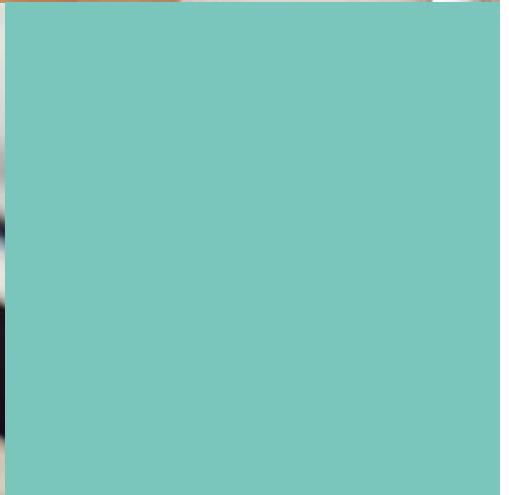
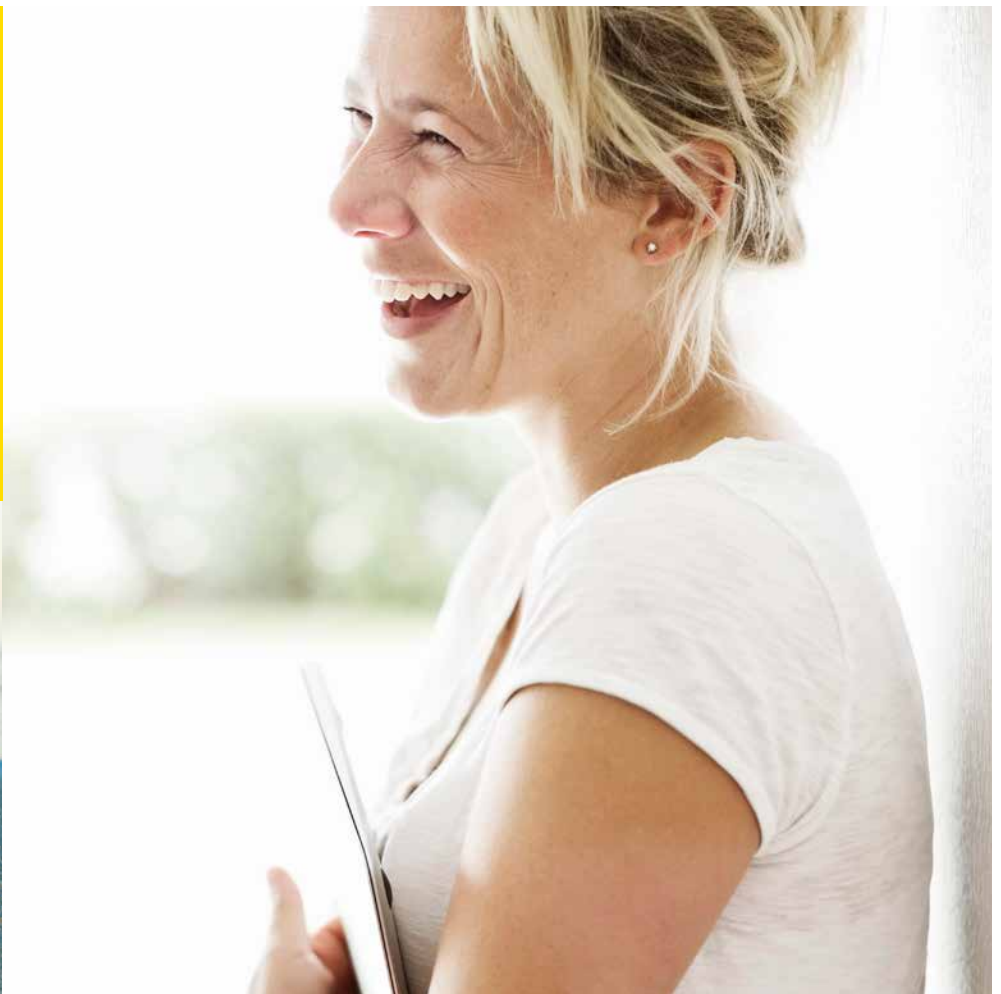
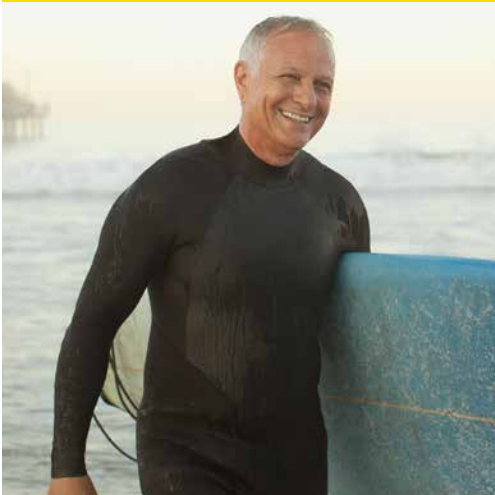




Choiceplus.

Your guide to taking control
of your financial future

Date issued 29 August 2018



General advice warning.

The information in this guide is of general nature. It has been prepared without taking into account your objectives, financial situation, or needs. Before acting on the information in this guide you should consider your own objectives, circumstances, financial situation and needs before acting on it. Please read the relevant Product Disclosure Statement before making a decision about investing with Hostplus. This publication is not intended to be, and should not be construed in any way as, investment, legal or financial advice. Hostplus does not recommend that you make decisions concerning superannuation arrangements based solely on the information in this guide. When making an investment decision, remember that all investments carry some risk. Investments returns are not guaranteed. Past performance gives no indication of future returns.

The information in this guide is correct as at the date of publication. In the event of a material change occurring to any information contained in this guide, irrespective of whether it is adverse or not, the trustee will notify existing members in writing within the time frames required by law. Updated information is available online at hostplus.com.au. Please note, from time to time we may change or add to the selection of investments available through the Choiceplus investment option as required.

The information in this document forms part of the following Product Disclosure Statements:

Member Guide – Superannuation and Personal Super Plan
(Product Disclosure Statement) issued 29 August 2018

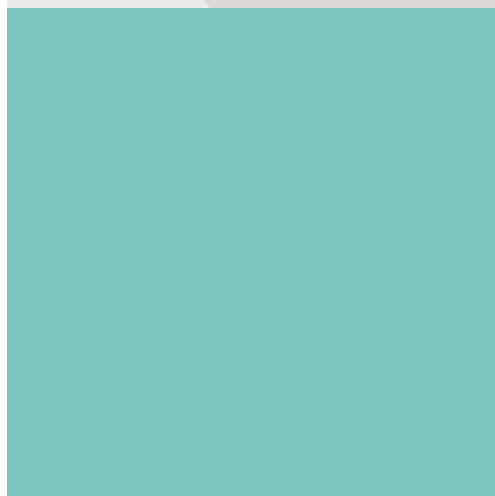
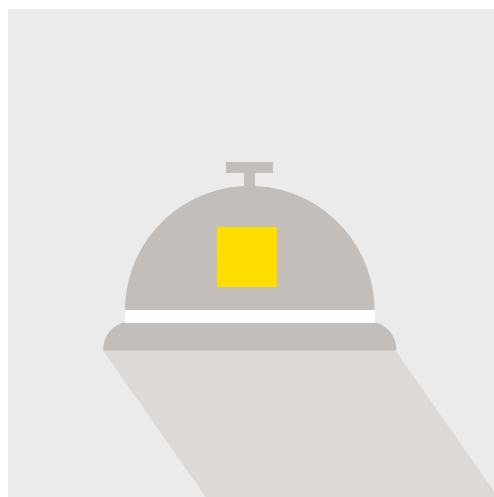
Executive Member Guide – (Product Disclosure Statement)
issued 29 August 2018

If you are a Hostplus Pension member, you should read this guide in conjunction with the Hostplus Pension Product Disclosure Statement.
Issued 29 August 2018



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Hostplus Choiceplus investment option

As a Hostplus member you'd know that we're always looking at ways for you to get the most from your super. And that's why our Choiceplus investment option has been developed for members who want a more active role in the investment and management of their super or pension. Choiceplus enables direct investment into companies in the S&P/ASX 300 Index¹, Exchange Traded Funds (ETFs) covering developed, emerging and commodity markets, a selection of Listed Investment Companies (LICs)² and Term Deposits.

Choiceplus is offered as part of our existing member investment choice menu, providing you with many of the benefits of a self managed super fund without the cost and administrative burden. It's another way Hostplus is listening to our members and investing in their future.

i Read the terms and conditions.

It is important you read the terms and conditions in this guide on pages 27 to 29.

i Pension members only.

Throughout the guide you will see highlight boxes with further information applicable to Pension members. Pension members should note this further information when reading the Choiceplus guide. **Please note that Choiceplus is not available in Transition to Retirement (TTR) accounts.**

Who can invest?

To be able to invest in Choiceplus, you must:

- Be a Hostplus member with more than \$10,000 in your account.
- Have access to the internet, a current email address and registered for Member Online.
- Read and accept the terms and conditions during the registration process.
- Maintain a minimum balance of \$2,000 in one or more of your Hostplus pre-mixed, sector, or individual manager investment options.
- Transfer and maintain at least \$200 into your Choiceplus transaction account from your other Hostplus investment options.
- Make an initial Choiceplus investment of \$200 minimum.

i If you are a Pension member the minimum balance may be higher than \$2,000 dependent on your annual pension payment requirements. See 'Managing your Choiceplus account' on page 24.

1. The S&P/ASX 300 Index incorporates the largest 300 companies on the Australian Stock Exchange (by market capitalisation). 2. ETFs and LICs are traded like shares, but are structured like a traditional managed fund. They contain a collection of securities and generally represent a particular investment style or market index or market sector (eg. ASX Small Caps).

Key features include:

- Easy to use online investment platform.
- Central transaction account.
- Access to Australian shares in the S&P/ASX 300 Index, selected ETFs, LICs and Term Deposits.
- Real time online share trading.
- Competitive administration and brokerage fees.
- Transfer your Choiceplus shares, ETFs and LICs when commencing your Pension account (excluding TTR accounts).
- Latest information, share prices and stock market news as it becomes available including independent research.
- Live share quotes and 20 minute delayed market data.
- Ability to participate in share dividend reinvestment plans.
- Ability to check the value of your investments when it suits you.
- Access to personalised share trading information and history.
- Consolidated portfolio and tax reporting for your Choiceplus investments.
- Comprehensive company and market information.
- Access to end of day market wrap up.
- Investment tools, including watchlists and charting.

So if you would like to take a more active role in investing for your financial future simply register through your online super or Pension account at hostplus.com.au



How to register for Choiceplus.

Firstly, you must have your online super or Pension account activated.

Go to hostplus.com.au and click on the login button to activate your online account.

While in your online account, you can register for Choiceplus by clicking on 'Investments' and then 'Choiceplus'. You can select your level of access.

- Free Access – features include access to market data and research, watchlists and alerts
- Full Access – additional features include functionality to trade shares, ETFs and LICs, purchase term deposits and maintain a cash account

You can change between access levels at anytime. Information about managing your Choiceplus account is available on page 24.

Any cash transferred by you is processed daily. Transfers must be made by 4.00pm (AEST), otherwise they are not considered to have been received until the following day. Transfers take effect two national business days after receipt. You will not be able to transact until your transferred funds have been credited into your Choiceplus transaction account. Once the funds have been received into your Choiceplus transaction account, you can commence purchasing shares, ETFs and LICs or term deposits, but remember, you need to have at least \$200 in your transaction account at any point in time.

Features of the platform are available once you have successfully registered. Your Choiceplus registration details will remain on our secure server and are only accessible via your Hostplus online account. Please take the time to explore the features of the investment platform. This will enable you to get comfortable with the platform and be ready to trade as soon as the transaction account receives your money allocation.

Start investing.

As soon as your initial transfer of funds is available in your transaction account you can commence trading on the Choiceplus investment platform. The platform contains a comprehensive range of market updates and news to help you research, transact and monitor your investments on this platform.

What you should know...

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

- Level of **diversification** (spreading your investment risk across different assets or asset classes). By pooling your money into one investment or class of investment, you could suffer from concentration risk – that is the risk of having your money tied up in too few assets as opposed to spreading it across a number of investment classes and options. You need to be aware of, and comfortable with, this type of investment risk.
- **Short-term price volatility** (volatility risk). This refers to the amount of uncertainty or risk about the size and frequency of changes in a security or assets value.
- The consequences of **trading too often** (frequency risk). With shares each trade incurs at the very least a brokerage fee. If you are continually buying and selling your shares you should really think about the costs involved and whether you are investing or speculating and if this is the right strategy for you.
- **Tax impacts** (financial or tax risk) – each trade will incur either a capital gain or loss that could result in a tax liability. Again, you need to think about whether or not you need to buy and sell your shares so often – remember, super is a long-term investment and for most people time is on your side. That is you are able to 'ride' the ups and downs of the sharemarket knowing you are investing for the long-term.



When in the pension phase, capital gains tax is calculated at a zero rate.

- Investing **based upon your feelings** (emotional risk) – chasing the market and emotionally buying or selling shares will not assist you in achieving your long-term financial and investment goals. If you are continually concerned or wanting to change your mind then perhaps reconsider your investment in this option.

Understand and be comfortable with the level of risk you are taking.

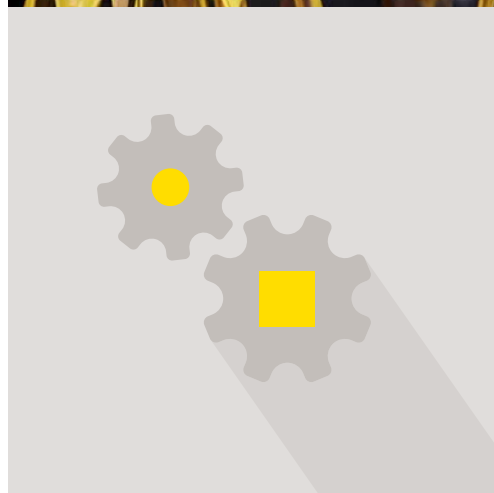
It is worth keeping in mind that the higher the expected level of return, the higher the risk (or volatility) you need to be willing to accept. You need to have a realistic expectation of what kind of returns are achievable and sustainable over the longer term given your level of comfort to risk.

Make sure you understand how your investment strategy works – and how likely it is to provide you with the type of long-term returns you are after as well as your ability to ride the ups and downs associated with investment markets.

We understand taking an active interest in your super or pension can provide you with greater control and flexibility; we also appreciate that it's not for everyone. These are long-term investments and our Choiceplus option should be considered with this in mind. Choiceplus is not an investment option for members who want to try to "time" the market or make short-term investment decisions. Our broad range of options, including our default investment options, can provide you with the flexibility and type of investment return you are after without the risk associated with direct investing.

Getting your investment strategy sorted online.

Our Choiceplus investment option has been developed as an integrated online investment platform. That means all transactions are made online and are connected to your existing Hostplus account. You'll be able to invest directly in shares in the S&P/ASX 300 Index as well as selected term deposits, ETFs and LICs all in real time. You'll also be able to switch between your other Hostplus pre-mixed, sector or individual manager investment options all from the Choiceplus investment platform. It's another way we make it easy for you to get the most from your super or pension.



Getting the right advice.

While many people feel they have the ability to take a more active role in managing their super or pension, the reality is often quite different. We strongly recommend that you obtain advice from a licensed tax (financial) adviser before investing in the Choiceplus investment option. In this way you can have peace of mind knowing your investment strategy matches your investment timeframe and risk tolerance.

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

Our Hostplus dedicated financial planners from Industry Fund Services Ltd, ABN 54 007 016 195, AFSL 232514 can work with you to determine if a Choiceplus investment strategy is right for you. Visit hostplus.com.au/advice to make an appointment online or contact us on **1300 246 423** to have one of our Member Services Consultants organise an appointment for you.

As a Hostplus member, an initial fact finding consultation with one of our planners is free. If you choose to proceed to a more detailed review of your financial position and need a formal financial plan, fees apply.

Rest assured, before you decide if you'd like to go ahead with a financial plan, you'll be provided with an upfront quote and explanation of our fees, and how they can be paid directly from your super account. Conditions apply.

Corporate actions and proxy voting.

Corporate actions are actions taken by publicly listed companies relating to their securities. Some examples of corporate actions are share buybacks, dividends, mergers and acquisitions.

Corporate actions can be elective or announced. Elective corporate actions allow members to elect to participate, while announced corporate actions do not require any action (however you will still be notified).

As a member invested within Choiceplus, Hostplus will notify you on the Choiceplus online investment platform of any corporate action events that impact your portfolio and whether you are able to participate. Some elective corporate actions (including share purchase plans) are not available on the Choiceplus platform.

Choiceplus closes corporate actions (that require member election) earlier than detailed in ASX or Company announcements.

Voting at Company Meetings is not available within Choiceplus. Hostplus carries out all proxy voting in accordance with our proxy voting policy which can be found at hostplus.com.au

i Ancillary benefits, such as shareholder discounts or unit holder benefits associated with listed securities, are not available within Choiceplus.

Why diversify?

In addition to the Choiceplus investment option, Hostplus offers a wide range of pre-mixed, sector specific and individual manager options which you can invest in singularly or in combination. Investing in a mix of asset classes or types of investments is known as diversification.

Diversification means spreading your investments across a range of asset classes or types of investments so you have exposure to different risk and return profiles. As different investments tend to perform better at different times this could help offset poor performance that may occur in any individual asset class. For example, if one asset class is not performing well, another asset class may be experiencing better returns helping to offset the losses of the poorer performing assets.

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

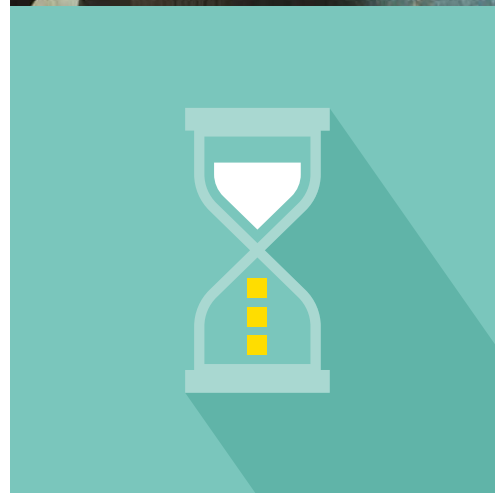
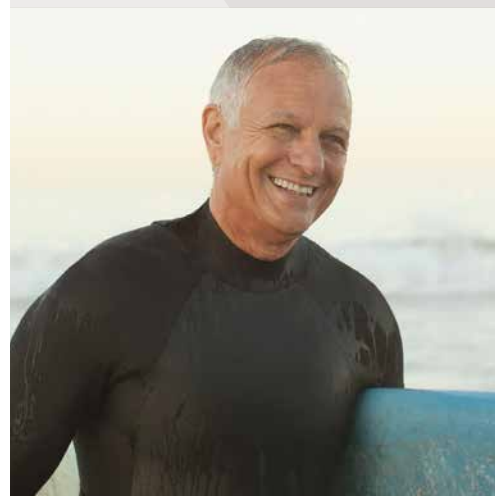
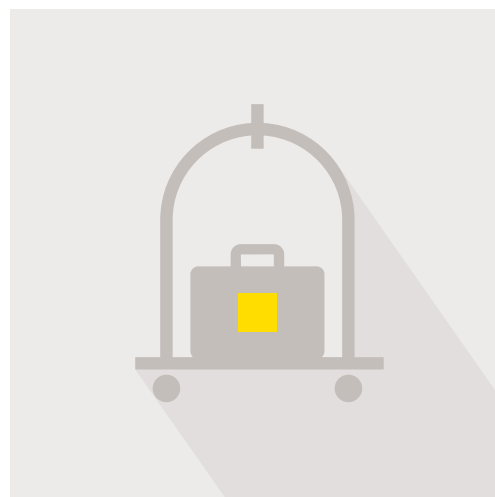
Super and pensions are long-term investment strategies.

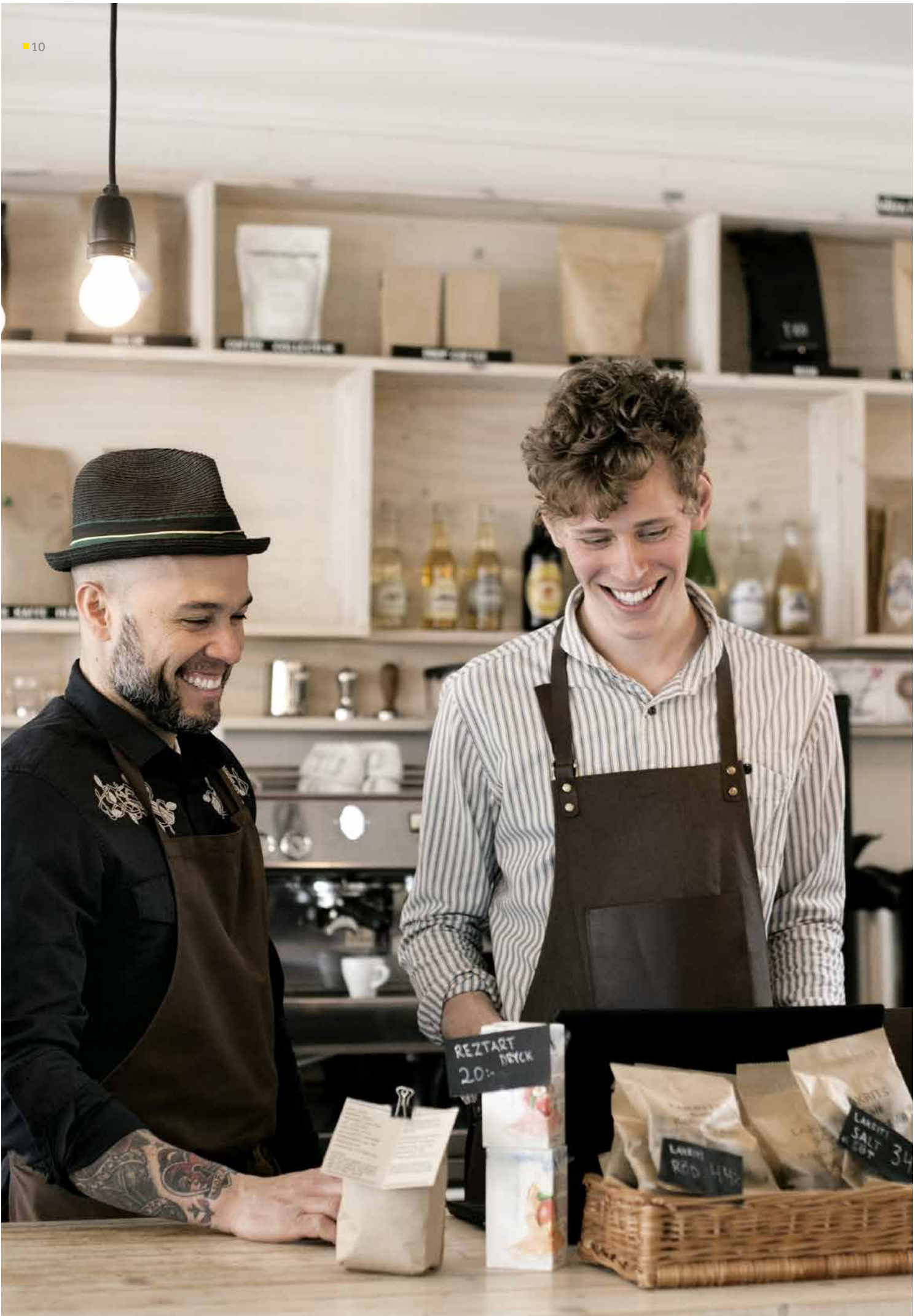
For most of us super and pensions are long-term investments while sharemarkets on the other hand, generally reflect what's happening in the local and overseas investment market today.

This means that there are often periods of low or negative returns as well as periods of high or positive returns. It is quite common for investment markets to go up or down. Known as volatility, it's a natural part of the investment cycle.

If experiencing a negative return is upsetting to you then perhaps investing in the sharemarket is not the right strategy for you. You need to be comfortable with the ups and downs associated with investing in the sharemarket and have a long-term investment strategy in mind.

While seeing a negative return in a given year can be upsetting, remember that it's normal for markets to move up and down. All long-term investments can experience poor or negative returns at some stage. It's very important to have realistic risk and return expectations.





ASX traded securities

Investing using Choiceplus.

Choiceplus enables you to research, buy/sell and track ASX traded securities. It includes extensive market and company research to assist you in analysing companies to allow you to make an informed investment decision when doing so.

You can buy and sell investments at any time during the trading day. To do so you will need to have sufficient funds available in your transaction account to cover the trade(s) including brokerage. Choiceplus will display your available cash balance when you place your trade. You will not be allowed to drop below the minimum amount of \$200 which must be maintained in your Choiceplus transaction account for portfolio administration.

ASX traded securities.

Specifically, Choiceplus enables direct investment into the:

- a) S&P/ASX 300 Index,
- b) Exchange Traded Funds (ETFs) and
- c) Listed Investment Companies (LICs).

Additional details about each of these specific investments can be found later in this section. The following information is generic to all ASX traded securities.

Strategy

ASX traded securities purchased through Choiceplus form part of a self-directed investment strategy. Hostplus strongly recommends you seek personal financial advice from a licensed tax (financial) adviser before formulating and executing your investment strategy. To contact a Hostplus dedicated financial planner from Industry Fund Services Ltd, ABN 54 007 016 195, AFSL 232514 simply call us on 1300 246 423.

Hostplus excludes all liability and retains all rights of indemnity.

See Terms and conditions on pages 27 to 29.

Benefits

- **Liquidity:** ASX traded securities can generally be easily bought and sold on the ASX, which makes them a highly liquid investment.
- **Shareholding benefits:** including capital growth, dividend income and dividend reinvestment plans (DRP).
- **Flexibility:** ASX traded securities can be bought and sold any time during the trading day at market prices.
- **Transparency:** as ASX traded securities are listed on the ASX with market prices quoted throughout the trading day and portfolio holdings are published regularly, you will always know what you own and the market value of your ETF.
- **Higher long-term return potential:** ASX traded securities have historically outperformed other asset classes over the longer term.
- **Tax effective income:** through the receipt of franking credits. Franking credits represent the underlying tax paid by a company on before-tax profits, and may reduce the amount of tax you pay on dividend income. The franking concept was introduced to prevent double taxation (see page 23 for more information).

Risks

- **Volatility:** prices can be volatile over the short-term.
- **Shareholding risks:** such as a dividend may not always be paid, not all ASX traded securities are fully franked, or at all, and that trading halts may apply as per the Australian Stock Exchange rules.
- **Attempting to time the market:** buying into ASX traded securities at a low point and selling out at a high point, often known as timing the market, can be done at the wrong times and result in a substantial loss of value.
- **Capital loss:** ASX traded securities can decrease in value resulting in a capital loss.
- **Lack of diversification:** too much of your account balance tied up in one share or asset class.

Trading restrictions.

As long as the account balance for your other Hostplus investment options is at least \$2,000 and you maintain \$200 in your Choiceplus transaction account you can invest:

- A maximum of 80% of your total super or pension balance in shares and ETFs or LICs on the platform.
- A maximum of 20% of your total super or pension balance in a single security.
- The minimum amount that can be invested per security trade purchase is \$1,500, and
- The maximum amount that can be invested per security trade purchase is \$250,000.

You cannot buy and sell the same security on the same day (day trading) in Choiceplus. While unexecuted purchase or sale orders can be cancelled, once a trade is executed on the Choiceplus platform it cannot be cancelled.

Platform opening and closing times

The Choiceplus platform opens for trading of ASX traded securities at 10.09am each business day or after all pre-market trades for the entire ASX listing has been completed and closes at 4.00pm.

Limit Orders

Choiceplus uses UBS Securities Australia Ltd as the broker for trades in listed instruments. As a market participant, UBS Securities Australia Ltd is required to comply with market integrity rules and will apply its own validation logic to orders submitted through Choiceplus. As such, during an open or pre-open market, limit orders cannot be placed that deviate too far from the current market depth. In a closed market, these same rules will apply to prevent any limit order being placed that has a price too far from the last traded price, or previous market close if after 12:01am.

Choiceplus allows you to place an order to buy or sell exchange traded securities at a set price. You can place a limit order which is 'good for the day' or 'good for 30 days'. Orders which have not been executed within the selected time period will automatically expire. You can cancel a limit order at any time provided it has not been executed.

The below table shows the tolerance levels for each share price range. Choiceplus will not allow you to place an order outside these levels.

Limit Order Tolerances	
Share price range	Tolerance levels
\$0.001 - \$0.099	30%
\$0.100 - \$0.199	20%
\$0.200 - \$0.395	15%
\$0.400 - \$0.695	12%
\$0.700 - \$0.995	8%
\$1.000 - \$1.995	6%
\$2.00 - \$9.99	5%
\$10.00 - \$29.99	4%
\$30.00 - \$9,999.99	3%

Maximum orders in market at any one time

We have set a limit of only one unexecuted order in the market at any one time on each particular share, ETF or LIC. This is done to prevent any type of market manipulation that could possibly occur. The Choiceplus platform will monitor unexecuted share, ETF or LIC orders to ensure the limit is not breached at any point in time.

Dividend Reinvestment Plans (DRP)

Within Choiceplus, you can choose to participate in a Dividend Reinvestment Plan (DRP) for each stock you invest in that offers a DRP service. A DRP will automatically reinvest your dividends to buy additional shares in the underlying stock/ETF/LIC you hold.

Your DRP preferences can be individually set for each of your investment holdings and may be changed at any time. Once a dividend has been announced, you will have until midnight on the day before "ex-date" to make your final DRP preference selection.

Reinvesting your dividends to buy additional shares under a DRP may result in a small amount of residual cash, to the value of less than one whole share issued as part of a particular DRP allocation. All residual fraction entitlement amounts received by Hostplus will be paid directly to our member transaction accounts.

If you do not choose to participate in a DRP or nominate to participate in a DRP for a stock that does not offer this service, dividends will be paid into your transaction account as cash.

Please note: For members who participate in a DRP, tax will be deducted from your transaction account when any applicable shares are allocated to your portfolio.

Trading halts and delisted ASX traded securities

It is not possible to trade in shares or ETFs and LICs that have a trading halt or are delisted. If you wish to sell all your holdings and transfer any remaining cash from your Choiceplus account, any halted or delisted shares or ETFs and LICs you hold will have a zero value.

Stop Losses/Gains

Stop losses or stop gains are not available through the Choiceplus platform.

A. S&P/ASX 300 Index.

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

Objectives of Shares.

Performance objectives: to provide investors with a maximum return on their capital investment through share dividends and increases in share capital value.

Minimum recommended investment timeframe: 7 years plus, based on a diversified portfolio.

Level of investment risk*: High

Expected frequency of negative annual returns*: based on a diversified share portfolio it would be expected in between 5 and 6 out of every 20 years.

B. Exchange Traded Funds (ETFs).

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

How do ETFs work?

The ETF will generally hold similar securities and weightings to the index, so it can closely replicate its performance. Market participants tend to ensure ETFs trade at prices that are closely aligned to the net asset value of the underlying securities in the portfolio.

ETFs can be bought and sold at any time during the trading day

through Choiceplus.

The ETFs offered on Choiceplus have been selected by Hostplus based on recommendations from Lonsec Research Pty Ltd, a specialist investment research house and the leading provider of quality managed fund and ETF research in the Australian market. Using Choiceplus you are able to access extensive information about each ETF which is regularly updated.

For the current list of ETFs available through Choiceplus, go to hostplus.com.au/investment/your-investment-options

Specific benefits of investing in ETFs.

For long-term investors, ETFs provide a range of benefits, which include:

- **Diversification:** by selecting one or more ETFs you will receive exposure to a diversified range of securities, which will reduce the concentration risk in your portfolio.
- **Exposure to international markets:** Choiceplus offers a range of ETFs which track international share indices and securities markets.
- **Cost effective:** as ETFs provide a diversified and passively invested basket of shares, they can be a cost effective way of diversifying your portfolio.

Objectives of ETFs.

Performance objectives: to maximise investor returns through a balance of capital and dividend growth from a diversified portfolio of assets over the medium to long term.

Minimum recommended investment timeframe: this is highly dependent on the actual ETFs members choose to invest in.

Level of investment risk*: High

Expected frequency of negative annual returns*: this is highly dependent on the actual ETFs members choose to invest in. Different ETFs have different risk and return profiles and the frequency of negative returns can vary greatly from one ETF to another.

*The level of investment risk and expected frequency of negative annual returns are based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period.

C. Listed Investment Companies (LICs).

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

How do LICs work?

LICs can be bought and sold at any time during the trading day through Choiceplus.

The LICs offered on Choiceplus have been selected by Hostplus based on recommendations from specialist independent research.

For the current list of LICs available through Choiceplus, go to hostplus.com.au/investment/your-investment-options

Using Choiceplus you are able to access extensive information about each LIC which is regularly updated.

Specific benefits of investing in LICs.

For long-term investors, LICs provide a range of benefits, which include:

- **Actively managed:** LICs offer actively managed portfolio of investments.
- **Diversification:** by selecting one or more LICs you will receive exposure to a diversified portfolio of securities, which will reduce the concentration risk in your portfolio.
- **Cost effective:** as LICs provide a diversified and passively invested basket of shares, they can be a cost effective way of diversifying your portfolio.
- **Investment objectives:** LICs are actively managed investment portfolios, therefore as an investor you can decide if the investment style and underlying investment portfolio suits your own investment needs and objectives.

Objectives of LICs.

Performance objectives: to maximise investor returns through a balance of capital and dividend growth from a diversified portfolio of assets over the medium to long term.

Minimum recommended investment timeframe: this is highly dependent on the actual LICs members choose to invest in.

Level of investment risk*: High

Expected frequency of negative annual returns*: this is highly dependent on the actual LICs members choose to invest in. Different LICs have different risk and return profiles and the frequency of negative returns can vary greatly from one LIC to another.

*The level of investment risk and expected frequency of negative annual returns are based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period.



Term deposits

Selecting term deposits using Choiceplus.

Choiceplus allows you to invest your superannuation or pension in a range of term deposits provided by ME Bank. Money invested in term deposits has a locked in term and interest rate, which accrues interest daily and is credited to your account at the end of the selected term along with the original invested capital. The interest rate is generally higher than a normal bank deposit interest rate.

You can arrange to automatically rollover your term deposit including principal or principal and interest. This instruction must be updated in Choiceplus by Thursday 11.59pm, before the original term deposit matures. You can cancel an automatic rollover instruction at any time before Thursday 11.59pm cutoff.

Benefits and risks of investing in term deposits.

Benefits

Term deposits offer:

- Stable investment returns for a nominated period.
- A set interest rate for the term of the investment.
- No investment management or brokerage fees, and
- Competitive interest rates.

Risks

- **Low risk:** with a term deposit the interest rate and term are fixed and these types of investments are highly regulated. As such the risks associated with them are fairly low. You are very unlikely to lose your capital and you know what your return on your investment will be over the set period of the term deposit. As your interest rate is locked in at the commencement of your term deposit, rises or falls in the official cash rate will not affect your actual return.
- **Liquidity:** term deposits are deemed to be 'illiquid' investments, because once you have agreed on a term and locked your investment in, you cannot redeem your cash earlier without incurring a penalty on your interest rate. See the information on page 17 for the consequence of redeeming a term deposit before it reaches its agreed maturity date.

Term deposit restrictions.

As long as your other Hostplus investment options contain at least \$2,000 and you maintain \$200 in your Choiceplus transaction account you can invest:

- A minimum of \$1,000 in a single term deposit.
- A maximum of \$5,000,000 in a single term deposit.
- Over terms of 90 days, 180 days and 365 days.

Please note: any term deposits held that are not at their maturity will delay asset transfers and may invalidate an associated Pension application.

Term Deposits cannot be broken in order to set up your Pension account, meaning you may wish to consider delaying the commencement of your Hostplus Pension account until your Term Deposits reach full maturity.

See page 16 for more information.

Objectives, strategy and risk profile of term deposits.

Performance objectives: to provide investors with an income return on their capital investment by applying a fixed interest rate over a fixed term.

Strategy: term deposits purchased through Choiceplus form part of a self-directed investment strategy. Hostplus strongly recommends you seek personal financial advice from a licensed tax (financial) adviser before formulating and executing your investment strategy. To contact a Hostplus dedicated financial planner from Industry Fund Services Ltd, ABN 54 007 016 195, AFSL 232514 simply call us on **1300 246 423**.

Hostplus retains all exclusions of liability and rights of indemnity. See Terms and conditions on pages 27 to 29.

Level of investment risk*: Very low.

Minimum investment timeframe: if you invest in a Term Deposit through the Choiceplus investment option, be prepared to stay invested for the specific term of maturity to meet your objectives.

Expected frequency of negative annual returns*: given the nature of the investment, no negative annual return is expected in a 20-year period.

Term deposit investments.

Term deposit purchases are processed once a week, on a Friday (or the next business day if Friday falls on a Victorian public holiday).

Investments in term deposits can be requested at any point in time during the week before 11.59pm on each Thursday (AEST). If your request is received after this time, it will be processed effective from the following Friday.

If you wish to cancel your instruction to purchase a term deposit, this must also be received prior to 11.59pm on a Thursday (AEST) in the same week as your request. If your request is received after this time, it will not be able to be cancelled.

You can view any pending term deposit orders on the Hostplus investment platform in the 'pending' tab located under the 'Transact/term deposits' heading.

Term deposit investment period available through Choiceplus

Choiceplus provides you with agreed maturity terms of 90 days, 180 days and 365 days on your term deposits through ME Bank. The actual term deposit rates are set each week by ME Bank and are available on the Choiceplus platform.

*The level of investment risk and expected frequency of negative annual returns are based on an industry-wide Standard Risk Measure. It shows the number of expected negative annual returns over a 20-year period.

Redeeming term deposits before maturity.

Redeeming term deposits prior to the maturity date in Choiceplus will be accepted in limited circumstances.

These include:

- Payment of your superannuation benefit on the grounds of severe financial hardship (strict eligibility criteria apply).
- Payment of your superannuation benefit on compassionate grounds approved by Department of Human Services (strict eligibility criteria apply).
- Payment of your superannuation benefit to your beneficiaries upon your death.
- Payment of your superannuation benefit for Total and Permanent Disability.
- Payment of your superannuation benefit for a terminal medical condition.
- Payment of a Family Law Split.
- Payment of a Departing Australia Superannuation Payment (DASP) request. or
- Payment of your minimum annual pension as required by law (see 'Managing your Choiceplus account' on page 24).

If none of the above apply, please contact us to discuss and for further consideration of your request.

Early redemption costs (known as break fees).

If you meet one of the above criteria and you (or your beneficiaries) redeem your term deposit(s) prior to the maturity date, the interest rate will be reduced as follows:

Time invested	Interest rate reduction
0 to 50% of total term	50%
Over 50% of total term	20%

Fees and charges

Portfolio administration fee.

In addition to our standard \$1.50 per week Hostplus administration fee (an administration fee of \$7.50 per week applies for Pension members), the Choiceplus investment option includes a portfolio administration fee of \$15.00 a month (\$180.00 a year) including GST. The portfolio administration fee will be deducted directly from your Hostplus Choiceplus transaction account at the end of each month.

There are no portfolio administration fees included with the free access level to Choiceplus however members with free access are restricted from transacting on the Choiceplus platform.

Transaction account fees and costs.

Gross interest earned on any cash held in your transaction account is subject to an investment fee of 0.50% and an indirect cost ratio (ICR) of 0.40%. These fees and costs are estimated for the financial year ended 30 June 2018 and are not deducted from your account balance. These are deducted daily from gross investment earnings before net investment returns are applied to your transaction account. Because the investment fee and ICR are estimates, fees and costs payable in respect of each future year may be higher or lower.

Please refer to the Member Guide – Superannuation and Personal Super Plan, Executive Member Guide, or Hostplus Pension Product Disclosure Statement, for further information in respect of indirect costs.

Brokerage fees for shares and ETFs and LICs.

Whenever you buy and sell shares, ETFs and/or LICs there is a brokerage fee that will be applied.

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

Fees are exclusive of GST.

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

$$\$45,000 \times 0.11\% = \$49.50.$$

For all limit and market orders which are not fully executed in the same trading day, normal brokerage will be charged for the total portion executed per day.

Management fees for ETFs and LICs.

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

Changes to fees and charges.

We undertake to notify all Hostplus members of any change in fees and costs. We are required to let you know 30 days before the change takes effect if the change results in an increase in the portfolio administration fee or brokerage fee (but not on indirect fees and costs).

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

Choiceplus, your Hostplus online investment platform

Your transaction account.

The hub of your Choiceplus investment option is the transaction account. It operates like an online bank account, and you can use it to purchase shares, ETFs, LICs and term deposits or to transfer money into or out of your other Hostplus investment options.

When you first register online for Choiceplus you will be asked to transfer funds into your transaction account from your current Hostplus investment option(s). You must hold a minimum of \$200 in your Choiceplus transaction account at all times.

You will need to ensure that you have enough money available in your transaction account to invest. You can 'top up' your transaction account at any time subject to maintaining the minimum amounts in your other Hostplus investment options. Any cash transferred by you is processed daily. Transfers must be made by 4.00pm (AEST), otherwise they are not considered to have been received until the following day. Transfers take effect two national business days after receipt. The Hostplus investment platform will automatically calculate and display the amount of money you have available to invest in your transaction account.

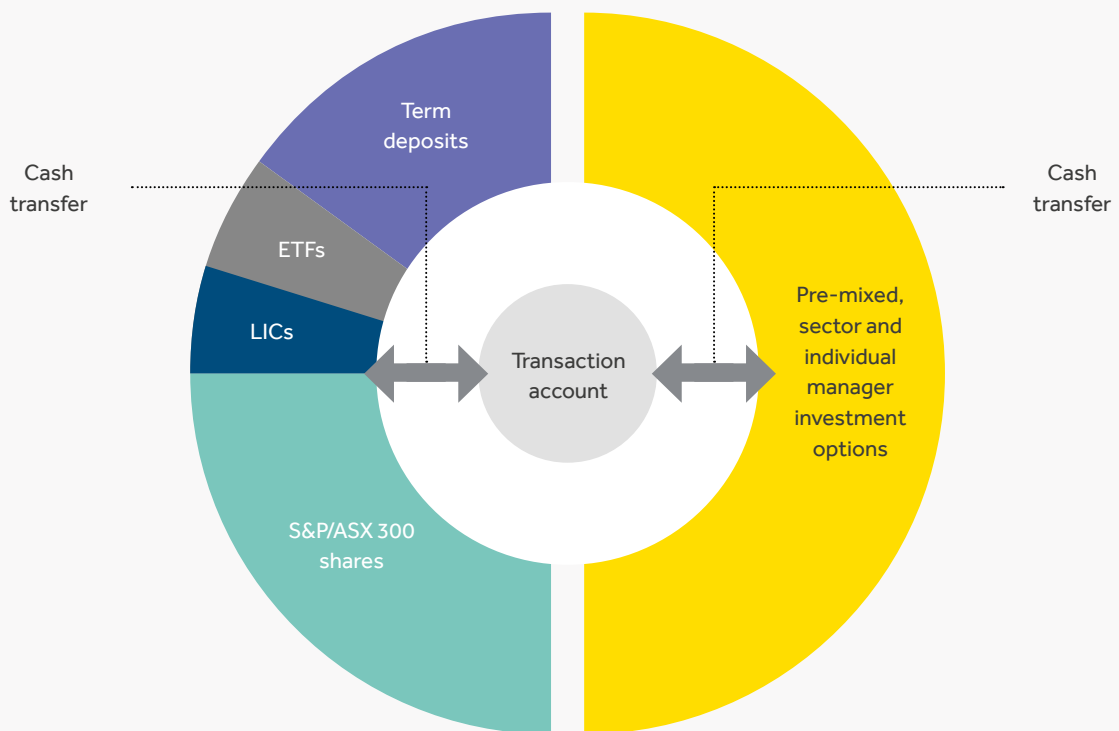
ME Bank (Members Equity Bank Limited) is the provider of your Choiceplus transaction account. ME Bank is a licensed Australian Bank subject to regulation by the Australian Prudential Regulation Authority (APRA). ME Bank also holds an Australian Financial Services Licence No. 229500 and is subject to regulation by the Australian Securities Commission (ASIC).

Interest on your Choiceplus transaction account is accrued daily and credited to that account monthly in arrears. The net interest you will receive (after the deduction of the transaction account fees and costs) is calculated at the Reserve Bank of Australia official cash rate.

Deposits to your transaction account are cash transfers from your other Hostplus investment options, as well as your Choiceplus investment income, such as dividends, interest proceeds, share and ETF and LIC sales.

Deductions from your transaction account are cash transfers to your other Hostplus investment options, fees and tax payments in relation to your Choiceplus investments and investment purchases.

Your transaction account – the hub of the Choiceplus investment option.



Choiceplus investment option

Funds held in Choiceplus investments can be moved into the Choiceplus transaction account for investment in your pre-mixed, sector and individual manager investment options.

Other Hostplus investment options

Funds held in your pre-mixed, sector and individual manager investment options can be moved into the Choiceplus transaction account for investment in Choiceplus – shares, ETFs and LICs and term deposits.

Tax and your investments in Choiceplus

How your account is taxed.

Tax on investment income

Your Hostplus investment options are taxed as follows:-

Hostplus pre-mixed, sector specific and individual manager investments

The earnings credited to your Hostplus super investment options excluding the Choiceplus investment option are net of any applicable tax, which means that an allowance for tax has already been made in the declared earning rate.

i There is no tax payable on the investment returns of your Hostplus Pension account.

You can find more information about the taxation of super and pensions in our Hostplus Member Guide and Hostplus Pension Guide available at hostplus.com.au

Transaction account and term deposits

These are both interest bearing investments and as such tax is payable on interest income on an accruals basis (ie. daily as interest is earned). The Choiceplus investment option will accrue the tax payable on all interest earned in the value of these interest bearing investments and will withhold the applicable tax from the interest income paid into the transaction account.

Shares, ETFs and LICs

Tax is payable on all share income (known as dividends) and will be withheld when the dividend is paid into the transaction account. Where a Dividend Reinvestment Plan (DRP) is selected, tax will be withheld (deducted from your transaction account) when applicable shares are allotted to your portfolio.

Trust distributions

Occasionally income from investments can be trust distributions and tax is payable on these distributions on a present entitlement basis, therefore tax will be withheld upon receipt of the distribution. Where we receive estimated trust components, tax will be applied to taxable components. Where no estimates are provided, tax will be applied to the total distribution received. When the final trust distribution components are received, a 'true up' calculation will be performed (see page 22).

Capital Gains Tax (CGT)

CGT relating to investments held or sold within your Choiceplus account will be calculated daily based on a financial year to date position and this will accrue within your portfolio valuation.

A physical deduction or refund relating to financial year to date realised net capital gains will be made either on exit or each quarter.

Quarterly deductions or refunds will occur within seven days of 31 March, 30 June, 30 September and 31 December.

Realised capital losses that cannot be offset against realised capital gains will be carried forward for future use in subsequent quarters and reflected in the CGT asset or liability reported within your portfolio valuation.

If your Choiceplus investment option is in an overall loss position on exit, then you will receive a benefit equal to 10% of the net realised loss position.

Choiceplus super to pension asset transfer

When you transfer shares and exchange traded funds from Choiceplus super to pension, no CGT will be payable or receivable on any unrealised gains or losses associated with those investments transferred. This means you will not pay any CGT on any net unrealised gains, nor will you receive any benefit from any net unrealised losses attached to those investments.



True up calculation.

A calculation of your final tax liability for Choiceplus held investments will be calculated, and all adjustments made, as at 31 December each year in respect of the previous tax year. This will allow adequate time for any trust distribution information to be received from the respective issuers that might not have otherwise have been available at the time the trust distribution was received.

Tax benefits of investing in the Choiceplus option.

Choiceplus allows for the carry forward of any capital losses, which can provide you with future tax offsetting benefits. This does not apply to your other Hostplus investment options.

A capital loss occurs when you sell an asset at a lower price than you purchased it at. Although capital gains must be realised and taxed each year, capital losses can be carried forward to be offset against future capital gains.

Choiceplus allows you to carry forward any realised capital losses in relation to the sale of shares, ETFs and LICs to offset against future gains.

Hostplus recommends that you seek independent financial and taxation advice in respect of when you should offset future gains.

Dividend imputations explained.

One of the ways in which a company typically distributes earnings to shareholders is by paying out a dividend. Dividends are the amounts paid out using profits that a company has made during the year and depending on the nature of the payout, usually come with an imputation or franking credit attached.

Dividends are treated by the tax office the same way as other income and are grouped together with other earnings to determine an overall taxable income amount. When a company earns a profit it is required to pay tax on that money earned. This tax is generally set at the corporate rate of 30% (the current rate as at 25 July 2018).

Australia's dividend imputation system operates on the basis that if you receive a dividend you will only be taxed the difference between 30% and your own marginal tax rate as the company tax has already been paid at the 30% rate.

Because your Choiceplus investments form part of your superannuation, and super funds pay a maximum of 15% tax on investment earnings, any dividends taxed at a higher rate than 15% will return a franking credit, (i.e. the difference between the company tax rate and 15%). To be eligible for franking credits, Choiceplus investments must be held for 45 continuous days (or 90 days for preference shares).

i If you have a Pension account, tax is not paid on earnings, and the franking credit is paid in full into your transaction account.

The following example shows how the dividend imputation system works.

Jono holds 625 shares in ACME Holdings for which he paid \$16 per share making the total investment in this company \$10,000.

ACME Holdings makes \$3 of profit per share and is required to pay 30% tax on that profit which is 90 cents, leaving \$2.10 cents per share able to be either retained by the business for growth or paid out to shareholders in the form of a dividend.

ACME Holdings decide to retain about 40% of the profits to further grow the business and to pay shareholders the remaining \$1.20 as a fully franked dividend. Attached to this dividend is a 30% imputation credit which Jono doesn't physically receive but which adds to his taxable income.

After paying the 15% superannuation tax on investment income, Jono adds \$910.72 to his super.

Share price \$16.00	Number of shares held equals 625	Investment (625 x \$16)	\$10,000
Dividend per share \$1.20		Dividend income (625 x \$1.20)	\$750
Franking credit		Franking Income (\$750 x 30/70)	\$321.43
Taxable income		(\$750 + \$321.43)	\$1,071.43
Tax withheld @15%		\$1,071.43 x 0.15	\$160.71
Net dividend income		\$1,071.43 - \$160.71	\$910.72

Managing your Choiceplus account

Maintaining your Choiceplus transaction account and balance.

You must maintain at least \$200 at all times in the transaction account. The platform will automatically manage this minimum from any interest or dividend income you receive or from the proceeds of any share, ETF or LIC transaction.

If your account does fall below \$200 Hostplus will contact you and if no action is taken after 30 days – and you do not hold any shares, ETFs / LICs or Term Deposits – Hostplus will restrict your access to transact on the platform.

If no action is taken and you do hold shares, ETFs / LICs and/or Term Deposits, Hostplus will on your behalf bring the transaction account to the minimum balance of \$200.

In doing so, Hostplus will apply the following rules in order:

- Transfer \$200 from your other Hostplus investment options if the balance in your other investment options is above \$2,200. Noting, if you have a pension account the amount you must have in your other Hostplus investment options may need to be more than \$2,200 to cover pension payments (Income payment reserve).
- If you have less than \$2,200 in your other Hostplus investment options or for pension members less than the Income payment reserve, then Hostplus will sell approximately \$200 shares from your highest market value share/ETF or LIC holdings. You will be responsible for the brokerage fees and any Capital Gains Tax that may be due. The amount received will be dependent on the market price of the trade at the time it is placed. Hostplus has no responsibility for the price received when the trade is executed.
- Finally, Hostplus will redeem any term deposits in order of the earliest maturity date.

Penalties will apply as set out on page 17.

Moving between Hostplus investment options and Choiceplus.

When you choose to invest in or transfer funds into Choiceplus, you nominate a dollar amount which is deducted proportionately from your current Hostplus Superannuation or Pension investment options.

Transfers to Choiceplus must be made by 4.00pm (AEST), otherwise they are not considered to have been received until the following day. Transfers take effect two national business days after receipt.

When you choose to sell and transfer some or all of your Choiceplus holdings back into Hostplus options, the transfer will be applied in accordance with the following rules:

- Superannuation investors: the transfer amount will be applied to your Hostplus investments in line with your last future investment option nomination (refer to Options for investing your account balance in the Hostplus PDS pds.hostplus.com.au/5-how-we-invest-your-money for more information).

- Pension investors: the transfer amount will be applied to your Hostplus investments proportionately across your current investment allocation.

Information about changing your Choiceplus account access is available on page 25.

Maintaining an account balance in other Hostplus options.

From time to time your other Hostplus investment options may drop below the minimum required amount of \$2,000. If this occurs we will contact you to advise you of your options to raise these investments above the \$2,000 threshold.

Should no action be taken within 30 days we will consider taking actions to restore your other Hostplus investment options above the \$2,000 threshold.

If action is taken by Hostplus, we will apply the following rules in order:

- If you have sufficient funds in your Choiceplus transaction Account, Hostplus will transfer the required cash into your other Hostplus investment options.
- If you do not have sufficient funds in your Choiceplus transaction Account, Hostplus will:
 - Sell from your highest market value share/ETF or LIC holdings to the required amount. You will be responsible for the brokerage fees and any Capital Gains Tax that may be due. The amount received will be dependent on the market price of the trade at the time it is placed. Hostplus has no responsibility for the price received when the trade is executed.
 - Redeem any term deposits in order of the earliest maturity date.

Penalties will apply as set out on page 17.

Redeeming term deposits before maturity.

Redeeming a term deposit prior to the maturity date will incur a reduction in the interest rate, except in limited circumstances. See page 17 for more information.

i If you are a Pension member you may need to maintain more than \$2,000 in your other Hostplus investment options in order to pay your minimum annual pension required by legislation and is called the income payment reserve (IPR).

The IPR is calculated annually and is displayed on Choiceplus. Hostplus must pay at least the minimum annual pension payment amount applicable to your pension by June 30 of each year. Should your other investment options fall below the minimum amount to meet this payment we will be required to transfer cash from your Choiceplus account. This may require us to sell some of your Choiceplus shares or ETFs and LICs or break a term deposit. We will make every endeavour to contact you prior to selling any of your holdings in Choiceplus.

Family law.

To give effect to a family law split, Hostplus will process the family law payment proportionally according to your Hostplus investment profile which may include selling-down your Choiceplus investments. Brokerage fees and early redemption costs may apply.

Changing your Choiceplus access.

You may elect to change your Choiceplus access at any time. If you wish to access your superannuation benefits for any purpose or commute your Pension account, it is your responsibility to ensure that all investments in your Choiceplus account have been redeemed or sold prior to Hostplus being able to process your request.

Things you should consider:

- Please ensure that you sell down all shares, ETFs and LICs as well as not enter into any further term deposits.
- If your request is received around a company's half yearly reporting cycle, please be aware that there may be a delay in closing your account until all share dividends have been paid and allocated.
- Any term deposits not at their maturity may also delay the closure of your account.
- Any benefit request will not be deemed as received or able to be processed until all of your transactions on the Choiceplus investment platform have been concluded.

Partial withdrawals.

To claim a benefit from your Hostplus account you must meet one of the conditions of release. Please visit [hostplus.com.au](https://www.hostplus.com.au) to find out more about conditions of release.

Withdrawals will be taken from your other Hostplus options first. If there are insufficient funds in your other investments you will need to transfer cash from your Choiceplus transaction account. This may require you to sell down some or all of your share, ETF or LIC holdings. We will notify you in such cases before commencing the withdrawal request.

Full withdrawals.

Your benefit request will not be processed until you have first sold any shares, ETFs or LICs you hold and closed any term deposits.

Death claims.

If Hostplus receives a request for benefits to be paid in the event of your death the trustee will commence the sell-down of your Choiceplus investments. Once this is completed Hostplus will commence processing your death claim.

To find out more about death benefits please visit [hostplus.com.au](https://www.hostplus.com.au)

Transfer your ASX traded securities

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

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

Benefits of a transfer are:

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

Additional matters you should consider:

- Term deposits cannot be broken in order to set-up your Pension account, meaning you may wish to consider delaying the commencement of your Hostplus Pension account until your Term Deposit(s) reach full maturity.
- Your super Choiceplus transaction account will be transferred to your new Pension account upon completion of the asset transfer.
- Your Choiceplus shares cannot be transferred until any pending buy or sell orders have either been executed and settled or cancelled.
- Corporate actions and other asset specific events, such as pending cash transfers, pending trades, and pending non-income corporate actions may delay transfers.
- Tax credits associated with any trust distributions you received during a financial year may be lost when you redeem or sell your investments and transfer all remaining cash from your Choiceplus account (including as a result of an asset transfer) if done prior to the Fund's annual true up calculation. For more information on the 'True up calculation' please refer to page 22.
- The value of the transfer will be calculated at close of business the day before the transfer is completed.

For information on tax and your Choiceplus investments please refer to page 27.

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

How to transfer.

To elect to transfer your Choiceplus investments simply tick the Transfer my Choiceplus shares, ETFs and LICs into my Hostplus Pension box in the Pension membership application form.

Terms and conditions for investing in the Choiceplus investment option

The Choiceplus online investment platform ('the site') is an internet-based facility provided by Hostplus, and made available to Hostplus members who meet the eligibility requirements as outlined in the Hostplus Choiceplus guide.

These terms and conditions relate to use of the site. The site includes information transmitted electronically and any associated information provided by Hostplus.

Your access to the site is subject to these terms and conditions, the Hostplus Privacy Policy, disclaimers and any additional terms and conditions or statements contained on the site (referred to collectively as the terms and conditions). By accessing, viewing, using any of the online functionality or otherwise using the site, you agree to be subject to these terms and conditions.

You have read and understood the information contained in the current, applicable Hostplus Member Guide Product Disclosure Statement, Hostplus Executive Member Guide Product Disclosure Statement, Pension Guide Product Disclosure Statement, the associated reference material available at hostplus.com.au, which includes also the Choiceplus Guide.

In these terms and conditions, references to:

1. 'our', 'we', 'us' are references to Hostplus; and
2. 'you' and 'your' are references to registered users.

General terms.

1. Application of general terms

The General terms in this clause apply to all registered users of the site. Additional specific terms may also apply and these are set out after these general terms.

2. Changes to terms and conditions

We reserve the right to change these terms and conditions at any time. We will then post a notice on the site giving notice of that change for a period of 30 days. Any subsequent access to, or use of, the site by you will constitute an acceptance of those modifications.

3. Changes to fees and charges

We reserve the right to change any fees or charges at any time. Where a change relates to an increase in fees or charges we will notify you at least 30 days prior to the change.

4. Change of functionality

We reserve the right to change the functionality of the site at any time without prior written notification. We will endeavour to inform users by notices on the site about the change before it comes into effect.

5. Registration

This site can only be accessed after completing the registration process. To become a registered user you must meet the eligibility criteria provided in the current Choiceplus Guide. You will become a registered user of the site and be entitled to access and use the site when your registration is accepted by us and you agree to our terms and conditions. You can only register one account at a time. We reserve the right to deny access or to refuse registration to any person at our discretion.

6. Personal details

You acknowledge and confirm that all information that you provide to us is correct.

7. Electronic documents

You agree that where we are required by law or otherwise to provide you with a document, you consent to receive such documents electronically (whether provided on or through links on the site or via email). We recommend that you print a copy of any document so provided or file it electronically for future reference. You agree not to dispute the validity or enforceability of electronic communications and you will be taken to have received such communications whether or not you access the communications on the site.

8. Indemnity

You indemnify us and keep us indemnified at all times against any and all liability for loss arising from and all costs, charges and expenses incurred directly or indirectly in connection with:

- I. the use of the site by you, any other user, your employees, agents or any other person who uses the site on your behalf (including where such use involves an unauthorised or fraudulent act);
- II. us acting in accordance with any actions that appear to be given by you, including:
 - a. actions that are unauthorised or fraudulent; or
 - b. any request made that we stop an action you have initiated through the site from being processed, or
 - c. any request made for an asset transfer that results in,
 - i. the cancellation of pending buy or sell orders for any Choiceplus Investment you hold,
 - ii. a delay as a result of a pending term deposit, corporate action or other asset specific event (such as pending cash transfers, trades, and non-income corporate actions); and
 - iii. closure of your Choiceplus account,

except to the extent that liability is directly caused by a breach of these terms and conditions by us, or by any negligent act or omission by us.

9. Warranties

We warrant that we will use reasonable efforts to ensure the information provided on or through the site is accurate, current, and complete. The sole remedy for breach of this warranty is the rectification of any inaccurate information upon notice by you of the inaccuracy or error. We do not represent or warrant that the site will be free from:

- I. any omission, error or inaccuracy in information provided on or through the site, including information provided by third parties;
- II. downtime or periods where the site is unavailable or the failure, in whole or in part, of any function on the site to perform an action; or
- III. any unauthorised access to the site or the information (including account information) retained on the site, except where the unauthorised access is the direct result of our negligence or fraud.

10. Limitation of liability

You confirm that you have not relied on any representation, description, illustration or specification which is not expressly stated in these terms and conditions.

To the extent permitted by law, we exclude any liability for any loss, costs, charges and expenses suffered or incurred by you directly or indirectly arising as a result of:

- I. any technical or service difficulties or processing delays in relation to the site, including processing delays which arise as a result of:
 - a. an action being submitted on a day which is not a business day;
 - b. any errors or omission in the action;
- II. the failure of the site to perform any function which we have specified it will perform (including any failure as a result of a disruption to any telecommunications service, power supply or internet connection);
- III. any unauthorised access by third parties to the site or to the information contained or functionality available on the site;
- IV. the use of the site by you, any other user, your employees, agents or any other person who uses the site on your behalf (including where such use involves an unauthorised or fraudulent act);
- V. us acting in accordance with any actions that appear to be given by you or other users, including:
 - a. actions that are unauthorised or fraudulent; or
 - b. any request made by you that we stop an action from being processed;
- VI. any technical or service difficulties or processing delays caused to any computer, associated equipment, software or data; or
- VII. any matters arising from data corruption, breaches of data or security, defects in transmission or viruses.
Where our liability cannot be excluded under any law, our liability will be limited to, at our discretion, either:
 - I. the costs of re-supplying any functionality provided on the site or a requested action to you; or

- II. paying you the cost of re-supplying any functionality provided on the site or a requested action to you.

Unless these terms and conditions provide otherwise, our maximum aggregate liability for all proven losses, damages and claims arising out of these terms and conditions or your use of the site, including liability for breach of these terms and conditions, in negligence or in tort or for any other common law or statutory action, is limited in the following manner:

- I. if the liability arises in relation to any reliance on, use of, or inability to use any information displayed or functionality available on the site under these terms and conditions, it is limited at our option to the lesser of the cost of re-supplying the requested action or the amount of fees paid by you for the site in the previous three months; and
- II. in all other cases, it is limited to the amount of the fees paid by you for the site in the previous three months.

Despite any other clause, we are not liable to you or to any other person for:

- I. unauthorised use or any losses or damages of any kind caused by or resulting from any wrongful, wilful or negligent act or omission by you, any other users or any of your officers, employees, agents or contractors; or
- II. any direct or indirect lost profit or revenue, exemplary damages, deletion or corruption of electronically or digitally stored information, or without limiting the foregoing, any indirect or consequential loss or damage howsoever described or claimed.

Nothing in this clause 10 limits our liability with respect to damages for personal injury, including sickness and death.

While UBS provides the data in good faith, it does not give any representation or warranty as to, and accepts no responsibility for, the reliability, accuracy, completeness or timeliness of the data. UBS shall not, under any circumstances, be liable in any way for any loss of any kind, whether in negligence or otherwise, arising out of or in connection with the data.

For the avoidance of doubt, Hostplus excludes any liability for any loss, costs, charges and expenses suffered or incurred by you directly or indirectly, as a result of any decision made by you, in respect of any form of decision to invest in the Choiceplus investment option, or any form of taxation decision in respect of the Choiceplus investment option.

11. Application for investment and performance of the funds

Investments in any of the products mentioned on the site do not represent investments, deposits or other liabilities of Hostplus. Neither Hostplus, the fund manager managing assets within an investment option, service providers or subsidiaries of any of the parties mentioned, guarantee the repayment of capital or the performance of the product or the return of capital or income. Your investment in the Choiceplus investment option is subject to investment risk. This could involve delays in repayment and loss of income or the principal invested.

12. Availability, security and delivery of the site

We will use all reasonable efforts to provide access to the site on a 24 hour basis however, there will be interruptions to the site to facilitate maintenance, or for other reasons.

We reserve the right to amend the information provided or functionality available on the site and to limit access or cease providing information or functionality available on the site.

We do not guarantee the delivery of communications over the internet as such communications rely on third party service providers. Electronic communications (including electronic mail) are vulnerable to interception by third parties and we do not guarantee the security of these communications or the security of the site.

13. Denial of access

We reserve the right to deny access to the site or particular account details including where in our opinion, there are concerns regarding unreasonable use, security or unauthorised access.

Hostplus and UBS at all times retain control over permission, access to and dissemination of data to users of this website, and your access to the data can be altered or revoked at our sole discretion without notice.

14. Cancellation

You may cancel your registration for the Choiceplus online investment platform at any time. You will be charged for any outstanding fees and costs in accordance with the current Choiceplus Guide.

15. Termination

We have discretion to terminate your access to the site without notice.

16. Copyright

Access to, use of this website and its content is strictly for registered users only. You must not use the site or its content in any manner or for any purpose which is unlawful or in any manner inconsistent with these terms. You agree to use the site and its contents solely for your own non-commercial use and benefit, and not for resale or other transfer or disposition to, or use by or for the benefit of, any other person. You must not republish, redistribute, copy, frame, modify, interfere with the working of, reverse engineer, remove, paste onto, link to or from another website any part of this website, or in any way exploit any part of the website or the content.

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19. Monitoring of the site

We expressly reserve the right to monitor any or all use of the site.

20. Links and third party content

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21. Privacy

Use of the Choiceplus online investment platform is subject to the Hostplus Privacy Policy. The Hostplus Privacy Policy sets out the information about the collection, use, disclosure and storage of your personal information. To obtain a copy of the Hostplus Privacy Policy please go to hostplus.com.au/privacy

Any information collected by us in connection with your use of the site will be used to provide the action you have requested. Non-sensitive information provided by you may also be used for related purposes, such as maintaining our relationship with you. Access to and correction of any of your information held by us is available on request. Please contact us on 1300 246 423.

22. Disclaimer

The information provided by the site is provided by way of general information only and is not intended to represent financial product advice. The information does not take into account your individual objectives, financial situation and needs. You should assess whether the information is appropriate to you, having regard to your objectives, financial situation and need, and consider seeking advice from a financial adviser before making any investment decision. The current product disclosure statement and investment guide for any product mentioned in this site should also be obtained and considered prior to making any investment decision. Please note that all investments carry some risk and past performance is not a reliable indicator of future performance.

23. Severability

If any provision of these terms and conditions is deemed unlawful, void, or for any reason unenforceable, then that provision will be deemed severable from these terms and conditions and will not affect the validity and enforceability of the remaining provisions.

24. Governing Law

These terms and the information in this website and all matters relating to either are governed by and to be construed in accordance with the laws of Victoria and are within the exclusive jurisdiction of the Australian courts.

Glossary

Asset allocation: The spread of investments within an investment portfolio across various asset classes. As part of the strategy of the portfolio, the asset mix is periodically rebalanced in order to maintain a long term goal for asset allocation.

Available cash: The amount of cash available in your Choiceplus transaction account.

Brokerage: A fee charged by a broker for the execution of a transaction, such as buying or selling listed securities; expressed as either a percentage of the total value of the transaction or a flat dollar figure.

Buy or sell order: When you place a trade to buy or sell shares or ETFs and LICs.

Capital gains tax: A tax on the increase in the capital value of investments, payable when the capital gain is realised (ie when the investment is sold).

Cash transfer: A transfer of money between the Choiceplus investment option and your other Hostplus investment options.

Dividend Reinvestment Plan: A Dividend Reinvestment Plan (DRP) automatically reinvests your dividends into more shares rather than providing them as a cash payment.

Exchange Traded Fund: An Exchange Traded Fund (ETF) is a managed fund that tracks a market or sector index and is traded on a securities exchange like shares.

Franking credit: Tax credits that are passed on to shareholders who have received franked dividends in relation to their shareholdings. Also called an imputation credit.

Income payment reserve (IPR): If you are a Pension member you may need to maintain more than \$2,000 in your other Hostplus investment options. This is the amount needed to pay your minimum annual pension and is called the income payment reserve. This allows Hostplus to pay you at least the minimum annual pension required by legislation. The IPR is reset each year at 1.5 times the new minimum pension amount calculated for your pension plan.

Index: An index measures the changes in value of a market or sectors of a market. For example, the S&P/ASX 300 Index.

Investment switch: Where you move all, or part, of your account balance from one Hostplus investment option to another, excluding the Choiceplus investment option.

Listed Investment Companies (LICs): LICs are listed managed investments that are traded like shares and close-ended. LICs enable investment into a collection of securities and provide a low cost way to access a diverse and professionally managed portfolio of assets. For example, shares, property and deposits.

Maturity: The term of a fixed interest security, such as a term deposit.

Platform: The Choiceplus online platform where Hostplus members can buy and sell S&P/ASX 300 Index shares, ETFs, LICs and term deposits.

Portfolio administration fee: The portfolio administration fee is charged to use Choiceplus and includes 20-minute delayed ASX pricing, live share quotes and Morningstar news, company and market data.

Reserved cash: The amount of cash that is held in your Choiceplus transaction account to maintain your minimum \$200 balance and pay for securities purchased that have yet to be completed on the market or placed with the issuer and any outstanding cash transfer requests and CGT liabilities.

Sector: A group of securities with similar characteristics. Australian shares are divided into different industry sectors based on the Global Industry Classification Standard. For example, clothing companies belong to the Consumer Discretionary sector.

Standard & Poor's ASX 300 Index (S&P/ASX 300 Index): The S&P/ASX 300 Index is recognised as the industry standard for measuring the performance of the top 300 companies in the Australian share market.

Share code: A unique code used to identify companies listed on the Australian Stock Exchange (ASX). Also called an 'ASX code'.

Share quote: The latest market price of a share or security. Share prices are available 'live' via the trade order pad and with a 20 minute delay when you conduct a 'share quote' on the Choiceplus online platform.

Term deposit: A cash deposit at a banking institution, which pays a set interest rate over a specified investment timeframe.

Total super: Your total balance invested in your Hostplus account, including Choiceplus.

Trade: To buy or sell securities, including shares, ETFs and LICs.

Transaction account: The online cash account within the Choiceplus investment platform. You can use the funds in your transaction account to invest in shares, ETFs and LICs and term deposits.

Watchlist: A model or mock portfolio of shares, ETFs and LICs that you create. Watchlists are useful for monitoring shares you might be interested in buying or those you already hold.

Putting you in control

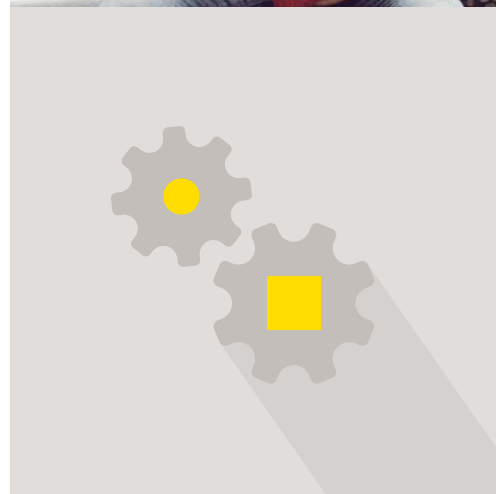
We understand even the most well informed members sometimes get stuck or need help or advice so always remember we are here for you.

Need help?

At Hostplus we want to ensure you have the tools and resources you need to make an informed decision about your financial future. That's why we offer you help and support in ways that suit your needs. You can:

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- i** Call us on **1300 246 423** 8am - 8pm AEST Monday - Friday
 - Send us an email – choiceplus@hostplus.com.au
 - Visit us online – hostplus.com.au
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And remember if you need financial advice we can put you in touch with one of our licensed Hostplus dedicated financial planners. Visit hostplus.com.au/advice or call us on **1300 246 423** – we'd be happy to help.





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