected for 6 or more years out of every 20 years) | |
| Investment style | This option has an active management style based on fundamental analysis of stocks within the S&P/ASX 100 Accumulation Index. | |
| Who is this investment suitable for? | <p>This option is less diversified than the fund's default option and has a higher risk and return profile.</p> <p>This option may suit Accumulation members who have a five year plus investment time horizon.</p> <p>This option may suit Pension members who have a four year plus investment time horizon.</p> | |
| Minimum suggested time frame ² | Accumulation: 5 years + Pension: 4 years + | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| Australian Shares | 0–100% | 100% |
| Growth Assets | | 100% |
| Defensive Assets | | 0% |

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

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

IFM – Australian Shares

| | |
|---|---|
| Return target Accumulation | CPI plus 4% per annum on average over 20 years |
| Return target Pension | CPI plus 5.5% per annum on average over 20 years |
| Level of investment risk¹ | Very High (negative returns expected for 6 or more years out of every 20 years) |
| Investment style | Enhanced passive management |
| Who is this investment suitable for? | This option is less diversified than the Fund's default option and has a higher risk and return profile. This option may suit Accumulation members who have a five year plus investment time horizon. This option may suit Pension members who have a five year plus investment time horizon. |
| Minimum suggested time frame² | Accumulation: 5 years + Pension: 5 years + |

| Asset Class | Range | Strategic Asset Allocation Benchmark |
|-------------------|--------|--------------------------------------|
| Australian Shares | 0–100% | 100% |
| Growth Assets | | 100% |
| Defensive Assets | | 0% |

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

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Individual manager options

| Paradice Investment Management (Small Cap) – Australian Shares | | |
|--|--|--------------------------------------|
| Return target Accumulation | CPI plus 5% per annum on average over 20 years | |
| Return target Pension | CPI plus 6% per annum on average over 20 years | |
| Level of investment risk ¹ | Very High (negative returns expected for 6 or more years out of every 20 years) | |
| Investment style | This option specialises in investing in companies outside the ASX top 100 stocks as defined by market capitalisation, and has the capacity to invest in New Zealand stocks. | |
| Who is this investment suitable for? | <p>This option is less diversified than the fund's default option and has a higher risk and return profile.</p> <p>This option may suit Accumulation members who have a five year plus investment time horizon.</p> <p>This option may suit Pension members who have a four year plus investment time horizon.</p> | |
| Minimum suggested time frame ² | <p>Accumulation: 5 years +</p> <p>Pension: 4 years +</p> | |
| Asset Class | Range | Strategic Asset Allocation Benchmark |
| Australian Shares | 0–100% | 100% |
| Growth Assets | | 100% |
| Defensive Assets | | 0% |

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

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Neuberger Berman – International Shares

| | |
|---|--|
| Return target Accumulation | CPI plus 4.5% per annum on average over 20 years |
| Return target Pension | CPI plus 5.5% per annum on average over 20 years |
| Level of investment risk¹ | Very High (negative returns expected for 6 or more years out of every 20 years) |
| Investment style | Neuberger Berman seeks to maximise performance by constructing its portfolios with high-quality growing companies trading at attractive valuations and having the potential to outperform the MSCI Emerging Markets Index at lower risk. The style can best be characterised by growth at a reasonable price. |
| Who is this investment suitable for? | This option is less diversified than the Fund's default option and has a higher risk and return profile. This option may suit Accumulation members who have a five year plus investment time horizon. This option may suit Pension members who have a five year plus investment time horizon. |
| Minimum suggested time frame² | Accumulation: 5 years + Pension: 5 years + |

| Asset Class | Range | Strategic Asset Allocation Benchmark |
|---|--------|--------------------------------------|
| International Shares – Emerging Markets | 0–100% | 100% |
| Growth Assets | | 100% |
| Defensive Assets | | 0% |

Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time. This option is unhedged and fully exposed to currency fluctuations.

1. The level of investment risk is based on an industry-wide Standard Risk Measure that shows the number of expected negative annual returns over a 20-year period.
2. The minimum suggested time frame is based on the option's risk and return profile, volatility and likelihood of negative annual returns in any one year.

Choiceplus

The Choiceplus investment option offers members a greater level of control and choice when making super investments.

It provides members with access to real-time trading, extensive market information, independent research through Morningstar and investment tools to assist our members with making an informed investment decision and managing the portfolio.

Choiceplus allows members to invest directly in:

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

The Choiceplus investment option offers many of the features available to an SMSF at a competitive cost, and option holders continue to be invested in an APRA-regulated super fund with all its associated prudential protections.

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

Investment returns – Hostplus and Hostplus Executive

| Net investment returns for Hostplus and Hostplus Executive 1 year to 30 June ¹ | | | | | |
|---|--------|--------|--------|--------|--------|
| Investment options | 2019 | 2018 | 2017 | 2016 | 2015 |
| Capital Stable ² | 3.65% | 7.14% | 7.66% | 3.23% | 6.61% |
| Conservative Balanced ² | 4.96% | 9.72% | 10.26% | 3.88% | 8.39% |
| Socially Responsible Investment (SRI) – Balanced | 7.01% | 8.91% | N/A | N/A | N/A |
| Indexed Balanced | 8.51% | 9.60% | 10.27% | 2.20% | 10.83% |
| Balanced ² | 6.80% | 12.50% | 13.20% | 5.00% | 11.00% |
| Shares Plus ² | 6.46% | 14.46% | 15.47% | 3.88% | 10.84% |
| Cash | 1.93% | 1.43% | 1.46% | 1.82% | 2.04% |
| Diversified Fixed Interest | 5.84% | 3.59% | 4.61% | 6.82% | 5.92% |
| Property | 7.05% | 11.80% | 8.77% | 10.16% | 11.92% |
| Australian Shares | 5.65% | 16.28% | 13.87% | 5.47% | 7.88% |
| International Shares | 5.98% | 15.37% | 21.05% | -2.16% | 12.13% |
| International Shares – Indexed | 10.95% | N/A | N/A | N/A | N/A |
| International Shares (Hedged) – Indexed | 7.48% | N/A | N/A | N/A | N/A |
| Macquarie – Australian Fixed Interest | 8.05% | 2.41% | 0.22% | 5.94% | 4.77% |
| BlackRock – International Fixed Interest | 6.01% | 1.35% | -0.11% | 7.82% | 5.22% |
| Industry Super Property Trust – Property | 6.26% | 11.69% | 11.95% | 12.02% | 11.36% |
| Lendlease Australian Prime Property Funds – Property | 9.05% | 13.04% | 8.96% | 10.44% | 8.01% |
| IFM – Australian Infrastructure | 12.60% | 10.80% | 11.78% | 21.05% | N/A |
| Balanced Equity Management – Australian Shares | 11.78% | 10.79% | 19.46% | -6.25% | 6.60% |
| IFM – Australian Shares | 11.33% | 12.56% | 13.82% | 2.02% | 6.95% |
| Paradice Investment Management (Small Cap) – Australian Shares | -3.47% | 24.35% | 1.99% | 30.37% | 9.40% |
| Neuberger Berman – International Shares | 5.11% | 11.25% | 18.29% | -2.99% | 13.44% |

1. Only full year performance is shown. No performance is shown for partial year performance. Not all investment options will have investment returns reported against each investment period due to varying commencement dates. You can access full investment return information from inception at hostplus.com.au. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. Past performance is not a guide to future performance.

2. The net investment returns for each of these options also represent the net returns of the relevant lifecycle stages forming Hostplus Life.

Investment returns – Hostplus and Hostplus Executive

| Net investment returns for Hostplus and Hostplus Executive to 30 June 2019 ¹ | | | | | | |
|---|--------|-----------|-----------|-----------|-----------|------------|
| Investment options | 6 mth | 1 yr p.a. | 3 yr p.a. | 5 yr p.a. | 7 yr p.a. | 10 yr p.a. |
| Capital Stable | 4.61% | 3.65% | 6.14% | 5.64% | 6.46% | 6.73% |
| Conservative Balanced | 7.24% | 4.96% | 8.29% | 7.41% | 8.51% | 8.07% |
| Socially Responsible Investment (SRI) – Balanced | 10.72% | 7.01% | N/A | N/A | N/A | N/A |
| Indexed Balanced | 12.82% | 8.51% | 9.46% | 8.23% | 10.54% | N/A |
| Balanced | 10.32% | 6.80% | 10.80% | 9.65% | 11.13% | 9.67% |
| Shares Plus | 11.83% | 6.46% | 12.06% | 10.13% | 11.87% | 10.22% |
| Cash | 0.97% | 1.93% | 1.61% | 1.73% | 1.97% | 2.65% |
| Diversified Fixed Interest | 3.88% | 5.84% | 4.68% | 5.35% | 5.86% | 7.01% |
| Property | 3.60% | 7.05% | 9.19% | 9.93% | 9.06% | 7.42% |
| Australian Shares | 15.68% | 5.65% | 11.84% | 9.74% | 12.15% | 10.60% |
| International Shares | 13.85% | 5.98% | 13.96% | 10.17% | 13.04% | 11.15% |
| International Shares – Indexed | 15.13% | 10.95% | N/A | N/A | N/A | N/A |
| International Shares (Hedged) – Indexed | 15.13% | 7.48% | N/A | N/A | N/A | N/A |
| Macquarie – Australian Fixed Interest | 5.75% | 8.05% | 3.51% | 4.24% | 4.12% | 5.04% |
| BlackRock – International Fixed Interest | 4.77% | 6.01% | 2.38% | 4.01% | 4.34% | N/A |
| Industry Super Property Trust – Property | 2.97% | 6.26% | 9.93% | 10.63% | 9.93% | 9.00% |
| Lendlease Australian Prime Property Funds – Property | 4.19% | 9.05% | 10.33% | 9.88% | 8.84% | 7.81% |
| IFM – Australian Infrastructure | 10.87% | 12.60% | 11.72% | N/A | N/A | N/A |
| Balanced Equity Management – Australian Shares | 17.61% | 11.78% | 13.94% | 8.13% | 11.97% | 10.39% |
| IFM – Australian Shares | 18.37% | 11.33% | 12.57% | 9.24% | N/A | N/A |
| Paradice Investment Management (Small Cap) – Australian Shares | 9.47% | -3.47% | 6.98% | 11.79% | 10.69% | 11.79% |
| Neuberger Berman – International Shares | 10.95% | 5.11% | 11.42% | 8.76% | 10.40% | N/A |

1. Not all investment options will have investment returns reported against each investment period due to varying commencement dates. You can access full investment return information from inception at hostplus.com.au. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. Past performance is not a guide to future performance.

Investment returns – Hostplus Pension

| Net investment returns for Hostplus Pension 1 year to 30 June ¹ | | | | | |
|--|--------|--------|--------|--------|--------|
| Investment options | 2019 | 2018 | 2017 | 2016 | 2015 |
| Capital Stable | 4.24% | 7.75% | 9.16% | 3.58% | 7.30% |
| Conservative Balanced | 5.68% | 10.59% | 12.02% | 4.20% | 9.35% |
| Socially Responsible Investment (SRI) – Balanced | 8.10% | 9.74% | N/A | N/A | N/A |
| Indexed Balanced | 9.59% | 10.84% | 12.09% | 1.82% | 12.21% |
| Balanced | 7.08% | 13.54% | 15.13% | 4.66% | 12.28% |
| Shares Plus | 7.34% | 15.48% | 17.68% | 3.96% | 12.21% |
| Cash | 2.26% | 1.68% | 1.69% | 2.15% | 2.55% |
| Diversified Fixed Interest | 6.77% | 3.53% | 5.81% | 7.98% | 7.06% |
| Property | 8.69% | 12.96% | 10.20% | 11.30% | 12.59% |
| Australian Shares | 6.20% | 17.69% | 16.23% | 5.88% | 8.76% |
| International Shares | 6.60% | 17.06% | 24.20% | -3.29% | 14.47% |
| International Shares – Indexed | 12.40% | N/A | N/A | N/A | N/A |
| International Shares (Hedged) – Indexed | 8.61% | N/A | N/A | N/A | N/A |
| Macquarie – Australian Fixed Interest | 9.28% | 2.51% | 0.48% | 6.38% | 5.93% |
| BlackRock – International Fixed Interest | 7.04% | 1.34% | 0.07% | 9.24% | 5.78% |
| Industry Super Property Trust – Property | 8.50% | 12.27% | 13.86% | 13.48% | 10.79% |
| Lendlease Australian Prime Property Funds – Property | 10.53% | 14.13% | 11.36% | 11.28% | 8.64% |
| IFM – Australian Infrastructure | 16.19% | 11.70% | 9.63% | 24.63% | N/A |
| Balanced Equity Management – Australian Shares | 13.11% | 11.84% | 22.03% | -7.28% | 7.55% |
| IFM – Australian Shares | 12.56% | 14.01% | 15.40% | 2.05% | 7.86% |
| Paradise Investment Management (Small Cap) – Australian Shares | -3.84% | 26.70% | 2.50% | 33.71% | 11.86% |
| Neuberger Berman – International Shares | 5.59% | 12.81% | 20.67% | -3.37% | 15.10% |

1. Only full year performance is shown. No performance is shown for partial year performance. Pension Plan was offered by Hostplus from 21 September 2009. Not all investment options will have investment returns reported against each investment period due to varying commencement dates. You can access full investment return information from inception at hostplus.com.au. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. Past performance is not a guide to future performance.

Investment returns – Hostplus Pension

| Net investment returns for Hostplus Pension to 30 June 2019 ¹ | | | | | |
|--|--------|--------------|--------------|--------------|--------------|
| Investment options | 6 mth | 1 yr p.a. | 3 yr p.a. | 5 yr p.a. | 7 yr p.a. |
| Capital Stable | 4.97% | 4.24% | 7.03% | 6.38% | 7.32% |
| Conservative Balanced | 7.79% | 5.68% | 9.40% | 8.32% | 9.60% |
| Socially Responsible Investment (SRI) – Balanced | 12.05% | 8.10% | N/A | N/A | N/A |
| Indexed Balanced | 14.59% | 9.59% | 10.83% | 9.23% | 11.83% |
| Balanced | 9.85% | 7.08% | 11.86% | 10.46% | 12.17% |
| Shares Plus | 12.81% | 7.34% | 13.41% | 11.21% | 13.25% |
| Cash | 1.14% | 2.26% | 1.88% | 2.07% | 2.32% |
| Diversified Fixed Interest | 4.46% | 6.77% | 5.36% | 6.22% | 6.75% |
| Property | 4.04% | 8.69% | 10.60% | 11.14% | 10.12% |
| Australian Shares | 17.68% | 6.20% | 13.26% | 10.83% | 13.58% |
| International Shares | 15.37% | 6.60% | 15.73% | 11.40% | 14.73% |
| International Shares – Indexed | 17.26% | 12.40% | N/A | N/A | N/A |
| International Shares (Hedged) – Indexed | 17.58% | 8.61% | N/A | N/A | N/A |
| Macquarie – Australian Fixed Interest | 6.57% | 9.28% | 4.02% | 4.87% | 4.71% |
| BlackRock – International Fixed Interest | 5.58% | 7.04% | 2.77% | 4.63% | 4.97% |
| Industry Super Property Trust – Property | 2.89% | 8.50% | 11.52% | 11.76% | 10.98% |
| Lendlease Australian Prime Property Funds – Property | 4.67% | 10.53% | 12.00% | 11.17% | 9.92% |
| IFM – Australian Infrastructure | 6.86% | 16.19% | 12.47% | N/A | N/A |
| Balanced Equity Management – Australian Shares | 19.93% | 13.11% | 15.57% | 9.00% | 13.31% |
| IFM – Australian Shares | 20.72% | 12.56% | 13.98% | 10.26% | N/A |
| Paradice Investment Management (Small Cap) – Australian Shares | 10.55% | -3.84% | 7.69% | 13.30% | 12.02% |

1. Hostplus Pension was offered by Hostplus from 21 September 2009. Not all investment options will have investment returns reported against each investment period due to varying commencement dates. You can access full investment return information from inception at hostplus.com.au. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. Past performance is not a guide to future performance.

Investment returns – Hostplus Transition to Retirement Pension

| Net investment returns for Hostplus Transition to Retirement to 30 June ¹ | | | |
|--|--------|--------|--------|
| Investment options | 6 mth | 2019 | 2018 |
| Capital Stable | 4.47% | 3.71% | 6.81% |
| Conservative Balanced | 7.01% | 5.02% | 9.41% |
| Socially Responsible Investment (SRI) – Balanced | 10.62% | 7.20% | 8.63% |
| Indexed Balanced | 12.75% | 8.47% | 9.58% |
| Balanced | 8.98% | 6.32% | 12.37% |
| Shares Plus | 11.50% | 6.58% | 14.03% |
| Cash | 0.97% | 1.93% | 1.43% |
| Diversified Fixed Interest | 3.81% | 5.76% | 3.02% |
| Property | 3.57% | 7.65% | 11.58% |
| Australian Shares | 15.53% | 5.61% | 16.02% |
| International Shares | 13.36% | 5.80% | 15.33% |
| International Shares – Indexed | 14.44% | 10.45% | N/A |
| International Shares (Hedged) – Indexed | 15.27% | 7.56% | N/A |
| Macquarie – Australian Fixed Interest | 5.59% | 7.87% | 2.14% |
| BlackRock – International Fixed Interest | 4.75% | 5.99% | 1.15% |
| Industry Super Property Trust – Property | 2.57% | 7.49% | 10.89% |
| Lendlease Australian Prime Property Funds – Property | 4.13% | 9.26% | 12.61% |
| IFM – Australian Infrastructure | 8.67% | 12.71% | 11.27% |
| Balanced Equity Management – Australian Shares | 17.53% | 11.61% | 10.76% |
| IFM – Australian Shares | 18.28% | 11.27% | 12.53% |
| Paradise Investment Management (Small Cap) – Australian Shares | 9.13% | -3.32% | 24.14% |
| Neuberger Berman – International Shares | 10.12% | 4.45% | 11.52% |

1. Transition to Retirement was offered by Hostplus from 30 June 2017. Not all investment options will have investment returns reported against each investment period due to varying commencement dates. You can access full investment return information from inception at hostplus.com.au. These returns are not used for crediting returns to your account. Net investment returns represent the rate of return on investments, net of investment-related fees, costs and taxes. The declared net investment returns can be positive or negative. Past performance is not a guide to future performance.

Investment holdings

| Australian Equities – 100 Largest Holdings as at 30 June 2019 | | | | |
|---|--------------------------------|-----------------------|------------------|-----------------|
| Rank | Name | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
| 1 | COMMONWEALTH BANK OF AUSTRALIA | \$662.5m | 6.3% | 1.5% |
| 2 | BHP GROUP ORD | \$575.2m | 5.5% | 1.3% |
| 3 | WESTPAC BANKING CORPORATION OR | \$498.7m | 4.8% | 1.1% |
| 4 | AUSTRALIA NEW ZEALAND BANKING | \$445.8m | 4.3% | 1.0% |
| 5 | CSL ORD | \$410.7m | 3.9% | 0.9% |
| 6 | NATIONAL AUSTRALIA BANK ORD | \$341.3m | 3.3% | 0.8% |
| 7 | RIO TINTO ORD | \$230.7m | 2.2% | 0.5% |
| 8 | TELSTRA CORPORATION ORD | \$217.3m | 2.1% | 0.5% |
| 9 | WOODSIDE PETROLEUM ORD | \$185.4m | 1.8% | 0.4% |
| 10 | ARISTOCRAT LEISURE ORD | \$178.9m | 1.7% | 0.4% |
| 11 | MACQUARIE GROUP ORD | \$171.9m | 1.6% | 0.4% |
| 12 | WOOLWORTHS GROUP ORD | \$171.5m | 1.6% | 0.4% |
| 13 | NEWCREST MINING ORD | \$163.1m | 1.6% | 0.4% |
| 14 | ORIGIN ENERGY ORD | \$159.0m | 1.5% | 0.4% |
| 15 | TRANSURBAN GROUP STAPLED UNT | \$143.4m | 1.4% | 0.3% |
| 16 | SANTOS ORD | \$139.8m | 1.3% | 0.3% |
| 17 | WESFARMERS ORD | \$134.3m | 1.3% | 0.3% |
| 18 | QANTAS AIRWAYS ORD | \$126.6m | 1.2% | 0.3% |
| 19 | WORLEYPARSONS ORD | \$119.5m | 1.1% | 0.3% |
| 20 | QBE INSURANCE GROUP ORD | \$117.9m | 1.1% | 0.3% |
| 21 | AMCOR CDI | \$112.6m | 1.1% | 0.2% |
| 22 | JAMES HARDIE INDUSTRIES CDI | \$108.5m | 1.0% | 0.2% |
| 23 | BRAMBLES ORD | \$103.5m | 1.0% | 0.2% |
| 24 | SUNCORP GROUP ORD | \$89.8m | 0.9% | 0.2% |
| 25 | ALUMINA ORD | \$87.5m | 0.8% | 0.2% |
| 26 | THE STAR ENTERTAINMENT GROUP O | \$86.4m | 0.8% | 0.2% |
| 27 | DOWNER EDI ORD | \$83.5m | 0.8% | 0.2% |
| 28 | ATLAS ARTERIA STAPLED UNT | \$83.4m | 0.8% | 0.2% |
| 29 | SIMS METAL MANAGEMENT ORD | \$78.7m | 0.8% | 0.2% |
| 30 | SEEK ORD | \$73.8m | 0.7% | 0.2% |
| 31 | OIL SEARCH ORD | \$73.4m | 0.7% | 0.2% |
| 32 | CYBG PLC CDI | \$68.1m | 0.6% | 0.2% |
| 33 | CLEANAWAY WASTE MANAGEMENT ORD | \$65.5m | 0.6% | 0.1% |

Australian Equities – 100 Largest Holdings as at 30 June 2019

| Rank | Name | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
|------|--------------------------------|-----------------------|------------------|-----------------|
| 34 | INSURANCE AUSTRALIA GRP ORD | \$62.3m | 0.6% | 0.1% |
| 35 | FORTESCUE METALS GROUP ORD | \$61.8m | 0.6% | 0.1% |
| 36 | COMPUTERSHARE ORD | \$60.6m | 0.6% | 0.1% |
| 37 | RELIANCE WORLDWIDE CORPORATION | \$59.1m | 0.6% | 0.1% |
| 38 | INCITEC PIVOT ORD | \$58.8m | 0.6% | 0.1% |
| 39 | LEND LEASE GROUP NPV (STAPLED) | \$58.3m | 0.6% | 0.1% |
| 40 | COLES GROUP ORD | \$57.2m | 0.5% | 0.1% |
| 41 | JB HI-FI ORD | \$55.5m | 0.5% | 0.1% |
| 42 | CALTEX AUSTRALIA ORD | \$55.4m | 0.5% | 0.1% |
| 43 | SCENTRE GROUP STAPLD UNIT | \$53.7m | 0.5% | 0.1% |
| 44 | RESMED CDI | \$53.1m | 0.5% | 0.1% |
| 45 | SOUTH32 ORD G | \$52.1m | 0.5% | 0.1% |
| 46 | RAMSAY HEALTH CARE ORD | \$51.9m | 0.5% | 0.1% |
| 47 | GOODMAN GROUP UNIT | \$51.8m | 0.5% | 0.1% |
| 48 | VOCUS GROUP ORD | \$50.1m | 0.5% | 0.1% |
| 49 | GPT GROUP STAPLED UNIT | \$48.7m | 0.5% | 0.1% |
| 50 | TREASURY WINE ESTATES ORD | \$48.6m | 0.5% | 0.1% |
| 51 | ILUKA RESOURCES ORD | \$48.3m | 0.5% | 0.1% |
| 52 | SYDNEY AIRPORT STAPLED UNIT | \$47.6m | 0.5% | 0.1% |
| 53 | METCASH ORD | \$46.0m | 0.4% | 0.1% |
| 54 | CHORUS ORD | \$45.7m | 0.4% | 0.1% |
| 55 | ORORA ORD | \$44.4m | 0.4% | 0.1% |
| 56 | NEXTDC ORD | \$42.0m | 0.4% | 0.1% |
| 57 | BORAL ORD | \$41.7m | 0.4% | 0.1% |
| 58 | A2 MILK COMPANY ORD | \$41.6m | 0.4% | 0.1% |
| 59 | APA GROUP STAPLED UNIT | \$41.1m | 0.4% | 0.1% |
| 60 | MINERAL RESOURCES ORD | \$41.1m | 0.4% | 0.1% |
| 61 | NINE ENTERTAINMENT CO HOLDINGS | \$40.3m | 0.4% | 0.1% |
| 62 | EVOLUTION MINING ORD | \$40.2m | 0.4% | 0.1% |
| 63 | VICINITY CENTRES STAPLED UNIT | \$39.8m | 0.4% | 0.1% |
| 64 | AURIZON HOLDINGS ORD | \$39.4m | 0.4% | 0.1% |
| 65 | TABCORP HOLDINGS ORD | \$39.3m | 0.4% | 0.1% |
| 66 | ORICA ORD | \$36.9m | 0.4% | 0.1% |

Investment holdings (continued)

| Australian Equities – 100 Largest Holdings as at 30 June 2019 | | | | |
|---|--------------------------------|-----------------------|------------------|-----------------|
| Rank | Name | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
| 67 | FLIGHT CENTRE TRAVEL GROUP ORD | \$36.5m | 0.3% | 0.1% |
| 68 | LYNAS CORP ORD | \$35.5m | 0.3% | 0.1% |
| 69 | TPG TELECOM ORD | \$35.2m | 0.3% | 0.1% |
| 70 | BLUESCOPE STEEL ORD | \$34.5m | 0.3% | 0.1% |
| 71 | CIMIC GROUP LTD | \$33.9m | 0.3% | 0.1% |
| 72 | SARACEN MINERAL HOLDINGS ORD | \$33.4m | 0.3% | 0.1% |
| 73 | AMP ORD | \$32.8m | 0.3% | 0.1% |
| 74 | XERO ORD | \$32.8m | 0.3% | 0.1% |
| 75 | STOCKLAND STAPLED UNT | \$32.8m | 0.3% | 0.1% |
| 76 | BEACH ENERGY ORD | \$31.9m | 0.3% | 0.1% |
| 77 | SEVEN GROUP HOLDINGS ORD | \$31.6m | 0.3% | 0.1% |
| 78 | ALS ORD | \$31.5m | 0.3% | 0.1% |
| 79 | ANSELL ORD | \$31.2m | 0.3% | 0.1% |
| 80 | MIRVAC GROUP STAPLED UNT | \$29.7m | 0.3% | 0.1% |
| 81 | IRESS ORD | \$29.5m | 0.3% | 0.1% |
| 82 | STEADFAST GROUP ORD | \$29.5m | 0.3% | 0.1% |
| 83 | REA GROUP ORD | \$29.3m | 0.3% | 0.1% |
| 84 | NUFARM ORD | \$28.8m | 0.3% | 0.1% |
| 85 | CHARTER HALL GRP STAPLED UNT | \$28.5m | 0.3% | 0.1% |
| 86 | INDEPENDENCE GROUP ORD | \$28.3m | 0.3% | 0.1% |
| 87 | DEXUS STAPLED UNT | \$28.1m | 0.3% | 0.1% |
| 88 | CALL CSL LTD 12/19/19 0.01 | \$27.6m | 0.3% | 0.1% |
| 89 | CARSALESCOM ORD | \$27.6m | 0.3% | 0.1% |
| 90 | NEWS CORPORATION CLASS B VOTIN | \$27.0m | 0.3% | 0.1% |
| 91 | NORTHERN STAR RESOURCES ORD | \$26.9m | 0.3% | 0.1% |
| 92 | IPH ORD | \$25.9m | 0.2% | 0.1% |
| 93 | ASX ORD | \$25.6m | 0.2% | 0.1% |
| 94 | COCA COLA AMATIL ORD | \$25.2m | 0.2% | 0.1% |
| 95 | AGL ENERGY ORD | \$24.9m | 0.2% | 0.1% |

Australian Equities – 100 Largest Holdings as at 30 June 2019

| Rank | Name | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
|------|--------------------------------|-----------------------|------------------|-----------------|
| 96 | LINK ADMINISTRATION HOLDINGS O | \$24.9m | 0.2% | 0.1% |
| 97 | MAGELLAN FINANCIAL GROUP ORD | \$24.7m | 0.2% | 0.1% |
| 98 | PREMIER INVESTMENTS ORD | \$23.6m | 0.2% | 0.1% |
| 99 | VIVA ENERGY GROUP ORD | \$22.8m | 0.2% | 0.1% |
| 100 | CSR ORD | \$22.3m | 0.2% | 0.0% |
| | | \$8,916.9m | 85.1% | 19.7% |

Australian Equities – Sector Allocation of 100 Largest Holdings as at 30 June 2019

| Sector | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
|------------------------|-----------------------|------------------|-----------------|
| Communication Services | \$472.6m | 4.51% | 1.0% |
| Consumer Discretionary | \$596.6m | 5.69% | 1.3% |
| Consumer Staples | \$390.2m | 3.72% | 0.9% |
| Energy | \$787.3m | 7.51% | 1.7% |
| Financials | \$2,570.8m | 24.53% | 5.7% |
| Health Care | \$574.5m | 5.48% | 1.3% |
| Industrials | \$948.7m | 9.05% | 2.1% |
| Information Technology | \$147.8m | 1.41% | 0.3% |
| Materials | \$1,991.0m | 19.00% | 4.4% |
| Real Estate | \$371.4m | 3.54% | 0.8% |
| Utilities | \$66.0m | 0.63% | 0.1% |
| Total | \$8,916.9m | 85.1% | 19.7% |

Investment holdings (continued)

| International Equities – 100 Largest Holdings as at 30 June 2019 | | | | | |
|--|--------------------------------|----------------|-----------------------|------------------|-----------------|
| Rank | Name | Country | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
| 1 | AMAZON COM ORD | UNITED STATES | \$242.7m | 1.7% | 0.5% |
| 2 | TENCENT ORD | CHINA | \$215.6m | 1.5% | 0.5% |
| 3 | TAIWAN SEMICONDUCTOR MNFTG ADR | TAIWAN | \$211.1m | 1.5% | 0.5% |
| 4 | ALIBABA GROUP HOLDING ADR REP | CHINA | \$195.7m | 1.4% | 0.4% |
| 5 | SAMSUNG ELECTR ORD | KOREA | \$189.8m | 1.3% | 0.4% |
| 6 | MICROSOFT ORD | UNITED STATES | \$167.3m | 1.2% | 0.4% |
| 7 | ALPHABET CL C ORD | UNITED STATES | \$167.1m | 1.2% | 0.4% |
| 8 | FACEBOOK CL A ORD | UNITED STATES | \$163.9m | 1.2% | 0.4% |
| 9 | APPLE ORD | UNITED STATES | \$132.8m | 0.9% | 0.3% |
| 10 | NETEASE ADR | CHINA | \$125.5m | 0.9% | 0.3% |
| 11 | NOVARTIS N ORD | SWITZERLAND | \$120.7m | 0.8% | 0.3% |
| 12 | NASPERS N ORD | SOUTH AFRICA | \$113.0m | 0.8% | 0.2% |
| 13 | AIA ORD | HONG KONG | \$110.2m | 0.8% | 0.2% |
| 14 | ILLUMINA ORD | UNITED STATES | \$96.1m | 0.7% | 0.2% |
| 15 | HDFC BANK ADR REP 3 ORD | INDIA | \$95.8m | 0.7% | 0.2% |
| 16 | JOHNSON & JOHNSON ORD | UNITED STATES | \$92.6m | 0.7% | 0.2% |
| 17 | TECHTRONIC IND ORD | HONG KONG | \$77.9m | 0.5% | 0.2% |
| 18 | IMPERIAL BRANDS ORD | UNITED KINGDOM | \$76.9m | 0.5% | 0.2% |
| 19 | BANK OF AMERICA ORD | UNITED STATES | \$74.5m | 0.5% | 0.2% |
| 20 | RECKITT BENCKSR STK | UNITED KINGDOM | \$73.2m | 0.5% | 0.2% |
| 21 | BRITISH AMERICAN TOBACCO ORD | UNITED KINGDOM | \$69.4m | 0.5% | 0.2% |
| 22 | NINTENDO ORD | JAPAN | \$68.7m | 0.5% | 0.2% |
| 23 | BOOKING HOLDINGS ORD | UNITED STATES | \$67.2m | 0.5% | 0.1% |
| 24 | ACCENTURE CL A ORD | UNITED STATES | \$65.7m | 0.5% | 0.1% |
| 25 | ABBVIE ORD | UNITED STATES | \$64.8m | 0.5% | 0.1% |
| 26 | NETFLIX ORD | UNITED STATES | \$64.4m | 0.5% | 0.1% |
| 27 | MARUTI SUZUKI INDIA ORD | INDIA | \$64.3m | 0.5% | 0.1% |
| 28 | S&P GLOBAL ORD | UNITED STATES | \$64.0m | 0.5% | 0.1% |
| 29 | EQUIFAX ORD | UNITED STATES | \$64.0m | 0.5% | 0.1% |
| 30 | NVIDIA ORD | UNITED STATES | \$61.7m | 0.4% | 0.1% |
| 31 | NESTLE N ORD | SWITZERLAND | \$61.3m | 0.4% | 0.1% |
| 32 | PING AN ORD H | CHINA | \$59.3m | 0.4% | 0.1% |
| 33 | MERCADOLIBRE ORD | UNITED STATES | \$57.7m | 0.4% | 0.1% |

International Equities – 100 Largest Holdings as at 30 June 2019

| Rank | Name | Country | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
|------|-------------------------------|----------------|-----------------------|------------------|-----------------|
| 34 | XPO LOGISTICS ORD | UNITED STATES | \$57.5m | 0.4% | 0.1% |
| 35 | PAYPAL HOLDINGS ORD | UNITED STATES | \$55.9m | 0.4% | 0.1% |
| 36 | SBERBANK ORD | RUSSIA | \$55.0m | 0.4% | 0.1% |
| 37 | COSTCO WHOLESALE ORD | UNITED STATES | \$53.6m | 0.4% | 0.1% |
| 38 | KERING ORD | FRANCE | \$53.6m | 0.4% | 0.1% |
| 39 | JPMORGAN CHASE ORD | UNITED STATES | \$50.5m | 0.4% | 0.1% |
| 40 | FOX CL A ORD | UNITED STATES | \$49.9m | 0.4% | 0.1% |
| 41 | ASML HOLDING ORD | NETHERLANDS | \$49.6m | 0.3% | 0.1% |
| 42 | JAPAN TOBACCO ORD | JAPAN | \$49.0m | 0.3% | 0.1% |
| 43 | RICHEMONT N ORD | SWITZERLAND | \$46.7m | 0.3% | 0.1% |
| 44 | YANDEX CL A ORD | NETHERLANDS | \$46.0m | 0.3% | 0.1% |
| 45 | ORACLE ORD | UNITED STATES | \$45.0m | 0.3% | 0.1% |
| 46 | KIRIN HOLDINGS ORD | JAPAN | \$42.6m | 0.3% | 0.1% |
| 47 | CHIPOTLE MEXICAN GRILL ORD | UNITED STATES | \$41.7m | 0.3% | 0.1% |
| 48 | TESLA ORD | UNITED STATES | \$41.3m | 0.3% | 0.1% |
| 49 | CITIGROUP INC COM | UNITED STATES | \$40.7m | 0.3% | 0.1% |
| 50 | AUTOHOME ADR REP CL A ORD | CHINA | \$40.5m | 0.3% | 0.1% |
| 51 | WALT DISNEY ORD | UNITED STATES | \$40.5m | 0.3% | 0.1% |
| 52 | CELGENE ORD | UNITED STATES | \$40.4m | 0.3% | 0.1% |
| 53 | MICRON TECHNOLOGY ORD | UNITED STATES | \$40.3m | 0.3% | 0.1% |
| 54 | ANTHEM ORD | UNITED STATES | \$40.0m | 0.3% | 0.1% |
| 55 | PJSC LUKOIL SPON ADR REP ORD | RUSSIA | \$39.7m | 0.3% | 0.1% |
| 56 | GLAXOSMITHKLINE ORD | UNITED KINGDOM | \$39.4m | 0.3% | 0.1% |
| 57 | TATA CONSULTANCY SERVICES ORD | INDIA | \$38.3m | 0.3% | 0.1% |
| 58 | WALMART ORD | UNITED STATES | \$38.0m | 0.3% | 0.1% |
| 59 | INTUITIVE SURGICAL IN COM NEW | UNITED STATES | \$38.0m | 0.3% | 0.1% |
| 60 | TOP GLOVE CORPORATION ORD | MALAYSIA | \$37.5m | 0.3% | 0.1% |
| 61 | LG HOUSEHOLD ORD | KOREA | \$37.5m | 0.3% | 0.1% |
| 62 | AMERICAN AIRLINES GROUP ORD | UNITED STATES | \$37.4m | 0.3% | 0.1% |
| 63 | CSX ORD | UNITED STATES | \$37.4m | 0.3% | 0.1% |
| 64 | ITAUBANCO PR REP ADR | BRAZIL | \$37.2m | 0.3% | 0.1% |
| 65 | VALE ADR REPTG ONE ORD | BRAZIL | \$36.8m | 0.3% | 0.1% |
| 66 | CJ CHEILJEDANG ORD | KOREA | \$36.6m | 0.3% | 0.1% |

Investment holdings (continued)

| International Equities – 100 Largest Holdings as at 30 June 2019 | | | | | |
|--|--------------------------------|----------------|-----------------------|------------------|-----------------|
| Rank | Name | Country | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
| 67 | EBAY ORD | UNITED STATES | \$36.2m | 0.3% | 0.1% |
| 68 | WESTERN UNION ORD | UNITED STATES | \$36.2m | 0.3% | 0.1% |
| 69 | SUMITOMO ORD | JAPAN | \$35.6m | 0.3% | 0.1% |
| 70 | UNITEDHEALTH GRP ORD | UNITED STATES | \$35.4m | 0.2% | 0.1% |
| 71 | WELLS FARGO ORD | UNITED STATES | \$35.3m | 0.2% | 0.1% |
| 72 | MOLSON COORS BREWING NONVTG CL | UNITED STATES | \$34.7m | 0.2% | 0.1% |
| 73 | ICBC ORD H | CHINA | \$34.6m | 0.2% | 0.1% |
| 74 | SALESFORCE.COM ORD | UNITED STATES | \$34.4m | 0.2% | 0.1% |
| 75 | CREDICORP ORD | PERU | \$34.4m | 0.2% | 0.1% |
| 76 | EXXON MOBIL ORD | UNITED STATES | \$34.0m | 0.2% | 0.1% |
| 77 | ADVANCED INFO SV NVDR | THAILAND | \$33.7m | 0.2% | 0.1% |
| 78 | SOTHEBYS ORD | UNITED STATES | \$33.5m | 0.2% | 0.1% |
| 79 | BMW ORD | GERMANY | \$33.0m | 0.2% | 0.1% |
| 80 | SAP ORD | GERMANY | \$33.0m | 0.2% | 0.1% |
| 81 | VERIZON COMMUNICATIONS ORD | UNITED STATES | \$32.9m | 0.2% | 0.1% |
| 82 | AMERICA MOVIL ADR REP 20 SRL | MEXICO | \$32.7m | 0.2% | 0.1% |
| 83 | PHILIP MORRIS INTERNATIONAL OR | UNITED STATES | \$32.5m | 0.2% | 0.1% |
| 84 | ICICI BANK ORD | INDIA | \$32.1m | 0.2% | 0.1% |
| 85 | CNOOC ORD H | CHINA | \$31.9m | 0.2% | 0.1% |
| 86 | AMERICAN EXPRESS ORD | UNITED STATES | \$31.7m | 0.2% | 0.1% |
| 87 | MITSUBISHI ORD | JAPAN | \$31.6m | 0.2% | 0.1% |
| 88 | ABBOTT LABORATORIES ORD | UNITED STATES | \$31.4m | 0.2% | 0.1% |
| 89 | L'OREAL ORD | FRANCE | \$31.4m | 0.2% | 0.1% |
| 90 | BERKSHIRE HATHWAY CL B ORD | UNITED STATES | \$31.2m | 0.2% | 0.1% |
| 91 | WORKDAY CL A ORD | UNITED STATES | \$31.0m | 0.2% | 0.1% |
| 92 | ROSS STORES ORD | UNITED STATES | \$30.8m | 0.2% | 0.1% |
| 93 | INFORMA ORD | UNITED KINGDOM | \$30.7m | 0.2% | 0.1% |
| 94 | INTEL ORD | UNITED STATES | \$30.5m | 0.2% | 0.1% |

International Equities – 100 Largest Holdings as at 30 June 2019

| Rank | Name | Country | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
|--------------|--------------------------------|---------------|-----------------------|------------------|-----------------|
| 95 | TELEKOMUNIKASI I ORD | INDONESIA | \$29.8m | 0.2% | 0.1% |
| 96 | INDITEX ORD | SPAIN | \$29.8m | 0.2% | 0.1% |
| 97 | HOME DEPOT ORD | UNITED STATES | \$29.7m | 0.2% | 0.1% |
| 98 | FOMENTO ECONOMICO MEXICANO UBD | MEXICO | \$29.5m | 0.2% | 0.1% |
| 99 | HONDA MOTOR ORD | JAPAN | \$29.3m | 0.2% | 0.1% |
| 100 | MEITUAN-W ORD | CHINA | \$29.3m | 0.2% | 0.1% |
| Total | | | \$6,113.0m | 43.0% | 13.5% |

International Equities – Sector Allocation of the 100 Largest Holdings as at 30 June 2019

| Sector | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
|------------------------|-----------------------|------------------|-----------------|
| Communication Services | \$932.2m | 6.6% | 2.1% |
| Consumer Discretionary | \$1,385.4m | 9.8% | 3.1% |
| Consumer Staples | \$666.2m | 4.7% | 1.5% |
| Energy | \$105.6m | 0.7% | 0.2% |
| Financials | \$786.5m | 5.5% | 1.7% |
| Health Care | \$636.5m | 4.5% | 1.4% |
| Industrials | \$341.4m | 2.4% | 0.8% |
| Information Technology | \$1,222.5m | 8.6% | 2.7% |
| Materials | \$36.8m | 0.3% | 0.1% |
| Total | \$6,113.0m | 43.04% | 13.5% |

Investment holdings (continued)

| Property – Sector Allocation as at 30 June 2019 | | | |
|--|------------------------------|-------------------------|------------------------|
| Sector | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
| Retail | \$1,571.1m | 30.7% | 3.5% |
| Industrial | \$577.1m | 11.3% | 1.3% |
| Commercial | \$2,228.0m | 43.5% | 4.9% |
| Residential | \$251.6m | 4.9% | 0.6% |
| Hospitality | \$458.8m | 9.0% | 1.0% |
| Other | \$31.7m | 0.6% | 0.1% |
| Total | \$5,118.3m | 100.0% | 11.3% |

| Property – Allocation by Type as at 30 June 2019 | | | |
|---|------------------------------|-------------------------|------------------------|
| Type | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
| Core | \$5,030.0m | 98.3% | 11.1% |
| Development/Opportunistic/ Tactical | \$88.3m | 1.7% | 0.2% |
| Total | \$5,118.3m | 100.0% | 11.3% |

Property – Geographic Allocation as at 30 June 2019

| Location | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
|------------------------------|-----------------------|------------------|-----------------|
| Australia | \$4,346.2m | 84.8% | 9.6% |
| New South Wales | \$1,712.1m | 33.4% | 3.8% |
| Queensland | \$877.1m | 17.1% | 1.9% |
| Victoria | \$1,061.9m | 20.7% | 2.3% |
| Western Australia | \$420.2m | 8.2% | 0.9% |
| Australian Capital Territory | \$124.4m | 2.4% | 0.3% |
| South Australia | \$130.2m | 2.5% | 0.3% |
| Northern Territory | \$2.5m | 0.0% | 0.0% |
| Tasmania | \$11.6m | 0.2% | 0.0% |
| Overseas | \$772.1m | 15.1% | 1.7% |
| Singapore | \$491.1m | 9.6% | 1.1% |
| United States | \$265.4m | 5.2% | 0.6% |
| Malaysia | \$15.7m | 0.3% | 0.0% |
| Total | \$5,118.3m | 100.0% | 11.3% |

Property – Sustainability Ratings as at 30 June 2019

| Green Star Sustainability Rating ¹ | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
|---|-----------------------|------------------|-----------------|
| 6-star Green Star | \$453.9m | 8.9% | 1.0% |
| 5-star Green Star | \$116.8m | 2.3% | 0.3% |
| 4-star Green Star | \$132.6m | 2.6% | 0.3% |
| 3-star Green Star | \$129.4m | 2.5% | 0.3% |
| 2-star Green Star | \$228.3m | 4.5% | 0.5% |
| 1-star Green Star | \$340.3m | 6.6% | 0.8% |
| Not rated/not applicable/ yet to be rated ² | \$3,717.1m | 72.6% | 8.2% |
| Total | \$5,118.3m | 100.0% | 11.3% |

1. Green Star is a comprehensive, national and voluntary environmental rating system that evaluates the environmental design and construction of buildings. The following Green Star certified ratings signify the following:

- 1-star Green Star (score 10–19) – ‘Minimum Practice’ in environmentally sustainable design and/or construction;
- 2-star Green Star (score 20–29) – ‘Average Practice’ in environmentally sustainable design and/or construction;
- 3-star Green Star (score 30–44) – ‘Good Practice’ in environmentally sustainable design and/or construction;
- 4-star Green Star (score 45–59) – ‘Best Practice’ in environmentally sustainable design and/or construction;
- 5-star Green Star (score 60–74) – ‘Australian Excellence’ in environmentally sustainable design and/or construction;
- 6-star Green Star (score 75–100) – ‘World Leadership’ in environmentally sustainable design and/or construction.

2. Please note that Green Star ratings are only currently applicable to commercial properties.

Investment holdings (continued)

| Private Equity – Strategy Allocation as at 30 June 2019 | | | |
|---|-----------------------|------------------|-----------------|
| Strategy | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
| Buy-outs | \$817.9m | 28.4% | 1.8% |
| Venture Capital | \$699.7m | 24.3% | 1.5% |
| Special Situations | \$13.6m | 0.5% | 0.0% |
| Expansion | \$120.2m | 4.2% | 0.3% |
| Co-investments | \$820.3m | 28.5% | 1.8% |
| Other (incl. Mixed Strategy, ISH, ME Bank) | \$410.3m | 14.2% | 0.9% |
| Total | \$2,882.1m | 100.0% | 6.4% |

| Private Equity – Geographic Allocation as at 30 June 2019 | | | |
|---|-----------------------|------------------|-----------------|
| Location | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
| Australia | \$808.4m | 28.0% | 1.8% |
| Victoria | \$476.1m | 16.5% | 1.1% |
| New South Wales | \$272.8m | 9.5% | 0.6% |
| Queensland | \$17.1m | 0.6% | 0.0% |
| Western Australia | \$38.7m | 1.3% | 0.1% |
| South Australia | \$3.7m | 0.1% | 0.0% |
| Australian Capital Territory | \$0.0m | 0.0% | 0.0% |
| Northern Territory | \$0.0m | 0.0% | 0.0% |
| Overseas | \$2,073.7m | 72.0% | 4.6% |
| United States | \$1,186.5m | 41.2% | 2.6% |
| United Kingdom | \$258.1m | 9.0% | 0.6% |
| France | \$95.9m | 3.3% | 0.2% |
| Germany | \$67.4m | 2.3% | 0.1% |
| Netherlands | \$65.2m | 2.3% | 0.1% |
| India | \$53.6m | 1.9% | 0.1% |
| Channel Islands | \$36.8m | 1.3% | 0.1% |
| Singapore | \$33.3m | 1.2% | 0.1% |
| Spain | \$29.8m | 1.0% | 0.1% |
| Other | \$247.1m | 8.6% | 0.5% |
| Total | \$2,882.1m | 100.0% | 6.4% |

Infrastructure – Infrastructure Assets as at 30 June 2019¹

| Asset Name | Asset Type | Location | Value Range (AUD) |
|---|---|--------------------|-------------------|
| NSW Ports | Seaports | New South Wales | > \$200m |
| Indiana Toll Road | Toll Roads | United States | > \$200m |
| Melbourne Airport | Airports | Victoria | > \$200m |
| Aleatica | Toll Roads | Mexico | > \$200m |
| Ausgrid | Electricity Transmission and Distribution | New South Wales | > \$200m |
| Brisbane Airport | Airports | Queensland | \$100m–\$200m |
| Port of Brisbane | Seaports | Queensland | \$100m–\$200m |
| Darling Harbour Live | Social Infrastructure | New South Wales | \$100m–\$200m |
| Manchester Airports Group | Airports | United Kingdom | \$100m–\$200m |
| Anglian Water Group | Water and Wastewater | United Kingdom | \$100m–\$200m |
| Perth Airport | Airports | Western Australia | \$100m–\$200m |
| Freeport Train 2 | Liquefied Natural Gas | United States | \$100m–\$200m |
| Freeport LNG Notes | Liquefied Natural Gas | United States | \$50m–\$100m |
| Vienna Airport | Airports | Austria | \$50m–\$100m |
| Campus Living United Kingdom Investment | Social Infrastructure | United Kingdom | \$50m–\$100m |
| VTTI | Other | Netherlands | \$50m–\$100m |
| Campus Living United States Investment | Social Infrastructure | United States | \$50m–\$100m |
| FCC AQUALIA | Water and Wastewater | Spain | \$50m–\$100m |
| Hobart Airport | Airports | Tasmania | \$50m–\$100m |
| NT Airports | Airports | Northern Territory | \$50m–\$100m |
| APAC | Airports | Victoria | \$10m–\$50m |
| Mersin International Port | Seaports | Turkey | \$10m–\$50m |
| TransGrid | Electricity Transmission and Distribution | Victoria | \$10m–\$50m |
| GCT Global Container Terminals | Seaports | Canada | \$10m–\$50m |
| Lochard Energy | Energy Storage | Victoria | \$10m–\$50m |
| M6Toll | Toll Roads | United Kingdom | \$10m–\$50m |
| Colonial Pipeline Company | Pipelines | United States | \$10m–\$50m |
| Swedegas / Weum Gas | Gas Distribution | Sweden | \$10m–\$50m |
| Southern Cross Station | Social Infrastructure | Victoria | \$10m–\$50m |

1. As it may contain price-sensitive information, not all investments are currently included in this table.

Investment holdings (continued)

| Infrastructure – Infrastructure Assets as at 30 June 2019 ¹ | | | |
|--|----------------------------|-------------------|-------------------|
| Asset Name | Asset Type | Location | Value Range (AUD) |
| Eastern Distributor (M1) | Toll Roads | New South Wales | \$10m–\$50m |
| CLV Loan | Social Infrastructure | Western Australia | \$10m–\$50m |
| Scandlines | Transport | Denmark | \$10m–\$50m |
| Veolia Energia Polska | Steam and Hot Water Supply | Poland | \$10m–\$50m |
| UNSW | Social Infrastructure | New South Wales | \$10m–\$50m |
| South East Water | Water and Wastewater | United Kingdom | \$10m–\$50m |
| Arqiva Limited | Telecommunications | United Kingdom | \$10m–\$50m |
| SVM | Social Infrastructure | Victoria | \$10m–\$50m |
| Adelaide Airport | Airports | South Australia | \$10m–\$50m |
| Australian Registry Investments | Registry Infrastructure | New South Wales | \$10m–\$50m |
| Utilitas | Steam and Hot Water Supply | Estonia | \$10m–\$50m |
| Interlink Roads (M5) | Toll Roads | New South Wales | \$10m–\$50m |
| Phoenix Natural Gas | Gas Distribution | United Kingdom | \$10m–\$50m |
| Impala Terminals | Other | Peru | \$10m–\$50m |
| Coriance | Steam and Hot Water Supply | France | \$10m–\$50m |
| DCT Gdansk | Seaports | Poland | \$10m–\$50m |
| Porterbrook Rolling Stock | Rail | United Kingdom | \$10m–\$50m |
| Oceania Healthcare | Other | New Zealand | \$10m–\$50m |
| Campus Living New Zealand Investment | Social Infrastructure | New Zealand | \$10m–\$50m |
| Finerge | Renewable Energy | Portugal | \$10m–\$50m |
| Sydney Desalination Plant | Water and Wastewater | New South Wales | \$10m–\$50m |
| Other | - | - | < \$10m |

1. As it may contain price-sensitive information, not all investments are currently included in this table.

Infrastructure – Sector Allocation as at 30 June 2019¹

| Sector | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
|---|-----------------------|------------------|-----------------|
| Airports | \$998.9m | 25.7% | 2.2% |
| Electricity Transmission and Distribution | \$300.4m | 7.7% | 0.7% |
| Energy Storage | \$45.1m | 1.2% | 0.1% |
| Gas Distribution | \$54.5m | 1.4% | 0.1% |
| Liquefied Natural Gas | \$204.0m | 5.3% | 0.5% |
| Pipelines | \$39.1m | 1.0% | 0.1% |
| Rail | \$14.2m | 0.4% | 0.0% |
| Registry Infrastructure | \$19.5m | 0.5% | 0.0% |
| Renewable Energy | \$19.5m | 0.5% | 0.0% |
| Seaports | \$594.8m | 15.3% | 1.3% |
| Social Infrastructure | \$484.5m | 12.5% | 1.1% |
| Steam and Hot Water Supply | \$59.5m | 1.5% | 0.1% |
| Telecommunications | \$22.6m | 0.6% | 0.1% |
| Toll Roads | \$636.8m | 16.4% | 1.4% |
| Transport | \$24.7m | 0.6% | 0.1% |
| Water and Wastewater | \$243.1m | 6.3% | 0.5% |
| Other | \$118.9m | 3.1% | 0.3% |
| Total | \$3,880.0m | 100.0% | 8.6% |

1. As it may contain price-sensitive information, not all investments are currently included in this table.

Investment holdings (continued)

| Infrastructure – Geographic Allocation as at 30 June 2019 ¹ | | | |
|--|-----------------------|------------------|-----------------|
| Location | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
| Australia | \$2,001.4m | 51.6% | 4.4% |
| New South Wales | \$876.5m | 22.6% | 1.9% |
| Victoria | \$474.0m | 12.2% | 1.0% |
| Queensland | \$343.5m | 8.9% | 0.8% |
| Western Australia | \$148.0m | 3.8% | 0.3% |
| Tasmania | \$61.6m | 1.6% | 0.1% |
| Northern Territory | \$59.8m | 1.5% | 0.1% |
| South Australia | \$30.7m | 0.8% | 0.1% |
| Australian Capital Territory | \$7.3m | 0.2% | 0.0% |
| Overseas | \$1,878.6m | 48.4% | 4.2% |
| United States | \$599.7m | 15.5% | 1.3% |
| United Kingdom | \$499.2m | 12.9% | 1.1% |
| Mexico | \$251.3m | 6.5% | 0.6% |
| Austria | \$84.2m | 2.2% | 0.2% |
| Spain | \$78.1m | 2.0% | 0.2% |
| Netherlands | \$73.9m | 1.9% | 0.2% |
| Turkey | \$47.8m | 1.2% | 0.1% |
| Canada | \$46.8m | 1.2% | 0.1% |
| Other | \$197.7m | 5.1% | 0.4% |
| Total | \$3,880.0m | 100.0% | 8.6% |

1. As it may contain price-sensitive information, not all investments are currently included in this table.

Alternatives – Strategy Allocation as at 30 June 2019

| Strategy | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
|----------------------------|-----------------------|------------------|-----------------|
| Systematic Global Macro | \$1,561.4m | 67.8% | 3.5% |
| Trend Following | \$311.6m | 13.5% | 0.7% |
| Risk Premia | \$230.3m | 10.0% | 0.5% |
| Discretionary Global Macro | \$200.7m | 8.7% | 0.4% |
| Total | \$2,304.0m | 100.0% | 5.1% |

Credit – Strategy Allocation as at 30 June 2019

| Strategy | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
|-------------------|-----------------------|------------------|-----------------|
| Structured Credit | \$1,857.2m | 71.8% | 4.1% |
| High Yield Credit | \$311.5m | 12.0% | 0.7% |
| Private Debt | \$419.2m | 16.2% | 0.9% |
| Total | \$2,587.8m | 100.0% | 5.7% |

Credit – Geographic Allocation as at 30 June 2019

| Location | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
|------------------|-----------------------|------------------|-----------------|
| North America | \$1,789.4m | 69.1% | 4.0% |
| Europe | \$89.7m | 3.5% | 0.2% |
| UK | \$25.6m | 1.0% | 0.1% |
| Asia/Pacific | \$1.3m | 0.1% | 0.0% |
| Emerging Markets | \$19.3m | 0.7% | 0.0% |
| Other | \$662.5m | 25.6% | 1.5% |
| Total | \$2,587.8m | 100.0% | 5.7% |

Investment holdings (continued)

| Fixed Interest – Security Type Allocation as at 30 June 2019 | | | |
|--|-----------------------|------------------|-----------------|
| Security Type | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
| Government (incl. supranationals) | \$757.8m | 48.0% | 1.7% |
| Semi-government | \$269.0m | 17.0% | 0.6% |
| Corporate | \$310.9m | 19.7% | 0.7% |
| Asset Backed Securities – RMBS | \$120.1m | 7.6% | 0.3% |
| Asset Backed Securities – CMBS | \$6.4m | 0.4% | 0.0% |
| Asset Backed Securities – Other | \$54.6m | 3.5% | 0.1% |
| Other Security Type | \$60.1m | 3.8% | 0.1% |
| Total | \$1,578.9m | 100.0% | 3.5% |

| Fixed Interest – Geographic Allocation as at 30 June 2019 | | | |
|---|-----------------------|------------------|-----------------|
| Location | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
| Australia | \$865.1m | 54.8% | 1.9% |
| International | \$713.8m | 45.2% | 1.6% |
| Total | \$1,578.9m | 100.0% | 3.5% |

| Cash – Security Type Allocation as at 30 June 2019 | | | |
|--|-----------------------|------------------|-----------------|
| Security Type | Amount Invested (AUD) | % of Asset Class | % of Total Fund |
| Term Deposits | \$1,482.1m | 75.1% | 3.3% |
| Negotiable Certificates of Deposit | \$1,365.8m | 69.2% | 3.0% |
| Floating Rate Notes | \$116.3m | 5.9% | 0.3% |
| Cash (at Call) | \$490.7m | 24.9% | 1.1% |
| Total | \$1,972.8m | 100.0% | 4.4% |

Other investment information

Currency hedging

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

Derivatives

Derivatives are financial instruments linked to the future purchase or sale of securities, such as shares and other assets. They are common risk management tools. The Fund permits the use of derivatives to manage risk and enhance returns.

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

- The investment strategy adopted for that portion of the fund managed by the relevant investment manager
- The investment powers of the Fund
- The strategy as agreed between the Fund and the respective investment managers.

Some Hostplus investment managers use derivatives to achieve their investment objectives and manage risk, while always complying with the asset sector investment guidelines. Derivatives may be used in the management of the Fund's investment portfolio, but may not be used to gear the portfolio or create net short positions.

Hostplus monitors the use of derivatives by our investment managers. An annual review of the derivatives risk statements of the investment managers or attestations, obtained from various investment managers in relation to their internal controls, are undertaken to ensure that they have the appropriate controls to trade such instruments. The use of derivatives and subsequent control frameworks are considered part of our investment risk profile.

Investment manager allocations

We appoint a range of trusted, specialist investment managers to invest on the Fund's behalf. Each manager is assessed for suitability in relation to the Fund's overall investment strategy.

Each manager's investment performance is regularly reviewed, with changes made where necessary. The managers in place as at 30 June 2019 (together with their allocations) are shown in the following tables.

The following investment managers have combined investments in excess of 5 per cent of the Fund's total assets:

- IFM Investors Pty Ltd
- ISPT Pty Ltd
- Paradise Investment Management Pty Ltd.

The list of investment manager allocations on the following pages may include cash and accounting accruals.

| Manager/Investment | % of Total Fund Assets | \$m |
|--|-------------------------------|------------------|
| Equity | 60.8% | 27,744.07 |
| Australian Shares | 23.1% | 10,523.32 |
| Airlie Funds Management Pty Ltd (Active Australian Equity) | 1.3% | 601.28 |
| Airlie Funds Management Pty Ltd (Industrial Australian Equity) | 0.3% | 126.50 |
| Allan Gray Australia Pty Ltd | 1.4% | 627.13 |
| Balanced Equity Management Pty Limited | 1.8% | 811.78 |
| Greencape Capital Pty Ltd (Australian Equity) | 2.2% | 990.31 |
| Firetrail Ltd (High Conviction) | 1.2% | 531.32 |
| IFM Investors Pty Ltd (Buyback) | 0.0% | -0.29 |
| IFM Investors Pty Ltd (Enhanced Indexed) | 4.8% | 2,203.06 |
| IFM Investors Pty Ltd (Small Cap) | 0.5% | 240.07 |
| L1 Capital Pty Ltd | 0.9% | 406.03 |
| Paradise Investment Management Pty Ltd (Small Cap) | 0.8% | 373.19 |
| Paradise Investment Management Pty Ltd (Mid Cap) | 1.1% | 503.72 |
| Paradise Investment Management Pty Ltd (Large Cap) | 2.1% | 970.77 |
| Pendal Group | 1.9% | 883.50 |
| Vinva Australian Equity Alpha Extension Fund – Vinva Investment Management Limited | 1.1% | 479.54 |
| Yarra Capital Management Limited (Australian Equities) | 1.1% | 485.14 |
| Yarra Capital Management Limited (Emerging Leaders) | 0.6% | 290.27 |
| International Shares | 31.4% | 14,338.66 |
| Apostle Dundas Global Equity Fund – Dundas Global Investors Limited | 1.8% | 822.83 |
| Baillie Gifford Overseas Limited | 2.5% | 1,121.34 |
| Citigroup Transition International Equities | 0.4% | 172.30 |
| Hosking Partners LLP | 2.4% | 1,117.54 |
| IFM Investors Pty Ltd (Indexed Global Equities) | 6.7% | 3,046.44 |
| Independent Franchise Partners, LLP | 2.6% | 1,207.09 |
| Investec Asset Management Australia Pty Limited | 1.6% | 744.75 |
| Martin Currie Investment Management Ltd | 1.6% | 719.97 |
| Maverick Long Enhanced Fund Ltd – Maverick Long Enhanced Ltd | 0.3% | 146.53 |
| Northcape Capital Pty Ltd | 1.7% | 758.48 |
| Neuberger Berman Australia Pty Limited | 1.2% | 536.96 |
| Orbis Global Equity Fund – Orbis Investment Management Limited | 2.6% | 1,186.72 |

Investment manager allocations

| Manager/Investment | % of Total Fund Assets | \$m |
|---|------------------------|-----------------|
| Paradice Investment Management Pty Ltd (Global Small Cap) | 1.2% | 553.09 |
| RWC Asset Management LLP | 1.5% | 683.18 |
| T. Rowe Price Australia Limited | 0.4% | 202.96 |
| Vaughan Nelson Investment Management LP | 0.0% | 8.42 |
| Wellington International Management Company Pte Ltd (Asia ex-Japan Contrarian Equity) | 0.9% | 413.29 |
| Wellington International Management Company Pte Ltd (Global Contrarian Equity) | 2.0% | 896.77 |
| Private Equity | 6.3% | 2,882.09 |
| Artesian Hostplus VC Fund 1, ILP – Artesian Venture Capital Fund of Funds Management, I.L.P | 0.1% | 23.35 |
| Artesian Hostplus China Venture Capital Fund 1 – Artesian Venture Capital Fund of Funds Management, I.L.P | 0.0% | 16.93 |
| Artesian Venture Capital Fund of Funds, ILP – Artesian AFOF Pty Ltd | 0.0% | 9.02 |
| Australia Private Equity Fund No.1 – Continuity Capital Partners Pty Limited | 0.0% | 0.50 |
| Australia Private Equity Fund No.2 – Continuity Capital Partners Pty Limited | 0.0% | 3.23 |
| Blackbird Ventures 2015 Follow-On Fund – Blackbird Ventures Pty Limited | 0.1% | 40.89 |
| Blackbird Ventures 2015, LP – Blackbird Ventures Pty Limited | 0.0% | 11.01 |
| Blackbird Hostplus Trust – Blackbird Ventures Pty Limited | 0.2% | 71.66 |
| Blackbird Ventures 2018 Follow-On Fund – Blackbird Ventures Pty Limited | 0.2% | 91.15 |
| Blackbird Ventures 2018, LP – Blackbird Ventures Pty Limited | 0.0% | 4.28 |
| Blackbird After The Car Trust – Blackbird Ventures Pty Limited | 0.0% | 3.46 |
| Carnegie Healthcare Fund, LP – M.H. Carnegie & Co. Pty Limited | 0.0% | 2.62 |
| Carnegie Innovation Fund, LP – Carnegie Venture Capital Pty Limited | 0.0% | 2.66 |
| Carnegie Innovation Fund II, LP – Carnegie Venture Capital Pty Limited | 0.0% | 14.10 |
| Carnegie Private Opportunities Fund No.1 – M.H. Carnegie & Co. Pty Limited | 0.1% | 25.02 |
| Carnegie Private Opportunities Fund No.2 – M.H. Carnegie & Co. Pty Limited | 0.1% | 29.74 |
| Carthona Capital Venture Fund 1 (Part A) – Carthona Capital FS Pty Ltd | 0.1% | 24.33 |
| Carthona Capital Venture Fund 1 (Part B) – Carthona Capital FS Pty Ltd | 0.0% | 11.97 |
| Carthona Capital Venture Fund 1 (Part C) – Carthona Capital FS Pty Ltd | 0.0% | 6.98 |
| Crown Co-Investment Opportunities PLC II – LGT Capital Partners (Ireland) Limited | 0.1% | 46.77 |
| Crown Europe Middle Market II Plc – LGT Capital Partners (Ireland) Limited | 0.1% | 30.05 |
| Crown European Buyout Opportunities II Plc – LGT Capital Partners (Ireland) Limited | 0.0% | 13.46 |
| CSIRO Innovation Fund 1, LP – Main Sequence Ventures Ltd | 0.0% | 7.90 |
| Hermes GPE PEC III LP – Hermes GPE LP | 0.2% | 81.47 |

| Manager/Investment | % of Total Fund Assets | \$m |
|--|------------------------|--------|
| Hermes GPE PEC IV LP – Hermes GPE LP | 0.1% | 39.48 |
| Hostplus ROC Private Equity Trust – Roc Capital Pty Limited | 0.1% | 37.24 |
| Hostplus US EM C I LP – Flexstone Partners, LLC | 0.0% | 4.42 |
| Hostplus US EMP, LLC – Series 1 – Flexstone Partners, LLC | 0.0% | 19.61 |
| Hostplus US EMP, LLC – Series 2 – Flexstone Partners, LLC | 0.0% | 8.56 |
| HP Special Investment Fund S.C.Sp – LGT Capital Partners (Ireland) Limited | 0.0% | 5.58 |
| Industry Super Holdings Pty Ltd | 0.2% | 114.01 |
| IFM Australian Private Equity Fund 3 – IFM Investors Pty Ltd | 0.0% | 1.63 |
| IFM Australian Private Equity Fund 4 – IFM Investors Pty Ltd | 0.0% | 5.83 |
| IFM International Private Equity Fund 1 – IFM Investors Pty Ltd | 0.0% | 2.29 |
| IFM International Private Equity Fund 2 – IFM Investors Pty Ltd | 0.0% | 10.60 |
| IFM International Private Equity Fund 3 – IFM Investors Pty Ltd | 0.1% | 33.41 |
| IPG Hostplus 2018 Trust Class A – IP2IPO Australia HP Pty Ltd | 0.1% | 43.02 |
| IPG Hostplus 2018 Trust Class H – IP2IPO Australia HP Pty Ltd | 0.1% | 25.39 |
| Kelso Investment Associates X, LP - Kelso & Company, L.P. | 0.0% | 12.43 |
| Lexington Capital Partners VIII, L.P – Lexington Partners L.P | 0.2% | 106.85 |
| Lexington Co-investment Partners III, L.P – Lexington Partners L.P | 0.3% | 118.11 |
| Lexington Co-investment Partners IV, L.P – Lexington Partners L.P | 0.2% | 97.95 |
| Members Equity Bank Pty Limited | 0.4% | 190.86 |
| MHC Hostplus Co-Investment Trust – M.H. Carnegie & Co. Pty Limited | 0.0% | 14.99 |
| MRCF 3 (HP) Trust – BCP3 Pty Ltd | 0.0% | 16.11 |
| MRCF 5 - BCP3 Pty Ltd | 0.0% | 2.34 |
| MRCF Hostplus BTF – BCP3 Pty Ltd | 0.0% | 2.06 |
| Partners Group Secondary 2008 (EUR), S.C.A., SICAR – Partners Group Management Ltd | 0.0% | 12.68 |
| Partners Group Secondary 2011 (EUR), S.C.A., SICAR – Partners Group Management Ltd | 0.1% | 53.17 |
| Partners Group Direct Investments 2012 (USD) ABC, L.P. – Partners Group Management Ltd | 0.4% | 179.45 |
| Partners Group Direct Equity 2016 – Partners Group Management Ltd | 0.4% | 186.41 |
| Partners Group Client Access 19 L.P. Inc. – Partners Group Management Ltd | 0.0% | 0.18 |
| Partners Group Client Access 19A L.P. Inc. – Partners Group Management Ltd | 0.0% | 0.45 |
| Partners Group Client Access 25 L.P. Inc. – Partners Group Management Ltd | 0.0% | 10.40 |
| Private Equity US Opportunities II, L.P – Flexstone Partners, LLC | 0.2% | 85.24 |
| Private Equity US Opportunities III, LP – Flexstone Partners, LLC | 0.2% | 90.21 |

Investment manager allocations

| Manager/Investment | % of Total Fund Assets | \$m |
|---|------------------------|-----------------|
| Roc Asia Pacific Co-Investment Fund III – Roc Capital Pty Limited | 0.1% | 42.86 |
| Safar Partners Fund, L.P. – Safar Partners GP, LLC | 0.1% | 30.13 |
| Siguler Guff HP China Opportunities Fund LP – Siguler Guff HP China GP, LLC | 0.4% | 173.45 |
| Siguler Guff HP Opportunities Fund II, LP – Siguler Guff HP II GP, LLC | 0.5% | 238.12 |
| Siguler Guff Small Buyout Opportunities Fund II, L.P – Siguler Guff SBOF II GP, LLC | 0.2% | 106.13 |
| Square Peg Australia 2015 LP – Square Peg Capital Pty Ltd | 0.0% | 9.61 |
| Square Peg Global 2015 Trust – Square Peg Capital Pty Ltd | 0.1% | 62.32 |
| Square Peg CI 2015 Trust – Square Peg Capital Pty Ltd | 0.1% | 25.03 |
| Square Peg 2018, LP – Square Peg Capital Pty Ltd | 0.0% | 0.08 |
| Square Peg Global 2018 Trust – Square Peg Capital Pty Ltd | 0.1% | 25.08 |
| Wilshire Australia Private Markets Pooled Superannuation Trust – Wilshire Australia Pty Limited | 0.1% | 51.88 |
| Wilshire Private Markets Asia No.1 Fund – Wilshire Australia Pty Limited | 0.0% | 5.37 |
| Wilshire Private Markets Asia No.2 Fund – Wilshire Australia Pty Limited | 0.0% | 8.47 |
| Infrastructure* | 8.5% | 3,879.99 |
| Campus Living Villages Fund – Campus Living Funds Management Ltd | 0.4%–0.7% | 200.00–300.00 |
| CFS Infrastructure Fund (Anglian Water Group Sector) – Colonial First State Property Limited | 0.2% | 83.08 |
| Darling Harbour – Capella Management Services Pty Ltd | 0.2%–0.4% | 100.00–200.00 |
| European Diversified Infrastructure Fund II SCSp – First State Investments (UK) Limited | 0.3% | 148.65 |
| IFM Australian Infrastructure Fund – IFM Investors Pty Ltd | 2.8% | 1,269.96 |
| IFM Hostplus Trust – IFM Investors Pty Ltd | 0.3% | 121.17 |
| IFM International Infrastructure Fund – IFM Investors Pty Ltd | 2.8% | 1,256.60 |
| Macquarie Global Infrastructure Fund III – Macquarie Specialised Asset Management Limited | 0.1% | 65.80 |
| NSW Ports Consortium – Industry Funds Management Pty Ltd | 0.2% | 111.66 |
| QGIF Iona Aggregator Trust – QIC Investments No. 1 Pty Ltd | 0.1% | 65.10 |
| QIC Global Infrastructure Fund – QIC Limited | 0.1% | 36.65 |
| QIC REV Investment Trust No. 1 – QIC Infrastructure Management No. 2 Pty Ltd | 0.0% | 20.88 |
| Utilities Trust of Australia – H.R.L Morrison & Co Limited | 0.7% | 308.41 |
| Property | 11.2% | 5,118.34 |

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

| Manager/Investment | % of Total Fund Assets | \$m |
|---|-------------------------------|-----------------|
| Australian Prime Property Funds (Retail, Commercial & Industrial) – Lendlease Investment Management | 2.8% | 1,282.66 |
| Charter Hall Prime Industrial Fund – Charter Hall Funds Management Limited | 0.7% | 329.46 |
| Charter Hall Prime Office Fund – Charter Hall Funds Management Limited | 0.7% | 333.91 |
| ISPT Core Fund – ISPT Pty Ltd | 3.6% | 1,640.77 |
| ISPT Development and Opportunities Fund I – ISPT Pty Ltd | 0.0% | 0.08 |
| ISPT Development and Opportunities Fund II – ISPT Pty Ltd | 0.0% | 3.70 |
| ISPT Non-Discretionary Residential Mandate – ISPT Pty Ltd | 0.2% | 98.61 |
| ISPT Retail Australian Property Trust – ISPT Pty Ltd | 0.7% | 314.70 |
| Invesco Core Real Estate USA (ICRE) Fund – Invesco Core Real Estate U.S.A., L.P. | 0.5% | 231.50 |
| Kayne Anderson Core Real Estate, L.P. – Kayne Anderson Core Real Estate Advisors I, LLC | 0.0% | 18.45 |
| Lendlease Asian Retail Investment Fund – Lendlease Investment Management | 0.8% | 354.26 |
| Lendlease Communities Fund 1 – Lendlease Investment Management | 0.0% | 2.38 |
| Lendlease Sub-Regional Retail Fund – Lendlease Investment Management | 0.3% | 138.14 |
| Long Weighted Investment Partnership (LWIP) Trust – Charter Hall Wholesale Management Limited | 0.5% | 241.05 |
| Long Weighted Investment Partnership (LWIP) Trust II – Charter Hall Wholesale Management Limited | 0.2% | 104.34 |
| Macquarie Real Estate Equity Fund 6 – Macquarie Admin Services Pty Limited | 0.0% | 2.44 |
| Select Property Portfolio No. 2 – AMP Capital Investors Limited | 0.0% | 0.05 |
| Select Property Portfolio No. 3 – AMP Capital Investors Limited | 0.0% | 21.84 |
| Fixed Income | 3.5% | 1,578.97 |
| iShares Global Bond Index Fund – BlackRock Asset Management Australia Limited | 1.3% | 608.35 |
| iShares Wholesale Aust Bond Index Fund – BlackRock Asset Management Australia Limited | 1.3% | 576.53 |
| Macquarie True Index Australian Fixed Interest Fund – Macquarie Investment Management Australia Limited | 0.3% | 139.41 |
| Specialised Credit Fund – Industry Funds Management Pty Ltd | 0.5% | 239.28 |
| Super Loans Trust – ME Portfolio Management Ltd | 0.0% | 15.39 |
| Cash | 3.8% | 1,742.53 |
| Citigroup Pty Ltd | 0.6% | 256.63 |
| IFM Investors Pty Ltd | 2.9% | 1,304.07 |
| Members Equity Bank Pty Ltd | 0.4% | 181.83 |
| Alternatives | 5.5% | 2,501.56 |

Investment manager allocations

| Manager/Investment | % of Total Fund Assets | \$m |
|--|------------------------|------------------|
| Autonomy Capital Global Macro Fund L.P. – Autonomy Capital International Limited | 0.5% | 205.80 |
| Bridgewater Pure Alpha Fund II, Ltd – Bridgewater Associates, Inc | 1.1% | 524.15 |
| Fitzroy Horizons Fund – International Asset Management Limited | 0.4% | 199.71 |
| GMO Systematic Global Macro Fund – GMO Australia Limited | 0.9% | 395.40 |
| GSA Capital Partners Trend Fund – GSA Capital Partners LLP | 0.7% | 311.76 |
| IPM Systematic Macro Fund – Macquarie Investment Management Australia Limited | 1.0% | 435.60 |
| QIC Liquid Alternatives Fund (H) – QIC Limited | 0.5% | 231.56 |
| Ethical Leaders Balanced Fund – AMP Capital Funds Management Limited | 0.1% | 55.08 |
| Select Market Access Fund – Tangency Capital Ltd | 0.3% | 142.50 |
| Credit | 5.7% | 2,587.82 |
| Apollo ST Fund Management LLC | 1.1% | 488.06 |
| Apollo Offshore Structured Credit Recovery Fund IV Ltd – Apollo ST Fund Management LLC | 0.7% | 297.71 |
| Barings LLC | 1.5% | 703.27 |
| Cross Ocean Partners US SS Fund – Cross Ocean Partners Management LP | 0.3% | 128.00 |
| Kayne Anderson Real Estate Debt II LP – Kayne Anderson Capital Advisors, L.P. | 0.3% | 127.80 |
| Kayne Anderson Real Estate Debt III LP – Kayne Anderson Capital Advisors, L.P. | 0.1% | 63.35 |
| Kayne Senior Credit III Offsh Fund L.P. – Kayne Anderson Capital Advisors, L.P. | 0.3% | 156.40 |
| Loomis Sayles CLO II Ltd – Apollo ST Fund Management LLC | 0.1% | 34.18 |
| Loomis Sayles Credit Opportunities Fund – Loomis, Sayles & Company LP | 0.7% | 316.01 |
| HayFin Special Opportunities Credit Fund LP – HayFin Special Opportunities GP Limited | 0.0% | 21.54 |
| HayFin Special Opportunities Fund II LP – HayFin Special Opportunities Fund II GP LP | 0.2% | 95.51 |
| HayFin Special Opportunities Fund II USD Co-Invest LP – HayFin Special Opportunities Fund II GP LP | 0.1% | 25.11 |
| Redding Ridge Holdings LP | 0.3% | 130.88 |
| Currency | 0.1% | 57.09 |
| Currency Overlay – Mesirov Financial Investment Management Inc. | 0.1% | 57.09 |
| Choiceplus | 0.9% | 418.73 |
| Choiceplus Cash | 0.2% | 75.50 |
| Term Deposits | 0.1% | 36.96 |
| Direct Equities (ASX 300 shares & ETFs) | 0.7% | 306.26 |
| Total Investments | 100.0% | 45,629.10 |

Investment costs

| Investment Option | Investment Fees | | | Indirect Cost Ratio (ICR) | | |
|--|-----------------|------------------|-----------------------|---------------------------|-------------------|-----------|
| | Management Fees | Performance Fees | Total Investment Fees | Transaction Costs | Operational Costs | Total ICR |
| Capital Stable | 0.36% | 0.03% | 0.39% | 0.15% | 0.10% | 0.25% |
| Conservative Balanced | 0.39% | 0.04% | 0.43% | 0.15% | 0.11% | 0.26% |
| Socially Responsible Investment (SRI) – Balanced | 0.78% | 0.08% | 0.86% | 0.32% | 0.09% | 0.41% |
| Indexed Balanced | 0.02% | 0.00% | 0.02% | 0.02% | 0.01% | 0.03% |
| Balanced | 0.49% | 0.09% | 0.58% | 0.19% | 0.14% | 0.33% |
| Shares Plus | 0.48% | 0.09% | 0.57% | 0.17% | 0.12% | 0.29% |
| Cash | 0.01% | 0.00% | 0.01% | 0.00% | 0.01% | 0.01% |
| Diversified Fixed Interest | 0.13% | 0.00% | 0.13% | 0.02% | 0.02% | 0.04% |
| Property | 0.51% | 0.07% | 0.58% | 0.40% | 0.14% | 0.54% |
| Australian Shares | 0.36% | 0.04% | 0.40% | 0.25% | 0.05% | 0.30% |
| International Shares | 0.45% | 0.01% | 0.46% | 0.09% | 0.08% | 0.17% |
| International Shares – Indexed | 0.02% | 0.00% | 0.02% | 0.04% | 0.03% | 0.07% |
| International Shares (Hedged) – Indexed | 0.02% | 0.00% | 0.02% | 0.05% | 0.00% | 0.05% |
| Macquarie – Australian Fixed Interest | 0.00% | 0.00% | 0.00% | 0.00% | 0.02% | 0.02% |
| BlackRock – International Fixed Interest | 0.07% | 0.00% | 0.07% | 0.04% | 0.01% | 0.05% |
| Industry Super Property Trust – Property | 0.27% | 0.00% | 0.27% | 0.58% | 0.11% | 0.69% |
| Lendlease Australian Prime Property Funds – Property | 0.67% | 0.00% | 0.67% | 0.15% | 0.09% | 0.24% |
| IFM – Australian Infrastructure | 0.37% | 0.00% | 0.37% | 0.00% | 0.23% | 0.23% |
| Balanced Equity Management – Australian Shares | 0.14% | 0.00% | 0.14% | 0.12% | 0.05% | 0.17% |
| IFM – Australian Shares | 0.02% | 0.00% | 0.02% | 0.03% | 0.02% | 0.05% |
| Paradise (Small Cap) Australian Shares | 0.76% | 0.00% | 0.76% | 1.11% | 0.06% | 1.17% |
| Neuberger Berman – International Shares | 0.61% | 0.00% | 0.61% | 0.02% | 0.10% | 0.12% |

Investment costs

| Investment Option | Borrowing Costs | Property Operating Costs |
|--|-----------------|--------------------------|
| Capital Stable | 0.14% | 0.12% |
| Conservative Balanced | 0.14% | 0.12% |
| Socially Responsible Investment (SRI) – Balanced | 0.00% | 0.02% |
| Balanced | 0.16% | 0.14% |
| Shares Plus | 0.12% | 0.10% |
| Property | 1.13% | 1.19% |
| Industry Super Property Trust – Property | 0.44% | 1.07% |
| Lendlease Australian Prime Property Funds – Property | 0.64% | 0.72% |

The performance-based fee component comprises actual fees paid and estimates of fees to be paid for the financial year ended 30 June 2019. The ICR and the investment fee is based on the expenses incurred 1 July 2018 to 30 June 2019. As a result, these figures are indicative only and may change in subsequent years depending on (for example) the performance of each option. These costs are deducted before the net investment return for each investment option is declared and applied to members' accounts. For further information, see the Hostplus Product Disclosure Statement at pds.hostplus.com.au/6-fees-and-costs

Other important information.

Trustee of the fund

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

Trustee indemnity insurance

Pioneer Insurance Group Pty Ltd, 2016 QBE Syndicate, Nexus Ltd and Dual Australia Pty Ltd underwriters provided trustee insurance cover from 30 September 2018 to 30 September 2019.

Penalties

In May 2019 Hostplus paid an infringement notice penalty of \$12,600, issued by ASIC, in relation to an alleged misleading statement by Hostplus that we offer 'independent advice' to our members in relation to personal advice.

From at least July 2016 to late March 2018, Hostplus had a recorded on-hold telephone message that referred members to a free and 'independent' advice consultation with a financial planner licensed by the Industry Fund Services (IFS). In 2017 Hostplus insourced its financial planners, although they remained authorised representatives of IFS under their AFSL.

ASIC was concerned that Hostplus and IFS were not independent of each other because Hostplus, along with a number of other industry funds, is a part owner of IFS. Further, Hostplus employees were licensed by IFS, and Hostplus paid service fees to IFS for adviser services.

The payment of the infringement notice is not an admission of a contravention of the *Corporations Act 2001* (Cth); however in response to ASIC's concerns, we immediately removed the use of the word 'independent' from the recorded telephone message and elected not to contest the administrative penalty.

Significant event notices

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

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

A message sent to affected members announcing the decisions and impacts associated with such a change or event is

referred to as a 'significant event notice'. Our aim is to provide information to members in a clear concise manner that will enable our members to understand the nature of the change or event and the effect it could have on them.

All significant event notices issued during the reporting period are contained on our website at hostplus.com.au/sen

Eligible rollover fund (ERF)

If a member's account balance is less than \$6,000 and we have not received contributions for the account for more than 18 months, we may transfer the account balance to our eligible rollover fund (ERF). Our nominated ERF is AUSfund.

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

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

Other important information

An account that is transferred to AUSfund may affect the account holder's benefits because of the following circumstances:

- They will cease to be a member of Hostplus
- Any insurance cover with Hostplus will cease.

They will become a member of AUSfund and be subject to its governing rules. If we have their current contact details we will provide it to AUSfund and they will send the account holder their PDS. A copy of the PDS can also be obtained from AUSfund. AUSfund has a different investment strategy from Hostplus. For more details, see the AUSfund PDS.

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

Should any of our member's benefits be transferred into AUSfund, they may request access to, or correction of, any personal information held by AUSfund, in writing to AUSfund's privacy officer at:

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

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

The law also requires us to transfer certain inactive and lost accounts and unclaimed money to the ATO from time to time.

Superannuation surcharge

The superannuation surcharge was abolished from 1 July 2005. From August 2017, no new super surcharge assessments will issue from the ATO. However, if applicable, any surcharge amounts will be deducted from an employer's contribution (or other deductible contributions) and members will see reference to it on their benefit statement.

Enquiries and complaints

If you have an enquiry or complaint, please call **1300 467 875**. We'll attend to your matter promptly and courteously. If you are not happy with the way your matter is handled, we want to know. Please write to:

Hostplus Resolutions Officer
Locked Bag 9
Carlton South VIC 3053
or email
resolutions@hostplus.com.au

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

You can contact AFCA via:

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

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

Hostplus is committed to the Insurance in Superannuation Voluntary Code of Practice

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

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

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

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

Hostplus already meets most aspects of the Code, having tailored our group insurance to suit the needs of our 1.2 million members working in the hospitality, tourism, recreation, sport and related industries.

We are in the process of implementing updates proposed in the Code as required. Further information on these plans has been published on our website.

Hostplus Insurance Premium Adjustment Mechanism (PAM)

On 1 July 2017 Hostplus entered into an arrangement with MetLife that included a Premium Adjustment Mechanism (PAM) in respect of the Death and Total & Permanent Disability insurance cover and the MetLife Salary Continuance insurance cover. This agreement reduces the insurers risk exposure due to claims volatility and allows Hostplus to negotiate lower overall premiums for members.

Any premium adjustment payment made to us is allocated to a separate insurance reserve for this arrangement and is governed by our reserving policy. Our reserving policy requires that any premium adjustment payments we receive from the insurer are only passed-on to members through future premiums charged. The Hostplus Board will be exclusively responsible for approving the use and/or distribution of any of the PAM Proceeds and we will report details of any distribution of the PAM proceeds in our Annual Reports.

Insurance update.

Insurance protects you and your family from financial difficulty after an unexpected event, like an illness, injury or death. Your most valuable assets are your health and your income-earning potential. Protecting yourself and your family against the unexpected should be an important part of your retirement strategy.

We recognise that there's no such thing as a one-size-fits-all approach when it comes to insurance. That's why our insurance cover, included automatically with most memberships, can be easily tailored to suit individual needs and circumstances.

On joining Hostplus, most members will receive:

- **Death cover (also known as life insurance)** – paid to their beneficiaries in the event of their death
- **Terminal illness cover** – an early payment of death cover in the event of a terminal illness or injury likely to result in their death within 24 months
- **Total & permanent disability (TPD) cover** – a payment to members if they become seriously disabled and are unlikely to ever work again.

Members can also apply for Salary Continuance cover; a paid income stream for a specified period if they can't work due to temporary disability or illness, is also available on application.

While insurance is one of the only products our members hope they won't need to use, it's reassuring to know that if the worst should happen, Hostplus will be onside, ready to support them every step of the way.

For the 2018–19 financial year, we paid more than \$145 million in lump sum claims (Death, TPD and Terminal Illness) to almost 1,300 members, a testament to our dedication to members and our willingness to stand by their side when it matters most.

Where a number of competitors have taken steps to tighten definitions and restrict claims for suicide or mental health, in recent years we have negotiated on behalf of members to reduce premiums without compromising the scope of cover. We recognise that these matters are wide reaching in impact and so we will continue to act to ensure our members, and those that depend on them, are appropriately protected.

Following the introduction of the Protecting Your Superannuation Package legislation in the first half of 2019, Hostplus is now required to cancel insurance on accounts that haven't received a contribution or rollover for a minimum duration of 16 consecutive months. Affected members will be contacted directly and advised of the necessary steps required to retain their insurance, if desired.

In September 2019 the government legislated the Putting Members' Interests First laws, which require that on 1 April 2020, Hostplus cease the provision of insurance in those accounts for which members have not opted in or their account balance has not exceeded \$6,000 since 1 November 2019.

Affected members will be contacted directly and advised of the necessary steps required to retain their insurance.

From 1 April 2020, we will no longer provide automatic insurance to members:

- Who are under 25 years of age or
- Whose account balance with the Fund is below \$6,000, unless they opted in to receive the cover.

As an Industry SuperFund, our members will always be our priority; and so, comprehensive insurance will remain a core part of our products and services. It is our belief that the peace of mind and practical financial support provided by appropriate and affordable insurance cover is one of the most significant offerings we can present to those who choose Hostplus to help them plan for and reach the retirement they desire and deserve.

Insurance Benefits Paid to Hostplus Members to 30 June 2019

| Claim Type | 12 months to 30 June 2019 | | 5 years to 30 June 2019 | |
|------------------|---------------------------|----------------------|-------------------------|----------------------|
| | Members | Amount Paid | Members | Amount Paid |
| Death | 506 | \$55,912,495 | 2,584 | \$311,369,387 |
| Terminal Illness | 140 | \$12,437,338 | 549 | \$50,733,333 |
| TPD | 643 | \$77,076,392 | 2,907 | \$308,679,924 |
| Total | 1,289 | \$145,426,225 | 6,040 | \$670,782,644 |

Claims by Age to 30 June 2019

| Claim Type | Age | 12 months to 30 June 2019 | | 5 years to 30 June 2019 | |
|------------------|--------------|---------------------------|---------------------|-------------------------|----------------------|
| | | Members | Amount Paid | Members | Amount Paid |
| Death | 15–24 | 48 | \$4,228,761 | 243 | \$25,413,580 |
| | 25–34 | 85 | \$17,834,975 | 487 | \$105,883,432 |
| | 35–44 | 99 | \$20,525,719 | 560 | \$115,725,028 |
| | 45–54 | 127 | \$9,956,118 | 621 | \$46,295,889 |
| | 55–64 | 124 | \$2,954,066 | 628 | \$17,310,547 |
| | 65–69 | 23 | \$412,856 | 45 | \$740,911 |
| Terminal illness | 15–24 | 0 | \$0 | 7 | \$790,152 |
| | 25–34 | 15 | \$2,972,196 | 53 | \$11,664,518 |
| | 35–44 | 12 | \$2,644,584 | 82 | \$17,043,794 |
| | 45–54 | 60 | \$5,361,098 | 215 | \$15,322,680 |
| | 55–64 | 50 | \$1,429,052 | 187 | \$5,871,645 |
| | 65–69 | 3 | \$30,408 | 4 | \$40,544 |
| TPD | 15–24 | 20 | \$2,364,785 | 79 | \$8,226,404 |
| | 25–34 | 109 | \$23,329,747 | 394 | \$78,255,819 |
| | 35–44 | 167 | \$32,612,835 | 768 | \$136,054,220 |
| | 45–54 | 224 | \$14,902,182 | 1082 | \$67,671,652 |
| | 55–64 | 123 | \$3,866,843 | 584 | \$18,471,829 |
| Total | 15–24 | 68 | \$6,593,546 | 329 | \$34,430,136 |
| | 25–34 | 209 | \$44,136,918 | 934 | \$195,803,769 |
| | 35–44 | 278 | \$55,783,138 | 1,410 | \$268,823,042 |
| | 45–54 | 411 | \$30,219,398 | 1,918 | \$129,290,221 |
| | 55–64 | 297 | \$8,249,961 | 1,399 | \$41,654,021 |
| | 65–74 | 26 | \$443,264 | 49 | \$781,455 |

Financial summary.

Presented below is an abridged financial summary of the Fund's audited accounts for the last two years. More detailed financial information, including the audited Fund accounts and the auditor's report, can be found in the Fund's annual financial statements available online at hostplus.com.au/financialstatements. Copies of these may be requested by calling us on 1300 467 875.

| Changes in member benefits | 2019 (\$'000) | 2018 (\$'000) |
|---|----------------------|----------------------|
| Opening balance of member benefits | 33,432,041 | 24,481,506 |
| Add: | | |
| Contributions | 3,740,101 | 2,758,557 |
| Transfers in | 7,140,332 | 4,789,568 |
| Net investment earnings | 2,793,222 | 3,249,244 |
| Insurance proceeds | 146,741 | 153,782 |
| Less: | | |
| Benefits paid | 1,712,717 | 1,328,458 |
| Administration and other fees | 94,200 | 83,836 |
| Insurance premiums | 255,511 | 225,425 |
| Tax | 494,441 | 362,897 |
| Closing balance of member benefits | 44,695,568 | 33,432,041 |

| Income statement | 2019 (\$'000) | 2018 (\$'000) |
|---|----------------------|----------------------|
| Revenue | | |
| Interest | 3,176 | 2,322 |
| Dividends and distributions | 9,604 | 5,152 |
| Changes in assets measured at fair value | 2,782,642 | 3,250,454 |
| Other income | 609 | 1,457 |
| Total revenue | 2,796,031 | 3,259,385 |
| Expenses | | |
| Investment expenses | 5,189 | 5,241 |
| Administration expenses | 115,724 | 104,047 |
| Total expenses | 120,913 | 109,288 |
| Income tax (expense)/benefit | 58,411 | 47,066 |
| Profit/(loss) from operating activities after income tax | 2,733,529 | 3,197,163 |
| Less: Net benefits allocated to members' accounts | (2,699,022) | (3,165,408) |
| Profit/(loss) after income tax | 34,507 | 31,755 |

Financial summary

| Financial Position | 2019 (\$'000) | 2018 (\$'000) |
|---|-------------------|-------------------|
| Investments | 45,395,769 | 33,972,041 |
| Cash at bank | 48,823 | 41,588 |
| Other assets | 56,234 | 50,029 |
| Less: | | |
| Liabilities | 477,440 | 354,929 |
| Net Assets available for members' benefits | 45,023,386 | 33,708,729 |
| Less: Members' benefits | 44,695,568 | 33,432,041 |
| Net Assets | 327,818 | 276,688 |
| Equity | | |
| Investment reserve | (1,469) | 6,542 |
| Administration reserve | 173,399 | 174,427 |
| Operational Risk Financial Requirement reserve | 112,590 | 75,443 |
| Insurance reserve | 43,298 | 20,276 |
| Total Equity | 327,818 | 276,688 |

Reserve accounts

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

| Reserves | | | | | | |
|----------|-----------------------------|---------------------------------|-----------------------|----------------------------|--|-------------------------|
| Year | Investment reserve (\$'000) | Administration reserve (\$'000) | ORFR reserve (\$'000) | Insurance reserve (\$'000) | Registrable superannuation entity reserve (\$'000) | Total reserves (\$'000) |
| 2019 | (1,469) | 173,399 | 112,590 | 43,298 | - | 327,818 |
| 2018 | 6,542 | 174,427 | 75,443 | 20,276 | - | 276,688 |
| 2017 | 10,901 | 162,792 | 56,065 | - | - | 229,758 |
| 2016 | 854 | 121,955 | 46,968 | - | 100 | 169,877 |
| 2015 | 2,911 | 134,767 | 45,032 | - | 100 | 182,810 |

Investment reserve

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

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

Administration reserve

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

Operational Risk Financial Requirement (ORFR) reserve

An ORFR reserve is separately maintained to ensure the Fund has access to adequate financial resources in the event of losses arising from an operational risk event. An ORFR reserve has been established, as required by APRA, at a level representing 0.25% of the Fund's net assets.

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

Insurance reserve

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

Registrable superannuation entity (RSE) reserve

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

Penalties and fines

In the ordinary course of operations, Hostplus may be required to pay a fine or penalty. To fulfill its payment obligation, the Trustee can elect to pay the fine or penalty from either the Administration reserve or the ORFR reserve. The penalties and fines paid from the Fund's reserves at 30 June for the last five years are outlined in the table below:

| Reserves | | | |
|----------|------------------------------------|--------------------------|--------------------------------------|
| Year | Administration reserve (\$'000) | ORFR reserve (\$'000) | Total penalties or fines (\$'000) |
| 2019 | 13 ¹ | - | 13 |
| 2018 | - | - | - |
| 2017 | - | - | - |
| 2016 | - | - | - |
| 2015 | - | - | - |

1. See page 113

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