

**HOSTPLUS SUPERANNUATION FUND
ANNUAL REPORT
30 JUNE 2024**

Registered Address of the trustee is
Host-Plus Pty. Limited
Level 9
114 William Street
MELBOURNE VIC 3000

HOSTPLUS SUPERANNUATION FUND
Table of Contents

	Page
Directors' report	1 – 9
Auditor's Independence Declaration	10
Statement of Financial Position	11
Income Statement	12
Statement of Changes in Member Benefits	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to the Financial Statements	16 – 40
Trustee Declaration	41
Independent Report by the Approved Auditor to the Trustee	42

HOSTPLUS SUPERANNUATION FUND DIRECTORS' REPORT

We herein present our report on the affairs of Hostplus Superannuation Fund ('the Fund') as at 30 June 2024, and on the results for the year then ended.

Principal activities

The principal activity of the Fund during the course of the year consisted of providing superannuation and retirement benefits to its members and is divided into five divisions (Industry, Personal, Executive, Pension and Defined Benefit).

There were no other significant changes to the principal operations of the Fund during the year.

Review of operations

During the year, the Fund completed a Successor Fund Transfer ('SFT') with Maritime Super ('Maritime'), a defined contribution and defined benefit fund. Maritime transferred all its members, member liabilities and net assets available to pay members benefits to the Fund on 1 September 2023. The Maritime SFT includes four defined benefit sub-plans and they are closed to new members.

From 1 October 2023, Hostplus introduced six new "pre-mixed" investment options: high growth, defensive, indexed high growth, indexed defensive, socially responsible investment (SRI) – high growth and socially responsible investment (SRI) – defensive.

Significant changes in state of affairs

As noted in the review of operations, the Fund completed an SFT with Maritime on 1 September 2023. Other than the SFT with Maritime, there were no significant changes in the state of affairs of the Fund that occurred during the financial year.

Events subsequent to balance date

No significant events have occurred since the end of the reporting period which would impact on the balances of the Fund as disclosed in the statement of financial position as at 30 June 2024 or on the results of operations of the Fund for the year ended on that date.

Likely developments and expected results of operations

There are no likely developments as at the date of this report.

Environmental Regulation

The operations of the Fund are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Audit and non-audit services

Details of the amount paid or payable for services provided by PricewaterhouseCoopers (PwC) as the auditor of the Fund for audit and non-audit services during the financial year are presented below. The amounts are inclusive of GST and are not rounded.

	2024	2023
	\$	\$
Audit of Financial Statements	106,366	98,792
Other Assurance Services		
- Assurance over regulatory compliance and returns	157,136	96,380
- Non-statutory limited assurance reviews	22,440	-
Other Non-audit Services		
- Merger due diligence and procedures	100,430	159,500
- Other consulting services	221,652	368,730
	608,024	723,402

The directors of the Fund and in accordance with the External Audit Policy are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 10.

HOSTPLUS SUPERANNUATION FUND DIRECTORS' REPORT

Remuneration report

The directors present the Hostplus remuneration report for the financial year ended 30 June 2024.

Host-Plus Pty. Limited is the Trustee for both the Hostplus Superannuation Fund ('Fund') and the Hostplus Pooled Superannuation Trust ('Trust'), collectively known as 'Hostplus'. The Trust is the Fund's primary investment vehicle.

The report outlines key aspects of the remuneration policy and framework, and remuneration awarded this year to the Hostplus Key Management Personnel.

The report is structured as follows:

- (a) Key management personnel (KMP) covered in this report
- (b) Remuneration expenses
- (c) Remuneration policy and link to performance
- (d) Elements of remuneration
- (e) Performance based remuneration granted and forfeited during the year
- (f) Contractual arrangements
- (g) Directors' remuneration

(a) Key management personnel covered in this report

Directors and Alternate Directors of Hostplus during the financial year were as follows:

Independent	Date change in position
D Frawley (Chair)	
J Rudd	Appointed 18 September 2023
J Whiting	

Employer nominated by AHA	Date change in position
C Laundry (Deputy Co-Chair)	
D Attenborough	
D Gibson	
B Kearney ^(a)	

Member nominated by United Workers Union	Date change in position
G Bullock (Deputy Co-Chair)	Appointed Deputy Co-Chair of the Board 1 August 2023
I Beynon	Ceased 24 November 2023
J Korlevska ^(a)	Appointed 1 December 2023
T Lyons	Ceased as Deputy Co-Chair of the Board 31 July 2023
B Myers	Ceased as Alternate Director 30 November 2023 Appointed Full Director 1 December 2023

^(a) Alternate Director

HOSTPLUS SUPERANNUATION FUND DIRECTORS' REPORT

Remuneration report (continued)

(a) Key management personnel covered in this report (continued)

Other executive key management personnel during the financial year were as follows:

Name of Executive	Role	Date change in position
D Elia	Chief Executive Officer (CEO)	
K Cantwell	Chief Administration and Insurance Officer (CAIO) Group Executive – Administration Optimisation, Service & Insurance	Appointed 1 January 2024 Ceased 31 December 2023*
J Dutton	Chief Technology Officer (CTO)	Appointed 4 March 2024
A Graham	Chief Operating Officer (COO)	Appointed 29 January 2024 Ceased 19 June 2024
U Mecchi	Chief Member Officer (CMO) Group Executive – Marketing, Corporate Affairs, Stakeholder Management, Policy & Advocacy	Appointed 23 November 2023 Ceased 22 November 2023*
J Muir	Chief Risk Officer (CRO)	
S Sicilia	Chief Investment Officer (CIO)	
N Strickland	Chief People Officer (CPO) Group Executive – People, Performance & Culture	Appointed 1 January 2024 Ceased 31 December 2023*
S Fuller	Group Executive – Legal & Compliance	Ceased 4 September 2023*
M French	Acting Group Executive – Legal & Compliance	Appointed Acting Group Executive 4 September 2023 Ceased 28 January 2024*
L Tassone	Group Executive – Finance, Technology & Investment Operations	Ceased 15 September 2023
P Watson	Group Executive – Member Experience	Ceased 23 November 2023
S Wilkinson	Group Executive – Strategy & Transformation	Ceased 28 January 2024*

* A review of the organisational structure was conducted during the financial year to ensure Hostplus is set up for continued future success. The outcome of this review achieved the following:

- To introduce a senior leadership (C-suite) structure, reporting into the CEO that highlights the strategic focus required in line with our vision;
- To ensure that Hostplus are operating as efficiently and effectively as possible;
- To increase transparency and reduce silos within closely aligned departments; and
- Improved efficiency and reduce duplication and bureaucracy within and across functions, roles and teams.

**HOSTPLUS SUPERANNUATION FUND
DIRECTORS' REPORT**

Remuneration report (continued)

(b) Remuneration expense

The remuneration expense table shows details of the remuneration expense recognised for the directors of the Fund's trustee and other key management personnel for the current financial year measured in accordance with the requirements of the accounting standards.

Name	Short term employment benefit			Post employment benefit	Long term employee benefit		Termination benefit	Other compensation		Total
	Salary including short-term leave \$	Variable remuneration \$	Bridging payment \$	Super \$	Long service leave \$	Variable remuneration \$	Other \$	Retention payment \$	Non-monetary benefit \$	
Directors and alternate directors										
D Frawley	199,813	-	-	27,500	-	-	-	-	-	227,313
J Rudd	93,269	-	-	13,990	-	-	-	-	-	107,259
J Whiting	153,056	-	-	22,959	-	-	-	-	-	176,015
C Laundry	140,490	-	-	21,073	-	-	-	-	-	161,563
D Attenborough	140,528	-	-	21,079	-	-	-	-	-	161,607
D Gibson	141,674	-	-	21,251	-	-	-	-	-	162,925
B Kearney	21,577	-	-	3,236	-	-	-	-	-	24,813
G Bullock ^(a)	119,471	-	-	17,921	-	-	-	-	-	137,392
I Beynon ^(a)	43,655	-	-	6,548	-	-	-	-	-	50,203
J Korlevska ^(a)	19,440	-	-	2,916	-	-	-	-	-	22,356
T Lyons	131,653	-	-	19,748	-	-	-	-	-	151,401
B Myers ^(a)	135,172	-	-	20,276	-	-	-	-	-	155,448
Other executive key management personnel										
D Elia	1,119,249	180,871	271,307	27,500	48,827	63,818	-	103,655	12,061	1,827,288
K Cantwell	346,561	52,785	-	27,500	14,951	-	-	-	12,061	453,858
J Dutton	148,125	-	-	8,990	-	-	-	-	3,921	161,036
M French	119,443	-	-	11,106	-	-	-	-	4,844	135,393
S Fuller	58,679	-	-	4,760	-	-	-	-	2,175	65,614
A Graham	201,580	-	-	11,423	-	-	59,971	-	18,212	291,186
U Mecchi	461,108	62,835	-	27,500	8,401	-	-	-	12,061	571,905
J Muir	408,170	64,903	-	27,500	15,641	-	-	-	7,951	524,165
S Sicilia	783,001	279,730	186,486	27,500	23,138	47,330	-	72,982	12,061	1,432,228
N Strickland	415,325	64,515	-	27,500	14,438	-	-	-	12,061	533,839
L Tassone	101,266	-	-	6,875	* (7,538)	-	-	-	2,537	103,140
P Watson	193,717	-	-	25,808	* (8,021)	-	543,006	-	4,811	759,321
S Wilkinson	237,399	-	-	15,865	5,047	-	-	-	6,986	265,297
Total	5,933,421	705,639	457,793	448,324	114,884	111,148	602,977	176,637	111,742	8,662,565

(a) The salary in relation to the services provided by this Director is paid to their nominating association United Workers Union. Any superannuation contribution is paid directly to this Director.

* Negative long service leave remuneration benefits can arise when the carrying amount of the employee benefit provision, calculated in accordance with AASB 119, is more than the actual payment amount.

HOSTPLUS SUPERANNUATION FUND DIRECTORS' REPORT

Remuneration report (continued)

(c) Remuneration policy and link to performance

The People & Remuneration Committee ('the Committee') is made up of three non-executive directors of the Board. The Committee is responsible for regularly reviewing the Remuneration Policy and make recommendations to the Board for approval for all remuneration related matters. The Board approves the remuneration policy and structure at least annually to ensure it remains aligned to business needs and meets the guiding principles for our remuneration framework. Hostplus' remuneration practices will have regard to general market conditions, with a focus on what is happening within the financial services and more specifically the superannuation sector. From time to time, the Committee also engages external remuneration consultants to assist with this review. In particular, the Board aims to maintain a remuneration framework that applies the following philosophy:

- aligns with the business plan, to the contribution and performance of the business, teams and individuals.
- facilitates the delivery of superior long-term results and strategic objectives for the business.
- places emphasis and consideration on our overall purpose with respect to placing our members' best financial interests at the outset.
- promotes sound risk management principles for both financial and non-financial risks, sustainable performance and the business' long-term soundness.
- supports the Hostplus values and desired culture.
- supports the attraction, retention, motivation and alignment of the talent we need to achieve our business goals.
- reinforces leadership, accountability, teamwork, and innovation.
- aligns reward with the prevention and mitigation of conduct risk.

Element	Purpose	Performance metrics	Potential value	Changes in FY 2024
Fixed remuneration (FR)	Provide competitive market salary including superannuation.	Nil	Positioned at market median rate, with a % variable either side of -20% or +20%.	Reviewed in line with market positioning
Variable remuneration (VR)	Short-Term Incentive Plan (STIP) award for annual performance.	Fund performance, individual performance during the current financial year.	<p>CEO: potential STIP equal to 40% of FR, with 60% of the STIP deferred.</p> <p>CIO: potential STIP equal to 60% of FR, with 40% of the STIP deferred.</p> <p>Other executive KMP: potential STIP equal to 15% of FR, no deferred component due to the deferred amount being less than \$50,000 per year.</p>	As a result of implementing Superannuation Prudential Standard CPS 511 Remuneration, the other executive KMP contracts were amended effective 1 July 2024 to defer a portion of VR, where applicable.

(d) Elements of remuneration

(i) Fixed remuneration (FR)

Executives may receive their fixed remuneration as cash, or cash with non-monetary benefits such as a parking benefit. FR is reviewed annually, or on promotion. It is benchmarked against market data for comparable roles in other superannuation funds with similar funds under management. The committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to Hostplus and performance of the individual with a % variable either side of -20% or +20%.

Superannuation is included in the FR for all executives.

In the current financial year, FR was increased for 10 executives (C-suite Executives and Group Executives), with an average increase of 8.1%. 5 executives received Enterprise Bargaining Agreement (EBA) increases of 4%, and 5 executives received out of cycle increases based on external benchmarking review.

**HOSTPLUS SUPERANNUATION FUND
DIRECTORS' REPORT**

Remuneration report (continued)

(d) Elements of remuneration (continued)

(ii) Variable remuneration (VR)

Feature	Description		
Max opportunity	CEO: 40% of fixed remuneration CIO: 60% of fixed remuneration Other executive KMP: 15% of fixed remuneration		
Performance metrics	CEO:		
	Metric	Target	Weighting
	Fund Performance	≥ median = 50%. ≥ top quartile = 100%.	35%
	Member Engagement/Satisfaction	≥ median = 50%. ≥ top quartile = 100%.	15%
	Risk	Board assessment.	15%
	Employee Engagement	Overall engagement score better than prior financial year score = 50%. Overall engagement score 68% or above = 100%.	15%
	Successful Delivery of Key Projects	Strategic projects aligned with the CEO's accountabilities are identified.	20%
	CIO and Other executive KMP:		
	Metric	Target	Weighting
	Fund Performance	≥ median = 50%. ≥ top quartile = 100%.	65%
	Member Engagement/Satisfaction	≥ median = 50%. ≥ top quartile = 100%.	
	Risk	Internal Audit completion report completion at 100%. 100% compliance training completed by due date.	
	Employee Engagement	Team employee engagement score better than prior financial year score = 50%. Team employee engagement score 68% or above = 100%.	
	Successful Delivery of Key Projects	Strategic projects aligned with the Executives accountabilities are identified.	30%
	Values	Role Model the Hostplus Values and Behaviours.	5%

**HOSTPLUS SUPERANNUATION FUND
DIRECTORS' REPORT**

Remuneration report (continued)

(d) Elements of remuneration (continued)

(ii) Variable remuneration (VR) (continued)

Feature	Description
Delivery of VR	<p>CEO:</p> <ul style="list-style-type: none"> 40% of the STIP relating to the current financial year is paid in cash after 1 July of the subsequent financial year. 60% of the STIP relating to the current financial year is deferred for a maximum of 6 years, vesting in three equal tranches at the end of the 4th, 5th, and 6th years following the end of the financial year in which the CEO was awarded the STIP award. Each tranche will be adjusted either up or down on the date it becomes payable based on the compounded returns or losses of the Hostplus Balanced Option since the year of the deferral up to that date. <p>CIO:</p> <ul style="list-style-type: none"> 60% of the STIP relating to the current financial year is paid in cash after 1 July of the subsequent financial year. 40% of the STIP relating to the current financial year is deferred for a maximum of 5 years, vesting in two equal tranches at the end of the 4th and 5th years following the end of the financial year in which the CIO was awarded the STIP award. Each tranche will be adjusted either up or down on the date it becomes payable based on the compounded returns or losses of the Hostplus Balanced Option since the year of the deferral up to that date. <p>Other executive KMP:</p> <ul style="list-style-type: none"> 100% of the STIP relating to the current financial year is paid in cash after 1 July of the subsequent financial year. No deferred component due to the deferred amount being less than \$50,000 per year.
Board discretion and other terms	<p>The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any deferred VR, and forfeiture of unvested portion of deferred VR.</p> <p>Subject to the malus and clawback arrangements, if resignation occurred after 30 June 2028 and then, after the resignation: a. the KMP dies, or b. provide reasonable medical evidence that establishes that serious incapacity, serious disability or serious illness, Hostplus will pay any unpaid deferred tranches of the STIP Awards as soon as reasonably practicable. The clawback arrangement is applicable within two years of the date the VR is paid (including any deferred components).</p>

(iii) Bridging payment

The KMP below are entitled to receive an additional cash payment to enable a transition into the new remuneration arrangements under Prudential Standard CPS 511, referred to as a bridging payment. This arrangement will remain in place until FY27 (or FY28 for the CEO) and is subject to downward adjustment. Any unpaid amounts are forfeited upon termination of employment.

David Elia, CEO	2024	2025	2026	2027	2028
Potential value	60% of STIP	60% of STIP	60% of STIP	40% of STIP	20% of STIP

Sam Sicilia, CIO	2024	2025	2026	2027
Potential value	40% of STIP	40% of STIP	40% of STIP	20% of STIP

**HOSTPLUS SUPERANNUATION FUND
DIRECTORS' REPORT**

Remuneration report (continued)

(d) Elements of remuneration (continued)

(iv) Other – Retention payment

The retention payment was put in place in 2021 when Hostplus was about to enter a significant merger and was to assist in the retention of key knowledge and skills which cannot be easily replaced or duplicated. The retention payment due to be paid in this financial year is equal to 4 months of the base salary of the eligible KMP for the financial year 2020-21 less applicable tax (exclusive of superannuation).

In the current financial year, the retention payment is awarded to 2 C-suite Executives.

(e) Performance based remuneration granted and forfeited during the year

2024 Total variable remuneration

	Grant type	Grant date	Total opportunity * \$	Awarded %	Forfeited %	Vested \$	Vesting adjustment # \$	Max yet to vest \$	Years in which remainder of cash bonus will be paid
D Elia	VR	12/09/24	505,227	89.5	10.5	180,871	95,766	367,073	FY2028 FY2029 FY2030
	Bridging payment	12/09/24	303,136	89.5	10.5	271,307	-	-	-
	Retention payment	30/06/21	310,964	100.0	-	310,964	-	-	-
K Cantwell	VR	12/09/24	62,100	85.0	15.0	52,785	-	-	-
J Dutton	VR	12/09/24	-	-	-	-	-	-	-
U Mecchi	VR	12/09/24	80,558	78.0	22.0	62,835	-	-	-
J Muir	VR	12/09/24	74,175	87.5	12.5	64,903	-	-	-
S Sicilia	VR	12/09/24	565,110	82.5	17.5	279,729	56,241	242,727	FY2028 FY2029
	Bridging payment	12/09/24	226,044	82.5	17.5	186,486	-	-	-
	Retention payment	01/07/21	218,946	100.0	-	218,946	-	-	-
N Strickland	VR	12/09/24	75,900	85.0	15.0	64,515	-	-	-

* Total opportunity is inclusive of 15% superannuation.

The vesting adjustment represents the difference between the amount at grant date and the estimate of the amount payable on the vesting date.

(f) Contractual arrangements

During the financial year, the following new contracts for services were negotiated with the following members of the KMP:

Component	David Elia	Sam Sicilia
Fixed remuneration	\$1,098,320	\$819,000
Contract duration	Ongoing	Ongoing
Notice by the individual/entity	18 months/9 months	6 months/12 months
Variable remuneration	Entitled to STIP bonus of 40% of FR as detailed in section (d)(ii), a portion of which is deferred.	Entitled to STIP bonus of 60% of FR as detailed in section (d)(ii), a portion of which is deferred.
Bridging retention payment	Entitled to cash bonus as detailed in section (d)(iv).	Entitled to cash bonus as detailed in section (d)(iv).

**HOSTPLUS SUPERANNUATION FUND
DIRECTORS' REPORT**

Remuneration report (continued)

(g) Directors' remuneration

Directors receive a Board role fee and fees for chairing or participating on Board committees. The fees are inclusive of superannuation. They do not receive performance-based pay or retirement allowances. The chair receives additional fees for participating in or chairing committees.

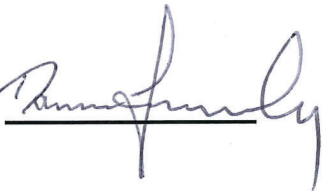
Fees for Board members are considered by the People & Remuneration Committee and recommendations are made to the Board for approval. The current base fees are reviewed annually and generally approved in September with increases payable from 1 July in that year.

All directors enter into a service agreement with the Trustee in the form of a letter of appointment. The letter summarises the Board terms and conditions, including remuneration, relevant to the office of director.

Directors' remuneration is incurred by the Trustee which is then reimbursed by the Fund and the Trust. The amount reimbursed by the Fund in the current period was \$738,382 (excluding GST).

This report is made out in accordance with a resolution of directors.

On behalf of the Directors

DIRECTOR: 

DIRECTOR: 

Melbourne
13 September 2024



Auditor's Independence Declaration

As lead auditor for the audit of Hostplus Superannuation Fund for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'G. Sagonas', is written over a faint, light blue grid background.

George Sagonas
Partner
PricewaterhouseCoopers

Melbourne
13 September 2024

**HOSTPLUS SUPERANNUATION FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Notes	2024 \$	2023 \$
Assets			
Cash and cash equivalents	9	183,114,518	53,748,142
Receivables		112,162,771	83,143,769
Property, plant and equipment		13,999,765	9,037,314
Investments			
Cash and cash equivalents held for investing activities		289,298,445	224,482,159
Fixed interest securities		54,225,762	49,059,022
Equities		500,306,935	489,636,373
Pooled superannuation trust and managed funds		115,075,197,856	94,385,642,300
Total assets		116,228,306,052	95,294,749,079
Liabilities			
Employee entitlements		11,171,882	10,648,747
Payables		127,362,792	123,717,004
Derivative liabilities		733,043	-
Current tax liabilities	6(e)	1,329,265,419	1,087,669,658
Deferred tax liabilities	6(d)	7,551,651	6,271,625
Total liabilities excluding member benefits		1,476,084,787	1,228,307,034
Net assets available for member benefits		114,752,221,265	94,066,442,045
Member benefits			
Defined contribution member liabilities			
Allocated to members		(113,303,691,874)	(92,766,691,610)
Unallocated to members		(5,708,869)	(5,334,132)
Defined benefit member liabilities			
Allocated to members		(461,091,067)	(441,814,964)
Total member liabilities		(113,770,491,810)	(93,213,840,706)
Net assets		981,729,455	852,601,339
Equity			
Residual reserve		99,784,008	137,583,983
Administration reserve		266,071,706	250,607,377
Operational Risk Financial Requirement reserve		286,735,151	235,031,760
Insurance reserve		108,458,600	82,505,972
Employer Plan Insurance reserve		27,318,434	-
Defined benefits that are over funded	3(b)	193,361,556	146,872,247
Total equity		981,729,455	852,601,339

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**HOSTPLUS SUPERANNUATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$	2023 \$
Revenue from superannuation activities			
Interest		20,699,923	9,012,716
Dividends and distributions		26,211,394	25,570,476
Changes in investments measured at fair value	4	8,454,291,733	7,934,009,873
Other income		3,935,902	3,604,615
Total revenue		8,505,138,952	7,972,197,680
Expenses from superannuation activities			
Investment expenses		31,585,630	27,677,520
Administration expenses	7	194,741,914	169,798,594
Total expenses		226,327,544	197,476,114
Profit/(loss) from operating activities before income tax		8,278,811,408	7,774,721,566
Income tax (expense)/benefit	6(a)	84,554,633	74,089,343
Profit/(loss) from operating activities after income tax		8,363,366,041	7,848,810,909
Less: Net benefits allocated to defined contribution members' accounts		(8,299,356,439)	(7,112,785,693)
Less: Net change to defined benefit member liabilities		(32,460,798)	(32,117,888)
Profit/(loss) after income tax		31,548,804	703,907,328

The above Income Statement should be read in conjunction with the accompanying notes.

**HOSTPLUS SUPERANNUATION FUND
STATEMENT OF CHANGES IN MEMBER BENEFITS
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	\$ Defined Contribution	\$ Defined Benefit	2024 \$ Total
Opening balance of member benefits		92,772,025,742	441,814,964	93,213,840,706
Contributions received from:				
Employers'		8,631,552,664	18,292,311	8,649,844,975
Members'		1,485,355,845	603,694	1,485,959,539
Government		78,209,195	-	78,209,195
Successor fund transfers		5,922,455,819	57,957,507	5,980,413,326
Transfers from other superannuation plans		2,952,411,746	-	2,952,411,746
Income tax on contributions	6(c)	(1,419,348,818)	(2,673,647)	(1,422,022,465)
Net after tax contributions		17,650,636,451	74,179,865	17,724,816,316
Other transactions applied to / (deducted from) members' accounts				
Net benefits allocated to members' accounts, comprising:				
Net investment income		8,425,849,061	-	8,425,849,061
Net administration fees		(125,140,353)	-	(125,140,353)
Net change to defined benefit member accrued benefits		-	31,108,529	31,108,529
Insurance proceeds		232,524,401	344,429	232,868,830
Benefits paid		(5,377,174,534)	(1,881,850)	(5,379,056,384)
Internal transfers of benefits between plans		82,127,623	(82,127,623)	-
Insurance premiums		(351,447,648)	(2,347,247)	(353,794,895)
Closing balance of member benefits		113,309,400,743	461,091,067	113,770,491,810

	Notes	\$ Defined Contribution	\$ Defined Benefit	2023 \$ Total
Opening balance of member benefits		79,396,928,810	479,475,687	79,876,404,497
Contributions received from:				
Employers'		7,223,954,350	17,404,784	7,241,359,134
Members'		1,175,566,050	521,807	1,176,087,857
Government		79,745,471	-	79,745,471
Transfers from other superannuation plans		3,103,641,372	-	3,103,641,372
Income tax on contributions	6(c)	(1,175,938,479)	(2,610,446)	(1,178,548,925)
Net after tax contributions		10,406,968,764	15,316,145	10,422,284,909
Other transactions applied to / (deducted from) members' accounts				
Net benefits allocated to members' accounts, comprising:				
Net investment income		7,231,376,786	-	7,231,376,786
Net administration fees		(118,591,012)	(81)	(118,591,093)
Net change to defined benefit member accrued benefits		-	32,117,888	32,117,888
Insurance proceeds		204,412,692	335,666	204,748,358
Benefits paid		(4,098,705,180)	(1,773,763)	(4,100,478,943)
Internal transfers of benefits between plans		81,230,012	(81,230,012)	-
Insurance premiums		(331,595,130)	(2,426,566)	(334,021,696)
Closing balance of member benefits		92,772,025,742	441,814,964	93,213,840,706

The above Statement of Changes in Member Benefits should be read in conjunction with the accompanying notes.

**HOSTPLUS SUPERANNUATION FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Residual reserve	Administration reserve	Operational Risk Requirement reserve	Insurance reserve	Employer Plan Insurance reserve	Defined benefits over funded	Total equity
2024	\$	\$	\$	\$	\$	\$	\$
Opening balance	137,583,983	250,607,377	235,031,760	82,505,972	-	146,872,247	852,601,339
Net transfers to/(from) reserves	-	(16,428,661)	18,000,000	23,567,140	(2,821,143)	(1,352,269)	20,965,067
Net allocations to/(from) Members Benefits	(8,428,821,490)	128,112,780	-	-	-	(31,108,529)	(8,331,817,239)
Net allocations to/(from) Income Statement	8,391,021,515	(96,219,790)	18,510,799	2,385,488	1,381,453	46,286,576	8,363,366,041
Net allocations (to)/from Successor Fund Transfers	-	-	15,192,592	-	28,758,124	32,663,531	76,614,247
Closing balance	99,784,008	266,071,706	286,735,151	108,458,600	27,318,434	193,361,556	981,729,455

	Residual reserve	Administration reserve	Operational Risk Requirement reserve	Insurance reserve	Employer Plan Insurance reserve	Defined benefits over funded	Total equity
2023	\$	\$	\$	\$	\$	\$	\$
Opening balance	(487,312,416)	230,036,423	193,055,128	56,780,502	-	135,103,367	127,663,004
Net transfers to/(from) reserves	-	(29,365,282)	27,200,000	23,196,289	-	-	21,031,007
Net allocations to/(from) Members Benefits	(7,234,301,055)	122,876,675	-	-	-	(33,479,201)	(7,144,903,581)
Net allocations to/(from) Income Statement	7,859,197,454	(72,940,439)	14,776,632	2,529,181	-	45,248,081	7,848,810,909
Net allocations (to)/from Successor Fund Transfers	-	-	-	-	-	-	-
Closing balance	137,583,983	250,607,377	235,031,760	82,505,972	-	146,872,247	852,601,339

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**HOSTPLUS SUPERANNUATION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Interest received		4,633,378	304,475
Insurance proceeds		232,912,679	204,748,358
Other income		2,042,819	1,572,268
Administration expenses		(184,828,407)	(147,877,237)
Insurance premiums		(363,594,890)	(342,255,458)
Investment expenses		(1,063,968)	(923,730)
Income tax refund/(paid)		(75,943)	(5,299)
Net cash inflows/(outflows) from operating activities	9	(309,974,332)	(284,436,623)
Cash flows from investing activities			
Purchase of investments		(7,329,953,042)	(7,195,800,000)
Sale/(Purchase) of fixed assets		(7,927,807)	(2,668,308)
Net cash inflows/(outflows) from investing activities		(7,337,880,849)	(7,198,468,308)
Cash flows from financing activities			
Contributions received from:			
Employers'		8,651,916,577	7,241,359,134
Members'		1,485,959,952	1,176,087,857
Government		78,209,195	79,745,471
Transfers from other superannuation plans		2,940,192,217	3,096,139,516
Benefits paid to members		(5,379,056,384)	(4,100,478,943)
Net cash inflows/(outflows) from financing activities		7,777,221,557	7,492,853,035
Net increase/(decrease) in cash		129,366,376	9,948,104
Cash and cash equivalents at the beginning of the financial period		53,748,142	43,800,038
Cash and cash equivalents at the end of the financial period	9	183,114,518	53,748,142
Non-cash financing activities	12	5,980,413,326	-

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 1. OPERATION OF THE FUND

Hostplus Superannuation Fund ('the Fund') (ABN: 68 657 495 890) is an APRA regulated fund (Licence no. R1000054) established by a Trust Deed on 1 October 1987 and is domiciled in Australia. The Fund provides retirement benefits to its members and is divided into five divisions (Industry, Personal, Executive, Pension and Defined Benefit). The Fund accepts contributions from employers and members in accordance with its Trust Deed. Members may also transfer money from other superannuation funds.

Maritime Super ('Maritime'), a defined contribution and defined benefit fund, transferred all its members' funds into the Fund on 1 September 2023, under a Successor Fund Transfer ('SFT') deed. The Maritime SFT includes four defined benefit sub-plans and they are closed to new members.

The Trustee of the Fund is Host-Plus Pty. Limited (ABN: 79 008 634 704) and it is the holder of a public offer class of Registrable Superannuation Entity Licence (Licence no. L0000093). The registered office of the Trustee is Level 9, 114 William Street, Melbourne, Victoria.

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001, the Superannuation Industry (Supervision) Act 1993 and regulations and the provisions of the Trust Deed.

The Fund is a not-for-profit entity which operates for the benefit of members, however for the purposes of the financial statements the Fund is considered a for-profit entity.

The financial statements are presented in Australian Dollars which is the functional currency of the Fund.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for: Property, Plant and Equipment, Investments, Deferred Tax Balances, and Member Benefits.

The financial statements were approved by the Board of Directors of the trustee, Host-Plus Pty. Limited on 13 September 2024. The Directors of the Trustee have the power to amend and reissue this financial report.

(b) Accounting standards and interpretations

(i) New accounting standards and interpretations that are applicable for mandatory adoption in the current year

The Fund has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2023:

- ***AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134, & AASB Practice Statement 2]***
- ***AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules [AASB 112]***

The amendments listed above has not had a material impact on the amounts recognised in the current and prior periods and are not expected to materially affect the future periods.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) New accounting standards and interpretations (continued)

(ii) New accounting standards that are applicable for early adoption in the current year, but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

(c) Financial assets and liabilities

(i) Classification

The Fund classifies its financial assets and financial liabilities into the following categories:

Financial instruments classified at fair value through profit or loss upon initial recognition in accordance with AASB 1056.

These financial assets are classified on the basis that they are part of a group of financial assets, which are managed and have their performance evaluated on a fair value basis in accordance with the financial risk management and investment strategies of the Fund. Refer to note 10 for further details.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an 'active market'. The Fund includes in this category short term receivables and are recognised initially at fair value.

Other financial liabilities

This category includes all financial liabilities, other than those classified at fair value through profit or loss. Other financial liabilities are measured at their nominal amounts. Amounts are generally settled within 30 days of being recognised as other financial liabilities. Given the short-term nature of other financial liabilities, the nominal amount approximates fair value.

(ii) Recognition

The purchase or sale of a financial asset that requires delivery of the asset within a time frame that is generally established by regulation or convention in the marketplace is recognised on the trade date, being the date that the Fund commits to purchase or sell the asset and recognises changes in the fair value of the financial assets or financial liabilities from this date.

The Fund recognises all other financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

(iii) Derecognition

A financial asset (or part of) is derecognised where:

- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Fund derecognises a financial liability when the obligation under contract is discharged, cancelled or expires.

(iv) Initial measurement

Financial assets and financial liabilities designated at fair value through profit or loss are recorded in the Statement of Financial Position at fair value. Where the fair value at initial recognition does not equal the transaction price, the Fund recognises the difference in the Income Statement, unless specified otherwise. All transaction costs for such instruments are recognised directly in the Income Statement.

Financial assets and financial liabilities not classified at fair value through profit or loss are measured initially at fair value, plus any directly attributable incremental costs of acquisition or issue.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Financial assets and liabilities (continued)

(v) Subsequent measurement

After initial measurement, the Fund measures financial assets and liabilities at fair value through profit or loss. This means subsequent changes in fair value are recorded as 'changes in investments measured at fair value' through the Income Statement.

(d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Fund.

In the absence of quoted market prices, the fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. This can include using valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. Where possible, the Fund will seek to maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

All assets and liabilities that are measured and disclosed at fair value in the financial statements are categorised within the fair value hierarchy. Refer to Note 10(e) for further details.

(e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows includes cash held with banking institutions and is subject to an insignificant risk of changes in value.

Cash and cash equivalents held for investing activities in the Statement of Financial Position is reported separately with further details relating to market risk, credit risk and fair value hierarchy contained in Note 10.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, regardless of when the payment is received. Unless stated below, revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognised:

Changes in fair value

Changes in the fair value of financial assets and liabilities is calculated as the difference between the fair value at sale, or at balance date and the fair value at the previous valuation point. All changes are recognised in the Income Statement.

Interest

Interest revenue earned on cash and other financial assets carried at fair value is recorded according to the terms of the contract and is recognised in the Income Statement.

Dividends and distributions

Dividend and distribution revenue is recognised when the Fund's right to receive payment is established. Revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately as tax expense in the Income Statement.

Group Life Insurance Proceeds

Insurance claim proceeds received on behalf of beneficiaries are brought to account when received from the Fund's insurer.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(g) Income tax

The Fund is a complying superannuation fund for the purposes of the provisions of the Income Tax Assessment Act 1997. Accordingly, the concessional tax rate of 15% has been applied to the Fund's taxable income.

Section 295-260 of the Income Tax Assessment Act 1997 enables a complying superannuation fund, which has an investment in a pooled superannuation trust to transfer the liability for tax on assessable contributions to the pooled superannuation trust provided certain conditions are met. The Fund intends to enter an agreement to transfer a portion of its assessable contributions earned during the year ended 30 June 2024 to the Hostplus Pooled Superannuation Trust ('the Trust'), which is consistent with the arrangement entered in the prior period. When the Fund's tax liability is transferred to the Trust, the Trust extinguishes an equivalent value of the Fund's units in the Trust as consideration, therefore this transfer is a non-cash transaction.

Income tax in the Income Statement for the year comprises current and deferred tax.

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Fund expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(h) Insurance arrangements

The Fund provides death, disability and salary continuance benefits to its members. The Trustee facilitates the provision of these benefits via a group life policy with MetLife Insurance Limited. The Trustee acts as an agent for these arrangements.

(i) Goods and services tax (GST)

Where applicable, GST incurred by the Fund that is not recoverable from the Australian Taxation Office, has been recognised as part of the asset, revenue or expense to which it applies.

Receivables and payables disclosed in the Statement of Financial Position are stated as GST inclusive.

(j) Member liabilities

Member liabilities are the Fund's present obligation to pay benefits to members and beneficiaries as follows:

(i) Defined contribution member liabilities

Defined contribution member liabilities have been measured as the amount of member account balances as at reporting date.

(ii) Defined benefit member liabilities

Defined benefit member liabilities are measured as the amount of a portfolio of investments that would be needed as at the reporting date to yield future net cash inflows that would be sufficient to meet accrued benefits as at the date when they are expected to fall due. The amount of accrued benefits has been determined on the basis of the present value of expected future payments which arise from membership of the Fund up to the measurement date.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(k) Reserves

The Trustee maintains the following reserves for the purposes described below:

Residual reserve - is separately maintained to manage the receipt and allocation of investment income to members' accounts. The residual reserve comprises the difference between the cumulative investment income earned (net of investment related expenses and tax) and the allocation of investment income to members' accounts via the unit pricing process.

Administration reserve - is separately maintained to manage the receipt of administration levies and the payment of Fund administration expenses.

Operational Risk Financial Requirement ('ORFR') reserve - is separately maintained to ensure the Fund has access to adequate financial resources in the event of losses arising from an operational risk event. The Fund has an approved ORFR reserve policy detailing what constitutes an operational risk event and how the ORFR reserve is accessed (if an operational risk event occurs). The policy also provides that the target balance of the ORFR reserve is 25 basis points of the Fund's net assets available for member benefits.

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

Employer Plan Insurance reserve - is separately maintained to manage the insurance benefits and premiums, including previous self-insurance arrangements, for the Stevedores, Seafarers, and SVITZER sub-plans. The reserve is reviewed biennially by the Actuary in accordance with the Maritime Insurance Reserve policy.

(l) Significant accounting judgements and estimates and assumptions

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

The Fund primarily invests in the Hostplus Pooled Superannuation Trust ('Trust') where additional judgement exists. The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Refer to Note 10(e) where the significant judgements, estimates and assumptions relating to investment valuations is explained.

The significant accounting policies have been consistently applied in the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been re-presented to be consistent with current period disclosures.

Significant judgements, estimates and assumptions exist in the calculation of the accrued benefit relating to defined benefit member liabilities. The key assumptions and estimates used in the preparation of the financial statements are disclosed in Note 3(b) of the financial statements.

NOTE 3. MEMBER BENEFITS AND FUNDING ARRANGEMENTS

(a) Defined contribution member liabilities

Obligations relating to member entitlements are recognised as member benefits and are measured as the amount of the member account balances as at reporting date.

Members bear the investment risk relating to the underlying investments of the Fund. Net investment income is allocated to members' accounts through the release of daily unit prices.

The Fund has received contributions and other related member inflows that have not been allocated to members' accounts by the reporting date. These amounts are reported as unallocated member benefits.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 3. MEMBER BENEFITS AND FUNDING ARRANGEMENTS (continued)

(b) Defined benefit member liabilities

The valuation of the defined benefit member liabilities is undertaken by the Fund's appointed actuary on an annual basis for the defined benefit sub-plans (Salarylink, Stevedores, Seafarers, SVITZER and Trident). Defined benefit member liabilities are measured as the amount of a portfolio of investments that would be needed as at the reporting date to yield future net cash inflows that would be sufficient to meet accrued benefits as at the date when they are expected to fall due. The amount of accrued benefits has been determined on the basis of the present value of expected future payments and with reference to expected future salary levels and by application of a market-based, risk-adjusted discount rate and relevant actuarial assumptions.

The Trustee has appointed an external actuary to advise the risks of managing the defined benefit sub-plan, including establishing suitable funding objectives. The actuary conducts regular actuarial investigations of the defined benefit sub-plan as required by legislation or at the Trustee's request. Taking into account the Trustee's policy on funding objectives and the sub-plans' circumstances, the actuary recommends the employers' required contribution levels.

A report is provided to the Trustee Board on a periodical basis advising the status of the defined benefit sub-plan. This report highlights the financial position of the defined benefit sub-plan at the most recent quarter end. Where the defined benefit sub-plan is in, or is likely to enter into, an unsatisfactory financial position, the report sets out any remedial actions and agreed rectification programs with the sponsoring employer.

The amount of vested benefits attributable to defined benefit members as at 30 June 2024 is \$503,002,708 (2023: \$465,286,257).

The actuarial value of the defined benefit member liability reflects an actuarial assessment of benefits accrued up to the date of calculation and payable to members on resignation, retirement, death and disablement. This assessment may result in an employer being required to make additional contributions to the sub-plan. The sub-plan is quarantined from other assets of the Fund. In the event that the assets of the sub-plan is not adequate to meet the member's liabilities and that there are insufficient employer contributions, the defined benefit member liabilities are limited to the assets of the sub-plan.

The main assumptions used by the actuary to determine the value of the accrued benefits of the members of the sub-plans as at 30 June are:

Sub-fund	Future net investment returns				Future rate of salary inflation	
	2024		2023		2024	2023
	Superannuation liabilities	Pension liabilities	Superannuation liabilities	Pension liabilities		
Salarylink	7.3%	8.2%	6.8%	7.7%	2.2%	3.0%
Stevedores *	7.2%	8.4%	n/a	n/a	3.0%	n/a
Seafarers *	3.7%	n/a	n/a	n/a	3.6%	n/a
SVITZER *	7.5%	n/a	n/a	n/a	3.7%	n/a
Trident * #	n/a	6.5%	n/a	n/a	n/a	n/a

*defined benefit funds transferred into the Fund on 1 September 2023

No members remain in active service in Maritime Trident DB sub-plan at 30 June 2024

Accordingly, any difference between net assets available to pay benefits and the liability for accrued benefits as reported by the Fund has been anticipated, except for the effects of the following factors:

- Some short-term variation in the experience of the sub-plans from that anticipated when determining contribution rates; and
- Valuing assets at fair values at the end of the reporting period (necessary to display the financial position of the sub-plan at that date) rather than adopting average asset values (as is typically done by an actuary when determining contribution rates).

As noted above, the funding policy adopted in respect of the sub-plan has been structured to accommodate any short-term variation that arises and to eliminate any difference between the net assets available to pay benefits and the liability for accrued benefits over the long term.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 3. MEMBER BENEFITS AND FUNDING ARRANGEMENTS (continued)

(b) Defined benefit member liabilities (continued)

The impact of the reasonably possible changes in these key assumptions are shown below:

2024

Sub-fund	Investment return			Salary increase		
	Assumed at reporting date	Reasonable possible change in key assumption	Increase / (decrease) in Defined benefit member liabilities \$	Assumed at reporting date	Reasonable possible change in key assumption	Increase / (decrease) in Defined benefit member liabilities \$
	%	%		%	%	
Salarylink	7.3 (Actives) / 8.2 (Pensions)	+/- 1.0	(4,250,611)/ 5,829,920	2.2	+/- 0.5	1,175,170 / (832,099)
Stevedores	7.2 (Actives) / 8.4 (Pensions)	+/- 1.0	(1,200,926)/ 1,332,542	3.0	+/- 0.5	645,485/ (616,519)
Seafarers	3.7%	+/- 1.0	(55,037)/ 73,901	3.6	+/- 0.5	59,878 / (46,407)
SVITZER	7.5%	+/- 1.0	(16,976)/ 25,606	3.7	+/- 0.5	7,083 / (6,089)
Trident#	n/a# (Actives) / 6.5* (Pensions)	+/- 1.0	(556,590) / 673,370	n/a	n/a	n/a

No members remain in active service in Maritime Trident DB sub-plan at 30 June 2024

* An assumption regarding the long-term rate of expenses of 0.215% p.a. of net assets has been taken into account when calculating the present value of pension liabilities in payment, with the value of future expenses included in liability amounts.

2023

Sub-fund	Investment return			Salary increase		
	Assumed at reporting date	Reasonable possible change in key assumption	Increase / (decrease) in Defined benefit member liabilities \$	Assumed at reporting date	Reasonable possible change in key assumption	Increase / (decrease) in Defined benefit member liabilities \$
	%	%		%	%	
Salarylink	6.8 (Actives) / 7.7 (Pensions)	+/- 1.0	(5,510,343) / 8,171,958	3.0	+/- 0.5	718,341 / (365,000)

The defined benefit sub-plans were over funded during the year as follows:

	\$	\$	2024 \$
	Net Assets available for defined benefit members	Actuarial value of accrued benefits for defined benefit members	Over funded / (Under funded)
Salarylink	570,860,089	415,010,258	155,849,831
Stevedores	42,918,155	24,623,863	18,294,292
Seafarers	7,164,383	420,932	6,743,451
SVITZER	21,563,567	12,400,411	9,163,156
Trident	11,946,429	8,635,603	3,310,826
Total	654,452,623	461,091,067	193,361,556

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 3. MEMBER BENEFITS AND FUNDING ARRANGEMENTS (continued)

(b) Defined benefit member liabilities (continued)

	\$	\$	2023 \$
	Net Assets available for defined benefit members	Actuarial value of accrued benefits for defined benefit members	Over funded / (Under funded)
	<u> </u>	<u> </u>	<u> </u>
Salarylink	588,687,211	441,814,964	146,872,247
Total	588,687,211	441,814,964	146,872,247

(c) Funding arrangements

(i) Defined contribution member liabilities

Employers contribute to the Fund on behalf of members in accordance with the Fund's Trust Deed, relevant industry Award agreements and the mandated minimum Superannuation Guarantee Charge rate of 11.0% (2023: 10.5%) of the gross salaries of the employees. In addition, Members and Employers can elect to contribute further amounts to the Fund at their own discretion.

(ii) Defined benefit member liabilities

The funding policy adopted is directed at ensuring that benefits accruing to members and beneficiaries are fully funded as the benefits fall due. As such, in determining employer contribution rates, the actuary has considered long-term trends in such factors as fund membership, salary growth, anticipated levels of investment earnings and average market value of the sub-plans' assets. Employees are also able to make voluntary contributions.

The Fund has no contractual agreements with employer sponsors which satisfy the requirements to enable any 'contribution receivables' to be included as an asset at 30 June 2024.

Salarylink

The Salarylink employers have contributed to the sub-plans at the rate recommended by the actuary. During 2024 that rate was 6.3% (2023: 6.3%) of the gross salaries of those employees who were members of the Salarylink sub-plan. Members of Salarylink contributed to the plan at a rate of between 0% and 10% (2023: 1% and 10%) of gross salary.

Stevedores

The Stevedores employers have contributed to the sub-plans at the rate recommended by the actuary. During 2024 that rate was 12.6% of the gross salaries of those employees who were members of the Stevedores sub-plan. Members of Stevedores contributed to the plan at a rate of between 0% and 4.8% of gross salary.

Seafarers

The Seafarers employers have contributed to the sub-plans at the rate recommended by the actuary. During 2024 that rate was 13.0% of the gross salaries of those employees who were members of the Seafarers sub-plan. Members of Seafarers contributed to the plan at a rate of between 0% and 5.0% of gross salary.

SVITZER

The SVITZER employers were recommended to contribute 0% by the actuary, however during 2024 that rate was 15.0% of the gross salaries of those employees who were members of the SVITZER sub-plan. Members of SVITZER contributed to the plan at a rate of between 0% and 5% of gross salary.

Trident

The Trident employers have contributed to the sub-plans at the rate recommended by the actuary. During 2024 that rate was 22.5% of the gross salaries of those employees who were members of the Trident sub-plan. Members of Trident contributed to the plan at a rate of between 0% and 4.0% of gross salary.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 4. CHANGES IN FAIR VALUE OF INVESTMENTS

	2024	2023
	\$	\$
Investments held at balance date		
Derivatives	(733,044)	-
Equities	(7,694,754)	41,638,605
Pooled superannuation trust and managed funds	8,448,691,656	7,824,490,829
Total unrealised gains/(losses)	8,440,263,858	7,866,129,434
Investments realised during the year		
Derivatives	(692,799)	-
Equities	(952,339)	26,844,920
Pooled superannuation trust and managed funds	15,673,013	41,035,519
Total realised gains/(losses)	14,027,875	67,880,439
Change in fair value of investments	8,454,291,733	7,934,009,873

NOTE 5. COLLECTIVE INVESTMENTS

Host-Plus Pty. Limited is the Trustee for both the Hostplus Superannuation Fund ('Fund') and the Hostplus Pooled Superannuation Trust ('Trust'), collectively known as 'Hostplus'. The Fund uses the Trust as its primary investment vehicle. Hostplus invests in a number of entities, known as 'collective entities' that provide the Fund and the Trust with administration or investment services. The other investors in these collective entities include a number of other industry superannuation funds. All transactions with collective entities are based on normal commercial terms and arrangements. These collective entities do not meet the definition of a related party under the accounting standard AASB 124, however are being disclosed given they are both a direct investment of and provide services to Hostplus.

During the year, Hostplus transacted with the following collective entities.

Industry Super Holdings Pty Ltd and subsidiaries

Hostplus has a 14.64% (2023: 14.64%) shareholding in Industry Super Holdings Pty Ltd ('ISH'). ISH and its subsidiaries provide a range of services and investment products to Hostplus and other institutional clients.

As at 30 June 2024, Hostplus' investment in ISH was valued at \$328.9m (2023: \$257.3m). Total income earned by Hostplus from this Investment for the year ended 30 June 2024 was \$71.6m (2023: \$29.3m). All transactions were made on normal commercial terms, under normal conditions and at market rates.

During the year, Hostplus engaged several ISH subsidiaries to provide a range of services and investment products, as follows:

- IFM Investors Pty Ltd ('IFM') manages a selection of infrastructure, listed equity, private equity, fixed interest and cash portfolios on behalf of Hostplus totalling \$29,269.0m as at 30 June 2024 (2023: \$24,727.0m). Total income earned on the portfolios managed by IFM was \$3,061.2m (2023: gains of \$2,802.8m). Hostplus paid IFM investment management fees of \$21.5m (2023: \$19.7m) during the financial year. All transactions were made on normal commercial terms, under normal conditions and at market rates.
- Industry Fund Services Ltd ('IFS') provides the Fund financial planning and debt collection services. Total fees paid to IFS for the year ended 30 June 2024 were \$3.3m (2023: \$1.7m). All transactions were made on normal commercial terms, under normal conditions and at market rates.
- IFS Insurance Solutions Pty Ltd ('IFS Insurance') provides the Fund with insurance brokerage services. Total fees and brokerage paid to IFS Insurance for the year ended 30 June 2024 were \$0.07m (2023: \$0.07m). All transactions were made on normal commercial terms, under normal conditions and at market rates.
- Industry Super Australia Pty Ltd ('ISA') provides the Fund with marketing and lobbying services. Total fees paid to ISA for the year ended 30 June 2024 were \$3.4m (2023: \$4.1m). All transactions were made on normal commercial terms, under normal conditions and at market rates.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 5. COLLECTIVE INVESTMENTS (continued)

Industry Super Property Trust

Hostplus has a 12.00% (2023: 12.00%) shareholding in Industry Super Property Trust ('ISPT'). ISPT manages unlisted property trusts on behalf of Hostplus and other institutional clients. Hostplus' investments include property trusts totaling \$1,546.7m (2023: \$1,755.1m). Hostplus paid ISPT investment management fees of \$7.6m (2023: \$8.4m) during the financial year. The losses incurred on this portfolio was \$152.1m (2023: losses of \$22.0m). All transactions were made on normal commercial terms, under normal conditions and at market rates. On 27 February 2024, Con Michalakis (Hostplus Co-Deputy Chief Investment Officer) was appointed a Director on the Board of Directors for ISPT Pty Ltd as Trustee for the Industry Super Property Trust. ISPT Pty Ltd paid Hostplus a Director Fee totalling \$28.6k.

Hostplus has a 10.19% (2023: 10.05%) ownership in ISPT Operations Trust ('OpCo Trust') with a value of \$0.5m as at 30 June 2024 (2023: \$0.9m). The OpCo Trust owns ISPT Operations Pty Ltd, which is the operations and service entity for the ISPT Group that provides services to ISPT to fulfil its obligations as Trustee and Manager.

NOTE 6. INCOME TAX

	2024	2023
	\$	\$
(a) Recognised in the Income Statement		
Current tax expense		
Current year	(86,237,921)	(80,048,305)
Adjustments in respect of current income tax of previous years	403,262	(837,980)
	<u>(85,834,659)</u>	<u>(80,886,285)</u>
Deferred tax expense		
Movement in temporary differences	1,280,026	6,796,942
Total income tax expense/(benefit) reported in Income Statement	<u>(84,554,633)</u>	<u>(74,089,343)</u>
(b) Reconciliation between income tax expenses and the accounting profit before income tax		
Profit/(loss) from operating activities	8,278,811,408	7,774,721,566
Tax at the complying superannuation fund tax rate of 15%	1,241,821,711	1,166,208,235
Non-assessable investment (income)/loss	(1,268,727,278)	(1,181,719,389)
Net imputation and foreign tax credits	(5,010,510)	(5,260,293)
Deductible insurance premiums	(53,069,234)	(52,479,916)
Non-deductible remediation payments	27,416	-
Under/(over) provision in previous year	403,262	(837,980)
Total income tax expense/(benefit)	<u>(84,554,633)</u>	<u>(74,089,343)</u>

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 6. INCOME TAX (continued)

(c) Recognised in the Statement of Changes in Member Benefits

	2024	2023
	\$	\$
Contributions and transfers-in	19,146,838,781	11,600,833,834
Tax at the complying superannuation fund tax rate of 15%	2,872,025,817	1,740,125,075
Non-assessable contributions	(140,009,669)	(124,676,922)
Non-assessable transfers-in and successor fund transfers	(1,320,208,317)	(446,870,232)
No TFN Tax	3,706,407	(854,660)
Under/(over) provision in previous year	6,508,227	10,825,664
	<u>1,422,022,465</u>	<u>1,178,548,925</u>

(d) Deferred tax assets and liabilities

Unrealised (gains) / losses in investments subject to CGT	(13,472,442)	(12,922,865)
Employee entitlements and other accruals	1,675,782	1,597,312
Insurance premiums	4,245,009	5,053,928
	<u>(7,551,651)</u>	<u>(6,271,625)</u>

(e) Current tax asset and liability

The current tax liability for the Fund of \$1,329,265,419 (2023: \$1,087,669,658) represents the amount of income tax payable in respect of current and prior periods.

As detailed in Note 2(g), during the year the Fund entered into a section 295-260 agreement for the transfer of its assessable contributions tax liability relating to the year ended 30 June 2023 to the Trust totalling \$1,094,586,447 (30 June 2022: \$780,421,454).

NOTE 7. ADMINISTRATION EXPENSES

	2024	2023
	\$	\$
Fund administration	103,228,629	90,755,246
Staff expenditure	52,573,556	43,944,141
Marketing, advertising and sponsorship	27,127,076	24,310,585
Office expenditure	7,931,953	7,814,237
Depreciation and amortisation	2,965,356	1,991,806
Trustee services fees	915,344	982,579
	<u>194,741,914</u>	<u>169,798,594</u>

NOTE 8. AUDITORS' REMUNERATION

	2024	2023
	\$	\$
Remuneration paid or payable for services provided by the auditor, PricewaterhouseCoopers (including GST):		
- Audit of Financial Statements	106,366	98,792
- Other Assurance Services		
- Assurance over regulatory compliance and returns	157,136	96,380
- Non-statutory limited assurance reviews	22,440	-
- Other Non-audit Services		
- Merger due diligence and procedures	100,430	159,500
- Other consulting services	221,652	368,730
	<u>608,024</u>	<u>723,402</u>

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 9. CASH FLOW STATEMENT RECONCILIATION

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2024	2023
	<u>\$</u>	<u>\$</u>
Cash and cash equivalents	<u>183,114,518</u>	<u>53,748,142</u>

Reconciliation of net cash from operating activities to net profit after income tax

Profit / (loss) after income tax	31,548,804	703,907,328
Adjustments for:		
Net investment income (non-cash)	(8,466,245,448)	(7,944,068,737)
Depreciation and impairment	2,965,356	1,991,806
Net insurance activities	(125,600,153)	(145,117,754)
(Increase) / decrease in receivables	(9,702,014)	5,213,279
(Increase) / decrease in deferred tax	1,280,024	6,796,942
Increase / (decrease) in payables and employee entitlements	9,561,721	22,828,516
Increase / (decrease) in income tax payable	(85,599,859)	(80,891,584)
Allocation to members' accounts	8,331,817,237	7,144,903,581
Net cash outflows from operating activities	<u>(309,974,332)</u>	<u>(284,436,623)</u>

NOTE 10. FINANCIAL RISK MANAGEMENT

The Fund predominately invests its assets through the Trust, a related entity with the same Trustee as the Fund. The Trust's assets predominantly consist of a range of financial instruments in various asset classes including cash, diversified fixed interest, Australian equities, international equities, property, infrastructure, private equity and alternative assets as per the strategic allocation set by the Trustee. The type of financial instruments held by the Trust within each asset class are either held directly in the form of equity or debt type instruments or indirectly through collective investment vehicles.

Risk is inherent in the Trust's activities and is actively managed through the Trustee's Risk Management Framework as further described below. Depending on the type of financial instrument held (directly or indirectly) the Trust is exposed to a variety of financial risks such as market risk (including currency, interest rate and price risk), credit risk and liquidity risk.

The Trustee is responsible for setting, monitoring and revising the investment strategy of the Fund including its exposure amongst the various asset classes. The Trustee has determined the Trust's investment strategy is consistent with the investment strategy of the Fund and has therefore selected it as the predominant investment vehicle. The Trustee maintains the responsibility for the appointment of various investment managers for each asset class via an investment manager mandate or through holding a collective investment vehicle. Investment manager mandates reflect the target asset allocation determined by the Trustee as well as the level of financial risk, which the Trustee is willing to accept. Where an investment manager of a collective investment vehicle is appointed, the Trustee will have regard to the investment manager's investment strategy and the associated risks of the collective investment vehicle.

The Trustee has overall responsibility for the establishment and oversight of its Risk Management Framework. The Trustee's risk management policies are established to:

- Identify and analyse the risks faced by the Fund, including those risks arising from holding financial instruments;
- Set appropriate risk limits and controls; and
- Monitor risks and adherence to limits.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 10. FINANCIAL RISK MANAGEMENT (continued)

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities. These are also documented in the Trustee's Risk Management Framework, which is subject to regular review both by management and the Board, including an internal annual audit of compliance.

The Trustee receives regular reports concerning the performance and activities of the Trust, as well as the Trust's underlying investments from the Trustee's investment advisor and custodian. Divergence from target asset allocations and the composition of the portfolio is also monitored by the Trustee. Reports received by the Trustee include:

- Current asset allocations against target positions;
- Performance against benchmarks; and
- Investment manager compliance reporting against the investment manager mandate.

The Fund and the Trust may use derivative financial instruments, such as futures, options, swaps and forward foreign exchange contracts to manage market movements, currency risk and also effect a change in the asset mix of the portfolio if required. The use of derivatives is subject to specified limits and gearing is not permitted.

The Trustee actively monitors the activities of the Fund and the Trust to ensure fund managers have appropriate skills and expertise to manage the funds allocated prior to their appointment. The Trustee has appointed JANA Investment Advisers to provide expert advice regarding asset allocation and the management of the investment portfolio in accordance with the Trustee's Investment Strategy.

The Trustee's Risk and Compliance Committee oversees how management monitors compliance with the Trustee's risk management policies and procedures and reviews the adequacy of the Risk Management Framework in relation to the risks faced by the Fund, including investment related risks. The Committee reports directly to the Board.

Concentrations of risk arise when the number of financial instruments or contracts entered into are with the same counterparty, or when a number of counterparties are engaged in similar business activities, have activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Such risks are managed through the regular review and reporting of exposures and concentrations for both the Fund and the Trust, to ensure risk remains within acceptable levels.

(a) Market Risk

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. To mitigate market risk, the Trustee undertakes extensive due diligence to ensure fund managers have appropriate skills and expertise to manage the allocated investment prior to their appointment. Further, the Hostplus Investment Department and asset consultant monitor investment valuations with regard to market conditions, benchmark analysis and other relevant factors.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

With the Fund's assets invested in the Trust (an Australian dollar denominated investment) the Fund does not have any direct foreign currency exposure as at 30 June 2024.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's investments in fixed interest and cash instruments, which are interest bearing securities are subject to interest rate risk.

The Fund's exposure to interest rate risk is considered low and is isolated to the interest it earns on:

- Surplus cash in operating bank accounts held with the NAB;
- Uninvested cash in custodian accounts held with Citi; and
- Surplus cash and term deposits held by members with ME Bank through the Fund's ChoicePlus platform.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

Interest rate risk (continued)

Sensitivity analysis

In considering what may be an appropriate volatility factor for interest rate exposure, the Trustee's investment advisor examined the average absolute movement in the yields of 10-year Australian and US Government bonds. US Government bonds were used as a proxy for offshore bond markets. In considering what may be an appropriate volatility factor for interest on cash and cash equivalents held for investing activities, the Trustee's investment advisor examined the average absolute movement in yields of the Bloomberg AusBond Bank Bill Index. This represents management's best estimate of a reasonably possible shift in interest rates having regard to historical data and is not guaranteed as actual results may vary from management's reasonably possible estimate.

	2024	2023
Fixed Interest	74 bps	68 bps
Cash and cash equivalents held for investing activities	200 bps	30 bps

An increase or decrease in interest rates would have impacted the Fund's profit and loss after income tax and net assets by the amounts shown below. This analysis assumes that all other variables remain constant.

2024	Carrying Amount	Profit and loss		Net assets	
		\$	\$	\$	\$
		Increase	Decrease	Increase	Decrease
Fixed Interest	54,225,762	(341,080)	341,080	(341,080)	341,080
Cash and cash equivalents held for investing activities	289,298,445	4,918,074	(4,918,074)	4,918,074	(4,918,074)
	343,524,207	4,576,994	(4,576,994)	4,576,994	(4,576,994)

2023	Carrying Amount	Profit and loss		Net assets	
		\$	\$	\$	\$
		Increase	Decrease	Increase	Decrease
Fixed Interest	49,059,022	(283,561)	283,561	(283,561)	283,561
Cash and cash equivalents held for investing activities	224,482,159	572,430	(572,430)	572,430	(572,430)
	273,541,181	288,869	(288,869)	288,869	(288,869)

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to other price risk through its investment in the Trust, and the equities and managed funds held by members through the Fund's ChoicePlus platform. The Fund's exposure to other price risk is therefore limited to the market price movement of these investments. The Trustee has determined that these investments are appropriate for the Fund and are in accordance with the Trustee's published investment strategy.

Other price risk is mitigated by investing through the Trust, which has constructed a diversified portfolio of instruments that are traded in various markets. The actual asset allocation of the Trust is continually monitored and reported to the Board and is adjusted if necessary, having regard to the Trustee's strategic asset allocation. Price risk is further mitigated through the investment due diligence process and careful selection and monitoring of investments and managers by the Trust.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

Other price risk (continued)

Sensitivity analysis

Following analysis of the deviation in relevant indices over the past 10 years, the following movements in other price risk are considered reasonably possible for the 2024 reporting period. This represents management's best estimate of a reasonably possible shift in market prices having regard to historical data and is not guaranteed as actual results may vary from management's reasonably possible estimate.

	2024	2023
Equities	14%	14%
Pooled superannuation trust and managed funds	11%	11%

An increase or decrease in the market price of investments of the Fund at 30 June would have impacted the Fund's profit and loss after income tax and net assets by the amounts shown below. This analysis assumes that all other variables remain constant.

2024	Carrying Amount	Profit and loss		Net assets	
	\$	\$	\$	\$	\$
		Increase	Decrease	Increase	Decrease
Equities	500,306,935	59,536,525	(59,536,525)	59,536,525	(59,536,525)
Pooled superannuation trust and managed funds	115,075,197,856	10,759,531,000	(10,759,531,000)	10,759,531,000	(10,759,531,000)
	<u>115,575,504,791</u>	<u>10,819,067,525</u>	<u>(10,819,067,525)</u>	<u>10,819,067,525</u>	<u>(10,819,067,525)</u>

2023	Carrying Amount	Profit and loss		Net assets	
	\$	\$	\$	\$	\$
		Increase	Decrease	Increase	Decrease
Equities	489,636,373	58,266,728	(58,266,728)	58,266,728	(58,266,728)
Pooled superannuation trust and managed funds	94,385,642,300	8,825,057,555	(8,825,057,555)	8,825,057,555	(8,825,057,555)
	<u>94,875,278,673</u>	<u>8,883,324,283</u>	<u>(8,883,324,283)</u>	<u>8,883,324,283</u>	<u>(8,883,324,283)</u>

(b) Credit risk

Credit risk represents the risk that the counterparty to a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. Credit risk also reflects uncertain asset values due to adverse movements in the credit quality of an asset.

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. None of these assets are impaired nor past due.

Credit risk arising from investments is mitigated by extensive due diligence undertaken by the Trustee prior to the appointment of investment managers to ensure they have the appropriate skills and expertise to manage the Fund's allocated investments. The Trustee further mitigates credit risk by dealing with highly rated counterparties and where appropriate, ensuring collateral is maintained. Exposure to credit risk is monitored on an ongoing basis by counterparty, geographical region and by industry sector.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 10. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The carrying amount of assets as at reporting date subject to credit risk is as follows:

	2024	2023
	\$	\$
Cash and cash equivalents	183,114,518	53,748,142
Receivables	112,162,771	83,143,769
Cash and cash equivalents held for investing activities	289,298,445	224,482,159
Fixed interest securities	54,225,762	49,059,022
	<u>638,801,496</u>	<u>410,433,092</u>

(c) Liquidity risk

Liquidity risk is the risk of failing to meet financial obligations as and when they fall due. A key consideration is the saleability of assets. The Trustee's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trustee's reputation.

The Trustee's Trust Deed and Product Disclosure Statement provide for the daily withdrawal of benefits and the Trustee is therefore exposed to the liquidity risk of meeting members' withdrawals at any time.

The Fund invests in the Trust, which has investments that are not traded in organised public markets and may be illiquid. As a result, the Trustee may not be able to quickly liquidate some of its investments at an amount close to fair value in order to meet its liquidity requirements. The investments of the Trust are monitored to comply with the asset allocation stipulated in the Trustee's Investment Strategy and considers the Fund's expected future cash flow requirements.

The Fund's listed securities are considered to be readily realisable as they are all listed on recognised stock exchanges.

Liquidity risk is managed on a daily basis in accordance with policies and procedures in place and the Trustee's Investment Strategy. Stress testing and scenario analysis are completed on a regular basis.

The contractual maturity of financial liabilities is set out below.

2024	Carrying amount	Less than 1 month	1 to 3 months	Greater than 3 months
	\$	\$	\$	\$
Member liabilities	113,770,491,810	113,770,491,810	-	-
Employee entitlements	11,171,882	10,563,792	135,347	472,743
Derivatives	733,043	-	25,850	707,193
Payables	127,362,792	127,362,792	-	-
	<u>113,909,759,527</u>	<u>113,908,418,394</u>	<u>161,197</u>	<u>1,179,936</u>
2023	Carrying amount	Less than 1 month	1 to 3 months	Greater than 3 months
	\$	\$	\$	\$
Member liabilities	93,213,840,706	93,213,840,706	-	-
Employee entitlements	10,648,747	9,946,491	151,178	551,078
Payables	123,717,004	123,717,004	-	-
	<u>93,348,206,457</u>	<u>93,347,504,201</u>	<u>151,178</u>	<u>551,078</u>

Member benefits that are allocated have been included in the "Less than 1 month" column above as this is the amount that members could call upon as at 30 June, however the Fund considers it is highly unlikely that all members will request to rollover their superannuation fund accounts at the same time.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 10. FINANCIAL RISK MANAGEMENT (continued)

(d) Estimation of fair values

The Fund's financial assets and liabilities included in the Statement of Financial Position are carried at fair value. The major methods and assumptions used in determining fair value of financial instruments have been disclosed at Note 2 Summary of Material Accounting Policies.

(e) Fair value hierarchy

The table below analyses financial instruments by using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements in accordance with AASB 13. The fair value hierarchy has the following levels:

- level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability; and
- level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement, in its entirety of the instrument. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If the fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgement, considering factors specific to the instrument.

The determination of what constitutes 'observable' requires significant judgement by the Trustee. The Trustee considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The Trustee has an established control framework with respect to the measurement of fair values of level 3 investments. The Trustee engages appropriately skilled independent third parties to perform a valuation, where required. With respect to investments held externally by investment managers, the Trustee reviews the appropriateness of the investment manager's valuation policies during the due diligence phase, prior to initial investment. Annually, the Trustee receives confirmation from the fund managers that the valuation policies used to determine fair value are consistent with those previously reviewed by the Trustee. Any significant changes to the fund manager valuation policies are re-reviewed by the Trustee. At least annually, final valuations are adopted by the Board in determining the final unit price.

Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period.

The quoted market price used for financial assets held by the Fund is the current mid price; the quoted market price used for financial liabilities is the current application price.

A financial instrument is regarded as quoted in an active market if the price is readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and the price represents an actual and regularly occurring market transaction on an arm's length basis.

Fair value in an inactive market (level 2 and level 3)

The Fund's investments categorised under level 2 and level 3 represent those held in managed funds and the Trust, and are recorded at the redemption value per unit as reported by the custodian. Some of the inputs into the valuations of the underlying investments provided by external investment managers and independent third parties in their pricing models may not be market observable and therefore subject to a level of estimation and uncertainty.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 10. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value hierarchy (continued)

The table below sets out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2024.

2024	Level 1	Level 2	Level 3
	\$	\$	\$
Financial Assets			
Financial Assets designated at fair value through profit or loss:			
Cash and cash equivalents held for investing activities	289,298,445	-	-
Fixed interest securities	54,225,762	-	-
Equities	500,306,935	-	-
Managed funds	432,173,414	-	-
Pooled superannuation trust	-	-	114,643,024,442
	1,276,004,556	-	114,643,024,442
2023	Level 1	Level 2	Level 3
	\$	\$	\$
Financial Assets			
Financial Assets designated at fair value through profit or loss:			
Cash and cash equivalents held for investing activities	224,482,159	-	-
Fixed interest securities	49,059,022	-	-
Equities	489,636,373	-	-
Managed funds	317,332,260	-	-
Pooled superannuation trust	-	-	94,068,310,040
	1,080,509,814	-	94,068,310,040

The investment in the Trust was reassessed in accordance with requirements of the applicable accounting standard and as a result the Fund reclassified this investment from level 2 to level 3 in the comparative disclosure. The proportion of the Trust's level 3 investments is considered significant to the entire measurement of the Fund's investment in the Trust and therefore the fair value measurement of the investment in the Trust is categorised as level 3.

The investments held in the Trust include unlisted financial instruments that are not traded in an active market. Hence, their fair values are based on prices advised by the external investment managers, as well as valuations determined by appropriately skilled independent third parties. The following table presents the movement in level 3 investments.

	2024	2023
	\$	\$
Level 3 Investments		
Opening balance	94,068,310,040	79,912,579,205
Purchases	13,575,003,021	7,270,930,297
Sales	(1,399,919,288)	(945,568,869)
Transfers into/(out) of level 3	-	-
Gains and losses recognised in profit/loss	8,399,630,669	7,830,369,407
Closing balance	114,643,024,442	94,068,310,040

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 10. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value hierarchy (continued)

Valuation inputs and relationships to fair value – level 3 investments held in the Trust

The Fund is the significant unitholder of the Trust holding 99.47% of units in the Trust as at 30 June 2024 (2023: 95.14%). Whilst the Trust's investments are categorised under level 3 in accordance with AASB 13, the Trust's underlying investment portfolio includes investments in level 1, 2 and 3.

The Trust determines the fair value of investments as described below:

Fair value in an active market (level 1)

The Trust's method for determining the fair value measurement of level 1 investments is the same as the Fund, as described above.

Fair value in an inactive or unquoted market (level 2 and level 3)

The majority of the Trust's investments categorised under level 2 and 3 are held in unlisted managed funds and are recorded at the redemption value per unit, as reported by the external investment manager. Some of the inputs used by the external investment manager in their pricing models may not be market observable and are therefore subject to a level of estimation uncertainty.

The fair value of other financial assets and liabilities that are not traded in an active market is determined using valuation techniques by independent valuers. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The fair value of derivatives that are not exchange traded are estimated at the amount that the Trust would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

The table below details the Trust's fair value hierarchy and is reasonably representative of the Fund's exposures to levels 1, 2 and 3 investments held by the Trust as at 30 June 2024.

2024	Level 1	Level 2	Level 3
	\$	\$	\$
Financial Assets			
Financial Assets designated at fair value through profit or loss:			
Cash and term deposits	705,984,582	-	-
Fixed interest securities	-	6,910,437,640	403,526,730
Equities	52,873,136,391	-	1,676,304,515
Managed funds	2,226,130,806	13,590,498,384	32,518,545,643
Derivative assets	3,992,952	630,196,209	-
Financial Liabilities			
Financial Liabilities designated at fair value through profit or loss:			
Derivative liabilities	(989,707)	(81,429,658)	-
	<u>55,808,255,024</u>	<u>21,049,702,575</u>	<u>34,598,376,888</u>

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 10. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value hierarchy (continued)

2023	Level 1	Level 2	Level 3
	\$	\$	\$
Financial Assets			
Financial Assets designated at fair value through profit or loss:			
Cash and term deposits	938,944,939	-	-
Fixed interest securities	-	6,245,365,424	316,983,423
Equities	43,553,942,628	857,400	1,568,133,356
Managed funds	1,644,531,389	10,540,342,372	32,213,349,618
Derivative assets	5,796,171	301,927,479	-
Financial Liabilities			
Financial Liabilities designated at fair value through profit or loss:			
Derivative liabilities	(431,325)	(445,866,728)	-
	<u>46,142,783,802</u>	<u>16,642,625,947</u>	<u>34,098,466,397</u>

Details of the inputs and assumptions used in the current valuation of the Trust investments are described below. Detailed information has been provided where available. A significant amount of these investments is held via externally managed unlisted pooled investment vehicles, and as such the Trustee engages in effective and ongoing monitoring of all external managers to ensure the valuation processes used are aligned to that of the Trust.

Further details on valuation inputs of the Trust's level 3 investments can be explained under the following categories:

(i) Managed funds

As at 30 June 2024 the Trust has managed funds of \$33,781,572,071 (2023: \$32,213,349,618) categorised as level 3, which include unlisted unit trusts, partnerships and unlisted managed funds. These investments are recorded at the redemption value at balance date, as provided by the external investment manager or general partner. As these investments are not actively traded in a public market, the valuation provided by the external investment manager or general partner is considered unobservable in accordance with the definitions within the accounting standards. The range of inputs related to the unit price is not disclosed as the number of investments held would result in a wide range of unrelated inputs.

(ii) Equity securities

As at 30 June 2024 the Trust has equity securities of \$1,676,304,515 (2023: \$1,568,133,356) categorised as level 3, which include unlisted shares and preference shares.

Unlisted shares are typically subject to an annual valuation by a professional and independent third-party that uses valuation techniques appropriate to the company. The valuation techniques include discounted cash flow valuation methodologies and earning and trading multiples of broadly comparable companies. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and discounted using an appropriate cost of equity to arrive at a net present value.

The unobservable inputs that are reasonably available for the Trust's directly held investments that are significant to the Trust's holdings of Equity securities are as follows:

2024

Security	Total Value \$m	Unobservable input	Input range	Input to value fair value
Australian Unlisted Equity	1,673.7	Discount rate	8.30 - 14.00%	The higher the discount rate, the lower the fair value
Australian Unlisted Equity	1,673.7	Terminal Growth	2.25 - 2.75%	The higher the terminal growth rate, the higher the fair value

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 10. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value hierarchy (continued)

2023

Security	Total Value \$m	Unobservable input	Input range	Input to value fair value
Australian Unlisted Equity	1,194.1	Discount rate	8.30 - 15.50%	The higher the discount rate, the lower the fair value
Australian Unlisted Equity	1,194.1	Terminal Growth	2.25 - 3.25%	The higher the terminal growth rate, the higher the fair value

Preference shares generally have fixed dividend payments and are valued by discounting future dividend payments to arrive at a net present value. Preference shares are not traded on secondary markets.

(iii) Fixed interest securities

As at 30 June 2024 the Trust has fixed interest securities of \$403,526,730 (2023: \$316,983,423) categorised as level 3, which include Government, Government related, corporate and securitised bonds, loans and other fixed interest instruments.

The valuations of fixed interest securities are based primarily on third party pricing servicers, brokers, market makers and valuation methodologies determined to be appropriate by the manager or their independent valuation agent. Such methodologies applied may include discounted cash flow, amortised cost and direct comparison.

Unobservable inputs and assumptions can include the appropriate credit spread and other risk premium, risk free discount rate, future cash flows, identification of appropriate comparable and future economic and regulatory conditions. The Trustee is not privy to the unobservable inputs and assumptions used by the underlying investment manager and are therefore not able to quantify the effect of a movement in an unobservable input or assumption.

(f) Environmental, Social and Governance factors

The Fund's primary duty is to deliver the best retirement outcomes for its members. These responsibilities guide every decision the Fund makes, and great care is taken to ensure each action fulfils these duties.

Responsible investment is an important part of the Fund's investment approach that helps it better manage risk and optimise retirement outcomes for its members. It involves incorporating environmental, social and governance (ESG) factors (including climate change) into investment decisions. The Fund has a Responsible Investment Policy that outlines the principles and commitments that direct its approach to responsible investment. The Policy is reviewed on an annual basis by Management. Any changes that are required to be made to the Policy are referred to the Trustee Board for approval.

The Fund recognises that climate change may influence the performance of the investments over time and that the impact will be dependent on the extent of physical, social and regulatory changes. The Fund recognises climate change as a financial risk to its investments, which includes valuation risk as a result of changed asset revenue or costs associated with physical damage to assets, regulatory change to transition to a lower-carbon economy, other costs to transition to a lower-carbon economy and litigation risk.

In order to manage the financial risk due to climate change, the Fund is committed to incorporating climate change into the following aspects of the investment process:

- Climate change is incorporated within the Fund's investment philosophy.
- Climate-related risks are considered as part of the Fund's strategic asset allocation process alongside a range of other risks and are taken into account in setting investment objectives.
- Climate change scenarios are included as part of stress testing of investment options.
- Assessment of climate change risk management is part of the investment manager selection and review process.
- Engagement with investee companies and assets includes a focus on climate change risk assessment, management and disclosure.

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

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 11. RELATED PARTIES

(a) Trustee

Host-Plus Pty. Limited is the Trustee for both the Hostplus Superannuation Fund ('Fund') and the Hostplus Pooled Superannuation Trust ('Trust'), collectively known as 'Hostplus'. The Trust is the Fund's primary investment vehicle.

The shareholders of the Trustee are United Workers Union and Australian Hotels Association ('AHA').

Under the terms of the Trust Deed, the Trustee is entitled to be reimbursed out of Fund assets for all expenses and liabilities it incurs in connection with the Fund or in performing its obligations. This reimbursement is otherwise referred to as a Trustee Services Fee and the amount paid and payable by the Fund is set out in Note 7. Embedded in the Trustee Services Fee is the Fund's share of remuneration paid and payable to Directors for services rendered to the Board and Committees of the Board as set out in the tables below.

The Trustee is entitled to charge a fee to hold on its own account against the risk of acting as Trustee of the Fund and the Trust, which is otherwise referred to as a Risk Premium Charge. The Risk Premium Charge is held by the Trustee in a Risk Premium Reserve to indemnify the Trustee or Directors for non-indemnifiable liabilities.

(b) Remuneration of key management personnel

Board of Directors	2024	2023
	\$	\$
Short-term benefits	1,339,798	1,311,026
Post-employment benefits	198,497	195,494
Total	1,538,295	1,506,520
Other executive key management personnel		
Short-term benefits	6,045,434	5,578,312
Post-employment benefits	249,827	256,892
Long-term benefits	226,032	205,097
Termination benefits	602,977	-
Total	7,124,270	6,040,301

Further remuneration disclosures are provided in the remuneration report on pages 2 to 9.

(i) Board of Directors

Short-term benefits include fees.
Post-employment benefits consist of superannuation payments.

The Director fee in relation to the services provided by G Bullock, I Beynon, J Korlevska, and B Myers are paid to their nominating association United Workers Union.

(ii) Other executive key management personnel

Short-term benefits include salary, annual leave, short-term incentive payments and non-monetary benefits.
Post-employment benefits consist of superannuation payments.
Long-term benefits include long service leave, and long-term incentive payments.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

(c) Directors' attendance at Board and Committee meetings

Year Ended 30 June 2024

Director/ Alternate Director	Full Board Meeting of Directors		Meeting of Committees												Nominations and Board Renewal Committee	
			Audit		Risk & Compliance		Claims Review		People & Remuner- ation		Special Investments Group		Operations			
			A	B	A	B	A	B	A	B	A	B	A	B		
Directors																
D Frawley	8	9	-	-	-	-	-	-	4	4	3	3	-	-	1	1
J Whiting	9	9	4	4	4	4	-	-	-	-	-	-	-	-	-	-
D Gibson	9	9	-	-	-	-	-	-	4	4	3	3	-	-	-	-
C Laundy	6	9	-	-	-	-	-	-	-	-	2	3	3	4	-	1
D Attenborough	9	9	4	4	4	4	-	-	-	-	-	-	1(*)	-	1(*)	-
T Lyons	1	9	1	4	1	4	-	-	-	-	-	-	-	-	-	-
G Bullock	8	9	1(*)	-	1(*)	-	-	-	-	-	3	3	-	-	1	1
I Beynon	4	4	2(*)	-	2(*)	-	-	-	2	2	-	-	-	-	-	-
J Rudd	6	6	-	-	-	-	-	-	-	-	-	-	2	2	-	-
B Myers	5	9	-	-	-	-	9	10	-	-	-	-	2	2	-	-
Alternate Directors																
B Myers	2	-	-	-	-	-	7	8	-	-	-	-	2	2	-	-
B Kearney	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
J Korlevska	-	-	-	-	-	-	-	-	2	2	-	-	-	-	-	-
Observers																
D Frawley	-	-	1(*)	-	1(*)	-	-	-	-	-	-	-	2(*)	-	-	-
B Myers	1(#)	-	-	-	-	-	-	-	1(*)	-	-	-	-	-	-	-
B Kearney	7(#)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
J Whiting	-	-	-	-	-	-	-	-	-	-	2(*)	-	-	-	-	-
T Lyons	-	-	-	-	-	-	-	-	-	-	2(*)	-	-	-	-	-
J Rudd	-	-	-	-	-	-	-	-	-	-	1(*)	-	1(*)	-	1(*)	-
J Korlevska	3(#)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A Number of meetings attended

B Number of meetings held during the time the Director held office or was a member of the Committee during the year

(#) Alternate Directors are invited to attend Board Meetings as an Observer

(*) All Directors and alternates are invited to attend Committee meetings and receive full Committee papers

Where a non-committee member has attended a Committee, attendance has been noted.

Year Ended 30 June 2023

Director/ Alternate Director	Full Board Meeting of Directors		Meeting of Committees												Nominations and Board Renewal Committee	
			Audit		Risk & Compliance		Claims Review		People & Remuner- ation		Special Investments Group		Operations			
			A	B	A	B	A	B	A	B	A	B	A	B		
Directors																
D Frawley	8	8	-	-	-	-	-	-	3	4	4	4	-	-	2	2
J Whiting	8	8	4	4	3	3	-	-	-	-	-	-	5	5	-	-
A Grayson	8	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D Gibson	8	8	-	-	-	-	-	-	4	4	4	4	-	-	-	-
C Laundy	8	8	-	-	-	-	-	-	-	-	4	4	5	5	1	2
D Attenborough	8	8	4	4	3	3	-	-	-	-	-	-	-	-	-	-
T Lyons	7	8	4	4	2	3	-	-	-	-	2	4	-	-	2	2
G Bullock	7	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I Beynon	8	8	-	-	-	-	-	-	4	4	-	-	-	-	-	-
Alternate Directors																
B Myers	2	-	-	-	-	-	18	19	-	-	-	-	5	5	-	-
B Kearney	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Observers																
D Frawley	-	-	2(*)	-	2(*)	-	-	-	-	-	-	-	2(*)	-	-	-
B Myers	5(#)	-	-	-	-	-	-	-	-	-	2(*)	-	-	-	-	-
G Bullock	-	-	-	-	-	-	-	-	-	-	1(*)	-	-	-	-	-
B Kearney	8(#)	-	-	-	-	-	-	-	-	-	1(*)	-	-	-	-	-
D Attenborough	-	-	-	-	-	-	-	-	-	-	2(*)	-	5(*)	-	2(*)	-
J Whiting	-	-	-	-	-	-	-	-	-	-	4(*)	-	-	-	-	-
I Beynon	-	-	-	-	-	-	-	-	-	-	1(*)	-	1(*)	-	-	-
A Grayson	-	-	-	-	-	-	-	-	-	-	1(*)	-	-	-	-	-

A Number of meetings attended

B Number of meetings held during the time the Director held office or was a member of the Committee during the year

(#) Alternate Directors are invited to attend Board Meetings as an Observer

(*) All Directors and alternates are invited to attend Committee meetings and receive full Committee papers

Where a non-committee member has attended a Committee, attendance has been noted.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 11. RELATED PARTIES (continued)

(d) Transactions with Directors, Management Personnel and Shareholders

The following Directors and Other Executive Key Management Personnel were also members of the Fund during the year:

Trustee Directors	Other Executive Key Management Personnel	
Imogen Beynon	David Elia	Sam Sicilia
Gary Bullock	Kelly Cantwell	Natalie Strickland
David Gibson	Meera French	Lewis Tassone
Brian Kearney	Sharon Fuller	Paul Watson
Julie Korlevska	Andrew Graham	Stuart Wilkinson
Timothy Lyons	Umberto Mecchi	
Beverley Myers	Jason Muir	

Their membership terms and conditions were the same as those applied to other members of the Fund.

Marketing initiatives

The shareholders of the Trustee, Host-Plus Pty Limited, are United Workers Union and Australian Hotels Association ('AHA'). As part of the Fund's ongoing marketing initiatives, the Fund has agreements in place with both shareholders to support the marketing, advocacy and promotion of the Fund. The agreements include specific obligations of each party and provide for attendance and speaking opportunities at various industry events and forums, name and logo exposure opportunities at industry events or through industry publications and use of other stipulated mediums to promote and advertise the Fund.

The Fund measures and monitors the benefits derived against the benefits stipulated in the above agreements, which are subject to annual testing by the Fund's internal auditor, KPMG. The objectives of the internal audit include considering whether the delivery of stipulated benefits have been received. Based on the procedures they have undertaken, the internal auditor has not reported any significant control weaknesses in the processes, procedures, and controls in respect of the arrangements.

The agreements with the AHA include the National body of the AHA and the following State based affiliates (Australian Capital Territory, New South Wales, Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia). The agreement with the United Workers Union is with the National body of the United Workers Union which incorporates the following State based affiliates (Australian Capital Territory, New South Wales, Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia). During the year, the Trustee paid the Australian Hotels Association \$822,828 (2023: \$608,617) and United Workers Union \$431,819 (2023: \$247,727), excluding GST.

From time to time, the Fund will partner with its shareholders and related industry partners for the purposes of engaging with members and employers. These are further marketing opportunities that fall outside the agreements noted above. During the year, the Trustee paid the Australian Hotels Association \$850 (2023: \$1,468) and United Workers Union \$nil (2023: \$nil) excluding GST in relation to these activities.

Office lease

The Fund has a contract with United Workers Union for the lease of office premises at Level 3, 54 Cheriton Street, Perth. The initial lease commenced on 1 May 2017 and terminated on 30 April 2023. The lease was renewed with the same contractual arrangement for a further 3 years and terminates on 30 April 2026. During the year, the Fund paid the United Workers Union \$50,151 (2023: \$56,231), excluding GST in relation to all lease expenditures.

(e) Investment in the Hostplus Pooled Superannuation Trust

The Fund predominately invests its assets through the Trust. The Trust's assets predominantly consist of a range of financial instruments in various asset classes including cash, diversified fixed interest, Australian equities, international equities, property, infrastructure, private equity and alternative assets as per the strategic allocation set by the Board. As at 30 June 2024, the Fund holds 99.47% (2023: 95.14%) of investments in the Trust and the remaining portion is held by other investors.

During the year, the Fund entered into a section 295-260 agreement for the transfer of its assessable contributions tax liability relating to the year ended 30 June 2023 to the Trust totalling \$1,094,586,447 (30 June 2022: \$780,421,454). Refer to Note 2(g) for more details.

**HOSTPLUS SUPERANNUATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 11. RELATED PARTIES (continued)

(f) Investment in Hostplus Commercial Property Pty Ltd

On 19 November 2021, Hostplus Pooled Superannuation Trust ('Trust') acquired Hostplus Commercial Property Pty Ltd ('HCPPL'). The Trust owns 100% of HCPPL that holds a commercial property (Icon Place) situated at 270 Adelaide Street Brisbane QLD 4000 which is leased to Hostplus Superannuation Fund ('Fund') on commercial terms. Total rent paid and payable by the Fund for the financial year was \$424,918 (2023: \$437,083) (excluding GST). The fair value of the investment in HCPPL is \$4,424,545 (2023: \$8,696,896).

NOTE 12. SUCCESSOR FUND TRANSFER

On 30 November 2022 the trustee board of directors of Hostplus Superannuation Fund and Maritime Super signed a Successor Fund Transfer deed to facilitate a merger. This merger was completed on 1 September 2023 and resulted in the non-cash in-species transfer of \$6.0 billion in member balances, inclusive of a defined benefit scheme (refer to Note 1).

NOTE 13. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No significant events have occurred since the end of the reporting period which would impact on the Statement of Financial Position, Income Statement, Statement of Changes in Member Benefits or Statement of Cash Flows of the Fund for the year ended on that date, other than those already disclosed within the financial statements.

NOTE 14. SEGMENT INFORMATION

The Fund operates solely in one reportable business segment, being the provision of accumulation, defined benefit and pension benefits to members. The Fund also operates from one reportable geographic segment, being Australia, from where its activities are managed. Revenue is derived from interest, dividends, property rentals, gains on sale of investments, unrealised changes in the value of investments.

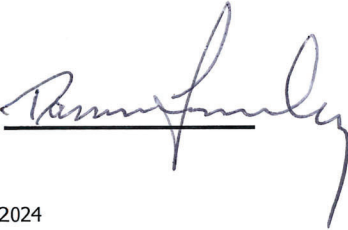
**HOSTPLUS SUPERANNUATION FUND
TRUSTEE DECLARATION**

In the opinion of the Trustee of the Hostplus Superannuation Fund:

- (a) the accompanying financial statements and notes set out on pages 11 to 40 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and
- (b) the Fund has been conducted in accordance with its constituent Trust Deed and the requirements of the *Superannuation Industry (Supervision) Act 1993* and its accompanying Regulations; the relevant requirements of the *Corporations Act 2001 and Regulations*; the requirements under *section 13 of the Financial Sector (Collection of Data) Act 2001*, during the year ended 30 June 2024, and
- (c) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of Host-Plus Pty. Limited as Trustee for the Hostplus Superannuation Fund.

DIRECTOR



DIRECTOR



Melbourne
13 September 2024



Independent auditor's report

To Host-Plus Pty. Limited, the Trustee of Hostplus Superannuation Fund (ABN: 68 657 495 890)

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Hostplus Superannuation Fund (the RSE/Fund) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the RSE's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2024
- the income statement for the year then ended
- the statement of changes in member benefits for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the Trustee declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the RSE in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the RSE, its accounting processes and controls and the industry in which it operates.

Our audit of the financial report focused on where the Trustee made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

Our audit approach reflects the nature of Hostplus Superannuation Fund's investment operations and administration of member balances, with consideration to the work undertaken by Hostplus Superannuation Fund's third-party service organisations and external investment managers.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><i>Valuation of investment in the Hostplus Pooled Superannuation Trust</i> <i>Refer to Note 10(e) Fair value in an inactive market (level 2 and level 3)</i></p> <p>At 30 June 2024, the Fund primarily invested in the Hostplus Pooled Superannuation Trust (the Trust). Through its investment in the Trust, the Fund is indirectly invested in asset classes which hold both Australian and international investments, including: listed and unlisted equities, infrastructure funds, property funds and private equity funds, amongst others.</p> <p>Note 10(e) of the financial statements describes the valuation methodology used by the Fund to measure the fair value of the investment in the Trust under Australian Accounting Standards. The Fund's investment in the Trust is recorded at</p>	<p>We evaluated the operating effectiveness of certain controls supporting the valuation of the Fund's investment in the Trust. This included relevant controls relating to approval of the Trust's unit prices and oversight of the valuation process of external investment managers of unlisted investments held within the Trust.</p> <p>We also performed the following procedures amongst others:</p> <ul style="list-style-type: none">• obtained the Trust's investor listing from the Trust's custodian and agreed the value of the Fund's investment in the Trust to the amount recorded in the Fund's accounting records, and• assessed the reliability of the valuation provided by the Trust by reference to the audited financial statements of the Trust.



Key audit matter

How our audit addressed the key audit matter

the redemption value per unit, as reported by the Trust's custodian.

We considered this a key audit matter because:

- the investment in the Trust is financially significant to the Fund's statement of financial position;
- the level of judgement involved in the determination of unobservable inputs into the valuation of the Fund's investment in the Trust; and
- the sensitivity of the fair value of the Fund's investment in the Trust to material changes in unobservable inputs.

Other information

The directors of the Trustee are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Trustee for the financial report

The directors of the Trustee (the directors) are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the RSE or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar6.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Hostplus Superannuation Fund for the year ended 30 June 2024 complies with section 300C of the *Corporations Act 2001*.

Responsibilities

The directors of the Trustee are responsible for the preparation and presentation of the remuneration report in accordance with section 300C of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized, handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A stylized, handwritten signature in black ink, likely belonging to George Sagonas.

George Sagonas
Partner

Melbourne
13 September 2024