



Significant Event Notice.

For members of Hostplus Pension

17 August 2020

i This Significant Event Notice contains important updates relating to the changes to the operation of Hostplus Pension which may impact your investment and related services. Please take the time to read through the important information provided and please refer to the new Hostplus Pension Product Disclosure Statement (PDS) dated 1 July 2020, and the Choiceplus PDS dated 1 July 2020, on our website.

Minimum pension draw-down rates for the 2019-20 and 2020-21 financial years.

Minimum drawdown rates from pension accounts have been temporarily reduced by half for the 2019-20 and 2020-21 financial years. The changes were introduced in March 2020, during the COVID-19 pandemic, so that members who did not wish to draw more than the new temporary minimum annual limits – potentially requiring the sale of market-linked and other non-cash assets during the economic downturn – would not be required to do so.

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

	Normal percentage factor (2013/14 to 2018/19)	Temporary percentage factor (2019/20 and 2020/21)
Age	Default minimum draw-down rates	Reduced minimum draw-down rates
Under 65	4%	2%
65-74	5%	2.5%
75-79	6%	3%
80-84	7%	3.5%
85-89	9%	4.5%
90-94	11%	5.5%
95+	14%	7%

Changes to Hostplus Pension investment options.

Hostplus Pension investment options are designed with different investment objectives, strategies and risk profiles established by the trustee in consultation with our asset consultant, JANA Investment Advisers Pty Ltd. We closely monitor the overall investment profile in order to seek to achieve the outlined objective of each investment option. Strategies are amended from time to time to reflect changing circumstances in different markets.

From 19 June 2020, the following changes have been made to the strategic asset allocations and/or level of investment risk for 11 Hostplus Pension investment options:

- Balanced
- Capital Stable
- Conservative Balanced
- Shares Plus
- Socially Responsible Investment (SRI) – Balanced
- Indexed Balanced
- Infrastructure
- BlackRock Asset Management – International Fixed Interest
- IFM – Australian Infrastructure
- Balanced Equity Management – Australian Shares
- Paradise Investment Management (Small Cap) – Australian Shares.

Balanced						
Asset Mix	Disclosed 1 April 2020			From 19 June 2020		
	Asset Class	Range	Strategic Asset Allocation Benchmark	Asset Class	Range	Strategic Asset Allocation Benchmark
	Australian shares	15 – 45%	22%	Australian shares	10 – 40%	21%
	International Shares - Developed Markets	10 – 30%	22%	International shares - Developed Markets	10 – 40%	21%
	International Shares - Emerging Markets	0 – 15%	8%	International Shares - Emerging Markets	0 – 15%	8%
	Property	0 – 30%	13%	Property	0 – 30%	13%
	Infrastructure	0 – 30%	12%	Infrastructure	0 – 30%	12%
	Private Equity	0 – 15%	8%	Private Equity	0 – 20%	8%
	Credit	0 – 20%	7%	Credit	0 – 20%	7%
	Alternatives	0 – 20%	8%	Alternatives	0 – 20%	5%
	Diversified Fixed Interest	0 – 20%	0%	Diversified Fixed Interest	0 – 20%	0%
	Cash	0 – 10%	0%	Cash	0 – 15%	5%
	Growth assets		76%	Growth assets		76%
	Defensive assets		24%	Defensive assets		24%

Capital Stable						
Asset Mix	Disclosed 1 April 2020			From 19 June 2020		
	Asset Class	Range	Strategic Asset Allocation Benchmark	Asset Class	Range	Strategic Asset Allocation Benchmark
	Australian Shares	5 – 20%	8%	Australian Shares	5 – 20%	8%
	International Shares - Developed Markets	5 – 15%	8%	International Shares - Developed Markets	5 – 15%	8%
	International Shares - Emerging Markets	0 – 5%	3%	International Shares - Emerging Markets	0 – 5%	3%
	Property	0 – 20%	10%	Property	0 – 20%	10%
	Infrastructure	0 – 20%	7%	Infrastructure	0 – 20%	7%
	Private Equity	0 – 5%	1%	Private Equity	0 – 5%	1%
	Credit	0 – 10%	8%	Credit	0 – 10%	8%
	Alternatives	0 – 20%	10%	Alternatives	0 – 20%	4%
	Diversified Fixed Interest	10 – 50%	20%	Diversified Fixed Interest	10 – 50%	26%
	Cash	10 – 40%	25%	Cash	10 – 40%	25%
	Growth assets		33%	Growth assets		34%
	Defensive assets		67%	Defensive assets		66%

Conservative Balanced						
	Disclosed 1 April 2020			From 19 June 2020		
Level of investment risk	Medium to high. (Negative returns expected in between 3 to less than 4 out of every 20 years)			Medium. (Negative returns expected in between 2 to less than 3 out of every 20 years)		
Asset Mix	Asset Class	Range	Strategic Asset Allocation Benchmark	Asset Class	Range	Strategic Asset Allocation Benchmark
	Australian shares	10 – 30%	16%	Australian shares	10 – 30%	16%
	International shares - Developed Markets	10 – 25%	16%	International shares - Developed Markets	10 – 25%	16%
	International Shares - Emerging Markets	0 – 10%	6%	International Shares - Emerging Markets	0 – 10%	6%
	Property	0 – 20%	10%	Property	0 – 20%	10%
	Infrastructure	0 – 20%	8%	Infrastructure	0 – 20%	8%
	Private Equity	0 – 10%	2%	Private Equity	0 – 10%	2%
	Credit	0 – 10%	6%	Credit	0 – 10%	6%
	Alternatives	0 – 20%	6%	Alternatives	0 – 20%	5%
	Diversified Fixed Interest	10 – 40%	15%	Diversified Fixed Interest	10 – 40%	16%
	Cash	5 – 25%	15%	Cash	5 – 25%	15%
	Growth assets		52%	Growth assets		54%
	Defensive assets		48%	Defensive assets		46%

Shares Plus						
	Disclosed 1 April 2020			From 19 June 2020		
Asset Mix	Asset Class	Range	Strategic Asset Allocation Benchmark	Asset Class	Range	Strategic Asset Allocation Benchmark
	Australian Shares	30 – 50%	30%	Australian shares	20 – 40%	30%
	International Shares - Developed Markets	20 – 40%	30%	International Shares - Developed Markets	20 – 40%	30%
	International Shares - Emerging Markets	0 – 15%	11%	International Shares - Emerging Markets	0 – 15%	11%
	Property	0 – 20%	8%	Property	0 – 20%	8%
	Infrastructure	0 – 20%	6%	Infrastructure	0 – 20%	6%
	Private Equity	0 – 15%	7%	Private Equity	0 – 15%	7%
	Credit	0 – 10%	6%	Credit	0 – 10%	6%
	Alternatives	0 – 10%	2%	Alternatives	0 – 10%	2%
	Diversified Fixed Interest	0 – 10%	0%	Diversified Fixed Interest	0 – 10%	0%
	Cash	0 – 10%	0%	Cash	0 – 10%	0%
	Growth assets		86%	Growth assets		89%
	Defensive assets		14%	Defensive assets		11%

Socially Responsible Investment (SRI) – Balanced

Asset Mix	Disclosed 1 April 2020			From 19 June 2020		
	Asset Class	Range	Strategic Asset Allocation Benchmark	Asset Class	Range	Strategic Asset Allocation Benchmark
	Australian Shares	15 - 45%	25%	Australian Shares	15 - 45%	25%
	International Shares - Developed Markets	15 - 45%	34%	International Shares - Developed Markets	15 - 45%	34%
	International Shares - Emerging Markets	0 - 20%	3%	International Shares - Emerging Markets	0 - 20%	3%
	Property	0 - 20%	5%	Property	0 - 20%	5%
	Infrastructure	0 - 20%	4%	Infrastructure	0 - 20%	4%
	Private Equity	0 - 20%	0%	Private Equity	0 - 20%	0%
	Credit	0 - 20%	8%	Credit	0 - 20%	8%
	Alternatives	0 - 20%	2%	Alternatives	0 - 20%	2%
	Diversified Fixed Interest	0 - 30%	17%	Diversified Fixed Interest	0 - 30%	17%
	Cash	0 - 20%	2%	Cash	0 - 20%	2%
	Growth assets		69%	Growth assets		72%
	Defensive assets		31%	Defensive assets		28%

Indexed Balanced

Asset Mix	Disclosed 1 April 2020			From 19 June 2020		
	Asset Class	Range	Strategic Asset Allocation Benchmark	Asset Class	Range	Strategic Asset Allocation Benchmark
	Australian Shares	25 – 55%	32%	Australian Shares	25 – 55%	32%
	International Shares - Developed Markets	25 – 55%	43%	International Shares - Developed Markets	25 – 55%	43%
	International Shares - Emerging Markets	0 – 10%	0%	International Shares - Emerging Markets	0 – 10%	0%
	Diversified Fixed Interest	10 – 30%	15%	Diversified Fixed Interest	10 – 30%	17%
	Cash	0 – 20%	10%	Cash	0 – 20%	8%
	Growth assets		75%	Growth assets		75%
	Defensive assets		25%	Defensive assets		25%

Infrastructure						
	Disclosed 1 April 2020			From 19 June 2020		
Level of investment risk	High. (Negative returns expected in between 4 to less than 6 out of every 20 years)			Medium to high. (Negative returns expected in between 3 to less than 4 out of every 20 years)		
Asset Mix	Asset Class	Range	Strategic Asset Allocation Benchmark	Asset Class	Range	Strategic Asset Allocation Benchmark
	Infrastructure	0 – 100%	100%	Infrastructure	0 – 100%	100%
	Growth assets		55%	Growth assets		60%
	Defensive assets		45%	Defensive assets		40%

BlackRock Asset Management – International Fixed Interest		
	Disclosed 1 April 2020	From 19 June 2020
Level of investment risk	Medium to high. (Negative returns expected in between 3 to less than 4 out of every 20 years)	High. (Negative returns expected in between 4 to less than 6 out of every 20 years)

IFM – Australian Infrastructure						
	Disclosed 1 April 2020			From 19 June 2020		
Level of investment risk	High. (Negative returns expected in between 4 to less than 6 out of every 20 years)			Medium to high. (Negative returns expected in between 3 to less than 4 out of every 20 years)		
Asset Mix	Asset Class	Range	Strategic Asset Allocation Benchmark	Asset Class	Range	Strategic Asset Allocation Benchmark
	Infrastructure	0 – 100%	100%	Infrastructure	0 – 100%	100%
	Growth assets		55%	Growth assets		60%
	Defensive assets		45%	Defensive assets		40%

Balanced Equity Management – Australian Shares		
	Disclosed 1 April 2020	From 19 June 2020
Level of investment risk	Very high. (Negative returns expected in between 6 or greater out of every 20 years)	High. (Negative returns expected in between 4 to less than 6 out of every 20 years)

Paradise Investment Management (Small Cap) – Australian Shares		
	Disclosed 1 April 2020	From 19 June 2020
Level of investment risk	Very high. (Negative returns expected in between 6 or greater out of every 20 years)	High. (Negative returns expected in between 4 to less than 6 out of every 20 years)

Please refer to page 31 of the Hostplus Pension Product Disclosure Statement (PDS), dated 1 July 2020, for full details of each investment option's strategic asset allocations and levels of investment risk.

New Responsible Investment Policy

As of 15 May 2020, Hostplus adopted a new Responsible Investment Policy which replaces its previous Environmental, Social and Governance (ESG) Policy.

Responsible investment practices are an important part of our investment approach that help us better manage risk and optimise retirement outcomes for our members.

Our approach to responsible investment is informed by our responsible investment beliefs and implemented through an approach based on four pillars – environmental, social and governance (ESG) integration; active ownership; building Australia’s future; and member values.

Our Responsible Investment Policy can be found on our website at hostplus.com.au/super/about-us/investment-governance and please refer to pages 28 and 29 of the Hostplus Pension PDS, dated 1 July 2020, for further information.

Addition to terms and conditions of the Choiceplus investment option

Effective from 19 June 2020, Hostplus has introduced the following new terms and conditions under the heading “General terms”, on page 27 of the Hostplus Choiceplus PDS, dated 1 July 2020:

“Changes to your investments and the investment menu

We regularly review the list of available investments and may add/remove individual investments.

In the event that you hold an investment in your portfolio that is outside the list of available investments, or outside the maximum investment thresholds set out in our Trading restrictions (see page 12) or an investment can no longer be supported by the platform, Hostplus retains the right at its discretion to redeem an investment and credit the proceeds to your transaction account and you will be taken to have given us a standing instruction to do so in these circumstances. Such decisions will not be made lightly and will be made in accordance with our trustee responsibility of acting in the best interests of Hostplus members. We will try to contact you prior to selling any of your holdings in Choiceplus.”