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member annual report

for the financial year ended 30 June 2005

7

Regulator concerned about HOSTPLUS' claims

10

14% return for Balanced option

25

Win return airfares for two to Tahiti



More choice, more accolades, more for you

Executive overview

What a year it's been

After eight years in the making, Super Choice has arrived giving more workers and employers the chance to enjoy HOST**PLUS**.

To help, we've created kits to make understanding choice easier for you and potential new members (but if you or a friend are still a little unclear, just visit our helpful website at hostplus.com.au/choice).

Even prior to choice, our membership has been growing

At 30 June 2005, there were 645,000 individual HOST**PLUS** members compared to 595,000 for the previous financial year. The amount of funds we manage also grew by over \$850 million, to \$3.8 billion.

Better still, our acclaimed investment performance has continued

For the 2004–05 financial year, our Balanced option has achieved an impressive 14% return. Other HOST**PLUS** investment options also delivered. And not just compared to their previous performance but compared to other super funds, too.

In fact, according to leading superannuation analyst, SuperRatings Pty Ltd, over the five years to 30 June 2005 HOST**PLUS** members have received almost seven times more earnings per dollar than

the average retail master trust and 119% more than the average industry fund. For full details, turn to page 13.

It's a performance that's earned us more recognition

We're the only fund to be awarded both the highest available Platinum rating and the coveted Rising Star award for enhanced services by SuperRatings.

Plus we boast the highest possible AAA quality rating from Rainmaker and a top 5 Apples rating for highest quality fund from Chant West.

It really has been a super year

It's also been a year of challenges and change. Through it all, HOST**PLUS** has continued to grow. I'm really excited about it, so thank you for being a HOST**PLUS** member and for your ongoing loyalty.

I hope you continue to grow with us.



David Elia, Chief Executive Officer



Facing the future with confidence

Message from the Board

Dear member,

The launch of Super Choice on 1 July 2005 has had a profound impact on superannuation.

It is also just the beginning

The demand for better superannuation services and products is sure to increase as more and more people take a keener interest in managing and building their retirement funds.

Funds with poor investment performance and services are likely to suffer as members shop around. HOST**PLUS** will not. In fact, we are in a position to prosper and deliver even better services to our members.

Building our membership

The Industry Super Funds 'Compare the Pair' advertising campaign has worked hard to build awareness of industry superannuation funds and their many benefits.

You may have seen our own messages, too, created to inform members about choice and the many HOST**PLUS** benefits.

More members means more efficiency

In June 2005 we also launched HOST**PLUS** Executive to extend our appeal to management ranks.

Take up of HOST**PLUS** Executive is already strong and, by increasing our membership base, larger economies of scale can be shared across the whole HOST**PLUS** fund to the benefit of members.

ASIC concerns addressed

The Australian Securities and Investments Commission (ASIC) was concerned about claims we made in our Product Disclosure Statements and record of contributions between March and June 2005. For more details and our response to these concerns, please turn to page 7.

Still, we can face the future with confidence

In fact, our good corporate governance was recognised when HOST**PLUS** became one of the first funds to receive a Registrable Superannuation Entity (RSE) licence from the Australian Prudential Regulation Authority (APRA).

It recognises that HOST**PLUS** makes sound and transparent decisions, applies strong risk management strategies and acts in the best interests of members, like you.

So at the end of the 2004–05 financial year, HOST**PLUS** is firmly positioned as one of the industry's leading funds.



Graham Duff, Chairman



It's been a super year

And not just because of the performance of **HOSTPLUS** investments during the 2004–05 financial year. Behind the scenes we've also been busy preparing for the launch of Super Choice on 1 July 2005. With choice, even more Australian workers have the chance to reap the rewards of being a **HOSTPLUS** member. So our future's also looking, well, super! But right now, take some time out to discover more about your membership and see how **HOSTPLUS** has delivered in the past 12 months.



Super news and membership tips

Turn here for up-to-date information about super and how to make even more of your **HOSTPLUS** membership.

1



How **HOSTPLUS** has performed

Read this section for important information about superannuation, **HOSTPLUS** and the performance of our investment options and fund.

2



WIN return airfares for two with **HOSTPLUS courtesy of Air Tahiti Nui**

See how on page 25.

Highlights

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Super news and membership tips



A little salary can go a long way

If you think you need to earn more to make it worthwhile to contribute to your super, think again. The Government's super co-contribution scheme is designed to help people super-size their super.

Here's how it works. If you're earning under \$28,000 p.a., the Government will add \$1.50 to your super for every \$1.00 you contribute, tax free, up to \$1,500 a year.

Just think. You could easily save \$20 a week by making your own lunch, car-pooling or enjoying a night in instead of a night out. Contribute that \$20 to your super each week and you'll have an extra \$2,540 in your super account by the end of the year. That's \$1,040 from you and \$1,500 from the Government. Try finding another investment that offers returns like this.

Earning between \$28,000 and \$58,000 a year?

You can take advantage of the co-contribution scheme. The amount the Government will co-contribute depends on your income and the amount you contribute. It's all outlined in the table below.

		From 1 July 2004, if your personal contribution is:			
		\$1,000	\$800	\$500	\$200
And your income is:		Your co-contribution will be:			
\$28,000 or less		\$1,500	\$1,200	\$750	\$300
\$30,000		\$1,400	\$1,200	\$750	\$300
\$32,000		\$1,300	\$1,200	\$750	\$300
\$34,000		\$1,200	\$1,200	\$750	\$300
\$36,000		\$1,100	\$1,100	\$750	\$300
\$38,000		\$1,000	\$1,000	\$750	\$300
\$40,000		\$900	\$900	\$750	\$300
\$42,000		\$800	\$800	\$750	\$300
\$44,000		\$700	\$700	\$700	\$300
\$46,000		\$600	\$600	\$600	\$300
\$48,000		\$500	\$500	\$500	\$300
\$50,000		\$400	\$400	\$400	\$300
\$52,000		\$300	\$300	\$300	\$300
\$54,000		\$200	\$200	\$200	\$200
\$56,000		\$100	\$100	\$100	\$100
\$58,000		\$0	\$0	\$0	\$0

Who said it?

'The most powerful force in the universe is compound interest.'

Answer: Albert Einstein

The small print

You are eligible for the super co-contribution in a financial year if you:

- make personal contributions to a complying superannuation fund or retirement savings account
- earn under \$58,000 a year before tax (individual income, not household income)
- receive 10% or more of your income as an employee
- are under 71 years of age
- do not hold an eligible temporary resident visa at any time during the year, and
- lodge an income tax return for the year of income.

Take advantage of co-contributions today

To take advantage of the co-contribution, simply complete and return the superannuation contribution form attached at the back of this report. The Government will then deposit your co-contribution entitlement in your **HOSTPLUS** account after you lodge your personal income tax return.



Make a small sacrifice

Looking forward to retiring?

How do you envisage spending your retirement?

Before you answer, take a quick reality check: your superannuation savings may have to last 20 years or more. So let's take an essential like food and assume you'll be eating three meals a day at \$10 a meal. For 20 years. That alone is going to cost you almost \$220,000. And that's just for one – imagine if you're a couple.

So if you plan to do more than just eat once you retire, maybe it's time to consider a salary sacrifice.

To sacrifice or not to sacrifice?

Whether or not you'll gain a financial benefit from a salary sacrifice depends largely on your salary.

Salary sacrificing part of your salary into super may reduce the tax you pay and increase your total combined take home salary and superannuation contributions.

Salary sacrifice is also one of the most efficient ways to build your nest egg. As your money grows in a tax-smart environment, you get closer to your savings goals sooner.

There may be no advantage to salary sacrifice if you're a low-income earner (i.e. earning less than \$21,600 p.a.) as your income tax rates are the same as those paid on super contributions.

If this applies to you, you may be better off making personal contributions, as you may qualify for a government co-contribution of up to \$1,500 a year.

For more information about salary sacrifice benefits and criteria, call **HOSTPLUS** on 1300 363 895 or visit hostplus.com.au to download our Salary Sacrifice Guide.

Strange name, 'salary sacrifice'

Even though it's called a salary sacrifice, you're not really sacrificing anything. After all, every cent that you invest in your super account belongs to you and comes out of your pay before income tax is applied. So it's really 'salary saving'. And while it will only have a small impact on your life right now, it will help determine the kind of life you lead when you retire.



Help your spouse, help yourself

A win-win situation

If you have a spouse and they are a low income earner or do not work, you can earn a tax rebate of up to \$540 a year for super contributions you've made on their behalf into their **HOSTPLUS** super account. It doesn't matter how much you earn because the rebate is calculated on your partner's income, not yours.

Contributing to your spouse's super increases the amount of retirement income that you and your partner can build, tax free. So when you retire, you'll have more savings to fund your lifestyle.

Any amount, any time

Spouse contributions can be paid at any time and there's no minimum amount for your spouse to make a contribution to your account. Just submit a cheque with the superannuation contribution form at the back of this report.

Are you eligible?

To be eligible to receive a tax rebate for spouse contributions made to **HOSTPLUS**, the following criteria apply:

- you must be married or de facto and living together*
- you must both be Australian residents

- you must not be your spouse's employer
- the receiving spouse must be under 70 years of age, and
- if the receiving spouse is between 65 and 70 years of age, he or she must work at least 40 hours in 30 consecutive days during the financial year the contribution is made.

* Government regulations do not allow spouse contributions from same sex partners or couples living apart. If you stop living with your spouse you will no longer be eligible to make spouse contributions (even if you remain legally married).

Contribute and win

Make a contribution by 31 January 2006 and you could win tickets for two to Tahiti. Turn to page 25 for details, entry form and **HOSTPLUS** superannuation contribution form.

Putting it all together

One superannuation account is far more efficient than several, so consider the benefits of combining all your super into a single HOSTPLUS account.

Minimise fees

When you have multiple super accounts, you pay multiple fees. That means you're eating into your retirement savings when there's no need to. By combining your accounts with **HOSTPLUS**, you'll pay a low, flat \$1.50 a week. Like most super funds, investment expenses also apply.

Minimise paperwork

Let's face it, not many people enjoy paperwork. So wouldn't it be simpler to receive just one annual statement, have only one account to keep track of and one phone number to call if you need help?

It's free

It's free to roll your existing accounts into **HOSTPLUS**. But you should check to see whether your other funds charge any exit fees or penalties and if any insurance covers you have will be affected.

To consolidate your funds with **HOSTPLUS**, simply complete the rollover form at the back of this report and return to **HOSTPLUS**.

We will then forward your request to your old fund, who may take up to 90 days to process your request and transfer your account to **HOSTPLUS**.

Missing: \$7 billion

Currently, Australians have lost track of more than \$7 billion worth of super. Changing jobs or addresses, getting married and changing your name or being made redundant are just some of the ways you can lose track of your super. If you think you may have unclaimed super and you'd like to be reunited with your lost dollars, simply visit SuperSeeker at www.ato.gov.au/super or call 13 10 20.

Consolidate and win

Complete and return your **HOSTPLUS** rollover form by 31 January 2006 and you could win tickets for two to Tahiti. Turn to page 25 for details, entry form and **HOSTPLUS** rollover form.

The choice is yours

If you have a **HOSTPLUS account balance of \$1,000 or more, you can choose one or more of any of the following investment options.**

Pre-mixed options

The pre-mixed options comprise different mixes of Australian shares, international shares, property, diversified fixed interest and cash that we've put together for you.

Sector investment options

Our sector investment options allow you to focus on sector-specific asset types.

Individual manager options

Going one step further, you can also decide to invest with an individual investment manager for maximum control.

For a complete list of investment options, see page 13.

You can create your own mix

For example, you can have 50% invested in Shares Plus (pre-mixed option), 25% in Property (sector investment option) and 25% invested with an individual fund manager. The only requirement is that you must have a minimum of 1% in any selected option.

Free to switch

HOSTPLUS doesn't charge fees for switching your investment option. In fact, you can change your super investment strategy as often as once a month, if you like.



Is it time to grow?

Growth assets, such as property investments and shares, tend to produce higher returns than defensive assets over the longer term. The rule of thumb is that the longer you hold growth assets, the more likely they are to give you a higher return.

It's natural for the value of your investments to fluctuate, particularly when your portfolio includes growth assets. So it's important to remember that if your investment value falls, it doesn't necessarily mean you'll lose money. In fact, you don't lose a cent until you sell an investment for less than you paid for it.

Planning your investment strategy

A financial plan is an invaluable tool in building your wealth. It not only identifies your objectives but outlines the strategies to use to achieve them. It's just one of the ways Industry Fund Financial Planning (IFFP) AFSL 232514 can help you. They can also give you plain English advice about insurance as well as super and retirement planning. To book a consultation with IFFP, just call **HOSTPLUS** on 1300 363 895.

Arrange a free fact finding consultation today

The initial IFFP fact finding consultation is free for **HOSTPLUS** members. For more information or to book your free initial consultation, call **HOSTPLUS** on 1300 363 895, 8am to 8pm, Monday to Friday.

Who's advising you?

You may have heard stories about financial planners recommending the option that gives them the highest commission. So rest assured, the financial experts from IFFP are not paid on a commission basis. The advice you are given is based entirely on your needs and circumstances – not 'what's in it for them'.

What's more, IFFP gives you a fixed price quote and will not start working on your plan without written authorisation from you. So you know exactly what it's going to cost you.

HOSTPLUS advertises its difference

On Sunday, 14 August 2005 we launched our first-ever national advertising campaign with the airing of our own HOSTPLUS television commercial.

Portraying a selection of members in their workplaces, the commercial reinforced the higher than average returns, no commissions and low fees approach that's seen HOSTPLUS emerge as one of Australia's most awarded super funds over the last 12 months.



Our television presence is being complemented by a range of newspaper and magazine, outdoor and online advertising. We're also using non-traditional media, such as ads in cinema washrooms, to address HOSTPLUS members where they work in unexpected ways.

Protect your most valuable assets

Most people wouldn't dream of driving an uninsured car or living in an uninsured house. But there are two even more valuable assets that you may have overlooked: your financial health and your ability to earn an income.

It is vital that your earning capacity is protected. After all, the good things in life, like a family and a home, also lead to expanded financial responsibilities. What would you do if you were no longer able to work?

We've got you covered

As a member of HOSTPLUS, you have access to low cost insurance through ING Life Ltd. You can choose from two specially created insurance covers:

- Death and Total & Permanent Disability (TPD) Insurance Cover, and
- Salary Continuance Insurance Cover.

Death and TPD Insurance Cover

Death and TPD Cover comes into play if you die or are permanently unable to work and meet the requirements of one of the definitions of 'total and permanent disability' contained in the HOSTPLUS Insurance Guide available at hostplus.com.au or by calling 1300 363 895.

Salary Continuance Insurance Cover

Salary Continuance Cover provides you with a monthly benefit, for up to two years, if you are temporarily unable to work for an extended time due to illness or injury.

Yes, it's affordable

Protecting your income is not only important, with HOSTPLUS it's also affordable. In fact, you can arrange cover for as little as \$1 per week, depending on how much cover you want, which is automatically deducted from your HOSTPLUS account for extra convenience.

So there's no reason to under insure

With the great rates available to you through your HOSTPLUS membership, there's no excuse for under insuring. You can afford to protect those things most valuable to you: your loved ones and your income-earning potential. To increase your cover or discuss your insurance needs, just call HOSTPLUS on 1300 363 895 or visit hostplus.com.au to download an Insurance Guide.

Get the credit you deserve

Members Equity MasterCard

As a HOSTPLUS member, you can apply for the Members Equity MasterCard with features designed to help you manage your credit, including:

- a low, ongoing credit card rate of 10.20% p.a.*
- up to 44 days interest free on purchases
- a low \$30 annual fee (waived after the first year if you spend over \$7,500 on purchases each year)
- no charge for additional cardholders
- emergency worldwide replacement if card is lost or stolen
- access to MasterCard Exclusives.

Switch and save

If you already have a credit card, it may be simpler (and cheaper) to pay off your debt by transferring your existing credit card balance to a Members Equity MasterCard.

For example, if you owe \$5,000 on another card at 18% p.a., switching could save you over \$390^t in interest charges in one year alone.

Low cost credit is a call away

Simply call Members Equity Bank on 13 15 63 or visit www.membersequitybank.com.au



**MembersEquity
Bank**
The Super Funds Bank

* Fees and charges apply. Terms and conditions available on request. Interest rate is current at 27 September 2005 and is subject to change. Applications are subject to credit approval. Also available to the general public.

^t Assumes no other purchases are made and excludes fees and charges.

A roof over your head A good investment under your belt

Members Equity Super Members Home Loan

If you're in the market for a house or thinking about refinancing your existing loan, a Members Equity Super Members Home Loan could be just what you need. As a HOSTPLUS member you can take advantage of a Super Members Home Loan which gives you 0.25% p.a. off the standard variable interest rate.

You'll also be interested in what it *doesn't* feature:

- no ongoing account keeping fees
- no application or valuation fees
- no fees to redraw, fix or split your loan.

So every cent you pay goes towards reducing your loan.

Find the loan that fits

Members Equity Bank has a range of home loans for you to choose from.

- **Standard Home Loan.** A low cost no-fuss home loan with great flexibility.
- **Ultimate Offset Account.** A versatile home loan and transaction facility with 100% offset plus fee free access to your money via ATM, EFTPOS, giroPost, cheque, internet and phone banking.
- **Interest Only Investment Loan.** An investment loan that provides the freedom of interest only repayments for up to five years, allowing you to keep more money in your pocket.



*Get the home and loan
you deserve*

Simply call Members Equity Bank on 13 15 63 or visit www.membersequitybank.com.au

Fees and charges apply. Applications for credit are subject to approval. Terms and conditions are available on request.

Here's to your good health

As a HOSTPLUS member, you and your immediate family can take advantage of a range of health cover options from Manchester Unity at specially reduced rates.

What are you waiting for?

Depending on the level of your cover you choose, your HOSTPLUS Health Plan may include:

- no waiting on benefits usually requiring six months' membership*
- no waiting on Extras usually requiring two months' membership*
- Keepfit benefit for approved fitness courses and weight loss programs
- natural therapies and health assessment benefits, and
- Health Dollars loyalty reward program.

Move to Manchester Unity

If you're already with another registered health fund, moving to Manchester Unity couldn't be simpler. We can easily arrange a seamless transfer at no cost or effort on your part.



Time for a healthy change?

For more information, call Manchester Unity on 1800 789 121, email hostplus@manchesterunity.com.au or follow the links at hostplus.com.au

* Reduced waiting period does not apply to pre-existing ailments or illnesses, obstetric conditions or to benefits that have longer waiting periods. This offer applies only to a combined Hospital and Extras cover.

ManchesterUnity

Important notice to members and employers

On 1 September 2005 Host-Plus Pty Limited (**HOSTPLUS**) entered into an enforceable undertaking with the Australian Securities and Investments Commission (ASIC). ASIC is a Commonwealth agency responsible for monitoring and promoting consumer protection in relation to financial services, which includes superannuation funds and advertising in relation to superannuation funds.

Enforceable undertakings are undertakings given to ASIC that are enforceable in a court. They are generally accepted by ASIC as an alternative to civil or administrative action where ASIC believes there has been a contravention of the legislation it administers.

In June 2005 ASIC raised concerns with **HOSTPLUS** about certain statements made in material it sent or made available to members and contributing employers, including

- Member Guide dated 1 March 2005
- Employer Guide dated 1 March 2005
- Personal Super Plan dated 29 April 2005
- A flyer entitled 'Want to make the right super choice for your staff' sent to contributing employers on 31 March 2005, and
- A Record of Contribution letter (Member ROC) sent to all **HOSTPLUS** members in April 2005.

ASIC was concerned that a number of aspects of the above documents were misleading:

1. Projection of the impact of fees

The documents represented that members of an industry fund like **HOSTPLUS** could be up to \$212,000 better off based on projections using today's fee levels (the projection).

ASIC has raised concerns that the projection was based upon an unstated assumption that the current difference between the average fees paid by members of industry funds like **HOSTPLUS** and the average fees paid by members of retail superannuation funds will remain unchanged for periods of up to 40 years. ASIC is concerned that this assumption is highly unlikely and that the projection is unlikely to be achieved, but that this was not explained by **HOSTPLUS**.

2. 'Net benefit to member' graph

The documents contained a graphical representation of the net benefit to member over the five years to September 2004 for an average retail master trust, an average industry fund and **HOSTPLUS** (net benefit graph). Net benefit to member equates to the return that a member will get for every dollar they are charged.

ASIC has raised concerns that this graph may be misleading as it does not warn readers that past

investment performance and fees is not a reliable indicator of future investment performance and fees.

3. Independent research

The research on which the net benefit graph and the projection are based was conducted by SuperRatings Pty Ltd.

ASIC is concerned that **HOSTPLUS** has not disclosed that the research was commissioned by Industry Fund Services Pty Ltd, a related company of **HOSTPLUS**.

While **HOSTPLUS** does not accept that these representations were misleading, **HOSTPLUS** offered ASIC an Enforceable Undertaking which ASIC accepted and executed on 1 September 2005.

In that enforceable undertaking, **HOSTPLUS** undertook to place this notice in its annual report.

If you consider that you have joined **HOSTPLUS**, or acted in some other way, in reliance on any statements that were misleading, then it is open to you to lodge a complaint with **HOSTPLUS**.

If you should have a complaint, please contact **HOSTPLUS** on 1300 363 895 for the cost of a local call or write to us:

HOSTPLUS
Complaints Officer
Locked Bag 999
Carlton South VIC 3053

We aim to resolve all complaints within 90 days of receipt. However, if you are not satisfied with either the way **HOSTPLUS** handles your complaint or its resolution, you may contact the Superannuation Complaints Tribunal who is an independent body set up to assist in resolving certain types of complaints.

Details of any complaint that you submit will also be provided to ASIC.

If you would like a copy of the Enforceable Undertaking entered into by **HOSTPLUS** and ASIC, please do not hesitate to contact **HOSTPLUS** on 1300 363 895.

Full details of the research supporting the statements made in the documents listed above and the assumptions on which it was based can be found at hostplus.com.au

Yours faithfully,

David Elia
Chief Executive Officer

The year in review

No rush on choice, but industry funds favoured

By RUTH WILLIAMS
FINANCIAL SERVICES WRITER

ONLY small numbers of Australian people have switched superannuation providers since July 1, and new feedback is available to switchers on how to do so.

APRA grants Hostplus RSE super licence

HOSTPLUS is the latest industry fund to receive a registrable superannuation entity (RSE) licence, granted yesterday from the Australian Prudential Regulation Authority. Chief executive David Elia says its 630,000 members from the hospitality, tourism and leisure sectors can be confident that their fund conforms to the most stringent standards set by APRA.

Along with REST and Asset Super, Hostplus will now comply with APRA standards that ensure the fund implements robust risk management strategies and transparent decision-making processes at both entity and trustee levels.

already sent prices associated with levies

funds — a big increase on the 9 per cent considering industry funds in September last

Australian Retirement Fund executive Ian Silk, also said the Industry Funds agreed that there had been a "massive shift" in assets since July 1 despite massive ad campaign

the benefits of industry funds

Industry super funds top performers

INDUSTRY superannuation funds continue to outperform their better known and more widely advertised retail funds, new figures show.

The first edition of the Australian Prudential Regulation Authority's annual superannuation bulletin found industry funds had an average annual return of 12.5 per cent for the year to

the end of June 2004. They were just ahead of public sector funds which had an annual return of 12.4 per cent, while corporate funds had a return rate of 12.2 per cent. Retail funds lagged behind with a return rate of 10 per cent.

The most important issue is fees and charges, which can be vastly different depending on the type of fund

Industry super beats retail once again

Industry superannuation funds still outperform better known and more widely advertised retail funds, new figures show.

The first edition of the Australian Prudential Regulation Authority's annual superannuation bulletin, out yesterday, found industry funds returned an average of 12.5 per cent for the year to the end of

June 2004.

They were just ahead of public sector funds, which returned 12.4 per cent, while corporate funds returned 12.2 per cent.

Retail funds lagged with a return of 10 per cent.

Total super assets rose 7.2 per cent to \$693 billion in the December quarter. Assets held by industry funds rose 9.3 per cent

to \$100.2 billion, while retail funds recorded a 7.8 per cent increase to \$230.4 billion.

Corporate fund assets rose 6.2 per cent to \$65 billion and public sector fund assets rose 6 per cent to \$119.8 billion.

Total contributions for the quarter were \$13.1 billion.

AAP

5

1. Age – 21 July 2005
2. Central Western Daily – 5 May 2005
3. Age – 21 May 2005
4. Sun Herald – 15 May 2005
5. Sydney Morning Herald – 5 May 2005
6. Age – 14 September 2005
7. Sydney Morning Herald – 4 June 2005
8. Food Service News – July 2005
9. Australian Financial Review – 3 August 2005
10. Sydney Morning Herald – 28 May 2005

(6)

REST - Diversified

HOST - PLUS - Balanced

CARE Super - Balanced Option

Australian Ethical Super - Balanced Strategy

AusUnity Total Super for Bus - MM Bal Growth

HESTA Super Fund - Core Pool

Sunsuper - Balanced

Skandia Gu

MONITOR JOHN COLLETT

SUPER RATINGS

Hostplus with the mostest

Not-for-profit industry fund Hostplus has been given the highest "AAA" fund quality rating by researcher Rainmaker Information. The 650,000 member industry fund was judged on criteria including corporate management structure, investment processes, fees, insurances, administration and communication with members. Hostplus chief executive David Elia says the award gives further reassurance to Hostplus's members that their super is with a "market- and industry-leading fund". He says the "challenge now is to maintain the standard in light of increased regulation and increased compliance requirements."



(7)

Hostplus counts apples

Industry fund Hostplus has been given a "five apples" personal superannuation rating from Chant West Financial Services for its super fund, the highest available rating.

Staff reporter

(8)

HOSTPLUS GETS AAA

In further news, HOSTPLUS has been awarded a SelectingSuper AAA Fund Quality Rating by Rainmaker Information, one of Australia's leading financial services companies. In achieving the rating, Rainmaker Information found that HOSTPLUS excelled in key areas, particularly in its dealings with members, and the transparency of its administrative structure.

(9)

Industry supers line pockets of members

Simon Hoyle

A report on super fund fees and expenses, commissioned by the Investment and Financial Services Association and conducted by Rice Walker Actuaries, defines an industry superannuation fund as: "A non-profit, regulated superannuation fund providing full life cycle benefits to members."

of different services if someone buys one of the institutions' own funds. Plus, the products are priced to be



(10)

How HOSTPLUS has performed



Predominantly above industry average returns

Crediting rates to 30 June – pre-mixed options

Year	Capital Stable	Balanced	Shares Plus
2005	10.3%	14.0%	14.6%
2004	7.8%	14.0%	16.5%
2003	6.3%	4.1%	-0.6%
2002	2.5%	-0.5%	-5.5%
2001	6.4%	7.0%	5.8%
3 year p.a.	8.1%	8.1%	10.6%
5 year p.a.	6.6%	6.7%	7.6%
			10.7%
			9.9%
			10.2%
			5.8%
			6.2%

A number of our competitors disclose average returns over a defined period on a simple average basis, as opposed to the equivalent compound rate noted above. To allow you to compare like with like, the simple average returns for the options are also shown.



Effective compound rate



Simple average rate

Explanation of terms

Simple average rate. The interest paid on an initial investment only for the life of the investment. For example, if you invest \$1,000 in an account that earns 10% p.a. simple interest, the next year you will earn 10% on the original \$1,000 but not on the \$100 interest you earned in the first year.

Effective compound rate. The interest paid on an initial investment plus the reinvestment of the initial investment and interest on an ongoing basis for the life of the investment. For example, if you invest \$1,000 in an account that earns 10% p.a. compound interest, the next year you will earn 10% on the original \$1,000 plus the \$100 interest you earned in the first year, and so on.

Crediting rates to 30 June – sector investment options

Year	Cash		Diversified Fixed Interest		Property		Australian Shares		International Shares	
2005	5.2%		9.0%		11.1%		24.3%		6.3%	
2004	4.3%		4.3%		10.1%		21.0%		18.8%	
2003	3.9%		10.8%		9.2%		1.8%		-8.7%	
2002	4.9%		4.8%		6.9%		1.6%		-19.2%	
3 year p.a.	4.5%	4.5%	8.0%	8.0%	10.1%	10.1%	15.3%	15.7%	4.9%	5.5%
4 year p.a.	4.6%	4.6%	7.2%	7.2%	9.3%	9.3%	11.7%	12.2%	-1.8%	-0.7%

Sector investment options were first offered on 1 July 2001.

 Effective compound rate

 Simple average rate

Crediting rates to 30 June – individual manager options

Option	Since inception*
Macquarie Investment Management – Australian Fixed Interest	4.9%
BlackRock Financial Management – International Fixed Interest	4.5%
Bridgewater Associates – International Fixed Interest	9.4%
Industry Super Property Trust – Property	9.9%
Lend Lease Managed Australian Prime Property Funds (Retail & Commercial) – Property	10.7%
Balanced Equity Management – Australian Shares	23.4%
Macquarie Investment Management – Australian Shares	22.5%
Paradice Cooper Investment – Australian Shares	17.9%
Perpetual Investments – Australian Shares	19.3%
AllianceBernstein – International Shares	7.7%
Marathon – International Shares	7.8%
Marvin & Palmer Associates – International Shares	5.3%

* Individual manager investment options were first offered on 1 September 2004, except for BlackRock Financial Management which was offered on 1 December 2004.



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HOSTPLUS performance ranks well against other super funds*

Period to 30 June 2005	Crediting rate p.a.	Industry average p.a.	Top quartile p.a.	Number of super fund options ranked	HOSTPLUS' actual ranking	HOSTPLUS' quartile ranking
Capital Stable						
1 year	10.3%	9.0%	9.7%	47	7	1st
3 year	8.1%	6.7%	7.3%	36	4	1st
5 year	6.6%	5.4%	6.1%	29	3	1st
Balanced						
1 year	14.0%	12.8%	13.7%	59	11	1st
3 year	10.6%	8.5%	9.3%	57	3	1st
5 year	7.6%	5.6%	6.6%	50	7	1st
Shares Plus						
1 year	14.6%	13.5%	14.5%	37	10	1st
3 year	9.9%	8.8%	9.7%	32	8	1st
5 year	5.8%	5.0%	6.1%	29	14	2nd
Cash						
1 year	5.2%	4.5%	4.8%	47	5	1st
3 year	4.5%	4.2%	4.5%	39	15	1st
Property						
1 year	11.1%	13.9%	16.2%	33	25	3rd
3 year	10.1%	11.5%	13.3%	23	18	3rd
Australian Shares						
1 year	24.3%	24.3%	25.5%	39	18	2nd
3 year	15.3%	14.1%	15.1%	31	8	1st
International Shares						
1 year	6.3%	2.8%	5.1%	37	5	1st
3 year	4.9%	1.0%	3.0%	28	4	1st

* SuperRatings Pty Ltd Superannuation Fund Earning Rates, stable options (20% to 40% in growth style assets), balanced options (60% to 76% in growth style assets), growth options (77% to 90% in growth assets), cash options, property options, Australian shares options and international shares options, 30 June 2005. SuperRatings has chosen to rate HOSTPLUS' Balanced option, which currently has 80% invested in growth style assets, in its balanced option survey.

Past performance is not a guide to future performance.

Explanation of terms

Crediting rate. This is the interest rate applied to your account.

Quartile. Investment performance is often measured in groupings of 25%, called quartiles. A result in the 1st quartile means performance was in the top 25% of options surveyed, a 2nd quartile ranking means a result was in the second 25% and so on.

The SuperRatings Survey does not include comparative data for diversified fixed interest investment options. As such, our diversified fixed interest option is not ranked in this table.

Anything but average returns



According to leading superannuation analyst, SuperRatings, over the five years to 30 June 2005 the average retail master trust has returned \$3.10 and the average industry super fund \$9.50 for every dollar paid in fees.

By comparison, **HOSTPLUS** has returned \$20.80.

That's almost seven times more earnings per dollar than the average retail master trust and 119% more than the average industry fund.

Past investment performance and fees are not a guide to future investment performance and fees. Comparisons use average chargeable fees and average actual investment returns for default investment options for 19 Industry Super Funds and 19 Retail Master Trusts, and chargeable fees and actual investment returns for **HOSTPLUS** Balanced investment option for five years to 30 June 2005. (Source SuperRatings Pty Ltd, commissioned by Industry Fund Services Pty Ltd which **HOSTPLUS** is a shareholder of). Current at 30 June 2005 and may be revised if further information becomes available. Assumptions: opening balance of \$50,000, starting salary of \$50,000 p.a., super contributions 9% p.a., 3.5% salary increase p.a.; contribution fee for retail master trusts assumed to be nil, with asset and investment fees based on standard rates for each fund; employer asset size \$150,000 (discounts assumed to be applied to fixed dollar member fee and asset based administration fee for employer asset sizes of \$500,000 and \$5,000,000). For more information about this research, please visit hostplus.com.au

You can choose from 20 investment options

Everyone's investment needs are different and they change throughout our working life. That's why **HOSTPLUS offers a range of investment options – and the flexibility to switch from one to another, free of charge.**

Choose one option or more

If you have an account balance of \$1,000 or more, you can choose one or more of any of the following options. For example, you can have 50% invested in Shares Plus (pre-mixed option), 25% in Property (sector investment option) and 25% invested with an individual fund manager. The only requirement is that you must have a minimum of 1% in any selected option.

Pre-mixed options

The pre-mixed options comprise different mixes of Australian shares, international shares, property, diversified fixed interest and cash that we've put together for you.

- Capital Stable
- Balanced (default)
- Shares Plus.

Sector investment options

Our sector investment options allow you to focus on sector-specific asset types.

- Cash
- Diversified Fixed Interest
- Property
- Australian Shares
- International Shares.

Individual manager options

Going one step further, you can also invest with an individual investment manager for maximum control.

- Macquarie Investment Management – Australian Fixed Interest
- BlackRock Financial Management – International Fixed Interest
- Bridgewater Associates – International Fixed Interest
- Industry Super Property Trust – Property
- Lend Lease managed Australian Prime Property Funds (Retail & Commercial) – Property
- Balanced Equity Management – Australian Shares
- Macquarie Investment Management – Australian Shares
- Paradice Cooper Investment – Australian Shares
- Perpetual Investments – Australian Shares
- AllianceBernstein – International Shares
- Marathon – International Shares
- Marvin & Palmer Associates – International Shares.

You can change investment options

You can change your investment options once a month if you wish and we'll charge you nothing for the service.

For example, you could switch 100% of your current **HOSTPLUS** super and your ongoing contributions into the Capital Stable option. A month later, you could redirect your ongoing contributions into Property (50%) and an individual manager like Marathon – International Shares (50%).

If you transfer other super into **HOSTPLUS**, you choose how this will be invested as well. This choice does not need to be the same as your existing investment choice.

If your balance is under \$1,000, or you don't wish to choose an option at the moment, your super will be invested in the Balanced option, which you can change later.

Visit hostplus.com.au for more information or call **HOSTPLUS** on 1300 363 895, 8am to 8pm, Monday to Friday and ask for an Investment Choice Guide.

A closer look at our pre-mixed options

	Capital Stable			Balanced (default)			Shares Plus					
	Pre-mixed: 34% growth, 66% defensive			Pre-mixed: 80% growth, 20% defensive			Pre-mixed: 90% growth, 10% defensive					
Investment objectives and strategies	<ul style="list-style-type: none"> Achieve positive returns (after fees and tax) that exceed the return on cash over rolling 3 year periods Provide stable returns through an asset mix that maximises the prospect of a positive rate of return each financial year Achieve returns that are above the average returns of other similar funds 			<ul style="list-style-type: none"> Achieve positive returns (after fees and tax) that exceeds the return of the Capital Stable option over rolling three year periods Maximise the prospect of positive returns each financial year Achieve returns that are above the average return of other similar funds 			<ul style="list-style-type: none"> Achieve high, long-term returns (after fees and tax) that exceed the return of the Balanced option over rolling 5 year periods and acknowledging the chance of significant fluctuations in returns Invest in long-term growth assets, accepting the prospect of negative returns is increased Achieve returns that are above the average return of other similar funds 					
Risk	<ul style="list-style-type: none"> Low to medium Likelihood of a negative annual return in any one year: 1 in every 10 to 11 years 			<ul style="list-style-type: none"> Medium to high Likelihood of a negative annual return in any one year: 1 in every 4 to 5 years 			<ul style="list-style-type: none"> High Likelihood of a negative annual return in any one year: 1 in every 3 to 4 years 					
		Benchmark asset allocation (range)	Asset allocation at 30 June 2005	Asset allocation at 30 June 2004		Asset allocation at 30 June 2004	Asset allocation at 30 June 2005	Asset allocation at 30 June 2005	Asset allocation at 30 June 2004			
Asset class	Cash	20% (10–40%)	20%	20%	Cash	2% (0–10%)	5%	6%	Cash	0% (0–10%)	0%	0%
	Diversified fixed interest	46% (20–80%)	46%	46%	Diversified fixed interest	18% (10–50%)	16%	18%	Diversified fixed interest	8% (0–50%)	8%	10%
	Property	10% (0–20%)	10%	10%	Property	12% (5–20%)	10%	11%	Property	8% (0–15%)	8%	8%
	Unlisted assets – Infrastructure	6% (0–10%)	6%	6%	Unlisted assets – Alternatives	4% (0–6%)	4%	0%	Unlisted assets – Alternatives	2% (0–6%)	2%	0%
					– Infrastructure	4% (0–8%)	6%	4%	– Infrastructure	4% (0–8%)	4%	4%
					– Private equity	4% (0–8%)	3%	2%	– Private equity	6% (0–15%)	6%	6%
	Australian shares	11% (5–20%)	11%	11%	Australian shares	34% (25–45%)	35%	38%	Australian shares	40% (30–55%)	40%	45%
	International shares	7% (5–15%)	7%	7%	International shares	22% (10–30%)	21%	21%	International shares	32% (15–35%)	32%	27%



A closer look at our sector investment options

	Cash		Diversified Fixed Interest				Property			
Investment objectives and strategies	<ul style="list-style-type: none"> Maintain the invested capital Match and where possible, enhance performance (after fees and tax) relative to the UBSA Bank Bill Index 		<ul style="list-style-type: none"> Provide high level of capital protection and returns that are over the medium term exceed those available from investing solely in cash type investments 				<ul style="list-style-type: none"> To provide exposure to the rental income and capital growth arising from property and land assets 			
Risk	<ul style="list-style-type: none"> Lowest risk with corresponding expectation of lower returns Likelihood of a positive return being achieved each year 		<ul style="list-style-type: none"> Moderate Less volatile than property and shares over the short term, but also provides a lower level of return Likelihood of a negative annual return in any one year: 1 in every 6 to 7 years 				<ul style="list-style-type: none"> Moderate to high Corresponding moderate to high returns Likelihood of a negative annual return in any one year: 1 in every 6 to 7 years 			
			Asset allocation at 30 June 2004	Asset allocation at 30 June 2005	Benchmark asset allocation (range)		Asset allocation at 30 June 2004	Asset allocation at 30 June 2005	Benchmark asset allocation (range)	
Asset class	Cash	100% (0–100%)	100%	100%	Australian and international fixed interest	100% (0–100%)	100%	100%	100% (0–100%)	100%
Sector investment options	International Shares			Australian Shares						
Investment objectives and strategies	<ul style="list-style-type: none"> To provide exposure to international shares with the potential for a high level of growth over the long term To outperform the MSCI World Accumulation Index (ex-Australia) over rolling 3 year periods 			<ul style="list-style-type: none"> To provide exposure to Australian shares with the potential for a high level of growth over the long term Outperform the S&P/ASX 300 Accumulation Index over rolling 3 year periods 						
Risk	<ul style="list-style-type: none"> High to very high Corresponding high returns Likelihood of a negative annual return in any one year: 1 in every 2 to 3 years A significant component of this investment is exposed to currency fluctuations 			<ul style="list-style-type: none"> High to very high Corresponding high returns Likelihood of a negative annual return in any one year: 1 in every 2 to 3 years 						
			Asset allocation at 30 June 2004	Asset allocation at 30 June 2005	Benchmark asset allocation (range)		Asset allocation at 30 June 2004	Asset allocation at 30 June 2005	Benchmark asset allocation (range)	
Asset class	International shares	100% (0–100%)	100%	100%	Australian shares	100% (0–100%)	100%	100%		



WIN return airfares for two with HOSTPLUS courtesy of Air Tahiti Nui
See how on page 25.

A closer look at our individual manager options

	Macquarie Investment Management – Australian Fixed Interest		BlackRock Financial Management – International Fixed Interest		Bridgewater Associates – International Fixed Interest				
Investment objectives and strategies	<ul style="list-style-type: none"> Guarantee the return of the UBSA Composite Bond Index (All Maturities) Underperformance of the index by the underlying portfolio is reimbursed by the manager Any outperformance of the index is retained by the manager 		<ul style="list-style-type: none"> Outperform the Lehman Global Aggregate Index hedged in Australian Dollars (after fees and tax) over rolling 3 year periods 		<ul style="list-style-type: none"> Outperform the Lehman Global Aggregate Index hedged in Australian Dollars (after fees and tax) over rolling 3 year periods 				
Risk	<ul style="list-style-type: none"> Low to medium Likelihood of a negative annual return in any one year: 1 in every 6 to 7 years 		<ul style="list-style-type: none"> Low to moderate Likelihood of a negative annual return in any one year: 1 in every 6 to 7 years 		<ul style="list-style-type: none"> Medium Likelihood of a negative annual return in any one year: 1 in every 6 to 7 years 				
Asset class	Australian fixed interest	100% (0–100%)	100%	International fixed interest	100% (0–100%)	100%	International fixed interest	100% (0–100%)	100%
Individual manager options	Industry Super Property Trust – Property		Lend Lease managed Australian Prime Property Funds (Retail & Commercial) – Property		Balanced Equity Management – Australian Shares				
Investment objectives and strategies	<ul style="list-style-type: none"> Provide returns superior to the Mercer Unlisted Property Fund Index 		<ul style="list-style-type: none"> Provide returns superior to the Mercer Unlisted Property Fund Index, PCA Australian Super, Major Regional Retail Index and PCA Australian Central Business District Office Index over rolling 3 year periods 		<ul style="list-style-type: none"> To outperform the S&P/ASX100 (excluding Listed Property Trusts) Accumulation Index over rolling 3 year periods 				
Risk	<ul style="list-style-type: none"> Moderate to high Corresponding moderate to high returns Likelihood of a negative annual return in any one year: 1 in every 6 to 7 years 		<ul style="list-style-type: none"> Moderate to high Corresponding moderate to high returns Likelihood of a negative annual return in any one year: 1 in every 6 to 7 years 		<ul style="list-style-type: none"> High to very high Corresponding high returns Likelihood of a negative annual return in any one year: 1 in every 2 to 3 years 				
Asset class	Australian property	100% (0–100%)	100%	Australian property	100% (0–100%)	100%	Australian shares	100% (0–100%)	100%

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	<i>Macquarie Investment Management – Australian Shares</i>			<i>Paradice Cooper Investment – Australian Shares</i>			<i>Perpetual Investments – Australian Shares</i>		
Investment objectives and strategies	<ul style="list-style-type: none"> Match the return of the S&P/ASX300 Accumulation Index 			<ul style="list-style-type: none"> To exceed the S&P/ASX ex-100 Leaders Accumulation Index over rolling 3 year periods 			<ul style="list-style-type: none"> To outperform the S&P/ASX300 Accumulation Index over rolling 3 year periods 		
Risk	<ul style="list-style-type: none"> High to very high Corresponding high returns Likelihood of a negative annual return in any one year: 1 in every 2 to 3 years 			<ul style="list-style-type: none"> High to very high Corresponding high returns Likelihood of a negative annual return in any one year: 1 in every 2 to 3 years 			<ul style="list-style-type: none"> High to very high Corresponding high returns Likelihood of a negative annual return in any one year: 1 in every 2 to 3 years 		
			Asset allocation at 30 June 2005		Benchmark asset allocation (range)		Asset allocation at 30 June 2005		Benchmark asset allocation (range)
Asset class	Australian shares	100% (0–100%)	100%	Australian/NZ shares	100% (0–100%)	100%	Australian shares	100% (0–100%)	100%
Individual manager options	<i>AllianceBernstein – International Shares</i>			<i>Marathon – International Shares</i>			<i>Marvin & Palmer Associates – International Shares</i>		
Investment objectives and strategies	<ul style="list-style-type: none"> Outperform the MSCI World (ex-Australia) Index in Australian Dollars (after fees and tax) over rolling 3 year periods 			<ul style="list-style-type: none"> Outperform the MSCI World (ex-Australia) Index in Australian Dollars (after fees and tax) after rolling 3 year periods 			<ul style="list-style-type: none"> Outperform the benchmark, which is 50% MSCI World (ex-Australia) Index in Australian Dollars and 50% MSCI Emerging Markets Index in Australian Dollars over rolling 3 year periods 		
Risk	<ul style="list-style-type: none"> High to very high Corresponding high returns Likelihood of a negative annual return in any one year: 1 in every 3 to 4 years (although losses could be more frequent over shorter periods) Investment is fully exposed to currency fluctuations Manager is permitted to invest a limited proportion of the portfolio in emerging countries 			<ul style="list-style-type: none"> High to very high Corresponding high returns Likelihood of a negative annual return in any one year: 1 in every 2 to 3 years Investment is fully exposed to currency fluctuations Manager is permitted to invest a limited proportion of the portfolio in emerging countries 			<ul style="list-style-type: none"> High to very high Corresponding high returns Likelihood of a negative annual return in any one year: 1 in every 2 to 3 years Investment is fully exposed to currency fluctuations Manager is permitted to invest in emerging countries and developed countries 		
			Asset allocation at 30 June 2005		Benchmark asset allocation (range)		Asset allocation at 30 June 2005		Benchmark asset allocation (range)
Asset class	International shares	100% (0–100%)	100%	International shares	100% (0–100%)	100%	International shares	100% (0–100%)	100%

Investments greater than 5% of total fund asset

The only investment with a value in excess of 5% of the total assets of the fund at 30 June 2005 was Macquarie Australia Enhanced Equities Funds – Macquarie Investment Management.

Investment expenses

Most superannuation funds pay fees to investment managers to invest and manage their assets. Investment expenses are deducted from investment returns before returns are applied to your account. All returns declared are net of these expenses.

These represent the investment expenses paid for the financial year ended 30 June 2005, based on the funds under management in each investment option.



Pre-mixed options		p.a.
Capital Stable		0.34%
Balanced		0.45%
Shares Plus		0.48%
Sector investment options		p.a.
Cash		0.16%
Diversified Fixed Interest		0.26%
Property		0.55%
Australian Shares		0.38%
International Shares		0.63%
Individual manager options		p.a.
Macquarie Investment Management – Australian Fixed Interest		0.15%
BlackRock Financial Management – International Fixed Interest		0.58%
Bridgewater Associates – International Fixed Interest		0.76%
Industry Super Property Trust – Property		0.63%
Lend Lease managed Australian Prime Property Funds (Retail & Commercial) – Property		1.32%
Balanced Equity Management – Australian Shares		0.51%
Macquarie Investment Management – Australian Shares		0.32%
Paradice Cooper Investment – Australian Shares		2.10%
Perpetual Investments – Australian Shares		0.77%
AllianceBernstein – International Shares		1.13%
Marathon – International Shares		1.26%
Marvin & Palmer Associates – International Shares		1.32%

The expenses that will be payable for the 2005–06 financial year will be calculated as at 30 June 2006. Therefore, the expenses above are presented to give you an indication of the fees that have been charged by the investment managers in the past. However, they may change without notice.



HOSTPLUS MEMBERS

The Members Equity MasterCard is one of the best value cards in Australia, giving you both low fees AND a low interest rate. Enjoy:

- Low ongoing interest rate of **10.20% p.a.**
- Low \$30 **annual fee waived after Year 1** when you spend over \$7500 on purchases each year
- Low fees on cash advances and other transactions



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Looking after your super investment

We've designed investment options with different investment objectives, strategies and risk profiles. We utilise high quality investment managers and, together with our asset consultant, JANA Investment Advisers Pty Ltd (JANA), we monitor and review the performance of our options and make whatever changes are necessary to deal with the changing economic outlook.

Founded in 1987, JANA is one of Australia's leading asset consulting firms with approximately A\$70 billion under advice. JANA assists **HOSTPLUS** in establishing the overall investment strategy and investment objectives of all the Fund's investment options.

The Fund's investments are held by a custodian, JPMorgan Chase Bank, N.A. (JPMorgan). JPMorgan holds assets of approximately US\$8 trillion and is an international leader in investment banking, financial services for consumers and business, financial transaction processing, asset and wealth management, and private equity. With its headquarters based in New York, JPMorgan has deep roots across the world dating back to 1799. The performance of the investment managers chosen by the Fund is monitored by the custodian. A list of the current investment managers and investments utilised for **HOSTPLUS'** investment options can be found in the table on page 22.

Before you consider making an investment choice, you may like to learn more about our investment process, which we have outlined for you on this page.

1. Developing the investment strategy

The Directors of **HOSTPLUS** meet on a regular basis with JANA. JANA assists in establishing the overall investment strategy and the investment objectives of each investment option.

The Directors meet to determine the Fund's strategic asset allocation. This involves the setting of the allocation between growth

and defensive assets for the pre-mixed investment options. They decide which asset classes the Fund will invest in and the mix of investment styles. They also set constraints on allocations to investments within each asset class.

2. Appointment and ongoing review of investment managers

Professional investment managers are selected based on a detailed assessment by the investment adviser and the Directors of **HOSTPLUS**. Once appointed, the investment managers are given detailed guidelines to follow and invest according to the strategy and risk profile stipulated.

The performance of the investment managers is constantly monitored – in fact, a monthly performance report is prepared for the Fund's Directors by the custodian

and the quarterly report by the investment adviser. The performance of each investment option and investment manager is also regularly reviewed to ensure it is achieving the agreed investment objectives.

3. You benefit from the Fund's crediting rates

Your annual statement and page 10 of this report detail the crediting rates for each investment option for the financial year ended 30 June 2005. The quality of **HOSTPLUS'** investment strategies can be seen in comparison to the general marketplace. The Balanced option for example has returned 14%, compared to the average balanced fund return of 12.8% for the last financial year. See page 12 for details of this comparison.

HOSTPLUS can go where you go

Your HOSTPLUS account is portable, so you can take all the benefits of HOSTPLUS with you from one job to the next. Be it from a club to a pub, one restaurant to another, or even from one state to another. Even if you move on from the hospitality, tourism, recreation or leisure industries, you can still stay with HOSTPLUS, maintain your insurance cover and continue to enjoy all the benefits your membership provides. To find out what to do, simply look for your scenario below. For more information or to get your new employer to contribute to HOSTPLUS, just call 1300 363 895.

Scenario 1:

You start work with a new employer who agrees to contribute to HOSTPLUS

If your new employer is already making staff contributions to **HOSTPLUS**, then all you need to do is give them your membership number. They will pay your super contributions into your existing account.

Scenario 2:

You start work with an employer who does not contribute to HOSTPLUS or you take a break from the workforce

If your new employer is not registered as a **HOSTPLUS** employer, they can set up an account with us. Just ask your employer or payroll manager to call 1300 363 895.

If you have signed a membership application form, your new employer can make contributions to your account without having to join **HOSTPLUS**. If you stop working, you can leave your money in **HOSTPLUS** and continue to make your own contributions if you wish. Your account including any insurance cover will remain unchanged.

Scenario 3:

You become self-employed

Firstly, congratulations on taking a big step. Secondly, you can stay with **HOSTPLUS** and continue making contributions (you can claim all or part of these contributions as a tax deduction if you're self-employed). For more details, please call 1300 363 895.

Important information about your super

When can you access your superannuation savings?

Some, if not all of your super must be kept in a complying superannuation account until you reach a certain age and have permanently retired from the workforce.

Depending on your date of birth, your preservation age varies, as the table opposite shows.

Date of birth	Preservation age
After June 1964	60
July 1963 – June 1964	59
July 1962 – June 1963	58
July 1961 – June 1962	57
July 1960 – June 1961	56
Before July 1960	55

Are all contributions preserved?

Generally, contributions made by your employer, and interest earned on all amounts, must be preserved. Until 30 June 1999, personal contributions were not usually preserved. However personal contributions made from 1 July 1999 are preserved. Any amounts that were non-preserved at 1 July 1999 will remain non-preserved, but the interest earned will be preserved. The table below provides a summary. Your Annual **HOSTPLUS** Statement will show the preserved and non-preserved components of your account.

	Up to 30 June 1999	From 1 July 1999
Employer contributions	Preserved	
Personal contributions	Non-preserved	Preserved
Interest earned on personal contributions	Non-preserved	
Interest earned on all other contributions	Preserved	

Eligible rollover fund

In accordance with legislation, if your account balance is less than \$400 and we have not received contributions for you for more than 18 months, we may transfer your account balance to our eligible rollover fund (ERF). However, we will write to you before taking any action.

Our nominated ERF is AUSfund. Their contact details are:

AUSfund Administration
PO Box 2468
KENT TOWN SA 5071

Phone: 1300 361 798
Fax: 1300 366 233
Email: admin@ausfund.net.au
Web: www.unclaimedsuper.com.au

If your superannuation benefits are transferred to AUSfund, your personal information will be used by AUSfund to establish your membership account and manage your superannuation balance, process your contributions, pay benefits, provide you with membership benefits and services, and correspond with you.

Being transferred to AUSfund may affect your benefits because:

- You'll cease to be a member of **HOSTPLUS**.
- You'll become a member of AUSfund and be subject to its governing rules. If **HOSTPLUS** can provide AUSfund with current contact details, AUSfund will send you their Product Disclosure Statement (PDS). You can also ask AUSfund for a copy.
- Accounts of \$50 or more attract a levy of \$10 per year or part-year, while lower balances are not subject to the levy but do not earn interest. AUSfund protects all accounts from erosion due to the administration levy, so that the levy cannot exceed the interest credited to each account.
- AUSfund has a different investment strategy to **HOSTPLUS**, which is explained in their PDS.
- AUSfund does not offer insured benefits in the event of death or disablement.

AUSfund conducts cross-fund matching initiatives, where it uses your information

Can you access your superannuation in other situations?

You can apply to access your superannuation before you retire under certain conditions, including:

- once you reach the age of 65, even if you're still working
- in cases of severe financial hardship (as defined by government regulations)
- on compassionate grounds
- if you're a temporary resident permanently leaving Australia
- total and permanent disablement, or
- death (your beneficiaries will receive your benefit in this instance).

Please call **HOSTPLUS** on 1300 363 895 for more information.

to search for an active account in your name or another superannuation fund. If AUSfund finds an active super account in your name, it will transfer your AUSfund benefits to the other fund. AUSfund also attempts to locate missing contributions paid to the ATO on your behalf or superannuation benefits that may have been transferred to another ERF due to inactivity.

AUSfund engages specialist agents such as its administrator, Superpartners Pty Ltd (ABN 57 078 907 883) and Baycorp Advantage Limited (ABN 29 080 662 568) to provide services and other benefits to its members, under the strictest confidence.

AUSfund will not use or disclose your information for any other purpose without your consent, except where required or authorised by law.

Should your benefits be transferred into AUSfund you may request access to, or correction of, any personal information held by AUSfund by writing to AUSfund's Privacy Officer at the address shown on this page.



Unclaimed money

HOSTPLUS wants to keep in touch with you and makes every effort to do so. However, if you reach qualifying age for the age pension and are eligible to claim your super, but we cannot find you, then your investment becomes unclaimed money and must be paid to the State Revenue Office on behalf of the Victorian Government Department of Treasury and Finance every six months.

You can enquire about unclaimed benefits by contacting:

Registrar of Unclaimed Moneys
State Revenue Office
550 Little Collins Street
MELBOURNE VIC 3000

Phone: 132 161
Web: www.sro.vic.gov.au

Lost members

The Australian Taxation Office (ATO) has established a lost member register. This register contains details of the super accounts for members that funds cannot locate and certain members for whom contributions have ceased. All superannuation funds report lost members to the ATO twice a year.

You are classified as lost if no contributions or rollovers have been received for you during the past two years and we have lost contact with you.

If you think a fund may have lost contact with you, you can check with the ATO to see if you're registered as a lost member.

If you have inactive accounts in any other super fund, eligible rollover fund or retirement savings account, you may consolidate them into your **HOSTPLUS** account.

You can make enquiries at the ATO if you have lost contact with a fund and think you may be entitled to a benefit. Just call 13 10 20 or visit www.ato.gov.au/super and use SuperSeeker, the ATO's online tool to search for lost super.

Trustee indemnity insurance

Vero Insurance Limited and American Home Assurance Company provided trustee insurance cover from 30 September 2004 until 30 September 2005.

Audit

The annual audit has been completed and the auditor has issued an unqualified opinion on the **HOSTPLUS** financial statements. The audited financial statements and auditor's report are available upon request.

Fund documentation

If you would like to view a copy of the **HOSTPLUS** Trust Deed or other fund documentation, please call 1300 363 895.

Confirmation of transactions on your **HOSTPLUS** account

Some transactions, like rollovers and transfers, are confirmed in writing with you directly when they occur. Other transactions, such as contributions, can be verified by checking your record of contributions and annual statement. You can also confirm transactions by accessing your account at hostplus.com.au

Interest applied to your account

HOSTPLUS calculates interest daily and allocates it annually to your account at 30 June. We may also calculate and allocate interest in other situations, such as when you close your account by retiring, transferring to another fund or claiming a death benefit.



Reserve accounts

The Fund maintains reserves to cover the day-to-day operations of **HOSTPLUS**. The total value of all reserve amounts for the last three years has been:

2005:	\$29,981,405 (0.8% of members' funds)
2004:	\$16,987,314 (0.6% of members' funds)
2003:	\$4,873,409 (0.2% of members' funds)

Notional investment reserve account

HOSTPLUS applies interest to members' accounts at 30 June each year, when an account is closed, or when an amount is switched to another investment option. During the year, investment earnings are accumulated in a notional investment reserve, pending this allocation process. After the end of the financial year, all interest is applied to members' accounts. The balance of this notional reserve at 30 June for the last three years was:

2005:	\$1,859,611
2004:	\$2,233,642
2003:	\$126,656

Administration reserve account

The fees deducted from your account are deposited into the administration reserve account and the accumulated funds are utilised to pay for the operations of **HOSTPLUS**. Over the last three years, the administration reserve balance at 30 June has been:

2005:	\$24,174,521
2004:	\$11,208,650
2003:	\$1,523,882

Insurance reserve account

The Fund maintains an insurance reserve account. Insurance premiums are deducted from members' accounts at the rate of \$1 per unit per week per member for those members with insurance and credited to the reserve account. All amounts payable to the insurer are deducted from this account. Over the last three years, the balance of the reserve account at 30 June was:

2005:	\$3,947,273
2004:	\$3,545,022
2003:	\$3,222,871

Derivatives

The Fund permits the use of derivatives to manage risk and enhance returns.

Derivatives are financial instruments linked to the future purchase or sale of securities, such as shares and other assets. They are common risk management tools.

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

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

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

The Australian Prudential Regulation Authority (APRA), sets standards for the

prudent management of super funds and requires super funds to develop a policy to ensure proper use of derivatives. **HOSTPLUS** has the Risk Management Statements Part A and Part B as required by APRA. These summarise the policies, amongst other details, that **HOSTPLUS** has in place covering the use of derivatives.

Corporate governance

During 2004–05, we introduced a corporate governance policy for **HOSTPLUS** investments in Australian shares. Our policy provides proxy voting guidelines for mandated investment managers and our custodian concerning the major portion of investments **HOSTPLUS** makes in the Australian share market. It also includes extended reporting on pooled investment vehicles.

Interest on accounts

The trustee is entitled to retain any interest earned on any monies paid to the Fund that are later required to be returned, e.g. refunds due to overpayments or those payments made in error to the trustee.

Payment of surcharge

If applicable, the superannuation contributions surcharge is deducted from members' accounts. This amount is determined by the Australian Taxation Office and is payable to them. As of 10 August 2005, the surcharge has been abolished. However, assessments issued for the 2004–05 and previous financial years are still required to be processed.

Our professional partners

HOSTPLUS works closely with the following professional organisations to achieve our investment and administration objectives effectively and cost-efficiently:

- Administrator: Superpartners Pty Ltd
- Investment adviser: JANA Investment Advisers Pty Ltd
- Auditor: PricewaterhouseCoopers
- Insurer: ING Australia Limited
- Legal adviser: Deacons, IFS Legal
- Tax advisers: KPMG
- Master custodian: JPMorgan Chase Bank, N.A.

Investments and investment managers at 30 June 2005

Cash & capital guaranteed

- AMP Capital Guaranteed Superannuation Fund – AMP Capital Investors
- ANZ Cash Plus Fund – ING Investment Management Ltd
- JPMorgan Chase Bank, NA

Diversified fixed interest

- Alternative Fixed Income Fund – Industry Funds Management Pty Ltd
- BlackRock Financial Management, Inc
- Bridgewater Associates, Inc
- Loomis Sayles Senior Loan Fund – Loomis, Sayles & Co, LP
- Macquarie True Index Global Fund – Macquarie Investment Management Ltd
- Super Business Loans & Super Members Home Loans – Members Equity Pty Ltd

Property

- Select Property Portfolio – AMP Henderson Global Investors Ltd
- Colonial First State Property Opportunistic Partnership – Colonial First State Property Ltd
- Hotel Leisure Tourism Trust Australia Pty Ltd

- Industry Superannuation Property Trust 1 & 2 – ISPT Pty Ltd
- Australian Prime Property Funds (Retail & Commercial) – Lend Lease Corporation Limited
- Macquarie Real Estate Equity Fund – Macquarie Administration Services Ltd

Unlisted assets

Alternatives

- Aurora Offshore Fund Limited – BISYS Hedge Funds (Ireland) Ltd
- GMO Multi Strategy Trust – GMO Australia Ltd

Infrastructure

- Utilities Trust of Australia – Hastings Fund Management Limited
- Industry Funds Management Australian Infrastructure, Industry Funds Management International Infrastructure and Industry Funds Management Social Infrastructure – Industry Funds Management Pty Ltd

Private equity

- Industry Funds Administration Trust, IFBT, Industry Funds Management Australian Private Equity and Industry Funds Management International Private Equity – Industry Funds Management Pty Ltd

- Wilshire Australia Development Fund and Wilshire Global Development Fund – Wilshire Australia Pty Ltd

Australian shares

- 452 Capital Pty Ltd
- Balanced Equity Management Pty Ltd
- Industry Funds Management Pty Ltd
- Enhanced Equities Funds – Macquarie Investment Management Limited
- Paradice Cooper Investors Pty Ltd
- Perpetual Asset Management Limited
- UBS Asset Management (Australia) Ltd

International shares

- AllianceBernstein
- BGI Fission Index Funds – Barclays Global Investors
- Marathon Asset Management (Australia) Ltd
- Marvin & Palmer Associates, Inc
- Orbis Institutional Global Equity Fund – Orbis Investment Management Ltd

Currency overlay

- Bridgewater Associates, Inc

HOSTPLUS Directors

Independent Directors

- **Graham Duff**
Chairman
Appointed 1 September 2004
- **John Burge**
- **Bob Hinkley**
Appointed 1 July 2005
- **Barry Watchorn**
Resigned 30 June 2005

Employee representative Directors

- **Brian Daley**
Deputy Chairman
- **Tim Ferrari**
- **Robyn Buckler**

Employer representative Directors

- **John Nicholson**
Deputy Chairman
- **Mark Robertson**
- **Bevan Douglas**
Appointed 13 August 2005
- **John Thorpe**
Resigned 13 August 2005

Important changes to super

There have been a number of legislative changes over the past 12 months affecting superannuation. It's important to be aware of these so you can take advantage of any changes that have occurred.

Choice of Super Fund

Choice of Superannuation Fund came into effect on 1 July 2005 for eligible employees. For eligible existing employees at 1 July 2005, employers were required to provide a standard choice form by 29 July 2005. For all new eligible employees employed after 1 July 2005, a standard choice form is required to be provided within 28 days of commencement of their employment.

Abolition of superannuation contributions surcharge

In August 2005, the Federal Government abolished the superannuation contributions surcharge. This means that the surcharge of up to 10% for members whose adjusted taxable income exceeded \$104,496 will be abolished for contributions paid from 1 July 2005. However, the surcharge assessments issued by the Australian Taxation Office will still apply for contributions paid for previous financial years.

Portability

The Superannuation Industry (Supervision) regulations had been amended to allow members to request a transfer of their superannuation benefit at any time if a similar request had not been made in the previous 12 months or if after transferring the money, the account would remain open but have an account balance of less than \$5,000.

If you decide to transfer your entire account balance from HOSTPLUS then your insurance will cease, even if HOSTPLUS subsequently receives an employer contribution on your behalf.

Your privacy is important to us

HOSTPLUS operates under stringent privacy guidelines and takes every step possible to protect your privacy. There are instances when we need to give information about you to third parties (such as the Australian Taxation Office), however, there are strict controls on how they can use this information. Our complete privacy guidelines can be viewed at hostplus.com.au or you can obtain a copy calling 1300 363 895.

Enquiries and complaints

If you have an enquiry or complaint, call HOSTPLUS on 1300 363 895, 8am to 8pm, Monday to Friday. We'll do everything in our power to deal with your query promptly and courteously. If you're not happy with how your query is handled then we want to know. Please call us or write to:

Complaints Officer
HOSTPLUS
Locked Bag 999
Carlton South VIC 3053

Don't get ripped off!

Avoid the commission trap & get the right advice

For a free initial consultation call:

1300 138 848



**INDUSTRY FUND
FINANCIAL PLANNING**



Financials

Statement of financial position at 30 June		
	2005	2004
Investments	\$3,772,274,302	\$2,916,377,415
Other assets		
Cash at bank	\$4,196,532	\$8,715,422
Contributions receivable	\$47,903,371	\$44,553,552
Income tax receivable	\$4,649,252	\$0
Other receivables	\$1,061,688	\$9,693,320
Operating assets	\$603,539	\$544,998
Total other assets	\$58,414,382	\$63,507,292
Total assets	\$3,830,688,684	\$2,979,884,707
Liabilities		
Income tax payable	\$0	\$7,603,832
Provision for deferred income tax	\$46,680,151	\$23,013,078
Accounts payable	\$12,331,987	\$17,190,650
Benefits payable	\$5,488,674	\$4,705,148
Total liabilities	\$64,500,812	\$52,512,708
Net assets available to pay benefits	\$3,766,187,872	\$2,927,371,999
Represented by: liability for accrued benefits		
Balanced	\$3,651,796,263	\$2,849,102,621
Shares Plus	\$49,661,092	\$37,641,571
Capital Stable	\$11,782,493	\$8,717,153
<i>Sector investment</i>		
Cash	\$2,282,331	\$2,516,752
Diversified Fixed Interest	\$1,977,974	\$2,196,941
Property	\$3,194,201	\$2,360,396
Australian Shares	\$10,098,799	\$4,912,538
International Shares	\$4,003,679	\$2,936,713
Individual managers	\$1,409,635	\$0
Reserves	\$29,981,405	\$16,987,314
Total liability for accrued benefits	\$3,766,187,872	\$2,927,371,999

Operating statement for the year ended 30 June		
	2005	2004
Revenue from ordinary activities		
Net investment revenue		
Interest	\$7,785,417	\$7,585,450
Dividends	\$201,897,654	\$120,989,155
Other income	\$568,145	\$168,163
Changes in net market value	\$245,500,486	\$230,311,292
Direct and other investment expenses	(\$9,338,568)	(\$6,333,675)
Total net revenue – investments	\$446,413,134	\$352,720,405
Contribution revenue		
Employer	\$534,681,877	\$471,772,002
Member	\$33,232,183	\$15,347,637
Transfers from other superannuation funds	\$128,847,577	\$201,066,440
Total revenue – contributions	\$696,761,637	\$688,186,079
Other revenue		
Interest on cash at bank	\$644,442	\$570,160
Sundry	\$26,090	\$1,248,606
Proceeds from insurance	\$12,004,864	\$9,555,893
Total revenue – other	\$12,675,396	\$11,374,659
Total revenue from ordinary activities	\$1,155,850,167	\$1,052,281,143
<i>Less</i>		
Expenses from ordinary activities		
Superannuation contributions surcharge	\$914,429	\$687,770
Insurance	\$23,285,167	\$16,811,898
Administration	\$29,421,696	\$23,998,619
Total expenses from ordinary activities	\$53,621,292	\$41,498,287
Benefits accrued as a result of operations before income tax	\$1,102,228,875	\$1,010,782,856
<i>Less</i>		
Income Tax Expense	\$86,988,082	\$88,070,688
Benefits accrued as a result of operations	\$1,015,240,793	\$922,712,168

TAKE OFF TO TAHITI

WIN return airfares for two with HOSTPLUS

If you've been dreaming of taking off somewhere warm, we've one thing to say – stop it. Just add any amount to your **HOSTPLUS** account or take out a FREE six month membership to **HOSTPLUS** Travelclub and you could turn your dream into reality with an entry in our Take off to Tahiti competition.

Worth up to \$3,800

Win and you'll receive two return economy airfares to the tropical oasis of Papette, the capital of French Polynesia, courtesy of Air Tahiti Nui – the only airline to offer frequent flights to paradise. It's your ticket to a tropical chillout, not to mention a little French Polynesian sophistication.

Valued at up to \$3,800 including GST, the prize also includes return domestic airfares to Sydney from your nearest capital city.

Entering is easy

There are four simple ways to secure an entry in our Take off to Tahiti draw. The choice is yours, either to:

- roll over funds from an old super fund to your **HOSTPLUS** account
- make a personal contribution to your **HOSTPLUS** account
- receive a spouse contribution to your **HOSTPLUS** account, or
- take out a FREE six month membership to **HOSTPLUS** Travelclub via email.

Simply return your form by 31 January 2006

To enter all you need to do is complete the Take off to Tahiti entry form over and return it by 5pm on Tuesday, 31 January 2006.

If you're making or receiving a contribution or rolling funds over to your **HOSTPLUS** account also attach a completed contribution or rollover form, available opposite.

It's that easy.



TAKE OFF TO TAHITI

ENTRY FORM

To receive an entry to win two return economy tickets to Tahiti, tick at least one of the options below and complete your personal details. Then return your entry form together with your **HOSTPLUS** contribution or rollover form by 5pm on Tuesday, 31 January 2006 to: **HOSTPLUS, Reply Paid 63933, Carlton South VIC 3053.**

No stamp required.

- Yes, I have provided a completed superannuation contribution form.
- Yes, I have provided a completed rollover form.
- Yes, I would like six months **FREE HOSTPLUS** Travelclub membership. You must include your email address in the space opposite.

If you would prefer not to receive promotional information, please call 1300 363 895. Issued by Host-Plus Pty Limited, ABN 79 008 634 704, AFSL No. 244392, Registrable Superannuation Entity Licence No. L0000083, RSE No. R1000054.



Contact details

Membership number

Title (Mr/Mrs/Miss/Ms/Other)

Given name(s)

Surname

Address

State

Postcode

Mobile

Daytime phone

Email (compulsory for free Travelclub trial)

Signature

Date

Conditions of entry

1. This is an abridged version of the conditions of entry. Full conditions of entry are available at hostplus.com.au
2. The **HOSTPLUS** Tahiti Promotion (promotion) commences on 05/12/2005 and entries close at 5pm on 31/01/2006 (promotional period).
3. Entry is open to **HOSTPLUS** members who reside in Australia. Employees (and their immediate families) of the promoter, or agencies or companies associated with this promotion, are ineligible to enter.
4. To be eligible, members must do any one of the following during the promotional period:
 - 1) complete a **HOSTPLUS** entry form (entry form) and agree to either:
 - (a) receive payment of spouse contributions into the member's **HOSTPLUS** account, or
 - (b) make personal contributions via cheque or direct debit to the member's **HOSTPLUS** account
 by fully completing the superannuation contribution form (contribution form) and return both the entry form and the contribution form to **HOSTPLUS**, or
 - 2) complete an entry form, agree to consolidate one or more super accounts from another superannuation fund, approved deposit fund or retirement savings account held by the member with the member's **HOSTPLUS** account by fully completing the rollover form and returning both the entry form and the rollover form to **HOSTPLUS**, or
 - 3) complete an entry form including by providing the member's email address and ticking the box to indicate the member's wish to take up the offer of a six month free membership to **HOSTPLUS** Travelclub, and return the entry form to **HOSTPLUS**.
5. All entry forms received prior to the close of the promotion will be placed in a draw to be held at **HOSTPLUS** Level 9, 114 William Street, Melbourne, Victoria at 11am (AEST) on 03/02/2006.
6. The prize consists of a voucher that can be redeemed at Breakaway Travelclub Pty Ltd for two economy return airfares from Sydney to Tahiti. If the winner is from outside NSW, the prize will include two economy return airfares from the capital city nearest to the winner's residence to Sydney to connect with the international flight. All other transfers, accommodation, meals, visas, passports, taxes and insurance and all other ancillary costs are the responsibility of the winner. The prize must be taken before 31/07/2006. Total prize valued at up to \$3,800 (including GST).
7. The promoter is Host-Plus Pty Limited ABN 79 008 634 704 of Level 9, 114 William Street, Melbourne, Victoria. Telephone no. (03) 8636 7777.
8. Authorised under [NSW Permit No TPL 05/11114, ACT Permit No TP05/3514, SA Permit No T05/3344, NT Permit No NT05/2958].

Courtesy of



Superannuation contribution form



Complete this form to make a personal contribution via cheque or direct debit, or have a spouse contribution made to your **HOSTPLUS** account (make cheques payable 'HOSTPLUS').

OFFICE USE ONLY

Website

Please complete all relevant steps on this form and please use **BLOCK** letters.

Step 1 Provide your personal details

Fund membership number	Please tick appropriate box					Please specify		
	<input type="checkbox"/> Mr	<input type="checkbox"/> Mrs	<input type="checkbox"/> Miss	<input type="checkbox"/> Ms	<input type="checkbox"/> Other			
Given name(s)								
Surname								
Address								
					State	Postcode		
Phone number (during business hours)					Phone number (after hours)			
					Date of birth	/ / /		
Email address								

Step 2 Provide details for personal contributions (if applicable)

Amount								
\$ <input type="text"/> , <input type="text"/> . <input type="text"/>								
Amount in words								
If you are making this contribution by cheque, please skip to Step 4. Otherwise, please provide details for the direct debit below.								
Frequency of direct debit (please tick one)	When should this commence? (please tick two dates for twice monthly)							
<input type="checkbox"/> Twice monthly	<input type="checkbox"/> Monthly	<input type="checkbox"/> Quarterly	<input type="checkbox"/> Yearly	<input type="checkbox"/> 7th	<input type="checkbox"/> 14th	<input type="checkbox"/> 21st	<input type="checkbox"/> 28th	
Name of account to be debited (eg Sam Sample)	BSB number			Account number				
	<input type="text"/> - <input type="text"/>			<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>				
Name of financial institution (eg bank or building society)								
Address of financial institution								
					State	Postcode		

By signing this form, I request and authorise **HOSTPLUS** administration (Superpartners Pty Ltd ABN 57 078 907 883, the user, user ID number 116299) to arrange for any amount **HOSTPLUS** administration may debit or charge me through bulk electronic clearing system from the account listed above, subject to the direct debit request service agreement overleaf, which I have read and understood.

I confirm that I'm eligible to contribute to super and am less than 75 years of age. If I'm aged over 65 but under 75, this means I've been gainfully employed for at least 40 hours in 30 consecutive days during the financial year this personal contribution is made.

Step 3 Provide details to receive a spouse contribution to your account (if applicable)

Please tick appropriate box					Please specify			
<input type="checkbox"/> Mr	<input type="checkbox"/> Mrs	<input type="checkbox"/> Miss	<input type="checkbox"/> Ms	<input type="checkbox"/> Other				
Surname								
Given name(s)								
Amount	Amount in words							
\$ <input type="text"/> , <input type="text"/> . <input type="text"/>								

By signing this form, as the receiving spouse, I confirm that: (1) I'm currently living with my spouse, (2) my spouse and I are Australian residents, (3) my spouse is not my employer, and (4) I am under age 70, and if between 65 and 70 have been gainfully employed for at least 40 hours in 30 consecutive days during the financial year this contribution is made to my **HOSTPLUS** account.

Step 4 Sign the form

By signing this form, I acknowledge that I've read and understand the relevant terms and conditions of my contribution, and give consent to provide personal details under the Privacy Act 1988.

Signature

Date
 / /



Direct Debit Request Service Agreement

DEFINITIONS

account means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

agreement means this Direct Debit Request Service Agreement between you and us.

business day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

debit day means the day that payment by you to us is due.

debit payment means a particular transaction where a debit is made.

direct debit request means the direct debit request between us and you (and includes any Form PD-C approved for use in the transitional period).

us or we means HOSTPLUS Administration (Superpartners Pty Ltd ABN 57 078 907 883) you have authorised by signing a direct debit request.

you means the customer who signed the direct debit request.

your financial institution is the financial institution where you hold the account that you have authorised us to arrange to debit.

1 Debiting your account

- 1.1 By signing a direct debit request, you have authorised us to arrange for funds to be debited from your account. You should refer to the direct debit request and this agreement for the terms of the arrangement between us and you.
- 1.2 We will only arrange for funds to be debited from your account as authorised in the direct debit request.
- 1.3 If the debit day falls on a day that is not a business day, we may direct your financial institution to debit your account on the following business day.

If you are unsure about which day your account has or will be debited you should ask your financial institution.

2 Changes by us

- 2.1 We may vary any details of this agreement or a direct debit request at any time by giving you at least 14 days' written notice.

3 Changes by you

- 3.1 Subject to 3.2 and 3.3, you may change the arrangements under a direct debit request by contacting us on 1300 363 895.
- 3.2 If you wish to stop or defer a debit payment you must notify us in writing at least 14 days' before the next debit day. This notice should be given to us in the first instance.
- 3.3 You may also cancel your authority for us to debit your account at any time by giving us 14 days' notice in writing before the next debit day. This notice should be given to us in the first instance.

4 Your obligations

- 4.1 It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the direct debit request.
- 4.2 If there are insufficient clear funds in your account to meet a debit payment:
 - (a) you may be charged a fee and/or interest by your financial institution
 - (b) you may also incur fees or charges imposed or incurred by us, and
 - (c) you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.
- 4.3 You should check your account statement to verify that the amounts debited from your account are correct.
- 4.4 If National Australia Bank Limited ABN 12 004 044 937 ("National") is liable to pay goods and services tax ("GST") on a supply made by the National in connection with this agreement, then you agree to pay the National on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

5 Dispute

- 5.1 If you believe that there has been an error in debiting your account, you should notify us directly on 1300 363 895 and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly.
- 5.2 If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.
- 5.3 If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding.
- 5.4 Any queries you may have about an error made in debiting your account should be directed to us in the first instance so that we can attempt to resolve the matter between us and you. If we cannot resolve the matter you can still refer it to your financial institution which will obtain details from you of the disputed transaction and may lodge a claim on your behalf.

6 Accounts

- 6.1 You should check:
 - (a) with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions
 - (b) your account details which you have provided to us are correct by checking them against a recent account statement, and
 - (c) with your financial institution before completing the direct debit request if you have any queries about how to complete this direct debit authority.

7 Confidentiality

- 7.1 We will keep any information (including your account details) in your direct debit request confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.
- 7.2 We will only disclose information that we have about you:
 - (a) to the extent specifically required by law, or
 - (b) for the purposes of this agreement (including disclosing information in connection with any query or claim).

8 Notice

- 8.1 If you wish to notify us in writing about anything relating to this agreement, you should write to:

HOSTPLUS
Locked Bag 999
Carlton South VIC 3053
- 8.2 We will notify you by sending a notice in the ordinary post to the address you have given us in the direct debit request.
- 8.3 Any notice will be deemed to have been received two business days after it is posted.



Authorisation to roll over superannuation to HOSTPLUS



This form must be completed in full. Please use BLOCK letters and dark ink.

OFFICE USE ONLY

Website

Step 1 Provide your personal details

Fund membership number	Date of birth	SPIN PIC CODE
	/ /	HOS0100AU
Given name/s		
Family name		
Address		
		State
		Postcode

Step 2 Provide details of your old fund

Name of old fund		
Old fund membership number		
Address of old fund		
	State	Postcode
Phone number of old fund	The approximate value of my benefit with this old fund is: \$, , . <i>Please make cheques payable to 'HOSTPLUS'</i>	

Step 3 Sign the declaration

I authorise the rollover of my benefits from my old fund to **HOSTPLUS**. I hereby declare that, to the best of my knowledge, the information I have provided above is true and correct in every particular, and that I understand the information given on this form. I have read the privacy policy and hereby consent to the collection, use, storage and disclosure of my personal information as described therein.

In giving my authorisation to rollover my benefits, I understand that:

- the trustee of my previous fund is discharged from any further liability in respect of any amount once benefits have been rolled over and a final statement has been issued by the old fund
 - the trustee of my previous fund may charge exit fees, there may be penalties and/or any insurance cover with them may be impacted
 - both superannuation funds are regulated funds under Commonwealth Government legislation
 - in certain cases my new fund may be required under law to deduct tax from the untaxed portion, if any, of the Eligible Termination Payment
 - rollovers between funds are done on at least a quarterly basis provided there is no further waiting period set down by the old fund
 - subject to legislative restrictions, I am aware of and approve the deduction of transfer fees (if any) from the benefits rolled over, and
 - any insurance benefits under my old fund may be cancelled

Signature

Date

/ /

The information requested on this form is required in order for us to carry out your instructions to rollover your superannuation to us. We will provide this information to our Administrator and to your old fund. If you do not provide us with this information we may not be able to effect your rollover instructions. Your personal information will not be used or disclosed for any other purpose without your consent, except where required by law. You are able to gain access to this information.

To the trustee of the old fund.

Statement of Compliance – Superannuation Industry (Supervision) Act 1993

The trustee of the HOSTPLUS superannuation fund, Host-Plus Pty Limited, certifies that:

- the Fund is a Resident Superannuation Fund under the above act, and that
 - we have no reason to believe that the fund will not comply with the above Act and Regulations, and that
 - the Fund is not subject to a direction from the Australian Prudential Regulation Authority which prohibits the trustee from accepting employer contributions.

Payment instructions

Please make the cheque payable to: 'HOSTPLUS'

Send the cheque and rollover payment details and any surcharge information to:

HOSTPLUS

Fresh Eggs
Locked Bag 999

Locked Bag 300
Carlton South VIC 3053

You're clearly better off with HOSTPLUS super



[Earnings for every dollar of fees over the last five years]

Almost seven times more earnings per dollar than the average retail master trust, and 119% more than the average industry fund – that's what **HOSTPLUS** members received over the last five years, according to leading Australian superannuation analyst, SuperRatings.

Super? The choice is clear. Because with **HOSTPLUS**, the benefits add up and make a lifetime of difference for your business and your staff. For more information, call **1300 363 895** or visit hostplus.com.au/choice



Past investment performance and fees are not a guide to future investment performance and fees. Comparisons use average chargeable fees and average actual investment returns for default investment options for 19 Industry Super Funds and 19 Retail Master Trusts, and chargeable fees and actual investment returns for **HOSTPLUS** Balanced investment option for 5 years to 30 June 2005. (Source SuperRatings, commissioned by Industry Fund Services which **HOSTPLUS** is a shareholder of). Current at 30 June 2005 and may be revised if further information becomes available. Assumptions: opening balance of \$50,000, starting salary of \$50,000 p.a., super contributions 9% p.a., 3.5% p.a. salary increase; contribution fee for retail master trusts assumed to be nil, with asset and investment fees based on standard rates for each fund; employer asset size \$150,000 (discounts assumed to be applied to fixed dollar member fee and asset based admin fee for employer asset sizes of \$500,000 and \$5,000,000). When considering your own objectives you will need to also consider, with the help of a financial adviser, whether the advice is appropriate in light of your particular investment needs, objectives and financial circumstances. For further information regarding this research please visit hostplus.com.au. Host-Plus Pty Limited, ABN 79 008 634 704, Australian Financial Services Licence No. 244392, Registrable Superannuation Entity Licence No. L0000093, RSE No. R1000054.