



# Significant Event Notice.

For members of the Hostplus Superannuation and Personal Super Plan and Hostplus Executive

27 February 2020

**Significant Event Notices are important updates relating to the operation of Hostplus which may impact your investment and related services. Please take the time to read through the important information provided.**

## **Changes to the Hostplus investment options**

Hostplus 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. Together, we closely monitor the overall investment profile to create a high probability of attaining the outlined objective of each investment option. Strategies are amended from time to time to reflect changing circumstances in different markets.

The Product Disclosure Statement (PDS) for each of the Hostplus Superannuation and Personal Super Plan and Hostplus Executive products provide details of the different investment options. This Significant Event Notice is to inform you of recent changes to the investment option descriptions, as disclosed in each product's PDS, for the following Hostplus investment options:

Investment option	Return Target		Level of investment risk	
	Disclosed 1 July 2019	From 20 Sept 2019	Disclosed 1 July 2019	From 20 Sept 2019
<b>Balanced (default, MySuper)</b>	CPI plus 3.0% per annum on average over 10 years CPI plus 4.0% per annum on average over 20 years	<b>No change</b>	<b>High</b> Negative returns expected in between 4 to less than 6 out of every 20 years	<b>Medium to High</b> Negative returns expected in between 3 to less than 4 out of every 20 years
<b>Capital Stable</b>	CPI plus 2.5% per annum on average over 20 years	<b>No change</b>	<b>Low to Medium</b> Negative returns expected in between 1 to less than 2 out of every 20 years	<b>No change</b>
<b>Socially Responsible Investment (SRI) – Balanced</b>	CPI plus 3.5% per annum on average over 20 years	<b>No change</b>	<b>High</b> Negative returns expected in between 4 to less than 6 out of every 20 years	<b>No change</b>
<b>Shares Plus</b>	CPI plus 4.5% per annum on average over 20 years	<b>No change</b>	<b>High</b> Negative returns expected in between 4 to 6 out of every 20 years	<b>No change</b>
<b>Macquarie Investment Management – Australian Fixed Interest</b>	CPI plus 0.5% per annum on average over 20 years	<b>No change</b>	<b>High</b> Negative returns expected in between 4 to 6 out of every 20 years	<b>Medium to High</b> Negative returns expected in between 3 to less than 4 out of every 20 years
<b>BlackRock Asset Management – International Fixed Interest</b>	CPI plus 0.5% per annum on average over 20 years	<b>No change</b>	<b>High</b> Negative returns expected in between 4 to 6 out of every 20 years	<b>Medium to High</b> Negative returns expected in between 3 to less than 4 out of every 20 years
<b>Neuberger Berman – International Shares</b>	CPI plus 4.5% per annum on average over 20 years	<b>No change</b>	<b>Very High</b> Negative returns expected in between 6 to 7 out of every 20 years	<b>No change</b>

Who is this investment suitable for?		Minimum Suggested Time Frame		Strategic Asset Allocation: Growth/Defensive	
Disclosed 1 July 2019	From 20 Sept 2019	Disclosed 1 July 2019	From 20 Sept 2019	Disclosed 1 July 2019	From 20 Sept 2019
May suit members who have a five year plus investment time horizon	<b>No change</b>	5 years plus	<b>No change</b>	75% / 25%	<b>76% / 24%</b>
May suit members who have a five year plus investment time horizon	<b>May suit members who have a three year plus investment time horizon</b>	5 years plus	<b>3 years plus</b>	32.5% / 67.5%	<b>33% / 67%</b>
May suit members who have a five year plus investment time horizon	<b>May suit members who have a four year plus investment time horizon</b>	5 years plus	<b>4 years plus</b>	70% / 30%	<b>69% / 31%</b>
May suit members who have a seven year plus investment time horizon	<b>May suit members who have a six year plus investment time horizon</b>	7 years plus	<b>6 years plus</b>	86% / 14%	<b>No change</b>
May suit members who have a seven year plus investment time horizon	<b>May suit members who have a four year plus investment time horizon</b>	7 years plus	<b>4 years plus</b>	0% / 100%	<b>No change</b>
May suit members who have a seven year plus investment time horizon	<b>May suit members who have a three year plus investment time horizon</b>	7 years plus	<b>3 years plus</b>	0% / 100%	<b>No change</b>
May suit members who have a five year plus investment time horizon	<b>May suit members who have a five year plus investment time horizon</b>	7 years plus	<b>5 years plus</b>	100% / 0%	<b>No change</b>

## **Hostplus introduces a new investment option.**

From 1 December 2019, Hostplus offered a new investment option, Infrastructure.

The Infrastructure option allows Hostplus members to invest in a long-term direct investment option that invests in tangible infrastructure assets, such as airports, seaports, toll roads, renewable energy and utilities, both within Australia and globally.

## **Changes that may affect your Hostplus insurance**

Hostplus has made the following changes to our insurance arrangements, both as product enhancements and in response to legislative changes.

### **Putting Members' Interests First legislation applies from 1 April 2020**

#### **Putting Members' Interests First - Changes to Insurance**

Under new laws introduced by the Federal Government, on and from 1 April 2020, super funds cannot provide insurance on accounts which have never had a balance of \$6,000 or more on or after 1 November 2019, unless specific instructions are received from the account holder.

#### **Impact to Hostplus Members from 1 November 2019**

The Putting Members' Interests First legislation works to ensure members aren't paying for insurance they may have forgotten about, and don't need, and that premiums don't inappropriately erode their retirement savings.

From 1 November 2019, members with an account balance below \$6,000 and whose account balance has never exceeded \$6,000 or more will have until 1 April 2020 to elect to maintain any insurance cover they hold through Hostplus. Insurance will cease to be provided to members on and from 1 April 2020 onwards, unless their account balance has reached \$6,000 or more between 1 November 2019 and 1 April 2020, or they have provided Hostplus with written instructions to keep their cover.

**If a member's account balance is under \$6,000 on or after 1 November 2019 and remains below \$6,000 for the entire period up until 1 April 2020, their insurance cover will be cancelled on 1 April 2020 unless they elect to maintain their cover in writing before 1 April 2020. Members with an account balance that reaches greater than \$6,000 on or after 1 November 2019 will not be impacted by the new laws.**

#### **How can members elect to maintain insurance cover**

All new and impacted members will receive detailed communications outlining the new legislation as well as an easy to follow guide to maintain their cover. However, it's important to note members are not required to take any action if they do not wish to maintain cover. Members will be instructed to visit [hostplus.com.au/PMIF](https://hostplus.com.au/PMIF) before 1 April 2020 to make their election online. Paper election forms will also be provided with new and impacted member communications to elect to maintain cover via post.

#### **Parental leave premium waiver**

From 1 December 2019 Hostplus members can apply for insurance premiums to be waived during employer approved parental leave. This means members who have been with Hostplus for 12 months or more can continue to receive the high standard of Death, Total & Permanent Disability (TPD) and Salary continuance (excluding Salary Safe) cover from Hostplus for up to 12 months without premiums being deducted from your super.

#### **Removal of some Specific life events**

With Specific life events members can increase their unitised cover by up to four additional units or increase their fixed benefit cover by 25% of current sum insured – up to a maximum of \$200,000.

From 1 December 2019, Hostplus has removed the following 'events' from the available life events options:

- The completion of your first undergraduate degree at an Australian university.
- Becoming a carer for the first time and financially responsible for such care and/or physically providing such care, and
- The death of a spouse.

### **Introduction of Total and Permanent Disability (TPD) only cover**

While Hostplus offers Death and TPD insurance cover together, from 1 December 2019 members can apply to have TPD only cover. TPD cover pays you a lump sum benefit should you suffer an illness or injury that leaves you totally and permanently disabled.

### **TPD cover extended to age 70**

TPD cover was previously only available until a member reached age 65.

From 1 December 2019, TPD cover is available to age 70. A restricted TPD definition will apply to members after age 65.

Existing members aged 65 or older will not automatically have cover turned on but have the option to apply for further coverage subject to full underwriting.

### **Changes to Fixed cover for TPD**

With fixed Death and TPD insurance cover the insured benefit value stays the same while premiums change with your age.

From 1 December 2019, at age 61, the TPD cover will reduce each year by 20% of the cover held at age 60, reaching 20% at age 64 and will remain at this level until cover ceases or at age 70. The cost will vary depending on your age which means you may pay higher fees as you get older.

### **Changes to Personal Super Plan Pre-existing Condition Exclusion**

From 1 December 2019, the lifetime Pre-existing Condition (PEC) applicable to default Death & TPD cover for Personal Members was replaced with a 2-year PEC. After 2 years, cover is replaced with standard cover provided the member is At Work for the last 30 consecutive days of the 2 year period. If not At Work for the entire 30 consecutive days, PEC exclusion will continue to apply until the member has been At Work for 30 consecutive days.

For further information about Hostplus investment options, including information in respect of any recent changes to the underlying asset allocations of each investment option, please read the Product Disclosure Statement for either the Hostplus Superannuation and Personal Super Plan, dated 1 December 2019 available at [pds.hostplus.com.au](https://pds.hostplus.com.au) or Hostplus Executive, dated 1 December 2019 available at [pds-executive.hostplus.com.au](https://pds-executive.hostplus.com.au)

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