



# Annual Report.

For the financial year ending 30 June 2015

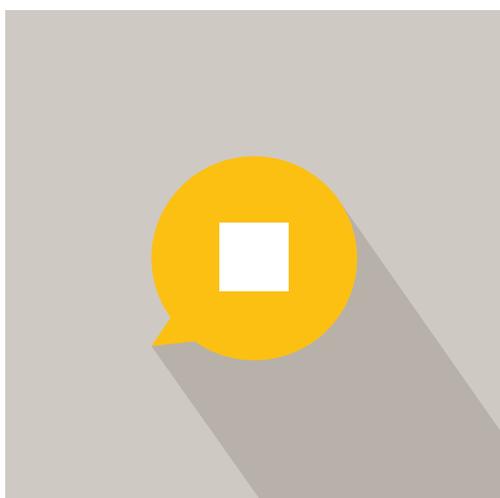


**Creating  
brighter  
futures  
for all.**

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## A Message from the Chief Executive Officer



The end of the 14-15 financial year has seen another strong investment performance for Hostplus. Our Balanced MySuper option delivered an 11% return for the year ending 30 June 2015. This result places the Fund as a top quartile performer over one, three, five and 10 year periods to 30 June 2015 according to the SuperRatings Fund Crediting Rate Survey - SR50, 21 July 2015. We are extremely proud of this result and believe it is a testament to our dedication to providing the best possible results for our members.

It was our great pleasure to be recognised for our hard work and dedication to our members by a number of leading industry analysts. We were delighted to receive a suite of key awards including **Money** magazine's Best of the Best, Best Lowest-Cost Balanced Super Fund for the third year running. We were also recognised by SelectingSuper as Super Fund of the Year and Retirement Product of the Year for 2015.

The task of managing the investments of close to 1 million members is not something we take lightly. I am pleased to report that the Fund has continued to experience positive growth throughout the year and has now reached \$17.9 billion in funds under management (FUM). The scale and ongoing growth of the Fund has once again allowed us to maintain our low \$1.50 per week member fee, now unchanged for 11 years.

There have been numerous improvements to the Fund during the last year. In December 2015 the sale of our fund administrator SuperPartners to The Link Group was finalised. The Link Group offers market leading administration services in line with the Stronger Super reforms. The acquisition of SuperPartners by Link will allow Hostplus to provide members with an even greater level of service. The transition into the new infrastructure is already underway and is anticipated to be completed in April 2016.

Continuing the development theme, 25 May 2015 saw the launch of two new super investment options for members: the IFM Australian Infrastructure and Hostplus Life. Each of these investment options has been designed with our members in mind.

The Hostplus Life Option aims to simplify super investment choice. It achieves this by periodically moving a member's account balance from higher risk / higher return options, which are generally more appropriate for younger members with many years to retirement, to lower risk / lower growth investment options as the member approaches retirement.

The IFM Australian Infrastructure option provides long-term direct investment in a diversified pool of Australian infrastructure assets, such as airports, seaports, rail terminals, toll roads, power plants and utilities like gas and water.

Following last year's introduction of our Choiceplus for accumulation members, we were pleased to introduce Choiceplus for our Pension members. Developed for members who wish to take a more active role in the investment and management of their retirement savings. Choiceplus members are able to invest directly into companies in the S&P/ASX 300 Index, Exchange Traded Funds (ETFs) covering developed, emerging and commodity markets and Term Deposits.

On the technological front we were excited to introduce the Hostplus Digital Member Card, allowing members to access their account information when and where they need to. The Digital Member Card is representative of our ongoing commitment to delivering industry-leading, user-focussed technology to our members. The Digital Member Card was only the beginning, with a number of digital projects seeking to improve member service delivery currently in development.

In February 2015 Mr David McElrea was appointed as Alternate Employee Director of the Hostplus Board. Mr McElrea is the Assistant National Secretary of United Voice and has held a number of positions within the organisation. Mr McElrea has also worked as an adviser to the NSW Education Minister. We are privileged to have the expertise and experience offered by Mr McElrea on the Hostplus Board and look forward to our future endeavours together.

This member annual report contains detailed disclosure of all our Fund operations in the spirit of being open and transparent with our members. We encourage you to explore the contents thoroughly for insight into our operations and ongoing commitment to our members' best interests. We look forward to continued development and the ongoing delivery of high-quality, low-cost services to our members well into the future.

I would like to take this opportunity to once again thank you for your support and for putting your trust in Hostplus.



David Elia  
Chief Executive Officer



# Hostplus by numbers.

## Balanced option investment returns to 30 June.

1 year	3 year	5 year	7 year	10 year
11.00%	13.61%	10.28%	6.28%	7.14%

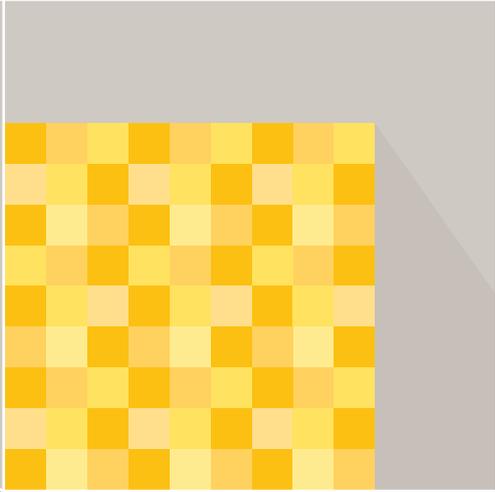
Past performance is not a reliable indicator of future performance.

Our Hostplus Balanced investment option return of 11.00% for the financial year ending 30 June 2015 placed Hostplus in the top 10 of all Balanced investment options surveyed in the SuperRatings Fund Crediting Rate Survey. Results in this survey for the year to 30 June 2015 show the Balanced option recording top quartile returns over one, three, five and ten years (Source: SuperRatings Fund Crediting Rate Survey - SR50, 21 July 2015).

## Top 300 pension funds in the world.

In a global survey by professional services firm Towers Watson, Hostplus was again featured in the list of the top 300 pension funds in the world. Hostplus was ranked in 293rd place based on funds under management (at 31 December 2014).

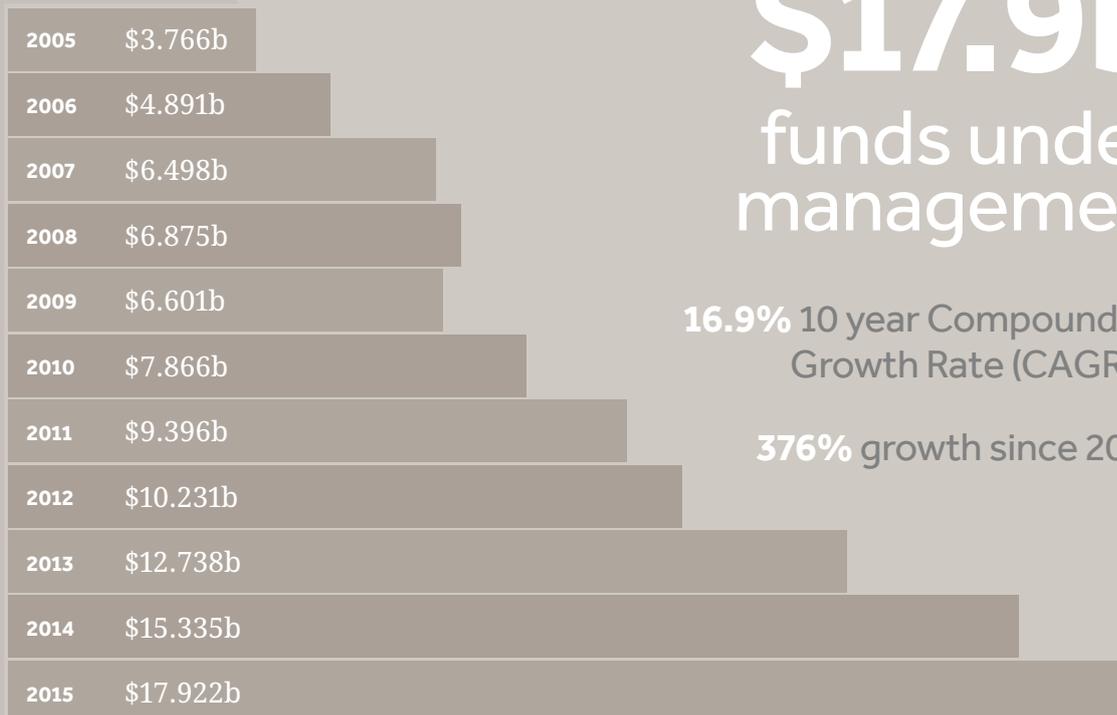
Hostplus Balanced investment option return of **11.00%** for the financial year ending 30 June 2015



**992,174**  
members

**99,564**  
employers

Hostplus funds under management growth 30 June.



**\$17.9b**  
funds under management

**16.9%** 10 year Compound Annual Growth Rate (CAGR)

**376%** growth since 2005

# Our focus on members.

We've been a part of the hospitality, tourism, recreation and sport industry sectors for more than 25 years. We learned very quickly that our sectors live or die by the quality of services and experiences they provide to their customers.



# Our focus on members

## Serving you better.

Back in 2007, we took the decision to manage and control our contact centre ourselves. While many of our competitor super funds outsource call centres, we brought this important service in-house. So as a Hostplus member you can always be assured you're speaking directly to a Hostplus employee.

We also manage the insurance claims process ourselves, to ensure that you get the support you need during the most difficult times.

## Helping members invest wisely.

At Hostplus, we believe that affordable, commission-free advice is the most valuable and effective way to provide financial advice, in order to help you identify and work towards achieving your money goals and life objectives. Hostplus has selected Industry Fund Services Ltd (IFS) (AFSL 232514) as its partner in providing quality financial advice to Hostplus members. IFS was established by industry super funds to help our members access quality, value for money and personalised financial advice. IFS's 'fee-for-service, no commissions' philosophy and long-term track record of providing advice solely in members' best interests continues to align closely with the strong member focus of Hostplus.

## Super advice online.

Hostplus is all about making super simple, and that includes financial advice. So we created Hostplus Super Adviser. This is a simple online tool that provides our members with advice in an easy, flexible and non-intimidating way. Hostplus Super Adviser is just like having your own virtual financial adviser, anytime, anywhere, free of charge.

What makes it more than a calculator is the fact that when you're done, you'll receive a Personalised Super Program (Personal Statement of Advice) containing the details of everything you've covered online, including recommendations and advice on how to action them. Super Adviser also saves your details, so you can log in and review your program whenever your situation changes.

## Our commitment to technology.

We believe that making it easy for you to access Hostplus services is the key to helping you connect with your super, so you're in the best position to achieve your retirement goals. It's also the best way for employers to get the support they need. That's why we have invested in improved technology for 'anytime, anywhere, my way' delivery of member and employer services.

Ultimately we want you to choose how you engage with us. Whether it's online, via mobile device, over the phone or face to face at your worksite. You can check your balance, make changes to your super and insurance arrangements, move your super together, develop a budget or even complete an online super plan. We also have a range of calculators to help you sort out your super strategy for retirement.

## Talking to our members.

We love super. But we realise that super might not be top of mind for everyone. By using the right channels, we are able to provide relevant content for our members that's both engaging and informative. That's why Hostplus has taken the lead in the social media space, to allow our members to connect with us through the channels they prefer to use. Our social media pages provide a forum for members to share in our passion for the industries that make Australia great – hospitality, tourism, recreation and sport.

## Benefits members can enjoy now.

Our focus is helping you save for your future. In addition, you have access to a suite of benefits which you can enjoy today.

### Hostplus Health Wealth program

The Hostplus 'Health Wealth' program was introduced for Hostplus members to kick-start their path to a fitter, healthier life. Running over 6 weeks, the program offers the opportunity to gain real insights into your health and fitness from elite sportspeople in state-of-the-art facilities through our partnerships with South Sydney Rabbitohs, Richmond Football Club and the Gold Coast SUNS.

### Free sporting and tourism tickets

As the industry super fund for the sporting and tourism industry, Hostplus is a proud partner of various sporting and tourism networks, including teams within the NRL, A-League and AFL. So as a Hostplus member, you can register through our ticketing ballot for a chance to attend these events for free..



# Hostplus partnerships

The superannuation industry is highly competitive. Activities that raise Hostplus' profile, such as partnerships and marketing helps the fund grow and creates scale which provides cost advantages for the benefit of members.

Thanks to building this awareness and the trust and loyalty that you place in Hostplus, we have experienced solid growth over the last year, having reached \$17.9 billion in funds under management, which we manage on behalf of our membership.

We believe our overall marketing and communications program, including our partnerships, has been integral to that success and allows us to continue to deliver low-cost services to our members.

## So what do we mean by 'partnerships'?

Our partnerships with key industry bodies, such as Restaurant and Catering Australia, The Club Managers Association Australia, Tourism and Transport Forum, Queensland Tourism Industry Council, the Australian Hotels Association and United Voice, provide a highly effective way for us to engage with existing and potential members and employers, delivering opportunities for us to access our members face to face for education and information sessions.

Not only do these partnerships provide us with the chance to attend and even speak at relevant industry conferences and events, with associated marketing opportunities that reach our members directly, but they also demonstrate our commitment to our industries.

In addition to our industry partnerships, Hostplus also partners with sporting associations across Australia, covering most football codes and golf. When you go to the footy you will often see Hostplus around the ground, whether it's on the boundary, on the ball or even in the coach's box. But what takes place on the ground is just the tip of the iceberg.

If you've ever been to an AFL, Hyundai A-League or NRL game, chances are you've probably spotted the Hostplus logo around the grounds. In many ways we see high profile sporting events as the glue that binds our industries together- Take an event like the AFL Grand Final, every year there are thousands of people flying in from around rest of the country and even from overseas.

These people arrive in Melbourne, check in to one of our world class hotels, they eat in the incredible restaurants and relax in the beautiful public spaces before heading off to the game. When they get to the MCG they're served by passionate hospitality professionals who help to make sure they have an experience they'll never forget.

It's pretty amazing when you think about it; something as quintessentially Australian as a game of footy can generate such a massive boost to the economy. This year's final is expected to generate around \$50 million for Victoria. That's a huge boost for the state, especially for our members working across Hospitality, Tourism, Recreation and Sport.

This phenomenon is no different in other major states and capital cities. Hence why Hostplus supports key sporting codes across Australia.

We have seen this with our partnership with the Gold Coast SUNS. Hostplus became the Foundation Partner of the Gold Coast SUNS in 2009. Our support not only helped the club to enter the Australian Football League, but it also boosts the Gold Coast economy - in particular the hospitality and tourism industries.

In the club's first year 6,000 visitors travelled to the Gold Coast for the Collingwood match. An economic study found that the event was worth about \$5 million in spending, 95% of which directly benefited hospitality and tourism businesses on the Gold Coast. By helping foster demand in these sectors, Hostplus is actively supporting the very industries our members and employers work in and enjoy.

It's also reassuring to know that we have a proven track record of extracting significant value from sports partnerships. In fact, Hostplus' partnership with the Penrith Panthers Rugby League Club in 2014 saw an incredible 190.7% year on year increase in total media exposure, enabling Hostplus to achieve even greater reach in the NSW Clubs market (according to Hostplus 2014 Q3 Media Exposure Summary provided by Repucom). So not only are we demonstrating support for our core industries, but we're also ensuring that our marketing expenditure is targeted, accountable and effective.



# Environmental, Social and Governance

At Hostplus, we're committed to acting as a responsible long-term investor. We also recognise our obligation to first and foremost maximise investment returns for our members. It's a fiduciary requirement and responsibility we take very seriously.

We have close to 1 million members that work in hospitality, tourism, recreation and sport industries or love the benefits these industries bring to their lives. Within this membership group there are different views as to what types of investments should be included or excluded from an investment portfolio. Our position is to invest on behalf of our members in a responsible way, while supporting the industries we represent – industries that provide jobs for hundreds of thousands of Australians and help drive the national economy.

As part of our approach to Environmental, Social and Governance (ESG) risks, Hostplus pursues an 'active ownership program' and engages with listed companies on ESG issues directly and collectively through the Australian Council of Super Investors (ACSI). Hostplus is a foundation member of ACSI, which engages with companies on our behalf, to ensure that the interests of Hostplus members are well represented. It is Hostplus' policy to vote the proxy rights associated with most of our Australian and international equities holdings and we are committed to publicly disclosing any ESG-related activities, including proxy voting records and examples of how ESG practices have been applied to our investments.

The latest record of Hostplus' recent proxy voting activity is available at [hostplus.com.au](http://hostplus.com.au)

In addition, Hostplus is a signatory to the Principles for Responsible Investment (PRI). These principles establish a collective international framework for institutional investors to integrate ESG considerations into their investment decision-making. We believe that the PRI provides an important universal framework for signatories to work together, learn from each other and provide a collective voice on ESG issues.

## So how are we managing the issue of climate change?

At Hostplus, we recognise that the impact of ESG risks, such as climate change, may influence the performance of the Fund's investments over time, so it's important to consider climate change risks in our decision-making process in order to protect and manage our investments for the long term.

That's because we believe that entities that best manage ESG risks, impacts and opportunities are more financially sustainable in the long term and will deliver better long term financial performance.

So the ESG performance of entities in which we invest is an important consideration when assessing their likelihood to deliver strong returns for our members.

Reducing the environmental footprint of our investments is also part of being a responsible long-term investor and is therefore in the best interests of our members. Companies that have sound ESG practices are likely to improve investment returns to their shareholders in the long term. Ensuring that companies we invest in operate with sound ESG practices is one way to reduce and control investment risk.

That's why we conduct thorough analysis of these factors as part of our decision-making process when considering a new investment.

Some examples of ESG factors we take into consideration include:

- **Environmental:** Climate change, environmental impact of assets, renewable energy.
- **Social:** Health and safety issues, labour practices, employee relations, diversity, human capital management.
- **Governance:** Executive remuneration, benefits and compensation, bribery/corruption, board independence, shareholder rights, business ethics.

One of the main arguments being raised today by climate change advocacy organisations is that superannuation funds need to reduce, or eliminate, their investment in assets that generate high emissions because of the risk that their value may be affected by future changes in regulation or technological advances.

Although avoiding investment in these sorts of assets might seem like the most simple and appealing course of action, we do not believe that excluding a whole class of companies, when we rely on them heavily for their products and services every day, represents a 'silver bullet' to the investment challenges posed by climate change.

Furthermore, reducing or eliminating investment in companies that produce fossil fuels may result in them reducing investment on essential research required to develop new technologies such as carbon capture and storage.

By retaining our ownership, we have the opportunity to engage with those companies to persuade them to improve their environmental practices while continuing to meet society’s energy needs.

So we welcome the broader public debate about climate change and the implications for investors; however, as part of our fiduciary responsibility to members, we do not have a ‘blanket rule’ on high-emission assets and as such, have some investment exposure to fossil fuels via investments made by the Fund’s investment managers.

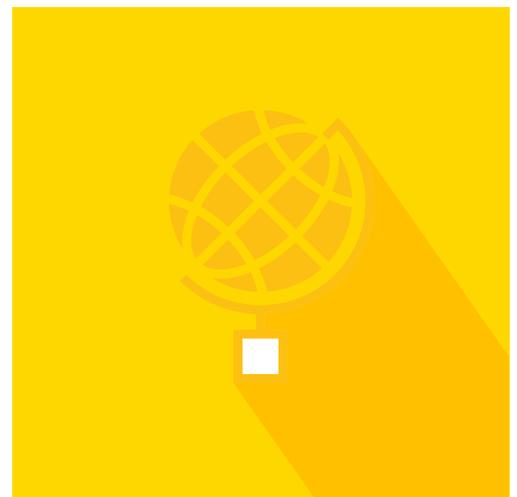
As you can imagine, there are thousands of companies listed on the Australian Stock Exchange and other stock exchanges around the world. Because of the enormity of the investment task, Hostplus has appointed a diverse range of over 50 professional investment managers, each focussing on a specific area of the global share market universe. We encourage our investment managers to consider the potential implications of climate change and other ESG factors before making investments on behalf of Hostplus.

There are various paths that investment managers can take when considering whether to invest in companies that have relatively poor ESG practices. One approach is ‘negative screening’, which prohibits investment in those companies that score poorly on ESG factors. Another approach is ‘positive screening’, which invests only in those companies that score highly on ESG factors.

The only example of ‘negative screening’ that is currently applied to Hostplus investments relates to companies that produce ‘cluster’ munitions. Due to the destructive nature of these weapons and the fact that their use is banned by many countries around the world, Hostplus has a policy to ban cluster munition producers from its investment portfolio.

Importantly, we prefer a third approach of investing using a combination of financial and non-financial metrics and then engaging with companies where there are reservations about their ESG activities. In this way, as shareholders of companies, we have the opportunity to persuade them to improve their practices.

Overall, Hostplus is very mindful of its obligation to invest its members’ money in a responsible way. ESG considerations are a key part of our investment approach and we will look to further enhance and promote responsible investment practice to ensure we deliver long-term sustainable returns to our members.



Hostplus currently invests in a wide range of award-winning properties, developments and organisations.



### Your investments in sustainable assets.

We believe that innovative, sustainable assets not only contribute to local communities and help to preserve the environment, but they will also be profitable investments both now and in the future. That means more money for our members to enjoy in their retirement. It's a win/win!

Hostplus currently invests in a wide range of sustainable award-winning properties, developments and organisations, including:

#### Asia Square Towers, Singapore.

- Leadership in Energy and Environmental Design (LEED) Platinum Certification
- Building and Construction Authority of Singapore Green Mark Platinum Award winner
- Highest ever Construction Quality Assessment System (CONQUAS) score for a high-rise commercial development in Singapore
- Highly Commended Office Development award winner (Singapore) - 2011 Asia Pacific Property Awards
- Best Mixed Use Development award winner (Singapore) - 2011 Asia Pacific Property Awards, Singapore

#### The Gauge, 825 Bourke Street, Melbourne.

- Australia's first 6 Star Green Star Office As-Built certified building
- 313@Somerset Shopping Centre (Singapore).
- Building and Construction Authority of Singapore Green Mark Platinum Award winner

#### 800 Collins Street, Melbourne.

- 5 Star Green Star Office As-Built v2 certified building

#### 420 George Street, Sydney.

- 5 Star Green Star Office As-Built v2 certified building

#### Darling Quarter urban regeneration precinct, Darling Harbour, Sydney.

- Australia's first 6 Star Green Star Office As-Built v3 certified building representing 'World Leadership' in environmentally sustainable design

#### Caneland central redevelopment, Mackay, Queensland.

- 4 Star Green Star Retail Design certification representing 'Best Practice' in environmentally sustainable design

#### Green Square North Tower, Fortitude Valley, Queensland.

- Rated 6 Star Green Star As-Built and by Design

#### Green Square South Tower, Fortitude Valley, Queensland.

- Rated 5 Star Green Star As-Built and by Design

#### 500 Bourke St, Melbourne.

- Rated 5 Star Green Star by Design

#### UNSW Village, Sydney.

- Urban Development Institute of Australia award winner for sustainable development 2010
- Australian Institute of Architects award winner in the multiple housing category

#### Hamburg Airport (Germany).

- Local social authority award winner in recognition for an excellent personnel policy and equal treatment and integration of handicapped employees

#### South East Water (UK).

- Peter Parker Prize winner for Business Commitment to the Environment, identifying the company as the most outstanding example of environmental best practice in the country
- The Green Organisation's 'Gold Green Apple Award' winner for its work to protect toads at its Offham Water Treatment Works. The company built three ponds and numerous hibernation sites on its land in order to keep the toads from trying to cross the busy A275

#### Freeport LNG (Texas, USA).

- Ebby Halliday and Maurice Acres Business/ Industry Award winner for environmental stewardship and community involvement activities. This award was given by Keep Texas Beautiful, a non-profit organisation whose mission is to improve community environment

#### Darling Harbour Live.

- Registered with the US Green Building Council for LEED certification. target Gold
- Over 15% reduction in annual greenhouse gas emissions to 2012 NCC minimum requirements
- Target 14% reduction in potable water use
- Solar hot water servicing the commercial kitchens

**Your investments in Australia.**

Your super or pension is an investment in your financial future. But did you know you're investing in your future in more ways than one?

Through a number of fund managers, Hostplus invests in a range of physical assets such as airports, sea ports, shopping centres, industrial property estates, retirement villages, roads, wind farms, water filtration plants, office buildings, community buildings and more.

So you're not only growing your own investment with Hostplus; you're helping to build our nation.

**Wind farms.**

Pacific Hydro's Portland Wind Energy Project will produce enough clean energy to power 120,000 homes each year when it's completed.

**Water filtration plants.**

Two water filtration plants in Illawarra and Woronora in New South Wales provide water to more than half a million people every day.

**Airports.**

Melbourne, Sydney, Hobart, Brisbane, Darwin, Alice Springs, Perth and Adelaide - you can have a stake in all these airports through Hostplus.

**Railway stations.**

You may have contributed towards building and operating Southern Cross Station in Melbourne.

**Roads.**

The M5 South West Motorway, Eastern Distributor and M4 Motorway in Sydney are all projects Hostplus invests in. So every time you pay a toll on these roads, you're indirectly contributing to your super.

**Schools.**

We invest in a company that owns nine schools in New South Wales.

**Aged care facilities.**

The Mercy Health & Aged Care Inc in Colac, Victoria is partially funded by Hostplus investments.

**Public buildings.**

We are investing in a project that will design, build and operate the Perth CBD courts in Western Australia.



Hostplus is the only super fund invested in the major Darling Harbour redevelopment in Sydney.



# Our people.

The Hostplus Board of Directors and Executive Management Team ensure best practice for governance of the trustees and the Fund.



# The Hostplus Board of Directors and Executive Management Team

## The Hostplus Board of Directors.

The activities of Hostplus are managed by our Trustee Board of Directors with David Elia as Chief Executive Officer.

The Board of Directors comprises of a 3-3-3 structure, equally represented by:

- Three employer (nominated by the Australian Hotels Association (AHA)), and
- Three employee (nominated by United Voice) organisations, and
- Three independent directors jointly selected by the AHA and United Voice.

The Hostplus Board structure was directly referred to as a model other funds should strive for in the Government's extensive Cooper Review released in late 2010.

The Board represents our members in accordance with the Hostplus Constitution Trust Deed and superannuation law. They also ensure that Hostplus meets Federal Government requirements for the fair and safe operation of the Fund.

### Our Board of Directors:

#### Independent directors:

- David Elmslie (Chairman)
- Peter Collins
- Alexandra Grayson

#### Employer directors:

- David Gibson
- Mark Vaile
- Mark Robertson

#### Employee directors:

- Brian Daley (resigned 30 July 2015)
- Robyn Buckler
- Rebecca Stark
- Tim Lyons (appointed 17 August 2015)

### Alternate directors:

- Neil Randall
- David McElrea (appointed February 2015)

## Our Executive Management Team.

Our Executive Management Team is responsible for the day-to-day management of the Fund's operations and the implementation of the corporate strategy plan to ensure we meet the needs of our members, employers and stakeholders.

### Our Executive Management Team:

- David Elia, Chief Executive Officer
- Therese Kenny, Group Executive Finance, Risk and Operations
- Umberto Mecchi, Group Executive Strategy, Marketing and Growth
- Sam Sicilia, Chief Investment Officer
- Natalie Strickland, Group Executive People, Performance and Culture
- Paul Watson, Group Executive Product and Advice
- Mark Abramovich, General Counsel

For full remuneration details of Directors and Key Executives, please visit [hostplus.com.au](http://hostplus.com.au)



# Board of Directors



## David Elmslie

### Role and responsibility.

- Independent Director
- Chairman
- Member of the Remuneration Committee

### Year of appointment.

- February 2007

### Qualifications and memberships.

- Bachelor of Law, University of Melbourne
- Bachelor of Commerce, University of Melbourne
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST)
- Member of the AIST

### Experience.

- Crown Limited (2008 – 2010)
  - Chief Operating Officer International Business
  - Chief Executive Officer of Gateway Casinos and Entertainment Inc.
- Tabcorp Holdings Ltd (1995 – 2006)
  - Executive General Manager of Development
  - Executive General Manager of the Victorian Gaming Division
  - Chief Financial Officer
  - Trustee of Tabcorp Employee Superannuation Fund

### Other Directorships / appointments.

- Hostplus Investments Pty Ltd
- Hostplus Property Pty Ltd
- Industry Super Australia Pty Ltd
- IGIPT Pty Ltd
- ISPT Pty Ltd
- Shu Cube Pty Ltd

### Secretary:

- Maldonstation Pty Ltd
- Nyah Pty Ltd
- Vardav Capital Pty Ltd



## The Hon Peter Collins AM QC

### Role and responsibility.

- Independent Director
- Chair of the Audit, Risk and Compliance Committee (ARCC)

### Year of appointment.

- July 2006

### Qualifications and memberships.

- Bachelor of Law, University of Sydney
- Bachelor of Arts, University of Sydney
- Member of the Order of Australia in 2004 and also received the Centenary Medal
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST)
- Fellow of the AIST

### Experience.

Peter has had a distinguished career as a company director, a parliamentarian, a Military and Naval Reserve Officer, a barrister and ABC journalist and has held a number of senior roles, including:

- Chair of the Australian Institute of Health and Welfare, 2004 – 2011
- Member of Cancer Council of NSW, 2004 – 2006
- Chair of the Cancer Institute of NSW, 2005 – 2008
- Deputy Chair of the Centenary of Anzac Commemoration Committee for NSW, 2010 – 2011

- Chair of Barton Deakin Government Relations
- Board member of Macquarie Generation, 2006 – 2009
- Board member of the Workers Compensation Insurance Fund Investment Board of NSW, 2005 – 2012
- Honorary Colonel of 1st Commando Regiment, 1995 – 2000
- Active service in Iraq in 2007, where he was awarded the US Joint Service Commendation Medal
- Captain in the RAN Reserve, retired 2012
- Acting Fleet Legal Officer for RAN, 2003
- NSW Parliament, 1981 – 2003, including Minister for Health, Arts, Consumer Affairs and State Development, Attorney General, Treasurer of NSW, Deputy Leader and Leader of the NSW Opposition

### Other Directorships / appointments.

#### Director:

- Hostplus Investments Pty Ltd
- Hostplus Property Pty Ltd
- Barton Deakin Pty Ltd
- ISA Pty Ltd
- NPT Pty Ltd (Advisory Board)
- Retirement Villages Group
- Sydney Financial Forum



## Alexandra Grayson

### Role and responsibility.

- Independent Director

### Year of appointment.

- October 2013

### Qualifications and memberships.

- Bachelor of Laws. Awarded Prizes by Faculty of Law for:
  - Legal Ethics
  - Legal Accounting
  - Law of Evidence
- Bachelor of Commerce - Industrial Relations/Management
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST)

### Experience.

Alex has over 15 years' industrial relations experience in both state and federal industrial relations systems. Currently a Senior Associate at Maurice Blackburn, her previous roles include:

- Senior Associate, W G McNally
- Industrial Relations Commission of New South Wales
- University of Western Sydney
- Finance Sector Union

### Other Directorships / appointments.

- Hostplus Investments Pty Ltd
- Hostplus Property Pty Ltd

### Senior Associate:

- Maurice Blackburn



## David Gibson

### Role and responsibility.

- Employer Director
- Chair of the Remuneration Committee
- Appointed by the AHA

### Year of appointment.

- July 2012

### Qualifications and memberships.

- Licensed Real Estate Agent (Queensland)
- Diploma in Financial Markets, FINSIA
- Member of the Australian Institute of Company Directors
- Lifetime Membership Award 2009, Tourism and Transport Forum
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST)

### Experience.

With over 30 years' experience in the tourism and hospitality industry across all facets including operations, corporate management, investment, development, asset management and real estate, David continues to provide consulting services and strategic advice on tourism investment opportunities. Key senior roles have included:

- CEO Asia Pacific, Jones Lang LaSalle Hotels, 1996 – 2010
- Global Hotels Board Member
- International Director, Sunotel Corporation, 1990 – 1995, Feb 2010 to present
- Chairman, CEO & Founder, Tourism & Leisure Corporation Limited, 1984 – 1989

- Managing Director, General Manager Hilton Internationals Hotel Group, 1978 – 1984
- Operations analyst
- Food & beverage analyst
- Trainee Manager

### Other Directorships / appointments.

#### Director:

- Hostplus Investments Pty Ltd
- Hostplus Property Pty Ltd
- Giulia Pty Ltd
- Mantra Group Limited

#### Director and Secretary:

- King Cobra Renovations Pty Ltd
- Pomkaru Pty Ltd
- Sunotel Corporation Pty Ltd



## The Hon Mark Vaile AO

### Role and responsibility.

- Employer Director
- Appointed by the AHA

### Year of appointment.

- July 2012

### Qualifications and memberships.

- Awarded the Centenary Medal for 'service as Minister for Trade' during his time in Parliament.
- Recognised in the Queen's Birthday Honours List as an Officer of the Order of Australia for 'distinguished service to the Parliament of Australia, through support for rural and regional communities, to the pursuit of global trade and investment opportunities, and to the citizens of the Taree region.'
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST)

### Experience.

Since 2008, Mark has pursued a career in the private sector and sits on a number of boards as a Director or Chairman. He also provides corporate advice to a number of Australian companies operating in the international marketplace.

Mark is a former member of the House of Representatives for the seat of Lyne in New South Wales, Leader of the National Party and Deputy Prime Minister in the Howard Government from 2005 through to 2007. He has enjoyed a distinguished parliamentary career over 18 years and served on the Taree City Council prior to that. Key parliamentary and ministerial appointments have included:

- Deputy Prime Minister, July 2005 – December 2007
- Minister for Transport and Regional Services, September 2006 – December 2007
- Minister for Trade, July 1999 – September 2006
- Minister for Agriculture, Fisheries and Forestry, October 1998 – July 1999
- Minister for Transport and Regional Development, October 1997 – October 1998
- Member of the Speaker's Panel, January 1995 – October 1997
- Prior to joining Federal Parliament, Mark held a number of roles in local government and agriculture

### Other Directorships / appointments.

#### Director:

- Hostplus Investments Pty Ltd
- Hostplus Property Pty Ltd
- Servcorp Limited
- Virgin Australia Holdings Limited
- Whitehaven Coal Limited (Chairman)
- Palisade Investment Partners Limited (Stamford Land – Singapore) (Chair – Advisory Board)



## Mark Robertson OAM

### Role and responsibility.

- Employer Director
- Deputy Chair of the Board
- Member of the Audit, Risk and Compliance Committee (ARCC)
- Appointed by the AHA

### Year of appointment.

- June 2003

### Qualifications and memberships.

- Bachelor of Arts La Trobe University, Melbourne
- Member of the Order of Australia
- Associate of the Australian Property Institute
- Fellow of the Australian Institute of Management
- Fellow of the Australian Institute of Company Directors
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST)
- Fellow of the AIST

### Experience.

Mark has extensive experience in property development, property management and hotel and leisure management. Current roles include:

- Vice President of the Australian Hotels Association (Vic Chapter)
- Councillor of the Victorian Chapter of the AHA

### Other Directorships / appointments.

#### Director:

- Hostplus Investments Pty Ltd
- Hostplus Property Pty Ltd
- Astonmill Pty Ltd
- The Australian Wildlife Conservancy
- Biberen Investments Pty Limited
- Bincorn Pty Ltd
- Calmega Pty Ltd
- Chapungu Shona Gallery Pty Ltd
- Estal Nominees Pty Ltd
- Exchange Corner Pty Ltd
- Fourth Lieutenant Pty Ltd
- Gaming & Leisure Holdings Pty Ltd
- GBH Freehold Pty Ltd
- G.G.S. Nominees Propitiatory Limited
- HLM Admin Pty Ltd
- Hotel & Leisure Management Pty Ltd
- Imperial Hotel Pty Ltd
- Lake Victoria Views Pty Ltd
- Lothian Street NM Pty Ltd
- Lucky Eights Pty Ltd
- Mesembriomys Pty Ltd
- Mikshar Nominees Pty Ltd
- Ninth Lieutenant Pty Ltd
- Owl Developments Pty Ltd
- Quinayen Nominees Pty Limited
- Robertson Projects (Vic) Pty Ltd

- Robmark Pty Ltd
  - Roburn Pty Ltd
  - Sanscot Pty Ltd
  - Sargood Hotels Pty Ltd
  - Sargood House Pty Ltd
  - Sargood Investments Pty Ltd
  - Sargood Wine Co Pty Ltd
  - Seventh Lieutenant Pty Ltd
  - Shadowfax Winery Pty Ltd
  - WGH Pty Ltd
  - Wine Publishing Pty Ltd
  - Winning Concepts Pty Ltd
  - 128 Bourke St Pty Ltd
- Director and Secretary:**
- Markann Number 2 Pty Ltd
  - Robertson Group Appointor Pty Ltd
  - Sixth Lieutenant Pty Ltd
- Member (Advisory Board):**
- Carnegie Innovation Fund, LP
  - Carnegie Private Opportunities Fund
  - IFM Investors
  - Lend Lease ARIF
  - Lend Lease Rep 3
- Member (Executive Board):**
- Australian Hotels Association (AHA)



## Brian Daley\*

### Role and responsibility.

- Employee Director
- Deputy Chair of the Board
- Member of the Audit, Risk and Compliance Committee (ARCC)
- Appointed by United Voice

### Year of appointment.

- June 1990

### Qualifications and memberships.

- Bachelor of Mathematics, University of Newcastle
- Awarded Centenary Medal of Federation (2001)
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST)
- Member of the AIST

### Experience.

- National Officer (Superannuation) of United Voice
- Former National President and Branch Secretary of United Voice (Vic)
- Over 30 years' experience on superannuation Trustee Boards such as HESTA and AGEST and other Board roles with IFS, AIST Executive, AIST Governance and Professional Standards Committee and ASFA National Executive

\* Resigned 30 July 2015

### Other Directorships / appointments.

#### Director:

- Hostplus Investments Pty Ltd
- Hostplus Property Pty Ltd
- ACTU Super Shareholdings Pty Ltd
- Australian Super Pty Ltd
- IGIPT Pty Ltd
- ISPT Pty Ltd
- ALP National Executive Finance Committee (Member)
- Australian Council of Trade Unions (Capital Stewardship Officer)
- Industry Super Australia (ISA) Pty Ltd (Member Advisory Board)
- United Voice (National Industrial Officer)



## Robyn Buckler

### Role and responsibility.

- Employee Director
- Chair of the Claims Review Committee (CRC)
- Member of the Remuneration Committee
- Appointed by United Voice

### Year of appointment.

- May 2003

### Qualifications and memberships.

- Diploma in Teaching, Commercial Adelaide College of Advanced Education
- Graduate Diploma, Legal Studies, South Australian College of Advanced Education
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST)
- Fellow of the Australian Institute of Superannuation Trustees

### Experience.

With over 30 years' experience, Robyn has held a number of senior roles with United Voice, training in commercial organisations and the education sector:

- Former Assistant Branch Secretary of United Voice (SA)
- Former Training Liaison Officer and Industrial Officer with United Voice
- Former training co-ordinator with Corrs Chambers Westgarth
- Former secondary school teacher

### Other Directorships / appointments.

#### Director

- Hostplus Investments Pty Ltd
- Hostplus Property Pty Ltd
- United Voice SA (Compliance Governance Building Services)



## Rebecca Stark

### Role and responsibility.

- Employee Director
- Appointed by United Voice

### Year of appointment.

- February 2014

### Qualifications and memberships.

- Bachelor of Commerce (First Class Honours)
- Bachelor of Arts, University of Sydney
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST)

### Experience.

Currently Head of Responsible Investment and Engagement with United Voice, Rebecca's key responsibilities include providing research and advice on key investments, finance and superannuation trends, responsible investment practice and policies and issues that support the adequacy of the retirement savings of Australian workers.

Prior to this role Rebecca was managing a team of research and policy analysts working on industry, corporate and workplace research and campaigns. She has been involved with United Voice in a research capacity since 2006.

### Other Directorships / appointments.

#### Director:

- Hostplus Investments Pty Ltd
- Hostplus Property Pty Ltd
- United Voice, Head of Responsible Investment and Engagement



## Tim Lyons

### Role and responsibility.

- Employee Director
- Appointed by United Voice
- Audit, Risk and Compliance Committee

### Year of appointment.

- June 2015

### Qualifications and memberships.

- Bachelor of Arts from the University of Tasmania, BA/LLB program
- Diploma, Company Directors Course – AICD
- Diploma of Financial Services (Financial Planning) – AIST / ASFA

### Experience.

- As the Assistant Secretary of the ACTU between 2008 and 2015, Tim's key responsibilities included management of the organising and education programs, the industrial and policy unit, and superannuation and retirement incomes.
- Tim has a decade of experience as a director of two other industry superannuation funds and in various industry bodies. He has also served on Government committees and boards in relation to superannuation, tax and workplace relations.
- Prior to this role, Tim held various positions at the National Union of Workers between 1995 and 2008.

### Other Directorships / appointments.

#### Alternate Director:

- Hostplus Investments Pty Ltd
- Hostplus Property Pty Ltd

#### Director:

- Reville Strategy Pty Ltd



## Neil Randall

### Role and responsibility.

- Alternate Employer Director
- Appointed by United AHA

### Year of appointment.

- July 2012

### Qualifications and memberships.

- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST)
- Member of the AIST

### Experience.

With over 30 years' experience in the hospitality industry, key senior roles include:

- President AHA State Council, WA Branch
- Senior roles with the AHA since 1994
- Owner/operator of Paddington Alehouse, Mount Hawthorn
- Partner, The Sandbar, Scarborough Beach
- Former league footballer, and held various executive roles over a 30-year period including Director of Football Operations (10 years) and President of Subiaco Football Club (seven years).

### Other Directorships / appointments.

#### Alternate Director:

- Hostplus Investments Pty Ltd
- Hostplus Property Pty Ltd



## David McElrea

### Director:

- Australian Hotels Association (AHA)
- AHA State Council WA Branch (President)
- Kununurra Properties Pty Ltd
- WA Football League (Commissioner)
- 063 101 306 Alfon Pty Ltd
- 117 913 989 Randall Properties Pty Ltd

### Director and Secretary:

- Alfon Pty Ltd
- Randall Properties Pty Ltd

### Role and responsibility.

- Alternate Employee Director - Hostplus Pty. Limited
- Appointed by United Voice

### Year of appointment.

- February 2015

### Qualifications and memberships.

- Bachelor of Arts, Bachelor of Laws
- Graduate Diploma in Legal Management
- RG 146 (ASIC Tier 1) for the Superannuation Industry, Australian Institute of Superannuation Trustees (AIST)
- The Rules Committee - ALP (NSW Branch)
- Industrial Relations Committee – ALP (NSW Branch)

### Experience.

- David is the Assistant National Secretary of United Voice one of Australia's largest unions. United Voice represents members in the accommodation, hospitality and gaming industries – the areas from which Host-Plus draws many of its members. David has held a number of positions in United Voice and prior to that worked as an adviser to the Education Minister in the NSW government and as a solicitor practicing in both the United Kingdom and Australia.

### Other Directorships / appointments.

#### Alternate Director:

- Hostplus Pty Limited\*
- Hostplus Investments Pty Ltd\*
- Hostplus Property Pty Ltd\*

### Director:

- Construction and Property Services Industry Skills Council
- NEST Nominees Pty Limited

### Other Directorships / appointments

- Progressive Voice Limited
- United Voice

# Executive Management Team



## David Elia

Chief Executive Officer.

David is one of Australia's most experienced and recognised business leaders. In a career spanning more than 25 years, his singular vision has helped create businesses that deliver consistently excellent results and real stakeholder value.

His wide-ranging experience includes senior roles in superannuation, finance, marketing, corporate and fund governance, taxation, risk management, audit, corporate/strategic planning and implementation.

David's leadership has been recognised with numerous industry awards including the **Australian Financial Review Boss Magazine True Leader Award** and the Funds Executives Association Fund Executive of the Year Award. He is especially interested in what makes organisations tick – from creating an innovative culture to leadership values, strategy and teamwork at all levels.

He takes a leading role as a Director of the men's health not-for-profit charity The E.J. Whitten Foundation and he is passionate about furthering the charity's vision of increasing awareness of prostate cancer in men and raising funds for research. His role as a Director of the Fund Executive Association is testament to his dedication to the professional development of leaders in the super industry.

A chartered accountant, David also holds a Bachelor of Economics from La Trobe University and Post Graduate Diploma of Applied Finance and Investments from the Financial Services Institute of Australia. He's a Graduate Member of the Australian Institute of Company Directors.

### Role and responsibility.

- Chief Executive Officer Hostplus Superannuation Fund

### Year of appointment.

- 2003

### Qualifications and memberships.

- Bachelor of Economics, La Trobe University, May 1991
- Professional Year (PY), Institute of Chartered Accountants, November 1995
- Graduate Diploma of Applied Finance and Investments, FINSIA, April 2005
- Building and Sustaining Competitive Advantage, Harvard Business School, June 2006
- Graduate Diploma – Company Directors Course, Australian Institute of Company Directors, October 2010
- Member of Chartered Accountants in Australia, November 1995
- Fellow of Financial Services Institute of Australia, July 2002
- Fellow of Association of Superannuation Funds of Australia (ASFA), February 2012
- Fellow of Australian Institute of Management, August 2012
- Member Australian Institute of Superannuation Trustees (AIST)
- Member Fund Executives Association Limited (FEAL)

### Experience.

David has spent more than 25 years in senior positions in superannuation, finance, marketing, corporate and fund governance, taxation, risk management, audit, corporate and strategic planning and implementation.

### Other Directorships / appointments.

#### Director:

- Host-Plus Peel Street Pty Ltd
- Host-Plus Phillip Street Pty Ltd
- Association of Superannuation Funds of Australia (ASFA)
- Australian Council of Superannuation Investors
- Darling Harbour Live HoldCo 3 Pty Limited
- Darling Harbour Live HoldCo 4 Pty Limited
- E.J. Whitten Foundation
- Fund Executives Association Ltd (FEAL)
- Gailileo Phillip Street JV Pty Limited
- Industry Super Australia (ISA) Pty Ltd

#### Secretary:

- Hostplus Pty Ltd
- Hostplus Investments Pty Ltd
- Hostplus Property Pty Ltd

#### Secretary and Director:

- Host-Plus North Fremantle Pty Ltd
- North Fremantle JV Pty Ltd
- Darling Harbour Live 3 Pty Limited
- Darling Harbour Live 4 Pty Limited
- Peel Street JV Pty Ltd

#### Advisory Board:

- Delaware North Australian Advisory Committee
- Investment Attraction Industry Advisory Panel (Tourism Australia)
- Tourism & Transport Forum (TTF)



## Therese Kenny

Group Executive, Finance, Risk and Operations.

Therese joined Hostplus in early 2012 after spending 15 years in a succession of senior positions with Ernst & Young.

A Certified Chartered Accountant with qualifications in Applied Finance and Investments, and a Bachelor of Commerce, she brings a wealth of knowledge and experience to her current position of Group Executive, Finance, Risk and Operations.

An important part of the role Therese plays is to champion excellence in how the organisation handles the vital areas of insurance, member administration, IT, risk, audit and finance.

Therese also oversees the key deliverables of the Hostplus administrator, Superpartners, as well as the development of one of the Fund's strategic initiatives, the Hostplus Pooled Superannuation Trust.

### **Role and key responsibilities.**

- Group Executive, Finance, Risk and Operations
- Financial reporting, budgeting and cost control
- Operations including oversight of the Fund's outsourced administrator and insurance arrangements
- Risk management function
- Audit arrangements
- IT requirements

### **Year of appointment.**

- 2013

### **Qualifications and memberships.**

- Bachelor of Commerce, University of Melbourne
- Institute of Chartered Accountants in Australia
- Graduate Diploma of Applied Finance and Investments
- Member of the Australian Institute of Superannuation Trustees
- Member of FEAL (Fund Executives Association Limited)
- Member of Australian Superannuation Funds Association (ASFA)

### **Experience.**

- 15 years in senior positions with Ernst & Young, from Senior Accountant to Executive Director of Assurance and Advisory Business Services

### **Other Directorships / appointments.**

- Member of Australian Superannuation Funds Association (ASFA) VIC State Executive Committee



## Umberto Mecchi

### Group Executive, Strategy, Marketing and Growth

As Group Executive, Strategy, Marketing and Growth, Umberto brings his considerable experience and insight to bear to set the strategic course for Hostplus, including product development and marketing initiatives.

A career marketer with unparalleled financial services credentials, he is responsible for leading a team that is dedicated to ensuring Hostplus is at the forefront of clear, concise, benefit-driven communications and services to members, employers and stakeholders.

Under his stewardship, the organisation has consistently delivered breakthrough brand campaigns and strategies and established itself as one of Australia's most trusted superannuation brands.

His work has been recognised and acknowledged with numerous awards:

- Australian Institute of Superannuation Trustees (AIST) Superannuation Marketing Award for Excellence
- Rainmaker Superannuation Marketer of the Year
- Winner of the 2008 ASFA Communications Award
- AIST Gold Communication Award in 2008 and 2009 for Excellence in Member Reporting Communications

### Role and key responsibilities.

- Group Executive, Strategy, Marketing and Growth
- Business strategy and insights
- Marketing and brand strategy
- Member and employer experience design

- Employer and member relationship management and retention
- Service centre and branch/advice centre operations
- Business development and growth
- Project Management office and delivery of strategic projects
- Member Education program design and delivery

### Year of appointment.

- 2011

### Qualifications and memberships.

- Bachelor of Business (Marketing), RMIT
- Graduate Certificate in Organisational Leadership, Melbourne Business School
- Certificate in Direct Marketing, ADMA
- Member of the Australian Institute of Superannuation Trustees
- Member of FEAL (Fund Executives Association Limited)
- Member of Australian Superannuation Funds Association (ASFA)

### Experience.

- Group Executive, Strategy, Marketing and Growth, Hostplus 2014 to present
- Executive Manager, Strategy and Marketing, Hostplus 2004 – 2010 and 2011 – 2014
- Executive Director, Marketing, Industry Funds Management
- Director Client Services, The Shannon Company
- Strategy Director, trademarkDM
- Marketing Manager Business Solutions, Zurich Australia

- Strategic Marketing Manager, AXA Australia
- Project Manager, Express Banking, ANZ Bank

### Other Directorships / appointments.

#### Director:

- E.J. Whitten Foundation Limited
- Member, Fundraising committee, E.J. Whitten Foundation Limited
- Member of the Risk and Finance Committee, Jesuit Social Services
- Member of the Fundraising Committee, Jesuit Social Services



## Sam Sicilia

Chief Investment Officer.

Sam joined Hostplus in 2008 as Chief Investment Officer after a storied career in academia and the finance industry stretching back to the early 1990s. During that time he has held a number of senior roles, both locally and internationally:

- Director of Investment Consulting with Russell Investments, with responsibility for leadership of the Alternative Assets and Unlisted Property Sector teams, covering private markets, such as infrastructure, private equity and direct property
- Senior Manager at Bank of Ireland Asset Management, with responsibility for gathering market intelligence and keeping abreast of industry developments across all asset classes, providing thought leadership and championing and facilitating global product development initiatives
- Senior Consultant with Frontier Investment Consulting and a foundation member of Frontier's management team and Chair of the Frontier Research Practice Meeting, a monthly think tank forum, where investment manager assessments and ratings were determined and investment house views established, reviewed and debated
- Senior Asset Consultant with Towers Perrin and a foundation member of the Australian Asset Consulting Services leadership team that was responsible for the ongoing formulation and review of business strategy. He was an architect and the inaugural coordinator of Towers Perrin's manager research process in Australia, with responsibility for overseeing the manager research function. Sam was also Towers Perrin's Asia Pacific regional representative, a foundation member of the Global Investment Manager Research Group and Director of Investment Manager Research for Towers Perrin in the USA

### Role and key responsibilities.

- Chief Investment Officer
- Deliver consistent growth in member value
- Provide strategic leadership to increase funds under management

### Year of appointment.

- 2008

### Qualifications and memberships.

- Bachelor of Science (Honours), Monash University
- Ph.D. in Mathematical Modelling, Monash University
- Master of Applied Finance, University of Melbourne

### Experience.

- More than 20 years in senior executive positions
- Director of Investment Consulting, Russell Investments
- Senior Manager, Bank of Ireland Asset Management
- Senior Consultant, Frontier Investment Consulting
- Senior Asset Consultant, Towers Perrin
- Director of Investment Manager Research, Towers Perrin (USA)

### Other Directorships / appointments.

#### Alternate Director

- IGIPT Pty Ltd
- ISPT Pty Ltd

### Member of Advisory Boards:

- Brandon Medical Research
- Campus Living Villages Investor Committee
- Hayfin Investor Advisory Board
- Industry Funds Management (IFM Investors) Investor Advisory Board
- Partners Group Advisory Board
- Retirement Villages Group Security-holder Committee
- Siguler Guff Small Buyouts Investor Board
- Wilshire Private Markets Group Investor Committees



## Natalie Strickland

Executive Manager, People, Performance and Culture.

Natalie joined Hostplus in 2010 as Human Resources Consultant and was appointed Executive Manager, People & Culture in 2014. Natalie brings a wealth of employee relations expertise to the area of people and culture to the Fund, with over 14 years' experience in a diverse range of key advisory roles.

Natalie and her team are responsible for driving, implementing and managing the People, Performance and Culture strategy of the Fund.

This includes Recruitment, Performance, Payroll, Culture, Performance and Development, Learning and Development and Health, Safety and Wellbeing.

Natalie is passionate about providing employees at Hostplus with the best possible employment experience and supporting leaders with delivering superior performance at the Fund, and has seen success in areas of:

- Insourcing recruitment
- Improving employee engagement and alignment
- Learning and development

### Role and responsibility.

- Group Executive, People, Performance and Culture
- Drive, implement and manage the People, Performance and Culture strategy for Hostplus

### Year of appointment.

- 2014

### Qualifications and memberships.

- Diploma of Human Resources, Swinburne University of Technology
- Member of the Australian Institute of Superannuation Trustees
- Member of FEAL (Fund Executives Association Limited)
- Member of Australian Superannuation Funds Association (ASFA)

### Experience.

- Human Resources Consultant, Hostplus
- HR Recruitment Officer, Tabcorp
- Resourcing Coordinator, Barclays Bank (London)
- Recruitment Administrator, Cadbury Schweppes
- Resourcer, Lloyd Morgan



## Paul Watson

Group Executive, Product and Advice.

As Group Executive, Product and Advice, Paul makes an invaluable contribution to the development and implementation of Hostplus' strategy, business plans, product development and operational delivery. He also leads Hostplus' Financial Planning and Advice group.

With over 25 years' experience in superannuation and the financial services industry, across a range of business disciplines, Paul has an in-depth understanding of the dynamics of successful organisations.

He has held C-suite and senior executive roles in the public and private sectors, including chief executive and executive director positions and 13 years in the Australian Public Service, where his career included positions in a number of central Federal Government agencies, in which he contributed to the development of policy and the delivery of targeted national and scheme education superannuation campaigns.

Paul is a graduate of the Harvard Business School's Leadership Development Program and holds qualifications in financial planning, management and administration.

### Role and responsibility.

- Group Executive, Product and Advice
- Develop and manage Hostplus' product suite (ie. Pension, Choiceplus, PST/SMSF) and service portfolio for engaged and self-directed members to drive access to new markets and retention opportunities



## Mark Abramovich

- Design, develop and deliver the appropriate digital tools and platforms to assist members and drive greater advice outcomes for members (ie. online calculators, online advice tools, PST product)
- Lead and manage the provision of the end-to-end financial planning and advice service for Hostplus' various market segments

### Year of appointment.

- 2010

### Qualifications and memberships.

- PLD, Executive Education, Harvard Business School
- Diploma of Management (Financial Services), Macquarie University
- Diploma of Financial Planning, Deakin University
- Fellow, Australian Institute of Superannuation Trustees
- Fellow, Association of Superannuation Funds of Australia

### Experience.

- Executive Manager, Member and Employer Relationships, Hostplus
- Executive Manager, Member and Consumer Choice, Hostplus
- Chief Executive Officer, Military Super
- Deputy Chief Executive Officer, Australian Reward Investment Alliance
- Deputy Executive Director, Motor Trades Association of Australia
- Australian Public Service Senior officer roles in the departments of Finance, Taxation, ComSuper, Defence and the Attorney-General's Department

### General Counsel.

Mark joined Hostplus in late 2014 after spending more than 20 years as a lawyer specialising in superannuation, financial services, insurance and funds management.

Mark has worked closely with Hostplus since 1999 and has extensive experience in all aspects of superannuation law, investment management agreements, major investment reviews and negotiation, public offer and MySuper applications and advice, as well as merger and acquisition due diligence.

As General Counsel Mark provides superior legal advice and a deep understanding of the intricacies of Hostplus' operations.

### Role and key responsibilities.

- General Counsel
- Company Secretary (Hostplus subsidiaries listed below)
- Group Executive, Compliance
- Direct and manage the organisation's legal activities to protect its interests
- Act as general legal counsel to the Fund and Board
- Negotiate, draft and settle all major contracts, leases, loan agreements, securities and other commercial arrangements
- Review Board papers and minutes
- Manage our external legal panel
- Head the Fund's Compliance department

### Year of appointment.

- 2014

### Qualifications and memberships.

- Bachelor of Laws, University of Sydney
- Graduate Diploma in Legal Practice, University of Technology, Sydney
- Member, Association of Superannuation Funds of Australia (ASFA)
- Member, ASFA Governance & Regulation Policy Council
- Member, Australian Institute of Superannuation Trustees (AIST)
- Member, Investments and Pensions Europe
- Member, Law Institute of Victoria

### Experience.

- Partner, Herbert Geer/Thomson Geer
- Partner, Deacons (now known as Norton Rose)
- Partner, IFS Fairley

### Other Directorships / appointments.

#### Secretary:

- Host-Plus North Fremantle Pty Ltd
- Host-Plus Peel Street Pty Ltd
- Host-Plus Phillip Street Pty Ltd

# Corporate governance report

At Hostplus we believe that corporate governance is fundamental to:

- Ensuring that the Trustee and the Fund are managed properly; and
- Delivering long-term financial security for members.

## Corporate structure and governing documents.

The Trustee company of Hostplus is Host-Plus Pty Limited. The Trustee has complete management and control of all matters relating to Hostplus. The Trustee is governed by a constitution, and holds a Registrable Superannuation Entity (RSE L0000093) licence from the Australian Prudential Regulation Authority (APRA) and an Australian Financial Services Licence (AFSL) issued by the Australian Securities and Investments Commission (ASIC). The AFSL enables Hostplus to operate as a superannuation fund and provide financial product advice to its members.

The Trustee is governed by a Trust Deed. In 2013 the Trust Deed was amended as part of the MySuper authorisation process with APRA specifically to ensure compliance with the requirements of section 29TC of the Superannuation Industry (Supervision) Act 1993.

During 2013, the Trustee received its MySuper authorisation, which has enabled it to offer a MySuper product since 1 July 2013. The company acts in accordance with its constitution and the terms and conditions of its regulatory licences.

## Proposed changes to superannuation governance.

On 26 June 2015, the Australian Prudential Regulation Authority (APRA) informed all superannuation Trustees

that they were proposing to change the governance requirements for Registrable Superannuation Entities (RSE). The changes relate to the RSE Board structures; the proposed changes will require the Board to consist of one-third independent Directors with an independent Chair. Hostplus currently complies with this requirement.

The proposed legislation will also require changes to the structure of the Audit Risk & Compliance Committee and the Board Remuneration Committee.

The proposed implementation date for these changes is 1 July 2016, with a three-year transition period.

## Board of Directors.

Our Board of nine Directors is made up of three employer (Australian Hotels Association), three member (United Voice) and three independent representatives with an independent Chairman. Board-level decisions are based on a majority vote. All Directors are appointed on a non-executive basis and appointments are made in accordance with the Fund's fit and proper policy.

## Overview of Board governance practices.

The Board is responsible for the overall governance and strategic direction of the Fund, with the aim of protecting and enhancing the interests of members, taking into account the interest of other stakeholders, including employees, providers and the wider community.

A range of governance practices have been implemented to facilitate fairness, transparency and accountability in corporate governance.

## Board charter.

The Board charter details the key policies and processes that the Board has in place for the governance of the Fund, as well as the key roles and responsibilities of the Board, which include strategic planning, corporate culture, monitoring and evaluation of management and stewardship.

## Board appointments.

Directors are appointed for a three-year term. At the conclusion of each term, the nominating body either renews the term of the existing Director or appoints another representative. The two nominating bodies must agree to appoint a particular Independent Director. If they cannot agree, there is an independent selection process committee for re-appointment of the third Independent Director.

Each nominating body may elect to appoint an alternate Director to represent appointed Directors in their absence. The Chair of the Hostplus Board is elected by the Board.

Terms of reference have been established to govern Board proceedings including membership, role and responsibilities, operating functions and charter, appointment of Chair, quorum, voting entitlements and meeting arrangements.

Under the Constitution, the Hostplus Board has the ability to delegate its powers and responsibilities to Committees of the Board as described in the table shown.

Members of the Committees are appointed by the Hostplus Board. Similar to the Hostplus Board, each Committee is operated in accordance with its Terms of Reference.

Every year, the Hostplus Board and Committees undertake a formal performance assessment process using the services of an external consultant to assess and benchmark their performance.

Committees of the Board.			
Committee	Chair	Members	Role
Audit, Risk and Compliance Committee	Peter Collins	Mark Robertson Timothy Lyons	The role of the Audit, Risk and Compliance Committee is to oversee the financial reporting, regulatory, legislative, risk management and taxation activities of the Fund.
Claims Review Committee	Robyn Buckler	Robert Hinkley Colin Cassidy	The role of the Claims Review Committee is to review members' claims rejected by the insurer.
Remuneration Committee	David Gibson	David Elmslie Timothy Lyons	The role of the Remuneration Committee is to oversee the remuneration strategies of the Fund and make recommendations to the Board in relation to executive remuneration.

**Risk Management and Compliance Frameworks.**

**Risk Management Framework.**

The Risk Management Framework encompasses the overall operations of Hostplus, and all of the risk exposures associated with the fulfilment of its strategic objectives. This includes the material risks listed in the Risk Management Strategy (RMS). The Risk Management Framework adopted by the Fund is consistent with the requirements of the Risk Management International Standard (ISO 31000:2009) as well as applicable APRA prudential standards and regulated requirements.

The objective of the Risk Management Framework is to:

- Communicate a common understanding of risk management at Hostplus by providing all staff with the knowledge and tools to take ownership of those risks / controls that are relevant to their roles;
- Provide a detailed outline of all activities undertaken by Hostplus to identify, mitigate and minimise risk;

- Assist Hostplus in applying the various stages of the risk management process, as outlined in the Risk Management Standard (ISO 31000:2009);
- Satisfy the initial and ongoing risk management requirements imposed on RSE licensees by APRA;
- Meet the prudential standard duty of Hostplus to manage the Fund in the best interests of members and beneficiaries by effectively managing the risks associated with the operation of the Fund; and
- Design and distribute required templates to all staff to assist in the process of risk identification, recording, treatment, monitoring and reporting.

The Hostplus Board and Executive Management are responsible for the annual review and ongoing monitoring of the RMS.

**Compliance Framework.**

Hostplus has a Compliance Framework which formalises the structure and processes in place to meet legislative, regulatory and prudential standards, as well as the contractual obligations applicable to those standards. The Compliance Framework is based on the principles contained within the Australian Standard AS/NZS3806:2006 Compliance Program.

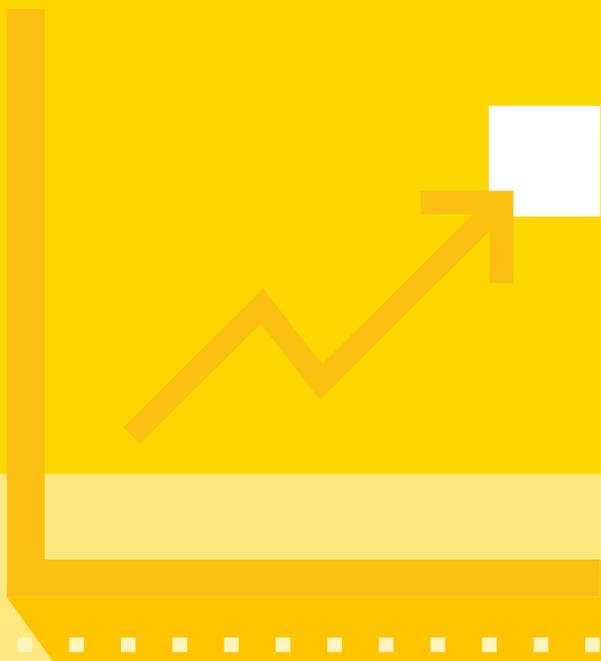
The compliance program has two tiers:

- 'The Compliance Framework' is the structure Hostplus employs to manage the compliance requirements; and
- 'Policy documents & standards' is a listing of policy documents and standards adopted at Hostplus.

The Hostplus Board maintains overall responsibility for the compliance program. Governance of the Compliance Framework and program is the responsibility of the General Counsel, reporting directly to the Audit, Risk and Compliance Committee, and the Chief Executive Officer.

# Investments.

Each year, Hostplus undertakes a review of our investment strategy. Our overall objective is to maximise each member's returns. We aim to deliver solid returns with an acceptable level of risk.



# A message from the Chief Investment Officer

## Investment market update.

The Australian economy continues to face some challenges, including declining commodity prices, an economic slowdown in China, and a sharp deterioration in Australia's terms of trade and national income. In light of this, the Reserve Bank of Australia reduced interest rates in both February and May to a new record low of 2%. Low interest rates have stimulated construction activity, with building approvals significantly higher than average. However, there is also concern that low interest rates are fuelling a property market bubble, particularly in some Australian capital cities.

The Australian dollar declined over the year, providing a boost to returns from overseas assets. A key event during the year was the European Central Bank's announcement in January that it would commence a €60 billion per month bond buying program intended to revitalise the Eurozone economy and stop deflation. The markets reacted favourably to this, providing a boost to European consumer and business confidence and also resulting in a weaker euro. Despite this, structural economic challenges remain, and the unresolved economic crisis in Greece is a continued risk to the region.

But economies and markets are not the same thing. There are many examples of markets performing well when the underlying economy is performing poorly.

The share markets continued to deliver strong performance over the 2014–2015 financial year, supported by economic recovery in the US and the European Central Bank's announcement that it would commence quantitative easing measures. The Australian share market lagged compared to overseas markets, but still delivered solid returns for the year. Fixed income also delivered solid returns, as bond yields declined further following the central bank monetary policy announcements.

In the United States, economic indicators continue to point to a gradual recovery, although US GDP growth for the first quarter of 2015 was well below market expectations. The US unemployment rate continued to improve, with the rate declining further to 5.4% during the year. In light of an improving economy, markets remain focussed on when the US Federal Reserve can be expected to announce what would be its first interest rate increase in almost a decade. The US dollar strengthened against other major currencies during the year in anticipation of the increase, which is expected to occur in late 2015.

Economic data from China continues to point to a slowdown, although Chinese equity markets have pointed in the opposite direction. Chinese policymakers have a difficult balancing act of supporting economic activity while controlling debt growth. China's central bank has reduced interest rates and taken other steps to free up money for banks to lend. The Government also continues to take steps towards opening up the Chinese financial system. The two mainland Chinese stock markets both rose by more than 100% during the year in local currency terms as a result of domestic purchases.

For the financial year ending 30 June 2015 our Balanced Investment Option, which is also our default MySuper Option, delivered a return of 11.0%. This return put us in the top 10 of all Balanced investment options surveyed in the SuperRatings Fund Crediting Rate Survey. Results in this survey for the year to 30 June 2015 also show the Balanced Option recording top quartile returns over one, three, five, and 10 years (Source: SuperRatings Fund Crediting Rate Survey - SR50, 21 July 2015). This impressive result speaks for itself. We're proud to offer our members a consistent record of strong investment performance.



Sam Sicilia  
Chief Investment Officer

**We share  
your  
passions.**

# Our investment options

## Our Pre-mixed options.

The Balanced option, our default and MySuper investment option, aims to achieve competitive, long-term investment performance for members. The Balanced option has recorded top quartile investment returns over the longer term, that is the past one, three, five and ten years as at 30 June 2015, according to the SuperRatings Fund Crediting Rate Survey (21 July 2015).

Balanced (default MySuper option)			
<b>Return target</b>	<ul style="list-style-type: none"> <li>▪ CPI plus 3.5% per annum on average over 10 years.</li> <li>▪ CPI plus 4% per annum over 20 years.</li> </ul>		
<b>Level of investment risk*</b>	<ul style="list-style-type: none"> <li>▪ High (negative returns expected in between 4 and 5 out of every 20 years).</li> </ul>		
<b>Investment style</b>	<ul style="list-style-type: none"> <li>▪ Investments through diversified investment portfolio, including some growth assets and some lower-risk investments.</li> </ul>		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option is diversified across a range of growth and defensive assets and aims to produce consistent returns over time.</li> <li>▪ This option may suit members who have a 6-year-plus investment time horizon.</li> </ul>		
<b>Suggested Minimum Investment Timeframe<sup>#</sup></b>	6 years +		
Asset mix		Range	SAA Benchmark
	<b>Growth assets</b>		<b>76%</b>
	Equity	35 – 85%	60%
	▪ Australian shares	25 – 45%	30%
	▪ International shares	10 – 30%	25%
	▪ Private equity	0 – 10%	5%
	Infrastructure	0 – 10%	7%
	Property	0 – 15%	6%
	Other (Alternatives)	0 – 10%	3%
	<b>Defensive assets</b>		<b>24%</b>
	Infrastructure	0 – 5%	3%
	Property	0 – 15%	9%
	Fixed income	0 – 20%	7%
	Cash	0 – 10%	0%
	Other (Alternatives)	0 – 10%	5%

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

Capital Stable			
<b>Return target</b>	▪ CPI plus 3% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Low (negative returns expected in between 1 and 2 out of every 20 years).		
<b>Investment style</b>	▪ Most conservative and low-risk of the Hostplus pre-mixed investment options.		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option has a lower risk return profile than the Fund's Default option.</li> <li>▪ This option may suit members who have a 3- to 4-year-plus investment time horizon.</li> </ul>		
<b>Suggested Minimum Investment Timeframe<sup>#</sup></b>	▪ 3–4 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>30%</b>
	Equity	10 – 40%	20%
	▪ Australian shares	5 – 20%	11%
	▪ International shares	5 – 15%	9%
	▪ Private equity	0 – 5%	0%
	Infrastructure	0 – 10%	4%
	Property	0 – 10%	5%
	Other (Alternatives)	0 – 10%	1%
	<b>Defensive assets</b>		<b>70%</b>
	Infrastructure	0 – 5%	1%
	Property	0 – 15%	7%
	Fixed income	30 – 50%	30%
	Cash	10 – 40%	30%
	Other (Alternatives)	0 – 5%	2%

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

<sup>#</sup> The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

# Our investment options

## Our Pre-mixed options.

Conservative Balanced			
<b>Return target</b>	▪ CPI plus 3.5% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Medium (negative returns expected in between 2 and 3 out of every 20 years).		
<b>Investment style</b>	▪ Contains roughly equal proportions of growth and defensive assets.		
<b>Who is this investment suitable for?</b>	▪ This option is diversified across a range of growth and defensive assets, and has a lower risk return profile than the Fund's Default option. ▪ This option may suit members who have a 5-year-plus investment time horizon.		
<b>Suggested Minimum Investment Timeframe#</b>	5 years +		
Asset mix		Range	SAA Benchmark
	<b>Growth assets</b>		<b>50%</b>
	Equity	25 – 65%	40%
	▪ Australian shares	15 – 30%	21%
	▪ International shares	10 – 25%	17%
	▪ Private equity	0 – 10%	2%
	Infrastructure	0 – 10%	4%
	Property	0 – 10%	5%
	Other (Alternatives)	0 – 10%	1%
	<b>Defensive assets</b>		<b>50%</b>
	Infrastructure	0 – 5%	1%
	Property	0 – 15%	8%
	Fixed income	20 – 40%	20%
	Cash	5 – 20%	18%
	Other (Alternatives)	0 – 5%	3%

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

Indexed Balanced			
<b>Return target</b>	▪ CPI plus 4% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ High (negative returns expected in between 4 and 5 out of every 20 years).		
<b>Investment style</b>	▪ Investments through diversified investment portfolio, including some growth assets and some lower-risk investments.		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option is diversified across a range of growth and defensive assets and aims to produce consistent returns over time.</li> <li>▪ This option may suit members who have a 6-year-plus investment time horizon.</li> </ul>		
<b>Suggested Minimum Investment Timeframe<sup>#</sup></b>	▪ 6 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>75%</b>
	Equity	35 – 95%	75%
	▪ Australian shares	25 – 55%	42%
	▪ International shares	10 – 40%	33%
	<b>Defensive assets</b>		<b>25%</b>
	Fixed income	10 – 30%	15%
	Cash	0 – 10%	10%

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

# Our investment options

## Our Pre-mixed options.

Shares Plus			
<b>Return target</b>	▪ CPI plus 4.5% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ High (negative returns expected in between 4 and 5 out of every 20 years).		
<b>Investment style</b>	<ul style="list-style-type: none"> <li>▪ Pre-mixed option.</li> <li>▪ Contains the highest investment in assets with potential for capital growth.</li> </ul>		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option is less diversified than the Fund's Default option and has a higher risk and return profile.</li> <li>▪ This option may suit members who have a 6-year-plus investment time horizon.</li> </ul>		
<b>Suggested Minimum Investment Timeframe<sup>#</sup></b>	6 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>85%</b>
	Equity	50 – 100%	78%
	▪ Australian shares	30 – 50%	38%
	▪ International shares	20 – 40%	34%
	▪ Private equity	0 – 15%	6%
	Infrastructure	0 – 10%	3%
	Property	0 – 10%	3%
	Other (Alternatives)	0 – 10%	1%
	<b>Defensive assets</b>		<b>15%</b>
	Infrastructure	0 – 5%	1%
	Property	0 – 10%	5%
	Fixed income	0 – 10%	6%
	Cash	0 – 10%	0%
	Other (Alternatives)	0 – 5%	3%

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

Hostplus Life**				
<b>Return target</b>	<b>Age bracket</b>	<b>Investment option</b>	<b>Objective</b>	
	Under 40	Shares Plus	CPI plus 4.5% per annum on average over 20 years.	
	40 - 49	Balanced	CPI plus 4% per annum on average over 20 years	
	50 - 59	Conservative Balanced	CPI plus 3.5% per annum on average over 20 years	
	60 and over	Capital Stable	CPI plus 3% per annum on average over 20 years	
<b>Level of investment risk*</b>	<b>Age bracket</b>	<b>Investment option</b>	<b>Level of risk</b>	<b>Negative returns expected out of every 20 years</b>
	Under 40	Shares Plus	High	Negative returns expected in between 4 and 5 out of every 20 years.
	40 - 49	Balanced	High	Negative returns expected in between 4 and 5 out of every 20 years.
	50 - 59	Conservative Balanced	Medium	Negative returns expected in between 2 and 3 out of every 20 years.
	60 and over	Capital Stable	Low	Negative returns expected in between 1 and 2 out of every 20 years.
<b>Investment style</b>	<ul style="list-style-type: none"> <li>Throughout your younger years, investment is focused on long term capital growth, with a higher investment in shares and property. As you move closer to retirement, your superannuation will be invested in increasingly more defensive assets, with less exposure to risk, and more focus on providing a steady income and preserving capital.</li> </ul>			
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>This option is suitable for member who prefer to have the investment decision made on their behalf.</li> <li>This option may suit members with a ten year plus investment time horizon.</li> </ul>			
<b>Suggested Minimum Investment Timeframe#</b>	<b>Age bracket</b>	<b>Investment option</b>	<b>Minimum investment timeframe</b>	
	Under 40	Shares Plus	6 years +	
	40 - 49	Balanced	6 years +	
	50 - 59	Conservative Balanced	5 years +	
	60 and over	Capital Stable	3 - 4 years +	

## Our investment options

Hostplus Life** (continued)					
Asset mix	Shares Plus			Balanced	
		Range	SAA Benchmark	Range	SAA Benchmark
<b>Growth assets</b>			<b>85%</b>		<b>76%</b>
Equity		50 – 100%	78%	35 – 85%	60%
▪ Australian shares		30 – 50%	38%	25 – 45%	30%
▪ International shares		20 – 40%	34%	10 – 30%	25%
▪ Private equity		0 – 15%	6%	0 – 10%	5%
Infrastructure		0 – 10%	3%	0 – 10%	7%
Property		0 – 10%	3%	0 – 15%	6%
Other (Alternatives)		0 – 10%	1%	0 – 10%	3%
<b>Defensive assets</b>			<b>15%</b>		<b>24%</b>
Infrastructure		0 – 5%	1%	0 – 5%	3%
Property		0 – 10%	5%	0 – 15%	9%
Fixed income		0 – 10%	6%	0 – 20%	7%
Cash		0 – 10%	0%	0 – 10%	0%
Other (Alternatives)		0 – 5%	3%	0 – 10%	5%

Hostplus Life** (continued)					
	Conservative Balanced			Capital Stable	
	Range	SAA Benchmark	Range	SAA Benchmark	
<b>Growth assets</b>		<b>50%</b>		<b>30%</b>	
Equity	25 – 65%	40%	10 – 40%	20%	
▪ Australian shares	15 – 30%	21%	5 – 20%	11%	
▪ International shares	10 – 25%	17%	5 – 15%	9%	
▪ Private equity	0 – 10%	2%	0 – 5%	0%	
Infrastructure	0 – 10%	4%	0 – 10%	4%	
Property	0 – 10%	5%	0 – 10%	5%	
Other (Alternatives)	0 – 10%	1%	0 – 10%	1%	
<b>Defensive assets</b>		<b>50%</b>		<b>70%</b>	
Infrastructure	0 – 5%	1%	0 – 5%	1%	
Property	0 – 15%	8%	0 – 15%	7%	
Fixed income	20 – 40%	20%	30 – 50%	30%	
Cash	5 – 20%	18%	10 – 40%	30%	
Other (Alternatives)	0 – 5%	3%	0 – 5%	2%	
Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.					

\*\* Whilst this option was introduced on 25 May 2015, the net investment returns are the actual net returns of the underlying investment options forming Hostplus Life.

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

# The Suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

# Our investment options

## Our Sector options.

Cash			
<b>Return target</b>	▪ CPI plus 1% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Very low (negative returns expected in between 0 and 1 out of every 20 years).		
<b>Investment style</b>	▪ Cash investments could include deposits in a bank, investments in short-term money markets and other similar investments.		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option may suit members who have a short-term investment horizon.</li> <li>▪ It will provide security of capital but returns will typically be lower than that produced by the Fund's Default option over the medium to long term.</li> </ul>		
<b>Suggested Minimum Investment Timeframe#</b>	▪ Less than 1 year		
Asset mix		Range	SAA Benchmark
	<b>Growth assets</b>		<b>0%</b>
	<b>Defensive assets</b>		<b>100%</b>
	Cash	0 – 100%	100%

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

Diversified Fixed Interest			
<b>Return target</b>	▪ CPI plus 1.5% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Medium (negative returns expected in between 2 and 3 out of every 20 years).		
<b>Investment style</b>	▪ Usually a loan to a government or business with a fixed interest rate and the length of the loan agreed in advance.		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option may suit members who desire lower volatility over the medium term.</li> <li>▪ Whilst returns can fluctuate, the risk and return profile is lower than the Fund's Default and Shares options.</li> </ul>		
<b>Suggested Minimum Investment Timeframe<sup>#</sup></b>	▪ 5 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>0%</b>
	Other (Alternatives)	0% – 10%	0%
	<b>Defensive assets</b>		<b>100%</b>
	Fixed income	90 – 100%	100%
Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.			

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

# Our investment options

## Our Sector options.

Property			
<b>Return target</b>	▪ CPI plus 3% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Medium to high (negative returns expected in between 3 and 4 out of every 20 years).		
<b>Investment style</b>	▪ An investment in property or buildings, either directly or via property trusts.		
<b>Who is this investment suitable for?</b>	▪ This option has a lower risk and return profile than the Fund's Default option and aims to achieve income returns and capital growth over the longer term.		
<b>Suggested Minimum Investment Timeframe*</b>	▪ This option may suit members who have a 5-year-plus investment time horizon.		
Asset mix		Range	SAA Benchmark
	<b>Growth assets</b>		<b>40%</b>
	Property	0 – 100%	40%
	<b>Defensive assets</b>		<b>60%</b>
	Property	0 – 100%	60%
Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.			

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

Australian Shares			
<b>Return target</b>	▪ CPI plus 5% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Very high (negative returns expected in between 6 and 7 out of every 20 years).		
<b>Investment style</b>	▪ Active management.		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option is less diversified than the Fund's Default option and has a higher risk and return profile.</li> <li>▪ This option may suit members who have a 7-year-plus investment time horizon.</li> </ul>		
<b>Suggested Minimum Investment Timeframe#</b>	▪ 7 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>100%</b>
	Equity	0 – 100%	100%
	▪ Australian shares	0 – 100%	100%
	▪ International shares	0 – 10%	0%
	<b>Defensive assets</b>		<b>0%</b>
	Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.		

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

# Our investment options

## Our Sector options.

International Shares			
<b>Return target</b>	▪ CPI plus 5% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ High (negative returns expected in between 5 and 6 out of every 20 years).		
<b>Investment style</b>	▪ Active management.		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option is less diversified than the Fund's Default option and has a higher risk and return profile.</li> <li>▪ This option may suit members who have a 7-year-plus investment time horizon.</li> </ul>		
<b>Suggested Minimum Investment Timeframe*</b>	▪ 7 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>100%</b>
	Equity	0 – 100%	100%
	▪ International shares	0 – 100%	100%
	<b>Defensive assets</b>		<b>0%</b>
Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.			

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

**Our individual manager options.**

Macquarie Investment Management – Australian Fixed Interest			
<b>Return target</b>	▪ CPI plus 1.5% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Medium (negative returns expected in between 2 and 3 out of every 20 years).		
<b>Investment style</b>	▪ Passive management.		
<b>Who is this investment suitable for?</b>	▪ This option may suit members who desire lower return volatility over the medium term. ▪ Whilst returns can fluctuate, the risk and return profile is lower than the Fund's Default and Shares options.		
<b>Suggested Minimum Investment Timeframe#</b>	▪ 3 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>0%</b>
	<b>Defensive assets</b>		<b>100%</b>
	▪ Fixed income		100%
Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.			

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

# Our investment options

## Our individual manager options.

BlackRock Asset Management – International Fixed Interest <sup>^</sup>			
<b>Return target</b>	▪ CPI plus 1.5% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Medium (negative returns expected in between 2 and 3 out of every 20 years).		
<b>Investment style</b>	<ul style="list-style-type: none"> <li>▪ Passive management.</li> <li>▪ The manager invests in securities that form the Barclays Global Aggregate Index, using an index tracking approach to manage securities.</li> </ul>		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option may suit members who desire lower return volatility over the medium term.</li> <li>▪ Whilst returns can fluctuate, the risk and return profile is lower than the Fund's Default and Shares options.</li> </ul>		
<b>Suggested Minimum Investment Timeframe<sup>#</sup></b>	▪ 3 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>0%</b>
	<b>Defensive assets</b>		<b>100%</b>
	▪ Fixed income		100%
Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.			

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

<sup>^</sup> From the option's inception on 1 June 2011 to 14 January 2014, this option was invested in the Blackrock Indexed World Government Bond Fund (hedged in AUD with net dividends reinvested). From 15 January 2014, this option has been invested in the BlackRock Global Bond Index Fund, which tracks the Barclays Global Aggregate Index (hedged in AUD with net dividends reinvested).

Industry Super Property Trust Core Fund – Property			
<b>Return target</b>	▪ CPI plus 3% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Medium to high (negative returns expected in between 3 and 4 out of every 20 years).		
<b>Investment style</b>	▪ The Fund has an income bias aiming to offer investors lower relative earnings volatility and a higher income yield.		
<b>Who is this investment suitable for?</b>	▪ This option has a lower risk and return profile than the Fund's Default option and aims to achieve income returns and capital growth over the longer term. ▪ This option may suit members who have a 5-year-plus investment time horizon.		
<b>Suggested Minimum Investment Timeframe<sup>#</sup></b>	▪ 5 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>30%</b>
	▪ Property		30%
	<b>Defensive assets</b>		<b>70%</b>
	▪ Property		70%
	Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.		

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

# Our investment options

## Our individual manager options.

Lend Lease managed Australian Prime Property Funds (Retail, Commercial & Industrial) – Property			
<b>Return target</b>	▪ CPI plus 3% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Medium to high (negative returns expected in between 3 and 4 out of every 20 years)		
<b>Investment style</b>	▪ Long-term direct investment in a quality portfolio of major regional core retail assets, commercial assets and industrial assets across Australia.		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option has a lower risk and return profile than the Fund's Default option and aims to achieve income returns and capital growth over the longer term.</li> <li>▪ This option may suit members who have a 5-year-plus investment time horizon.</li> </ul>		
<b>Suggested Minimum Investment Timeframe<sup>#</sup></b>	▪ 5 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>30%</b>
	▪ Property		30%
	<b>Defensive assets</b>		<b>70%</b>
	▪ Property		70%
Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.			

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

IFM – Australian Infrastructure <sup>1</sup>			
<b>Return target</b>	▪ CPI plus 3% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Medium to high (negative returns expected in between 3 and 4 out of every 20 years).		
<b>Investment style</b>	▪ Long-term direct investment option that invests in tangible infrastructure assets, such as airports, toll roads, power plants and utilities, across Australia.		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option has a lower risk and return profile than the Fund's Default option and aims to achieve income returns and capital growth over the longer term.</li> <li>▪ This option may suit members who have a 5-year-plus investment time horizon.</li> </ul>		
<b>Suggested Minimum Investment Timeframe<sup>#</sup></b>	▪ 5 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>50%</b>
	▪ Infrastructure		50%
	<b>Defensive assets</b>		<b>50%</b>
	▪ Infrastructure		50%
Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.			

1. The option may be closed to new investors if a cap of 3% of total funds under management for the fund is reached.

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

# Our investment options

## Our individual manager options.

Balanced Equity Management – Australian Shares			
<b>Return target</b>	▪ CPI plus 5% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Very high (negative returns expected in between 6 and 7 out of every 20 years).		
<b>Investment style</b>	▪ Active management style based on fundamental analysis of stocks within the S&P/ASX100 Accumulation Index.		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option is less diversified than the Fund's Default option and has a higher risk and return profile.</li> <li>▪ This option may suit members who have a 7-year-plus investment time horizon.</li> </ul>		
<b>Suggested Minimum Investment Timeframe#</b>	▪ 7 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>100%</b>
	<b>Equity</b>		<b>100%</b>
	▪ Australian shares		100%
	<b>Defensive assets</b>		<b>0%</b>
Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.			

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

IFM – Australian Shares			
<b>Return target</b>	▪ CPI plus 5% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Very high (negative returns expected in between 6 and 7 out of every 20 years).		
<b>Investment style</b>	▪ Enhanced passive management.		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option is less diversified than the Fund's Default option and has a higher risk and return profile.</li> <li>▪ This option may suit members who have a 7-year-plus investment time horizon.</li> </ul>		
<b>Suggested Minimum Investment Timeframe<sup>#</sup></b>	▪ 7 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>100%</b>
	<b>Equity</b>		<b>100%</b>
	▪ Australian shares		100%
	<b>Defensive assets</b>		<b>0%</b>
Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.			

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

# Our investment options

## Our individual manager options.

Paradice Investment Management (Small Cap) – Australian Shares			
<b>Return target</b>	▪ CPI plus 5% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Very high (negative returns expected in between 6 and 7 out of every 20 years).		
<b>Investment style</b>	▪ Specialises in investing in companies outside the ASX top 100 stocks as defined by market capitalisation, as well as having the capacity to invest in New Zealand stocks.		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option is less diversified than the Fund's Default option and has a higher risk and return profile.</li> <li>▪ This option may suit members who have a 7-year-plus investment time horizon.</li> </ul>		
<b>Suggested Minimum Investment Timeframe#</b>	▪ 7 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>100%</b>
	<b>Equity</b>		<b>100%</b>
	▪ Australian shares		100%
	<b>Defensive assets</b>		<b>0%</b>
	Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.		

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

IronBridge Capital Management – International Shares			
<b>Return target</b>	▪ CPI plus 5% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ High (negative returns expected in between 5 and 6 out of every 20 years).		
<b>Investment style</b>	<ul style="list-style-type: none"> <li>▪ Active style blend of growth and value stock selection.</li> <li>▪ Utilises proprietary concept 'Life Cycle' which defines the path of analysis for fundamental research and for ensuring proper diversification in the portfolio construction process.</li> </ul>		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option is less diversified than the Fund's Default option and has a higher risk and return profile.</li> <li>▪ This option may suit members who have a 7-year-plus investment time horizon.</li> </ul>		
<b>Suggested Minimum Investment Timeframe<sup>#</sup></b>	▪ 7 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>100%</b>
	<b>Equity</b>		<b>100%</b>
	▪ International shares		100%
	<b>Defensive assets</b>		<b>0%</b>
Investment managers may invest a proportion of this option's assets in cash for management purposes from time to time.			

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

# Our investment options

Neuberger Berman – International Shares			
<b>Return target</b>	▪ CPI plus 5% per annum over 20 years.		
<b>Level of investment risk*</b>	▪ Very high (negative returns expected in between 6 and 7 out of every 20 years).		
<b>Investment style</b>	<ul style="list-style-type: none"> <li>▪ Neuberger Berman seeks to maximise performance by constructing its portfolios with high-quality, growing companies trading at attractive valuations, which have the potential to outperform the MSCI Emerging Markets Index at lower risk.</li> <li>▪ The style can best be characterised by Growth at a Reasonable Price (GARP).</li> </ul>		
<b>Who is this investment suitable for?</b>	<ul style="list-style-type: none"> <li>▪ This option is less diversified than the Fund's Default option and has a higher risk and return profile.</li> <li>▪ This option may suit members who have a 7-year-plus investment time horizon.</li> </ul>		
<b>Suggested Minimum Investment Timeframe<sup>#</sup></b>	▪ 7 years +		
<b>Asset mix</b>		<b>Range</b>	<b>SAA Benchmark</b>
	<b>Growth assets</b>		<b>100%</b>
	<b>Equity</b>		<b>100%</b>
	▪ International shares		100%
	<b>Defensive assets</b>		<b>0%</b>

## Our Choiceplus option.

The Choiceplus investment option offers you a greater level of control and choice in investing your super.

It provides you with access to real-time trading, extensive market information, independent research through Thomson Reuters and investment tools to assist you in making an informed investment decision and manage your portfolio.

Choiceplus allows you to invest directly in:

- Australian shares (S&P/ASX 300 Index);
- Exchange traded funds (ETFs); and
- Term deposits.

The Choiceplus investment option offers many of the features available to a self-managed super fund (SMSF) at a low cost, and you continue to be invested in an APRA regulated super fund with all the prudential protections that it provides – unlike an SMSF, which does not provide the same protections.

Hostplus reserves the right to change or add to the selection of investments available through the Choiceplus investment option as required. Visit [hostplus.com.au/choiceplus](http://hostplus.com.au/choiceplus) for details of the current investments available.

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

# The suggested Minimum Investment Timeframe is based on the risk and return profile of this option. The timeframe considers volatility and the likelihood of negative annual returns in any one year.

**Passionate and  
knowledgeable  
about the  
things we do.**

# Our investment returns - Superannuation

Net investment returns for Hostplus and Hostplus Executive to 30 June 2015	2015	2014	2013	2012	2011
Capital Stable	6.61%	7.94%	9.14%	5.35%	8.88%
Conservative Balanced	8.39%	10.42%	12.21%	3.08%	9.80%
Indexed Balanced	10.83%	14.39%	18.71%	0.44%	1.95% <sup>1</sup>
Balanced (MySuper)	11.00%	13.60%	16.30%	1.00%	10.11%
Shares Plus	10.84%	14.79%	17.91%	-1.07%	11.62%
Cash	2.04%	2.30%	2.84%	3.88%	5.08%
Diversified Fixed Interest	5.92%	7.00%	7.30%	10.82%	9.48%
Property	11.92%	8.58%	5.28%	3.62%	4.92%
Australian Shares	7.88%	17.55%	19.33%	-4.53%	13.50%
International Shares	12.13%	17.21%	23.97%	-3.18%	16.22%
Macquarie Investment Management – Australian Fixed Interest	4.77%	5.28%	2.36%	10.47%	4.69%
BlackRock Asset Management – International Fixed Interest	5.22%	6.39%	3.96%	11.23%	0.00% <sup>4</sup>
Industry Super Property Trust Core Fund	11.36%	8.40%	8.01%	6.78%	7.87%
Lend Lease – Australian Prime Property Funds – Property	8.01%	7.47%	5.13%	8.48%	7.90%
Balanced Equity Management – Australian Shares	6.60%	18.38%	26.12%	-5.34%	12.55%
IFM – Australian Shares	6.95%	17.04%	9.29% <sup>2</sup>	N/A	N/A
Paradise Investment Management (Small Cap) – Australian Shares	9.40%	8.67%	7.33%	1.33%	18.66%
IronBridge Capital Management – International Shares	23.50%	14.28%	28.70%	-1.14%	0.45% <sup>4</sup>
Neuberger Berman – International Shares	13.44%	9.50%	19.99%	1.64% <sup>3</sup>	N/A
IFM – Australian Infrastructure	2.14% <sup>5</sup>	N/A	N/A	N/A	N/A

1 The Indexed Balanced option was introduced on 1 December 2010, therefore this performance figure is for the seven months to 30 June 2011.

2 The Industry Funds Management Australian Shares option was introduced on 1 November 2012, therefore the 2013 performance figure is for the period from 1 November 2012 to 30 June 2013.

3 The Neuberger Berman International Shares option was introduced on 31 October 2011, therefore the 2012 performance figure is for the period 31 October 2011 to 30 June 2012.

4 The BlackRock International Fixed Interest and IronBridge International Shares options were introduced on 1 June 2011, therefore the 2011 performance figure is for the period 1 June 2011 to 30 June 2011.

5 The IFM - Australian Infrastructure option was introduced on 25 May 2015, therefore this performance is for the period of five weeks to 30 June 2015.

Past performance is not a reliable indicator of future performance.

Net investment returns for Hostplus and Hostplus Executive to 30 June 2015	6 mth	1 yr	3 yr p.a.	5 yr p.a.	7 yr p.a.	10 yr p.a.
Capital Stable	3.05%	6.61%	7.89%	7.57%	5.93%	6.23%
Conservative Balanced (A)	3.91%	8.39%	10.33%	8.73%	6.38%	N/A
Indexed Balanced (B)	3.88%	10.83%	14.60%	N/A	N/A	N/A
Balanced (MySuper)	5.40%	11.00%	13.61%	10.28%	6.28%	7.14%
Shares Plus	5.18%	10.84%	14.48%	10.62%	6.46%	7.60%
Cash	1.00%	2.04%	2.39%	3.22%	3.56%	4.27%
Diversified Fixed Interest	2.66%	5.92%	6.74%	8.09%	7.72%	6.68%
Property	5.37%	11.92%	8.56%	6.82%	3.57%	6.07%
Australian Shares	3.85%	7.88%	14.81%	10.40%	7.49%	8.82%
International Shares	6.49%	12.13%	17.67%	12.89%	6.47%	6.83%
Macquarie Investment Management – Australian Fixed Interest	0.88%	4.77%	4.13%	5.48%	6.19%	5.33%
BlackRock Asset Management – International Fixed Interest (C)	0.79%	5.22%	5.19%	N/A	N/A	N/A
Industry Super Property Trust Core Fund	5.39%	11.36%	9.25%	8.47%	4.63%	6.95%
Lend Lease – Australian Prime Property Funds – Property	4.87%	8.01%	6.86%	7.39%	3.66%	6.52%
Balanced Equity Management – Australian Shares	3.57%	6.60%	16.75%	11.14%	8.11%	8.67%
IFM – Australian Shares (D)	3.85%	6.95%	N/A	N/A	N/A	N/A
Paradise Investment Management (Small Cap) – Australian Shares	8.71%	9.40%	8.46%	8.94%	7.04%	7.85%
IronBridge Capital Management – International Shares (C)	7.35%	23.50%	22.01%	N/A	N/A	N/A
Neuberger Berman – International Shares (E)	6.72%	13.44%	14.23%	N/A	N/A	N/A
IFM – Australian Infrastructure (F)	N/A	N/A	N/A	N/A	N/A	N/A

A The Conservative Balanced option was introduced on 1 October 2007.

B The Indexed Balanced option was introduced on 1 December 2010.

C The BlackRock International Fixed Interest and IronBridge International Shares options were introduced on 1 June 2011.

D The Industry Funds Management Australian Shares option was introduced on 1 November 2012.

E The Neuberger Berman International Shares option was introduced on 31 October 2011.

F The IFM Infrastructure Option was introduced on 25 May 2015.

Past performance is not a reliable indicator of future performance.

# Our investment returns - Pension

Net investment returns for Hostplus Pension to 30 June 2015	2015	2014	2013	2012	2011
Capital Stable	7.30%	8.86%	10.57%	6.04%	10.42%
Conservative Balanced	9.35%	11.53%	14.18%	3.43%	11.70%
Indexed Balanced	12.21%	15.70%	21.55%	-0.44%	2.25% <sup>1</sup>
Balanced (MySuper)	12.28%	14.74%	18.41%	0.96%	11.39%
Shares Plus	12.21%	16.22%	20.83%	-1.19%	14.40%
Cash	2.55%	2.62%	3.32%	4.67%	5.24%
Diversified Fixed Interest	7.06%	7.82%	8.38%	12.29%	10.62%
Property	12.59%	9.41%	5.80%	4.01%	5.67%
Australian shares	8.76%	19.40%	22.14%	-5.41%	14.83%
International shares	14.47%	19.14%	28.09%	-3.34%	19.47%
Macquarie Investment Management – Australian Fixed Interest	5.93%	6.31%	2.36%	12.45%	5.53%
BlackRock Asset Management – International Fixed Interest	5.78%	7.11%	4.54%	12.53%	0.00% <sup>4</sup>
Industry Super Property Trust Core Fund	10.79%	9.77%	8.35%	7.89%	9.12%
Lend Lease – Australian Prime Property Funds – Property	8.64%	7.91%	5.85%	9.43%	8.93%
Balanced Equity Management – Australian Shares	7.55%	20.14%	29.73%	-6.49%	14.71%
IFM – Australian Shares	7.86%	18.37%	10.30% <sup>2</sup>	N/A	N/A
Paradise Investment Management (Small Cap) – Australian Shares	11.86%	9.39%	8.36%	0.79%	21.12%
IronBridge Capital Management – International Shares	26.36%	15.58%	30.84%	-1.36%	-0.26% <sup>4</sup>
Neuberger Berman – International Shares	15.10%	10.54%	22.80%	-1.97% <sup>3</sup>	N/A
IFM – Australian Infrastructure	-0.06% <sup>5</sup>	N/A	N/A	N/A	N/A

1 The Indexed Balanced option was introduced on 1 December 2010, therefore this performance figure is for the seven months to 30 June 2011.

2 The Industry Funds Management Australian Shares option was introduced on 1 November 2012, therefore the 2013 performance figure is for the period from 1 November 2012 to 30 June 2013.

3 The Neuberger Berman International Shares option was introduced on 31 October 2011, therefore the 2012 performance figure is for the period 31 October 2011 to 30 June 2012.

4 The BlackRock International Fixed Interest and IronBridge International Shares options were introduced on 1 June 2011, therefore the 2011 performance figure is for the period 1 June 2011 to 30 June 2011.

5 The IFM - Australian Infrastructure option was introduced on 25 May 2015, therefore this performance is for the period of five weeks to 30 June 2015.

Past performance is not a reliable indicator of future performance.

Net investment returns for Hostplus Pension to 30 June 2015	6 mth	1 yr	3 yr p.a.	5 yr p.a.
Capital Stable	3.27%	7.30%	8.90%	8.62%
Conservative Balanced	4.28%	9.35%	11.67%	9.98%
Indexed Balanced (A)	4.52%	12.21%	16.42%	N/A
Balanced (MySuper)	5.75%	12.28%	15.12%	11.40%
Shares Plus	5.70%	12.21%	16.37%	12.24%
Cash	1.15%	2.55%	2.83%	3.67%
Diversified Fixed Interest	3.27%	7.06%	7.75%	9.22%
Property	4.98%	12.59%	9.23%	7.45%
Australian shares	3.54%	8.76%	16.62%	11.49%
International shares	8.34%	14.47%	20.44%	15.07%
Macquarie Investment Management – Australian Fixed Interest	0.93%	5.93%	4.85%	6.46%
BlackRock Asset Management – International Fixed Interest (B)	0.70%	5.78%	5.81%	N/A
Industry Super Property Trust Core Fund	3.89%	10.79%	9.63%	9.18%
Lend Lease – Australian Prime Property Funds – Property	4.84%	8.64%	7.46%	8.15%
Balanced Equity Management – Australian Shares	3.33%	7.55%	18.79%	12.45%
IFM – Australian Shares (C)	3.70%	7.86%	N/A	N/A
Paradise Investment Management (Small Cap) – Australian Shares	8.84%	11.86%	9.86%	10.11%
IronBridge Capital Management – International Shares (B)	9.39%	26.36%	24.09%	N/A
Neuberger Berman – International Shares (D)	6.97%	15.10%	16.04%	N/A
IFM – Australian Infrastructure (E)	N/A	N/A	N/A	N/A

A The Indexed Balanced option was introduced on 1 December 2010.

B The BlackRock International Fixed Interest and IronBridge International Shares options were introduced on 1 June 2011.

C The Industry Funds Management Australian Shares option was introduced on 1 November 2012.

D The Neuberger Berman International Shares option was introduced on 31 October 2011.

E The IFM Infrastructure Option was introduced on 25 May 2015.

Past performance is not a reliable indicator of future performance.

# Investment holdings

## Australian Equities.

### 100 largest holdings as at 30 June 2015

Rank	Name	Value (AUD)	% of Asset Class	% of Total Fund
1	COMMONWEALTH BANK OF AUSTRALIA	\$334.0m	6.8%	1.8%
2	WESTPAC BANKING CORPORATION	\$324.1m	6.6%	1.8%
3	AUSTRALIA NEW ZEALAND BANKING	\$320.1m	6.5%	1.8%
4	NATIONAL AUSTRALIA BANK	\$247.5m	5.0%	1.4%
5	BHP BILLITON	\$197.4m	4.0%	1.1%
6	TELSTRA CORPORATION	\$180.9m	3.7%	1.0%
7	WESFARMERS	\$102.4m	2.1%	0.6%
8	MACQUARIE GROUP	\$87.6m	1.8%	0.5%
9	CSL	\$81.3m	1.7%	0.4%
10	WOOLWORTHS	\$75.8m	1.5%	0.4%
11	WOODSIDE PETROLEUM	\$62.8m	1.3%	0.3%
12	QANTAS AIRWAYS	\$59.9m	1.2%	0.3%
13	ASCIANO	\$59.4m	1.2%	0.3%
14	QBE INSURANCE GROUP	\$57.7m	1.2%	0.3%
15	CALTEX AUSTRALIA	\$53.6m	1.1%	0.3%
16	ECHO ENTERTAINMENT GROUP	\$50.1m	1.0%	0.3%
17	BRAMBLES	\$48.3m	1.0%	0.3%
18	AMP	\$47.6m	1.0%	0.3%
19	ORIGIN ENERGY	\$47.0m	1.0%	0.3%
20	RIO TINTO	\$46.8m	1.0%	0.3%
21	SUNCORP GROUP	\$45.6m	0.9%	0.3%
22	RESMED CDI	\$45.2m	0.9%	0.2%
23	HENDERSON GROUP CDI	\$43.7m	0.9%	0.2%
24	AMCOR	\$39.9m	0.8%	0.2%
25	SANTOS	\$38.9m	0.8%	0.2%
26	SYDNEY AIRPORT UNT	\$37.4m	0.8%	0.2%
27	COMPUTERSHARE	\$37.1m	0.8%	0.2%
28	TRANSURBAN GROUP	\$35.5m	0.7%	0.2%
29	AURIZON	\$34.0m	0.7%	0.2%
30	INCITEC PIVOT	\$31.8m	0.6%	0.2%
31	JAMES HARDIE INDUSTRIES CDI	\$30.4m	0.6%	0.2%
32	MACQUARIE ATLAS ROADS GROUP	\$30.2m	0.6%	0.2%
33	BANK OF QUEENSLAND	\$29.7m	0.6%	0.2%
34	NEWCREST MINING	\$28.6m	0.6%	0.2%

**Australian Equities.****100 largest holdings as at 30 June 2015 (continued)**

Rank	Name	Value (AUD)	% of Asset Class	% of Total Fund
35	AGL ENERGY	\$27.8m	0.6%	0.2%
36	ALUMINA	\$27.7m	0.6%	0.2%
37	SOUTH32 GRP	\$27.4m	0.6%	0.2%
38	OIL SEARCH	\$27.4m	0.6%	0.2%
39	TPG TELECOM	\$27.0m	0.5%	0.1%
40	TREASURY WINE ESTATES	\$26.6m	0.5%	0.1%
41	FLETCHER BUILDING	\$25.9m	0.5%	0.1%
42	AUSNET SERVICES	\$25.0m	0.5%	0.1%
43	LEND LEASE GROUP (STAPLED)	\$24.7m	0.5%	0.1%
44	INSURANCE AUSTRALIA GROUP	\$24.0m	0.5%	0.1%
45	CARSALES.COM	\$23.7m	0.5%	0.1%
46	RECALL HOLDINGS	\$23.4m	0.5%	0.1%
47	GPT GROUP UNT	\$22.9m	0.5%	0.1%
48	TABCORP HOLDINGS	\$22.1m	0.4%	0.1%
49	MIRVAC GROUP UNT	\$21.3m	0.4%	0.1%
50	FLIGHT CENTRE TRAVEL GROUP	\$21.2m	0.4%	0.1%
51	CHALLENGER	\$20.6m	0.4%	0.1%
52	ORORA	\$20.5m	0.4%	0.1%
53	ALS	\$20.5m	0.4%	0.1%
54	ANSELL	\$19.9m	0.4%	0.1%
55	DULUXGROUP	\$19.6m	0.4%	0.1%
56	SUPER RETAIL GROUP	\$18.7m	0.4%	0.1%
57	CHORUS	\$18.6m	0.4%	0.1%
58	CROWN RESORTS	\$18.4m	0.4%	0.1%
59	SEEK	\$17.4m	0.4%	0.1%
60	METCASH	\$16.8m	0.3%	0.1%
61	APN NEWS & MEDIA	\$16.4m	0.3%	0.1%
62	WORLEYPARSONS	\$16.2m	0.3%	0.1%
63	TRANSFIELD SERVICES	\$16.1m	0.3%	0.1%
64	GRAINCORP	\$16.0m	0.3%	0.1%
65	ALCOA CDI	\$15.6m	0.3%	0.1%
66	VEDA GROUP	\$15.6m	0.3%	0.1%
67	SIGMA PHARMACEUTICALS	\$15.4m	0.3%	0.1%
68	ARISTOCRAT LEISURE	\$15.4m	0.3%	0.1%

# Investment holdings

## Australian Equities.

### 100 largest holdings as at 30 June 2015 (continued)

Rank	Name	Value (AUD)	% of Asset Class	% of Total Fund
69	BORAL	\$15.2m	0.3%	0.1%
70	WESTFIELD CORPORATION UNT	\$15.2m	0.3%	0.1%
71	FEDERATION CENTRES	\$14.9m	0.3%	0.1%
72	GOODMAN GROUP UNT	\$14.8m	0.3%	0.1%
73	ADELAIDE BRIGHTON	\$14.5m	0.3%	0.1%
74	REA GROUP	\$14.1m	0.3%	0.1%
75	AVEO GROUP UNT	\$14.0m	0.3%	0.1%
76	ILUKA RESOURCES	\$14.0m	0.3%	0.1%
77	RAMSAY HEALTH CARE	\$13.3m	0.3%	0.1%
78	SAI GLOBAL	\$13.2m	0.3%	0.1%
79	PREMIER INVESTMENTS	\$13.2m	0.3%	0.1%
80	CIMIC GROUP LTD	\$13.0m	0.3%	0.1%
81	BENDIGO AND ADELAIDE BANK	\$12.9m	0.3%	0.1%
82	HARVEY NORMAN HOLDINGS	\$12.7m	0.3%	0.1%
83	SOUTHERN CROSS MEDIA GROUP	\$12.4m	0.3%	0.1%
84	PRIMARY HEALTH CARE	\$12.3m	0.3%	0.1%
85	APN OUTDOOR GROUP	\$12.2m	0.2%	0.1%
86	IRESS	\$11.7m	0.2%	0.1%
87	SIMS METAL MANAGEMENT	\$11.7m	0.2%	0.1%
88	AUSTAL	\$11.7m	0.2%	0.1%
89	NAVITAS	\$11.6m	0.2%	0.1%
90	CSR	\$11.6m	0.2%	0.1%
91	SONIC HEALTHCARE	\$11.6m	0.2%	0.1%
92	SIRTEX MEDICAL	\$11.2m	0.2%	0.1%
93	DOWNER EDI	\$11.1m	0.2%	0.1%
94	BT INVESTMENT MANAGEMENT	\$11.0m	0.2%	0.1%
95	EVOLUTION MINING	\$10.6m	0.2%	0.1%
96	SCENTRE GROUP	\$10.5m	0.2%	0.1%
97	AUTOHOME ADR	\$10.4m	0.2%	0.1%
98	CHARTER HALL GRP UNT	\$10.4m	0.2%	0.1%
99	SPOTLESS GROUP HOLDINGS	\$10.2m	0.2%	0.1%
100	MINERAL RESOURCES	\$10.0m	0.2%	0.1%
<b>Total</b>		<b>\$4,105.6m</b>	<b>83.5%</b>	<b>22.6%</b>

## Australian Equities.

### Sector allocation of the 100 largest holdings as at 30 June 2015

Sector	Value (AUD)	% of Asset Class	% of Total Fund
Consumer Discretionary	\$238.6m	4.9%	1.3%
Consumer Staples	\$237.6m	4.8%	1.3%
Energy	\$246.0m	5.0%	1.4%
Financials	\$1,754.6m	35.7%	9.6%
Healthcare	\$210.4m	4.3%	1.2%
Industrials	\$515.7m	10.5%	2.8%
Information Technology	\$34.1m	0.7%	0.2%
Materials	\$589.3m	12.0%	3.2%
Telcom Services	\$226.6m	4.6%	1.2%
Utilities	\$52.8m	1.1%	0.3%
<b>Total</b>	<b>\$4,105.6m</b>	<b>83.5%</b>	<b>22.6%</b>

# Investment holdings

## International Equities.

### 100 largest holdings as at 30 June 2015

Rank	Name	Country	Value (AUD)	% of Asset Class	% of Total Fund
1	TENCENT	CHINA	\$62.6m	1.4%	0.3%
2	AMAZON COM	UNITED STATES	\$53.7m	1.2%	0.3%
3	MICROSOFT	UNITED STATES	\$52.1m	1.2%	0.3%
4	NETEASE ADR	CHINA	\$46.6m	1.0%	0.3%
5	BAIDU ADR CL A	CHINA	\$45.3m	1.0%	0.2%
6	GOOGLE	UNITED STATES	\$44.1m	1.0%	0.2%
7	TAIWAN SEMICONDUCTOR MNFTG ADR	TAIWAN	\$44.0m	1.0%	0.2%
8	SAMSUNG ELECTR	KOREA	\$43.6m	1.0%	0.2%
9	EBAY	UNITED STATES	\$41.8m	0.9%	0.2%
10	NESTLE N	SWITZERLAND	\$40.9m	0.9%	0.2%
11	ILLUMINA	UNITED STATES	\$38.4m	0.9%	0.2%
12	NOVARTIS N	SWITZERLAND	\$37.9m	0.8%	0.2%
13	APPLE	UNITED STATES	\$36.6m	0.8%	0.2%
14	AIA	HONG KONG	\$31.8m	0.7%	0.2%
15	AB INBEV	BELGIUM	\$31.0m	0.7%	0.2%
16	WALT DISNEY	UNITED STATES	\$29.9m	0.7%	0.2%
17	MOTOROLA SOLUTIONS	UNITED STATES	\$29.5m	0.7%	0.2%
18	ICBC H	CHINA	\$29.1m	0.6%	0.2%
19	MONDELEZ INTERNATIONAL CL A	UNITED STATES	\$28.2m	0.6%	0.2%
20	ACCENTURE CL A	UNITED STATES	\$27.8m	0.6%	0.2%
21	FACEBOOK CL A	UNITED STATES	\$27.5m	0.6%	0.2%
22	ZOETIS CL A	UNITED STATES	\$26.6m	0.6%	0.1%
23	IMPERIAL TOBACCO GROUP	GREAT BRITAIN	\$26.1m	0.6%	0.1%
24	MALAYSIA AIRPORTS HOLDINGS	MALAYSIA	\$24.0m	0.5%	0.1%
25	TOP GLOVE	MALAYSIA	\$23.2m	0.5%	0.1%
26	BRITISH AMERICAN TOBACCO	GREAT BRITAIN	\$23.2m	0.5%	0.1%
27	CVS HEALTH	UNITED STATES	\$23.1m	0.5%	0.1%
28	TESLA MOTORS	UNITED STATES	\$23.0m	0.5%	0.1%
29	JOHNSON & JOHNSON	UNITED STATES	\$23.0m	0.5%	0.1%
30	HDFC BANK ADR	INDIA	\$22.6m	0.5%	0.1%
31	ANHEUSER BUSCH ADR	BELGIUM	\$22.1m	0.5%	0.1%
32	INDITEX	SPAIN	\$21.7m	0.5%	0.1%
33	APACHE	UNITED STATES	\$21.4m	0.5%	0.1%
34	PHILIP MORRIS INTERNATIONAL OR	UNITED STATES	\$20.8m	0.5%	0.1%

**International Equities.****100 largest holdings as at 30 June 2015 (continued)**

Rank	Name	Country	Value (AUD)	% of Asset Class	% of Total Fund
35	AIG COM	UNITED STATES	\$20.7m	0.5%	0.1%
36	MERCK & CO	UNITED STATES	\$20.4m	0.5%	0.1%
37	CHARLES SCHWAB	UNITED STATES	\$19.7m	0.4%	0.1%
38	JAPAN TOBACCO	JAPAN	\$19.5m	0.4%	0.1%
39	RECKITT BENCKSR STK	GREAT BRITAIN	\$19.4m	0.4%	0.1%
40	FIRST REPUBLIC BANK	UNITED STATES	\$19.1m	0.4%	0.1%
41	AMERICA MOVIL ADR	MEXICO	\$19.0m	0.4%	0.1%
42	ABBOTT LABORATORIES	UNITED STATES	\$18.8m	0.4%	0.1%
43	ILLINOIS TOOL	UNITED STATES	\$18.5m	0.4%	0.1%
44	QUALCOMM	UNITED STATES	\$18.1m	0.4%	0.1%
45	KIRIN HOLDINGS	JAPAN	\$17.9m	0.4%	0.1%
46	OCCIDENTAL PETROLEUM	UNITED STATES	\$17.8m	0.4%	0.1%
47	ISHARES MSCI INDIA ETF	INDIA	\$17.7m	0.4%	0.1%
48	MSCI	UNITED STATES	\$17.5m	0.4%	0.1%
49	BAYER N	GERMANY	\$17.4m	0.4%	0.1%
50	COMCAST CL A	UNITED STATES	\$17.4m	0.4%	0.1%
51	NEW ORIENTAL EDUCATION GRP ADR	CHINA	\$17.4m	0.4%	0.1%
52	TIME WARNER	UNITED STATES	\$17.4m	0.4%	0.1%
53	CHARTER COMMUNICATIONS CL A	UNITED STATES	\$17.2m	0.4%	0.1%
54	LIBERTY GLOBAL CL C	UNITED STATES	\$16.7m	0.4%	0.1%
55	ADVANCED INFO SV NVDR	THAILAND	\$16.7m	0.4%	0.1%
56	MARUTI /MLINTL	INDIA	\$16.7m	0.4%	0.1%
57	CITIGROUP INC COM	UNITED STATES	\$16.3m	0.4%	0.1%
58	INTUITIVE SURGICAL IN COM	UNITED STATES	\$16.3m	0.4%	0.1%
59	ALIBABA GROUP HOLDING ADR	CHINA	\$16.1m	0.4%	0.1%
60	ING GROEP GDR	NETHERLANDS	\$16.1m	0.4%	0.1%
61	BROOKFIELD ASSET MANAGEMENT CL	CANADA	\$16.0m	0.4%	0.1%
62	MEGACABLE HOLDINGS CPO	MEXICO	\$15.9m	0.4%	0.1%
63	PRUDENTIAL	GREAT BRITAIN	\$15.8m	0.4%	0.1%
64	GENERAL ELECTRIC	UNITED STATES	\$15.6m	0.3%	0.1%
65	COLGATE PALMOLIVE	UNITED STATES	\$15.5m	0.3%	0.1%
66	ORACLE	UNITED STATES	\$15.5m	0.3%	0.1%
67	SMFG	JAPAN	\$15.3m	0.3%	0.1%
68	TIME WARNER CABLE	UNITED STATES	\$14.6m	0.3%	0.1%

# Investment holdings

## International equities.

### 100 largest holdings as at 30 June 2015 (continued)

Rank	Name	Country	Value (AUD)	% of Asset Class	% of Total Fund
69	EXPERIAN	GREAT BRITAIN	\$14.3m	0.3%	0.1%
70	VF	UNITED STATES	\$14.1m	0.3%	0.1%
71	GLAXOSMITHKLINE	GREAT BRITAIN	\$14.1m	0.3%	0.1%
72	CTRPCOM INTERNATIONAL ADR	CHINA	\$14.0m	0.3%	0.1%
73	STERICYCLE	UNITED STATES	\$14.0m	0.3%	0.1%
74	GIVAUDAN N	SWITZERLAND	\$13.8m	0.3%	0.1%
75	SVENSKA HANDELSBANKEN	SWEDEN	\$13.8m	0.3%	0.1%
76	ECOLAB	UNITED STATES	\$13.7m	0.3%	0.1%
77	DIAGEO	GREAT BRITAIN	\$13.6m	0.3%	0.1%
78	RJSC GAZPROM ADR	RUSSIA	\$13.5m	0.3%	0.1%
79	GLOBAL PAYMENTS	UNITED STATES	\$13.4m	0.3%	0.1%
80	EOG RESOURCES	UNITED STATES	\$12.9m	0.3%	0.1%
81	UNION PACIFIC	UNITED STATES	\$12.8m	0.3%	0.1%
82	ROPER TECHNOLOGIES	UNITED STATES	\$12.7m	0.3%	0.1%
83	NOVOZYMES B	DENMARK	\$12.6m	0.3%	0.1%
84	KB FGI	KOREA	\$12.4m	0.3%	0.1%
85	THERMO FISHER SCIENTIFIC	UNITED STATES	\$12.1m	0.3%	0.1%
86	KERING	FRANCE	\$12.1m	0.3%	0.1%
87	KASIKORNBANK NVDR	THAILAND	\$11.5m	0.3%	0.1%
88	SMC	JAPAN	\$11.5m	0.3%	0.1%
89	CREDICORP	PERU	\$11.5m	0.3%	0.1%
90	CABLE AND WIRELESS COMMUNICATION	GREAT BRITAIN	\$11.4m	0.3%	0.1%
91	DISCOVER FINANCIAL SERVICES OR	UNITED STATES	\$11.4m	0.3%	0.1%
92	EROS INTERNATIONAL CL A	GREAT BRITAIN	\$11.1m	0.2%	0.1%
93	HKBN	CAYMAN ISLAND	\$11.1m	0.2%	0.1%
94	INDOCEMENT	INDONESIA	\$11.1m	0.2%	0.1%
95	KIMBERLY CLARK A	MEXICO	\$10.8m	0.2%	0.1%
96	LG HOUSEHOLD	KOREA	\$10.8m	0.2%	0.1%
97	MOODYS	UNITED STATES	\$10.6m	0.2%	0.1%
98	LINKEDIN CL A	UNITED STATES	\$10.4m	0.2%	0.1%
99	COSTCO WHOLESALE	UNITED STATES	\$10.4m	0.2%	0.1%
100	WEATHERFORD INTERNATIONAL	UNITED STATES	\$10.4m	0.2%	0.1%
<b>Total</b>			<b>\$2,107.2m</b>	<b>46.7%</b>	<b>11.6%</b>

## International equities.

### Sector allocation of the 100 largest holdings as at 30 June 2015

Sector	Value (AUD)	% of Asset Class	% of Total Fund
Consumer Discretionary	\$420.7m	9.3%	2.3%
Consumer Staples	\$333.2m	7.4%	1.8%
Energy	\$76.1m	1.7%	0.4%
Financials	\$311.2m	6.9%	1.7%
Healthcare	\$248.0m	5.5%	1.4%
Industrials	\$136.7m	3.0%	0.8%
Information Technology	\$454.1m	10.1%	2.5%
Materials	\$51.2m	1.1%	0.3%
Telcom Services	\$58.3m	1.3%	0.3%
Utilities	\$0.0m	0.0%	0.0%
Exchange Traded Funds	\$17.7m	0.4%	0.1%
<b>Total</b>	<b>\$2,107.2m</b>	<b>46.7%</b>	<b>11.6%</b>

## Private equity.

### Strategy allocation as at 30 June 2015

Sector	Value (AUD)	% of Asset Class	% of Total Fund
Buy-outs	\$512.0m	44.4%	2.8%
Expansion	\$111.9m	9.7%	0.6%
Venture Capital	\$99.2m	8.6%	0.5%
Co-investments	\$83.1m	7.2%	0.5%
Distressed	\$7.8m	0.7%	0.0%
Special Situations	\$5.2m	0.5%	0.0%
Other (incl. Mixed Strategy, ISH, ME Bank)	\$333.2m	28.9%	1.8%
<b>Total</b>	<b>\$1,152.5m</b>	<b>100.0%</b>	<b>6.3%</b>

# Investment holdings

## Private equity.

### Geographic allocation as at 30 June 2015

Location	Value (AUD)	% of Asset Class	% of Total Fund
<b>Australia</b>	<b>\$232.9m</b>	<b>20.2%</b>	<b>1.3%</b>
Victoria	\$186.0m	16.1%	1.0%
New South Wales	\$41.2m	3.6%	0.2%
Western Australia	\$3.0m	0.3%	0.0%
Queensland	\$2.7m	0.2%	0.0%
South Australia	\$0.0m	0.0%	0.0%
Australian Capital Territory	\$0.0m	0.0%	0.0%
Northern Territory	\$0.0m	0.0%	0.0%
Tasmania	\$0.0m	0.0%	0.0%
<b>Overseas</b>	<b>\$919.5m</b>	<b>79.8%</b>	<b>5.0%</b>
United States	\$578.6m	50.2%	3.2%
China	\$107.4m	9.3%	0.6%
United Kingdom	\$50.6m	4.4%	0.3%
Germany	\$14.9m	1.3%	0.1%
France	\$12.1m	1.0%	0.1%
Hong Kong	\$7.2m	0.6%	0.0%
Netherlands	\$6.9m	0.6%	0.0%
Norway	\$4.9m	0.4%	0.0%
Malaysia	\$4.5m	0.4%	0.0%
Other	\$132.3m	11.5%	0.7%
<b>Total</b>	<b>\$1,152.5m</b>	<b>100.0%</b>	<b>6.3%</b>

## Infrastructure.

### Sector allocation as at 30 June 2015

Sector	Value (AUD)	% of Asset Class	% of Total Fund
Airports	\$572.4m	28.2%	3.1%
Electricity Generation	\$38.7m	1.9%	0.2%
Electricity Transmission and Distribution	\$41.3m	2.0%	0.2%
Gas Distribution	\$16.8m	0.8%	0.1%
Liquefied Natural Gas	\$52.8m	2.6%	0.3%
Oil Storage	\$26.8m	1.3%	0.1%
Pipelines	\$24.9m	1.2%	0.1%
Rail	\$20.1m	1.0%	0.1%
Renewable Energy	\$70.8m	3.5%	0.4%
Seaports	\$385.2m	19.0%	2.1%
Social Infrastructure	\$127.9m	6.3%	0.7%
Steam and Hot Water Supply	\$14.9m	0.7%	0.1%
Student Accommodation	\$257.1m	12.7%	1.4%
Telecommunications	\$18.1m	0.9%	0.1%
Toll Roads	\$210.7m	10.4%	1.2%
Transport	\$0.0m	0.0%	0.0%
Water and Wastewater	\$145.9m	7.2%	0.8%
Wireless Communication Towers	\$0.0m	0.0%	0.0%
Other	\$2.4m	0.1%	0.0%
<b>Total</b>	<b>\$2,026.9m</b>	<b>100.0%</b>	<b>11.1%</b>

# Investment holdings

## Infrastructure.

### Geographic allocation as at 30 June 2015

Location	Value (AUD)	% of Asset Class	% of Total Fund
<b>Australia</b>	<b>\$1,180.3m</b>	<b>58.2%</b>	<b>6.4%</b>
New South Wales	\$431.3m	21.3%	2.4%
Victoria	\$286.4m	14.1%	1.6%
Queensland	\$243.7m	12.0%	1.3%
Western Australia	\$105.6m	5.2%	0.6%
Northern Territory	\$47.6m	2.3%	0.3%
Tasmania	\$37.5m	1.9%	0.2%
South Australia	\$24.1m	1.2%	0.1%
Australian Capital Territory	\$4.3m	0.2%	0.0%
<b>Overseas</b>	<b>\$846.6m</b>	<b>41.8%</b>	<b>4.7%</b>
United Kingdom	\$356.2m	17.6%	2.0%
United States	\$313.1m	15.4%	1.7%
Chile	\$37.1m	1.8%	0.2%
New Zealand	\$32.7m	1.6%	0.2%
France	\$26.8m	1.3%	0.1%
Mexico	\$23.6m	1.2%	0.1%
Austria	\$21.7m	1.1%	0.1%
Germany	\$15.9m	0.8%	0.1%
Poland	\$14.9m	0.7%	0.1%
Other	\$4.6m	0.2%	0.0%
<b>Total</b>	<b>\$2,026.9m</b>	<b>100.0%</b>	<b>11.1%</b>

## Infrastructure.

### List of assets as at 30 June 2015

Asset Name	Asset type	Location	Value (AUD)	% of Asset Class	% of Total Fund
NSW Ports Consortium	Seaports	New South Wales	\$236.4m	11.7%	1.3%
Melbourne Airport	Airports	Victoria	\$199.8m	9.9%	1.1%
Port of Brisbane	Seaports	Queensland	\$143.6m	7.1%	0.8%
Indiana Toll Road	Toll Roads	United States	\$133.2m	6.6%	0.7%
Anglian Water Group	Water and Wastewater	United Kingdom	\$114.0m	5.6%	0.6%
Brisbane Airport	Airports	Queensland	\$88.8m	4.4%	0.5%
Campus Living Australian Investment	Student Accommodation	Australia	\$87.7m	4.3%	0.5%
Campus Living United Kingdom Investment	Student Accommodation	United Kingdom	\$87.5m	4.3%	0.5%
Perth Airport	Airports	Western Australia	\$81.8m	4.0%	0.4%
Manchester Airport Group	Airports	United Kingdom	\$81.5m	4.0%	0.4%
Pacific Hydro	Renewable Energy	Australia, Chile, Brazil	\$70.8m	3.5%	0.4%
Darling Harbour Live	Social Infrastructure	New South Wales	\$68.3m	3.4%	0.4%
Campus Living United States Investment	Student Accommodation	United States	\$61.8m	3.0%	0.3%
NT Airports	Airports	Northern Territory	\$47.6m	2.3%	0.3%
Freeport Investment Notes	Liquefied Natural Gas	United States	\$43.7m	2.2%	0.2%
Hobart Airport	Airports	Tasmania	\$37.5m	1.9%	0.2%
Interlink Roads	Toll Roads	New South Wales	\$30.1m	1.5%	0.2%
Southern Cross Station	Social Infrastructure	Victoria	\$29.9m	1.5%	0.2%
Pisto	Oil Storage	France	\$26.8m	1.3%	0.1%
Colonial Pipeline Company	Pipelines	United States	\$24.9m	1.2%	0.1%
Eastern Distributor (M1)	Toll Roads	New South Wales	\$23.9m	1.2%	0.1%
Connex	Toll Roads	Mexico	\$23.6m	1.2%	0.1%
Vienna Airport	Airports	Austria	\$21.7m	1.1%	0.1%
Campus Living New Zealand Investment	Student Accommodation	New Zealand	\$20.1m	1.0%	0.1%
Porterbrook Rolling Stock	Rail	United Kingdom	\$20.1m	1.0%	0.1%

# Investment holdings

## Infrastructure.

### List of assets as at 30 June 2015 (continued)

Asset Name	Asset type	Location	Value (AUD)	% of Asset Class	% of Total Fund
Essential Power	Electricity Generation	United States	\$19.0m	0.9%	0.1%
South East Water	Water and Wastewater	United Kingdom	\$18.7m	0.9%	0.1%
Arqiva Limited	Telecommunications	United Kingdom	\$18.1m	0.9%	0.1%
Phoenix Natural Gas	Gas Distribution	United Kingdom	\$16.2m	0.8%	0.1%
50Hertz	Electricity Transmission and Distribution	Germany	\$15.9m	0.8%	0.1%
Duquesne Light Holdings	Electricity Transmission and Distribution	United States	\$15.0m	0.7%	0.1%
Dalkia Polska	Steam and Hot Water Supply	Poland	\$14.9m	0.7%	0.1%
Ecogen Energy	Electricity Generation	Victoria	\$13.9m	0.7%	0.1%
Adelaide Airport	Airports	South Australia	\$13.6m	0.7%	0.1%
Sydney Desalination Plant	Water and Wastewater	New South Wales	\$13.1m	0.6%	0.1%
Oceania Healthcare (NZ)	Social Infrastructure	New Zealand	\$12.6m	0.6%	0.1%
ElectraNet	Electricity Transmission and Distribution	South Australia	\$10.4m	0.5%	0.1%
Freeport Train 2	Liquefied Natural Gas	United States	\$9.1m	0.4%	0.0%
Wyuna Water	Social Infrastructure	New South Wales	\$7.3m	0.4%	0.0%
Southwest Generation	Electricity Generation	United States	\$5.8m	0.3%	0.0%
Port of Portland	Seaports	Victoria	\$5.2m	0.3%	0.0%
Defence HQ	Social Infrastructure	New South Wales	\$3.7m	0.2%	0.0%
Perth CBD Courts	Social Infrastructure	Western Australia	\$2.7m	0.1%	0.0%
Axiom Education	Social Infrastructure	New South Wales	\$1.4m	0.1%	0.0%
IFM Aged Care Financing Trust	Social Infrastructure	Victoria	\$1.3m	0.1%	0.0%
Freeport LNG	Gas Distribution	United States	\$0.6m	0.0%	0.0%
NSW Rent Buy	Social Infrastructure	New South Wales	\$0.6m	0.0%	0.0%
Other	-	-	\$2.4m	0.1%	0.0%
<b>Total</b>			<b>\$2,026.9m</b>	<b>100.0%</b>	<b>11.1%</b>

## Property.

### Sector allocation as at 30 June 2015

Sector	Value (AUD)	% of Asset Class	% of Total Fund
Retail	\$1,274.6m	49.5%	7.0%
Commercial	\$762.0m	29.6%	4.2%
Industrial	\$271.8m	10.6%	1.5%
Residential	\$221.9m	8.6%	1.2%
Other	\$42.5m	1.7%	0.2%
<b>Total</b>	<b>\$2,572.8m</b>	<b>100.0%</b>	<b>14.1%</b>

## Property.

### Allocation by type as at 30 June 2015

Type	Value (AUD)	% of Asset Class	% of Total Fund
Core	\$1,895.2m	73.7%	10.4%
Development/Oppportunistic/Tactical	\$677.6m	26.3%	3.7%
<b>Total</b>	<b>\$2,572.8m</b>	<b>100.0%</b>	<b>14.1%</b>

## Property.

### Geographic allocation as at 30 June 2015

Location	Value (AUD)	% of Asset Class	% of Total Fund
Australia	\$2,293.0m	89.1%	12.6%
New South Wales	\$788.5m	30.6%	4.3%
Queensland	\$522.8m	20.3%	2.9%
Victoria	\$507.6m	19.7%	2.8%
Western Australia	\$282.9m	11.0%	1.6%
South Australia	\$93.2m	3.6%	0.5%
Australian Capital Territory	\$87.2m	3.4%	0.5%
Tasmania	\$8.4m	0.3%	0.0%
Northern Territory	\$2.4m	0.1%	0.0%
Overseas	\$279.8m	10.9%	1.5%
Singapore	\$267.2m	10.4%	1.5%
Malaysia	\$11.1m	0.4%	0.1%
China	\$1.4m	0.1%	0.0%
Thailand	\$0.2m	0.0%	0.0%
Japan	\$0.0m	0.0%	0.0%
New Zealand	\$0.0m	0.0%	0.0%
<b>Total</b>	<b>\$2,572.8m</b>	<b>100.0%</b>	<b>14.1%</b>

**Property.**

**Sustainability ratings as at 30 June 2015**

Green Star Sustainability Rating*	Amount Invested (AUD million)	% of Asset Class	% of Total Fund
6-star Green Star	\$106.1m	4.1%	0.6%
5-star Green Star	\$170.4m	6.6%	0.9%
4-star Green Star	\$126.1m	4.9%	0.7%
Not Rated/not applicable/yet to be rated	\$2,170.2m	84.4%	11.9%
<b>Total</b>	<b>\$2,572.8m</b>	<b>100.0%</b>	<b>14.1%</b>

**Other investment information.**

**Currency hedging.**

International investments are vulnerable to currency fluctuations. Hedging removes the currency exposure of international investments. Hostplus partially hedges the currency component of its international asset exposures.

**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 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.

Hostplus monitors the use of derivatives by our investment managers. An annual review of the Derivatives Risk Statements of the investment managers or attestations obtained from various investment managers in relation to their internal control mechanisms for the use of derivatives is undertaken to ensure any such investments are made in accordance with the investment mandate guidelines. The use of derivatives and subsequent control frameworks are considered as part of our investment risks.

\* Green Star is a comprehensive, national, voluntary environmental rating system that evaluates the environmental design and construction of buildings. Please note the Green Star rating is currently only applicable to commercial properties. The following Green Star Certified Ratings are available: 4 Star Green Star Certified Rating (score 45–59) signifies ‘Best Practice’ in environmentally sustainable design and/or construction; 5 Star Green Star Certified Rating (score 60–74) signifies ‘Australian Excellence’ in environmentally sustainable design and/or construction; 6 Star Green Star Certified Rating (score 75–100) signifies ‘World Leadership’ in environmentally sustainable design and/or construction.

# Our investment managers

## Investment manager allocations.

Hostplus has appointed a range of specialist investment managers, with a track record of providing solid returns, to invest on the Fund's behalf. Each manager is chosen on their suitability in relation to the Fund's overall investment objective and strategy. Each manager's investment performance is regularly reviewed with changes made where necessary. The managers in place as at 30 June 2015 (together with allocations) are shown in the following tables.

Manager / Investment	% total assets	\$m
<b>Australian Shares</b>	<b>27.1</b>	<b>4,918.9</b>
Airlie	1.4	251.1
Allan Gray	1.9	351.6
Balanced Equity Management	2.9	531.9
BT	1.3	238.7
Goldman Sachs (Emerging Leaders)	1.1	191.5
Goldman Sachs (Aust Equity)	1.9	353.5
Greencape	3.6	649.2
IFM (Passive Enhanced Indexed)	4.0	734.0
IFM (Small Cap)	0.6	107.7
L1 Capital	1.0	176.2
Paradice (Large Cap)	3.2	574.7
Paradice (Mid Cap)	1.4	259.9
Paradice (Small Cap)	1.1	191.1
Vinva	1.7	307.8
<b>International Shares</b>	<b>24.9</b>	<b>4,524.3</b>
Baillie Gifford	2.5	454.0
BlackRock	0.2	33.5
Cooper Investors	0.6	114.0
Dundas	1.5	275.9
Independent Franchise Partners	2.6	468.8
IronBridge	3.1	569.8
Martin Currie	1.2	219.5
Neuberger Berman	2.0	359.1
Northcape	1.8	331.0
Orbis	3.6	647.7
Paradice (Global Small Mid Cap)	1.5	270.9
Proa Partners	0.6	101.8
Vaughan Nelson (Global Small Mid)	1.3	243.2
Wellington (Asia Ex-Japan)	0.4	77.3
Wellington (Global Contrarian)	2.0	357.9

## Our investment managers

Manager / Investment	% total assets	\$m
<b>Property</b>	<b>14.0</b>	<b>2,541.4</b>
AMP Select Property Portfolios	0.1	23.4
BlackRock Asia Property Fund	0.1	25.0
Charter Hall Core Plus Ind Fund	0.6	104.1
ISPT Core Fund	3.7	667.7
ISPT DOF 1&2	0.0	6.9
ISPT Residential Property Trust	0.4	79.6
ISPT Retail Aust. Property	0.7	129.0
Lend Lease ARIF	1.7	302.9
Lend Lease APPF	4.3	786.8
Lend Lease Communities Fund	0.1	11.6
Lend Lease Sub Regional Retail Fund	0.8	136.6
Lend Lease V5	0.0	1.1
LWIP Trust	0.9	167.0
LWIP Trust II	0.2	30.2
Macquarie REEF	0.1	15.2
Retirement Villages Group	0.2	43.2
Stockland REEF1	0.0	4.5
Wholesale Property	0.0	6.6
<b>Private Equity</b>	<b>6.2</b>	<b>1,134.2</b>
Brandon Capital – MRCF III Trust	0.0	0.6
Carnegie Private Opportunities	0.1	23.8
Carnegie Innovation Funds 1 & 2	0.0	5.5
Caspian Private Equity II	0.3	62.5
Industry Super Holdings	0.2	45.3
IFM (Aust. & Int. Private Equity)	0.6	99.9
Lexington Co-Invest Partners III	0.5	99.4
Lexington Capital Partners VIII	0.1	14.9
LGT Crown European	0.4	80.9
ME Bank Ordinary Shares	0.8	137.5
Partners Group	1.4	250.4
Siguler Guff	0.9	168.4
Wilshire	0.8	145.3

### Investments greater than 5% of total Fund assets combined.

These investment managers have combined investments in excess of 5% of total Fund assets:

- IFM Investors Pty Ltd
- Lend Lease Investment Management
- Orbis Investment Management Limited
- Paradise Investment Management Pty Ltd

Manager / Investment	% total assets	\$m
<b>Infrastructure</b>	<b>11.2</b>	<b>2,026.3</b>
Campus Living Villages Fund	1.4	259.7
Colonial First State AWG	0.4	76.4
Darling Harbour	0.4	64.3
Hastings UTA	1.1	193.6
IFM Infrastructure	7.0	1,272.1
Macquarie GIF	0.4	76.7
NSW Ports Consortium	0.5	83.3
<b>Other (Alternatives)</b>	<b>10.6</b>	<b>1,921.4</b>
Apollo	2.4	437.3
Babson	1.6	291.2
Bridgewater Pure Alpha Fund II	0.9	171.7
GMO	2.2	395.0
HayFin Special Opportunities Fund	0.4	75.7
Loomis Sayles Credit Opportunities	1.5	267.7
Vinva Asia Pac Eq Long Short Fund	1.6	282.8
<b>Australian Fixed Income</b>	<b>2.3</b>	<b>415.5</b>
IFM (Specialised Credit Fund)	1.1	199.9
IFM (Renewable Energy)	0.5	95.0
IFM (Enhanced Cash)	0.0	4.6
Macquarie True Index	0.1	17.5
ME Bank (Floating Rate Notes)	0.0	3.1
Super Loans Trust	0.5	95.4
<b>International Fixed Income</b>	<b>0.1</b>	<b>23.2</b>
BlackRock Global Bond Index	0.1	23.2
<b>Cash</b>	<b>3.3</b>	<b>602.3</b>
Citigroup	2.5	450.3
ME Bank Term Deposits	0.9	166.0
Mesirow*	-0.1	-14.0
<b>Choiceplus</b>	<b>0.3</b>	<b>55.2</b>
<b>Total Investments</b>	<b>100.0</b>	<b>18,162.6</b>

\*Currency Overlay

## Investment costs for 2014 – 2015

Investment option	Investment Management costs	Performance Fee <sup>1</sup>	Total Investment Management costs before applicable tax deduction	Total Investment Management costs after applicable tax deduction <sup>2,3</sup>
<b>Pre-mixed options</b>				
Capital Stable	0.30%	0.06%	0.36%	0.31%
Conservative Balanced	0.42%	0.12%	0.54%	0.46%
Indexed Balanced	0.03%	0.00%	0.03%	0.03%
Balanced (MySuper)	0.68%	0.24%	0.92%	0.78%
Shares Plus	0.58%	0.21%	0.79%	0.67%
Hostplus Life: The Shares Plus, Balanced, Conservative Balanced and Capital Stable investment costs (as shown in this table) will apply, as applicable to your lifecycle stage.				
<b>Sector investment options</b>				
Cash	0.00%	0.00%	0.00%	0.00%
Diversified Fixed Interest	0.21%	0.00%	0.21%	0.18%
Property	0.73%	0.11%	0.84%	0.71%
Australian Shares	0.42%	0.19%	0.61%	0.52%
International Shares	0.41%	0.08%	0.49%	0.42%
<b>Individual manager options</b>				
Macquarie Investment Management – Australian Fixed Interest	0.00%	0.00%	0.00%	0.00%
BlackRock Asset Management – International Fixed Interest	0.09%	0.00%	0.09%	0.08%
Industry Super Property Trust – Property	0.40%	0.00%	0.40%	0.34%
Lend Lease managed APPF (Retail, Commercial & Industrial) – Property	0.74%	0.00%	0.74%	0.63%
IFM – Australian Infrastructure	0.50%	0.00%	0.50%	0.43%
Balanced Equity Management – Australian Shares	0.21%	0.00%	0.21%	0.18%
IFM – Australian Shares	0.05%	0.00%	0.05%	0.04%
Paradice Investment Management (Small Cap) – Australian Shares	0.83%	0.23%	1.06%	0.90%
IronBridge Capital Management – International Shares	0.47%	0.00%	0.47%	0.40%
Neuberger Berman – International Shares	0.82%	0.00%	0.82%	0.70%

1 The performance based cost component comprises actual fees paid and estimates of fees to be paid for the financial year ending 30 June 2015.

2 PricewaterhouseCoopers have performed independent verification on the calculation of the above investment costs and confirmed that

they were calculated in accordance with the trustee's policy.

3 As the investment management costs attract a tax deduction, the total investment management costs after applicable tax deduction is the amount incurred by members. These costs are

deducted before the net investment return for each investment option is declared and applied to members' accounts. The expenses that will be payable for the 2015 – 2016 financial year will be calculated as at 30 June 2016.

**We love  
what we do.**

## Other important information

### Insurance Redesign.

Hostplus has made changes to its group Death and Total and Permanent Disability insurance provided by MetLife Insurance Limited effective from 26 September 2015. Details of the new insurance arrangements are set out in our Product Disclosure Statement available at <http://pds.hostplus.com.au/>

### Transition to Link Group.

The sale of our Administrator Superpartners to the Link Group was finalised in 2015. It is anticipated that the transition to the Link Group will become effective from 25 April 2016.

### Penalties.

In the 12 months to 30 June 2015 Hostplus received no penalties or enforceable undertakings under SIS legislation.

### Trustee of the Fund.

Host-Plus Pty Limited was the Trustee of Hostplus Superannuation Fund for the reporting period.

### Trustee indemnity insurance.

CGU Insurance Ltd, Catlin Australia Pty Ltd, AXIS Specialty Australia, Zurich Australia Insurance Ltd, Liberty International and Dual Australia Pty Ltd underwriters provided trustee insurance cover from 30 September 2014 until 30 September 2015.

### Enquiries and complaints.

If you have an enquiry or complaint, call 1300 467 875 AEST, 8am – 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:

Resolutions Officer  
Hostplus  
Locked Bag 9  
Carlton South VIC 3053

### Eligible rollover fund.

In accordance with legislation and the Fund's policy, if your account balance is less than \$200 (subject to change) and we have not received contributions for you for more than five years, we may transfer your account balance to our eligible rollover fund (ERF). Our nominated ERF is AUSfund. However, if we have a current address we will write to you and give you the option to reactivate your account before transferring your Hostplus account to AUSfund.

The contact details for AUSfund are:

AUSfund Administration  
PO Box 543  
CARLTON SOUTH VIC 3053

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.
- Your insurance arrangements with Hostplus will cease.
- 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.

All members are charged a \$14 annual Administration Fee. If the interest earned is insufficient to cover this fee, the account balance may be reduced to zero and the account closed. All accounts with less than 5 cents will be closed as amounts below 5 cents are not legal tender and cannot be maintained.

For information about this Administration Fee and other costs associated with a AusFund membership please visit [unclaimedsuper.com.au/about-ausfund/account-fees-and-costs/](http://unclaimedsuper.com.au/about-ausfund/account-fees-and-costs/)

### Significant Events Notice.

Hostplus will always advise members about any material changes to the Fund - particularly when the outcome will affect their retirement savings. A change or event includes any decisions that will affect a member's investment including a change to the fees or costs, the benefit design, such as insurance cover and premiums, or instances where a member's benefit may be transferred without their consent.

During the reporting period, the following significant events occurred:

- Change in United Kingdom Legislation affecting transfers from a UK Pension scheme to an Australian Superannuation Fund.

From 6 April 2015, Australian superannuation funds must meet the UK pension test to remain a Qualifying Recognised Overseas Pension Scheme (QROPS) and therefore be eligible to accept a transfer in from a United Kingdom pension scheme without incurring UK tax charges. Australian legislation and our fund rules mean that we do not currently meet these requirements.

To protect member interests we have stopped accepting UK pension transfers and intend to return any UK pension benefits received on or after 6 April 2015.

As a result of these changes, at this point in time, benefits held by existing members who have previously transferred from a UK pension scheme are unable to be released before age 55, unless as a result of ill-health.

#### **New Strategic Assets Allocations for some investment options.**

From 4 September 2015, Hostplus revised the Investment Ranges and Strategic Asset Allocation (SAA) Benchmarks for the Capital Stable, Conservative Balanced, Indexed Balanced, Balanced, Shares Plus, International Shares, IronBridge Capital Management – International Shares and Neuberger Berman – International Shares options.

While the overall allocation to listed equities has remained unchanged, the mix of equities has been altered with a slight reduction to the SAA for Australian equities, and an increase to the SAA for International equities.

The basis for this change relates to our views on the future relative economic prospects of Australia versus the rest of the world, and the increased investment opportunities that this might provide in the global context.

The revised SAAs were published in our online PDS on 4 September 2015. For Pension members a Supplementary PDS containing this information applied from 4 September 2015.



**Hostplus has made changes to its group Death and Total and Permanent Disability insurance from 26 September 2015.**



# Financial summary

Presented on these pages is an abridged financial summary of the Fund's audited accounts for the last two years. More detailed financial information can be found in the Fund's annual financial statements section.

Financial Performance to 30 June 2015	2015	2014
	\$'000	\$'000
<b>Opening Net Assets</b>	<b>15,334,014</b>	<b>12,738,842</b>
<b>Add:</b>		
Contributions	1,848,898	1,644,358
Transfers in	445,387	410,103
Net investment earnings	1,694,361	1,862,484
Net other income	113,329	102,338
<b>Less:</b>		
Benefits paid	970,655	809,970
Administration expenses	101,344	97,956
Insurance premiums	234,773	190,536
Tax	207,533	325,649
<b>Closing Net Assets</b>	<b>17,921,684</b>	<b>15,334,014</b>

Financial Position Snapshot of Net Assets to 30 June 2015	2015	2014
	\$'000	\$'000
Investments	18,161,907	15,658,782
Cash at bank	12,396	7,589
Other assets	18,452	16,874
<b>Less:</b>		
Liabilities	271,071	349,231
<b>Net Assets</b>	<b>17,921,684</b>	<b>15,334,014</b>
<b>Represented by:</b>		
Members Funds	17,738,874	15,193,158
Reserves	182,810	140,856
<b>Members Funds and Reserves</b>	<b>17,921,684</b>	<b>15,334,014</b>

Reserves	Investment Reserve	Administration Reserve	Operational Risk Financial Requirement Reserve	RSE Reserve	Total Reserves
	\$'000	\$'000	\$'000	\$'000	\$'000
2015	2,911	134,767	45,032	100	<b>182,810</b>
2014	(13,641)	128,947	25,450	100	<b>140,856</b>
2013	(10,105)	118,790	10,699	100	<b>119,484</b>
2012	(6,654)	109,315	-	100	<b>102,761</b>
2011	(1,237)	96,379	-	100	<b>95,242</b>

### Reserve accounts.

The Fund maintains reserves to cover the day-to-day operations of Hostplus, which are invested in a manner consistent with the Fund's investment strategy, being the Balanced investment option, and in a manner that allows the Fund to discharge its liabilities as and when they fall due. The table above shows the balance of all Fund reserves at 30 June for the last five years.

### Investment Reserve.

Hostplus allocates investment earnings to members' accounts at 30 June and 31 December each year; or when an account is closed; or when an amount is switched to another investment option. During the year, investment earnings are accumulated in an investment reserve, pending this allocation process.

### Administration Reserve.

The fees deducted from members' accounts are deposited into the administration reserve and the accumulated funds are utilised to pay for the operations of Hostplus.

### Operational Risk Financial Requirement ('ORFR') Reserve.

An ORFR Reserve is separately maintained to ensure the Fund has access to adequate financial resources in the event of losses arising from an operational risk event.

An ORFR Reserve has been established, as required by the Australian Prudential Regulation Authority (APRA), at a level representing 0.25% of Fund Net Assets.

Hostplus has an approved ORFR policy detailing what constitutes an operational risk event and how the ORFR Reserve is accessed (if an operational risk event occurs).

### RSE Reserve.

An RSE reserve is separately maintained to comply with the Fund's RSE Licence condition of maintaining a balance of at least \$100,000 at all times in a reserve.

# Financial Statements.

Hostplus Superannuation Fund  
financial statements 30 June 2015.



## Hostplus superannuation fund.

### Statement of financial position as at 30 June 2015

		2015	2014
	Notes	\$	\$
<b>Investments</b>			
Cash and term deposits		12,675,146	1,371,977,941
Fixed interest securities		4,319,743	604,217,121
Equities		29,108,957	6,755,004,557
Pooled superannuation trust and managed funds		18,115,802,919	6,880,416,096
Derivative assets		-	47,165,961
<b>Total Investments</b>		<b>18,161,906,765</b>	<b>15,658,781,676</b>
<b>Other assets</b>			
Cash at bank		12,396,693	7,588,990
Other receivables	3	1,411,086	3,524,359
Prepayments		1,216,549	6,014,241
Plant and equipment		11,119,839	4,325,545
Deferred tax asset		4,704,756	3,010,989
<b>Total Other Assets</b>		<b>30,848,923</b>	<b>24,464,124</b>
<b>Total Assets</b>		<b>18,192,755,688</b>	<b>15,683,245,800</b>
<b>Liabilities</b>			
Benefits payable		29,599,140	26,992,950
Employee entitlements		2,828,093	2,383,338
Accounts payable	4	26,059,018	34,881,780
Derivative liabilities		-	41,014,761
Current tax liabilities		212,585,069	58,586,121
Deferred tax liabilities		-	185,372,244
<b>Total liabilities</b>		<b>271,071,320</b>	<b>349,231,194</b>
<b>Net assets available to pay benefits</b>		<b>17,921,684,368</b>	<b>15,334,014,606</b>
<b>Represented by:</b>			
<b>Liability for accrued benefits</b>	5		
Members' funds		17,738,874,416	15,193,158,251
Reserves	6	182,809,952	140,856,355
		<b>17,921,684,368</b>	<b>15,334,014,606</b>

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

## Hostplus superannuation fund.

### Statement of comprehensive income for the year ended 30 June 2015

		2015	2014
Revenue from ordinary activities	Notes	\$	\$
<b>Net investment revenue</b>			
Interest		27,095,842	55,473,685
Dividends and distributions		262,322,174	532,063,521
Other income		3,296,772	4,964,622
Changes in net market value of investments	9	1,437,644,679	1,322,988,236
Less: Investment expenses		(35,998,515)	(53,006,151)
		<b>1,694,360,952</b>	<b>1,862,483,913</b>
<b>Contribution revenue</b>			
Employer contributions		1,662,152,066	1,500,670,452
Members' contributions		136,073,119	100,522,111
Government contributions		50,673,308	43,165,904
Transfers from other superannuation funds		445,386,633	410,103,255
		<b>2,294,285,126</b>	<b>2,054,461,722</b>
<b>Other revenue</b>			
Proceeds from insurance		113,141,628	102,247,272
Sundry income		187,426	91,205
		<b>113,329,054</b>	<b>102,338,477</b>
<b>Total revenue from ordinary activities</b>		<b>4,101,975,132</b>	<b>4,019,284,112</b>
<b>Expenses from ordinary activities</b>			
Superannuation contributions surcharge		5,284	9,946
Insurance premiums		234,772,545	190,536,015
Administration expenses		101,344,021	97,956,366
<b>Total expenses from ordinary activities</b>		<b>336,121,850</b>	<b>288,502,327</b>
<b>Benefits accrued as a result of operations before income tax</b>		<b>3,765,853,282</b>	<b>3,730,781,785</b>
Less:			
Income tax expense	11	207,533,574	325,648,676
<b>Benefits accrued as a result of operations</b>		<b>3,558,319,708</b>	<b>3,405,133,109</b>

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

## Hostplus Superannuation Fund.

### Statement of cash flows for the year ended 30 June 2015

		2015	2014
	Notes	\$	\$
<b>Cash flows from operating activities</b>			
Contributions received		2,294,285,126	2,054,461,722
Interest received		1,064,040	829,301
Other receipts		187,427	91,206
Death and disablement claims received from insurer		113,141,628	102,247,272
Insurance premiums paid to insurer		(235,445,971)	(179,799,685)
Administration expenses paid		(90,532,080)	(102,786,052)
Investment expenses paid		(5,943,088)	(7,198,939)
Payments for operating assets		(8,232,211)	(3,302,684)
Benefits paid		(968,043,756)	(807,345,960)
Income tax paid		(240,605,922)	(173,010,598)
<b>Net cash inflow from operating activities</b>	<b>12</b>	<b>859,875,193</b>	<b>884,185,583</b>
<b>Cash flows from investing activities</b>			
Proceeds from the redemption of investments		253,353,236	185,737,185
Payments for investments		(1,108,420,726)	(1,070,815,928)
<b>Net cash (outflow) from investing activities</b>		<b>(855,067,490)</b>	<b>(885,078,743)</b>
<b>Net increase (decrease) in cash</b>		<b>4,807,703</b>	<b>(893,160)</b>
Cash at the beginning of the financial year		7,588,990	8,482,150
<b>Cash at the end of the financial year</b>	<b>12</b>	<b>12,396,693</b>	<b>7,588,990</b>

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

## Hostplus Superannuation Fund.

### Notes to the financial statements for the year ended 30 June 2015

#### Note 1. Operation of the fund.

Hostplus Superannuation Fund ('the Fund') is an APRA regulated, defined contribution fund initially established by a Trust Deed dated 1 October 1987 to provide retirement benefits to its members. The Fund comprises an accumulation and pension division with numerous employers predominantly from the hospitality, tourism, sport and recreational industries.

The Fund accepts contributions from employers and members in accordance with the Trust Deed. Members may also transfer money from other superannuation funds.

The Trustee of the Fund is Host-Plus Pty Limited and it is the holder of a public offer class of Registrable Superannuation Entity Licence.

#### Note 2. Summary of significant accounting policies.

##### (a) Basis of preparation.

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standard AAS 25 'Financial Reporting by Superannuation Plans', other accounting standards to the extent applicable, the provisions of the Trust Deed and the Superannuation Industry (Supervision) Act 1993 and Regulations. International Financial Reporting Standards form the basis of Australian Accounting Standards and have been applied where relevant except to the extent that they are inconsistent with the requirements of AAS 25.

The financial statements are presented in Australian dollars and have been prepared on a net market value basis representing the amount which could be expected to be received from the disposal of an asset in an orderly market less disposal costs. Net market value is considered a reasonable approximation of fair value.

The accounting policies adopted are consistent with those of the previous year unless otherwise stated.

##### (b) Assets.

Assets of the Fund are recorded at net market value as at the reporting date. Net market values are determined as follows:

**Active Markets** - Fixed interest securities and equity securities – by reference to market quotations.

**Inactive Markets** - Fixed interest securities, equity securities pooled superannuation trust and managed funds – by reference to the redemption value, as reported by the external investment manager; or by using valuation techniques conducted by an external professional valuer.

**Plant and equipment** - Refer to note 2(n) to the financial statements for further information.

For further details on how the net market values of financial instruments are determined please see note 13(e).

##### (c) Revenue.

Investment revenue is brought to account on an accruals basis. Dividends on quoted shares are deemed to accrue on the date the dividend is declared. Changes in the net market value of assets are recognised in the Statement of Comprehensive Income in the periods in which they occur. Contributions and transfers from other funds are brought to account when received.

##### (d) Income tax.

The Fund is eligible for concessional tax treatment as it is a regulated Fund and has complied with the relevant provisions of the Superannuation Industry (Supervision) Act 1993 and Regulations.

Taxable contributions and investment income are taxed at 15% after allowance for deductions. Any tax credits available from investment managers have been brought to account in determining the final tax liability of the Fund.

Section 295-260 of the Income Tax Assessment Act 1997 enables a complying superannuation fund which has an investment in a pooled superannuation trust to transfer the liability for tax on assessable contributions to the pooled superannuation trust provided certain conditions are met. As such, the Fund has entered into an agreement to transfer a portion of its assessable contributions earned during the year ended 30 June 2015 to the Hostplus Pooled Superannuation Trust. For further information refer to note 11(c).

##### Current tax

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

##### Deferred tax

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Fund expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

**(e) Other debtors and creditors.**

Other debtors are recognised at the amounts receivable, which approximate net fair value. Other creditors represent liabilities for goods and services provided to the Fund prior to the end of the financial year and which are unpaid. The amounts are unsecured. Other debtors and creditors are subject to normal trade credit terms.

**(f) Liability for accrued benefits.**

The liability for accrued benefits is the Fund's present obligation to pay benefits to members and beneficiaries and has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the sundry liabilities and income tax liabilities as at the reporting date.

**(g) Goods and Services Tax (GST).**

Where applicable GST incurred by the Fund that is not recoverable from the Australian Taxation Office has been recognised as part of the expense to which it applies. Receivables and payables are stated with any applicable GST included in their carrying amounts.

The amount of any GST recoverable from, or payable to, the Australian Taxation Office is included as an asset or liability in the Statement of Financial Position.

**(h) Employee benefits.**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in the Statement of Financial Position and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for long service leave is recognised in the provision for employee entitlements and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

**(i) Benefits payable.**

Benefits payable represents insurance claims in progress that have not yet been paid to members.

**(j) Derivatives.**

The Fund entered into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including forward foreign exchange contracts, interest rate swaps and cross currency swaps. Derivatives were measured at net market value in accordance with AAS 25. Further details of derivative financial instruments are disclosed in note 13 to the financial statements.

**(k) Cash and cash equivalents.**

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(l) Significant accounting judgements, estimates and assumptions.**

The preparation of the Fund's financial statements requires judgements, estimates and assumptions that affect the amounts recognised in the financial statements. Estimates and judgements are reviewed on an ongoing basis.

**(m) Offsetting financial instruments.**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to note 14 of the financial statements for further information.

**(n) Plant and equipment.**

**(i) Recognition and measurement**

Plant and equipment (P&E) is measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment losses. If significant parts of an item have different useful lives, then they are accounted for as separate items.

The cost of leasehold improvements is capitalised as an asset and depreciated over the asset's useful life. Any gain or loss on disposal of an item is recognised in the Statement of Comprehensive Income.

**(ii) Depreciation**

Depreciation is calculated as the cost of the item less its estimated residual value, over the item's useful life.

The estimated useful lives of P&E are as follows:

Asset	Useful Life	Depreciation Method
Office Equipment	10 years	Diminishing value
Furniture & Fittings	5 years	Diminishing value
Computer Hardware	3–4 years	Diminishing value

**(o) Accounting standards and interpretations.****(i) New accounting standards that are applicable for mandatory adoption in the current year:**

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2015 reporting period and have not been early adopted by the Fund. The assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out as follows:

**AASB 1056 Superannuation Entities (effective 30 June 2017)**

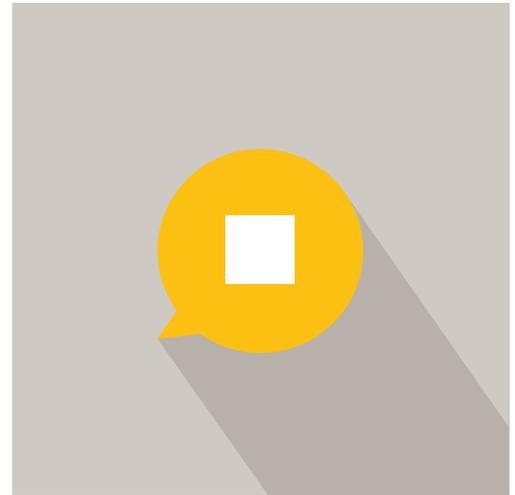
Issued in June 2014, AASB 1056 replaces AAS 25 Financial Reporting by Superannuation Plans and is first applicable to the Fund for the year ended 30 June 2017. No decision has been made whether the Fund will early adopt the new standard.

AASB 1056 will have a number of impacts on the financial statements of the Fund, including:

- The requirement to prepare five statements as follows:
  - Statement of Financial Position
  - Income Statement
  - Statement of Changes in Equity/Reserves
  - Statement of Cash Flows
  - Statement of Changes in Member Benefits
- Funds must recognise member benefits as a liability on the face of the Statement of Financial Position
- The Statement of Financial Position will need to disclose the surplus or deficit of funds
- Net assets will reflect the Fund's reserves, including the Operational Risk Financial Requirement Reserve
- Increased disclosure is required in relation to insurance arrangements.

**AASB 9 Financial instruments (effective from 1 January 2018)**

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2018 but is available for early adoption. When adopted, there will be no impact of the standard on the Fund's accounting for financial instruments as movements in the fair value of investments and derivatives will continue to be recognised in the Statement of Comprehensive Income in the periods in which they occur.



**Note 3. Other receivables.**

	2015	2014
	\$	\$
GST receivable	1,305,229	1,655,504
Other receivables	105,857	1,868,855
	<b>1,411,086</b>	<b>3,524,359</b>

**Note 4. Accounts payable.**

	2015	2014
	\$	\$
Administration services	2,382,805	4,699,868
Audit services	344,889	272,410
Custodian fees	911,159	130,895
Insurance premiums	17,016,499	17,689,925
Investment management fees	-	8,649,308
PAYG withholding tax	554,723	544,621
Other payables	4,848,943	2,894,753
	<b>26,059,018</b>	<b>34,881,780</b>

**Note 5. Liability for accrued benefits.**

	2015	2014
	\$	\$
<b>Changes in the liability for accrued benefits</b>		
Liability for accrued benefits at the beginning of the financial year	15,334,014,606	12,738,842,369
Plus: Increase in accrued benefits	3,558,319,708	3,405,133,109
Less: Benefits paid	(970,649,946)	(809,960,872)
<b>Liability for accrued benefits at the end of the financial year</b>	<b>17,921,684,368</b>	<b>15,334,014,606</b>
<b>Accrued benefits – Members' funds:</b>	<b>17,738,874,416</b>	<b>15,193,158,251</b>
<b>Accrued benefits – Reserves</b>		
Residual Reserve	2,910,814	(13,641,159)
Administration Reserve	134,767,463	128,947,164
Operational Risk Financial Requirement Reserve	45,031,675	25,450,350
RSE Reserve	100,000	100,000
	<b>182,809,952</b>	<b>140,856,355</b>
<b>Total liability for accrued benefits</b>	<b>17,921,684,368</b>	<b>15,334,014,606</b>

**Note 6. Reserves.**

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

**Residual reserve** - is separately maintained to manage the receipt of investment income and the allocation of investment returns to members via the process of declaring crediting rates.

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

**Operational Risk Financial Requirement ('ORFR') reserve** - is separately maintained to ensure the Fund has access to adequate

financial resources in the event of losses arising from an operational risk event. The Fund has an approved ORFR reserve policy detailing what constitutes an operational risk event and how the ORFR reserve is accessed (if an operational risk event occurs). The policy also provides that the target balance of the ORFR reserve is 25 basis points of the Fund's Net Assets.

**RSE reserve** - is separately maintained to comply with the Fund's RSE Licence condition of maintaining a balance of at least \$100,000 at all times in a reserve. The Trust held the following reserves at year end:

2015	Residual Reserve	Administration Reserve	Operational Risk Financial Requirement Reserve	RSE Reserve	Total
Opening Balance	(13,641,159)	128,947,164	25,450,350	100,000	140,856,355
Revenue	1,694,685,616	128,955,510	2,799,253	-	1,826,440,379
Expenditure	(1,678,133,643)	(101,635,211)	(4,717,928)	-	(1,784,486,782)
Transfer between reserves	-	(21,500,000)	21,500,000	-	-
<b>Closing balance</b>	<b>2,910,814</b>	<b>134,767,463</b>	<b>45,031,675</b>	<b>100,000</b>	<b>182,809,952</b>

2014	Residual Reserve	Administration Reserve	Operational Risk Financial Requirement Reserve	RSE Reserve	Total
Opening Balance	(10,105,674)	118,789,972	10,699,364	100,000	119,483,662
Revenue	1,862,557,583	78,948,259	1,467,715	-	1,942,973,557
Expenditure	(1,866,093,068)	(54,191,067)	(1,316,729)	-	(1,921,600,864)
Transfer between reserves	-	(14,600,000)	14,600,000	-	-
<b>Closing balance</b>	<b>(13,641,159)</b>	<b>128,947,164</b>	<b>25,450,350</b>	<b>100,000</b>	<b>140,856,355</b>

**Note 7. Vested benefits.**

Vested benefits are benefits which are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members were entitled to receive had they terminated their membership as at the reporting date.

	2015	2014
	\$	\$
<b>Vested benefits</b>	<b>17,738,874,416</b>	<b>15,193,158,251</b>

**Note 8. Guaranteed benefits.**

No guarantees have been made in respect of any part of the liability for accrued benefits.

**Note 9. Revenue – Investments (changes in net market value).**

	2015	2014
	\$	\$
<b>Investments held at balance date</b>		
Cash and term deposits	-	(958,117)
Fixed interest securities	-	(5,874,678)
Equities	(2,067,587)	641,202,015
Pooled superannuation trust and managed funds	1,175,047,093	405,989,090
Derivative assets	-	8,710,453
	<b>1,172,979,506</b>	<b>1,049,068,763</b>
<b>Investments realised during the year</b>		
Cash and term deposits	-	228,014
Fixed interest securities	21,074,098	16,269,674
Equities	232,437,538	172,294,531
Pooled superannuation trust and managed funds	5,874,670	75,358,222
Derivative assets	5,278,867	9,769,032
	<b>264,665,173</b>	<b>273,919,473</b>
<b>Total revenue – investments (changes in net market value)</b>	<b>1,437,644,679</b>	<b>1,322,988,236</b>

In November 2014, the Fund restructured its investment portfolio to predominately invest its assets through the Hostplus Pooled Superannuation Trust. The changes in net market value of investments held at balance date largely reflect the unrealised gains in relation to the Fund's investment in the Hostplus Pooled Superannuation Trust, while the changes in net market value of investments realised during the year largely reflect those gains and losses realised on transitioning the Fund's investments portfolio to the Hostplus Pooled Superannuation Trust.

**Note 10. Collective investments.**

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

Hostplus invests in a number of entities, known as 'collective entities' which provide administration or investment services. The other investors in these collective entities include a number of other industry superannuation funds. All transactions with collective entities are based on normal commercial terms and arrangements. During the year, Hostplus transacted with the following collective entities:

**Industry Super Holdings Pty Ltd and subsidiaries.**

Hostplus has a 9.48% (2014: 9.47%) shareholding in Industry Super Holdings Pty Ltd ('ISH'). ISH and its subsidiaries provide

a range of services and investment products to Hostplus and other institutional clients. Industry Fund Services Pty Ltd, Industry Funds Credit Control, IFS Insurance Broking Pty Ltd, Industry Fund Financial Planning Services and Industry Funds Management Limited are wholly owned subsidiaries of ISH.

As at 30 June 2015, Hostplus' investment in ISH was valued at \$45.3m (2014: \$39.1m). Total income earned by Hostplus from this investment for the year ended 30 June 2015 was \$6.2m (2014: \$1.8m). All transactions were made on normal commercial terms, under normal conditions and at market rates.

Industry Funds Management Pty Ltd ('IFM'), a wholly owned subsidiary of ISH, manages a selection of infrastructure, Australian listed equities, private equity, fixed interest and cash portfolios on behalf of Hostplus totalling \$2,495.7m as at 30 June 2015 (2014: \$2,978.5m). Total income earned on the portfolios managed by IFM was \$126.9m (2014: \$271.8m). Direct and indirect fees of \$7.8m (2014: \$9.6m) were charged for the investment management of these portfolios. IFM received fees of \$5.1m (2014: \$6.2m) with the remaining \$2.7m (2014: \$3.4m) indirectly charged by managers in underlying investments structures. All transactions were made on normal commercial terms, under normal conditions and at market rates.

Industry Fund Services Pty Ltd ('IFS'), a wholly owned subsidiary of ISH, provides a range of services to Hostplus such as financial planning, insurance broking, marketing and advertising, debt collection services and other ancillary services. Total fees paid to IFS for the year ended 30 June 2015 were \$5.4m (2014: \$5.5m). All transactions were made on normal commercial terms, under normal conditions and at market rates.

**Industry Super Property Trust.**

Industry Super Property Trust ('ISPT') manages unlisted property trusts on behalf of Hostplus and other institutional clients. Hostplus' investments include property trusts totalling \$803.5m (2014: \$719.1m). ISPT received \$2.7m (2014: \$2.0m) in fees for the management of these trusts. The income earned on this portfolio was \$85.3m (2014: \$63.7m). All transactions were made on normal commercial terms, under normal conditions and at market rates.

**Superpartners.**

Superpartners provides member administration and custodial services to the Fund and other institutional clients. In December 2014, Hostplus sold its 18.83% shareholding in Superpartners Pty Ltd for \$27.2m. Total gains derived by Hostplus from this Investment for the six months ending 31 December 2014 was \$3.5m (2014: -\$3.5m). Superpartners received \$18.5m (2014: \$40.3m) in fees from Hostplus up to the date of sale. All transactions were made on normal commercial terms, under normal conditions and at market rates.

**ME Bank.**

Hostplus' investments include a 12.58% (2014: 12.54%) shareholding in ME Bank. ME Bank offers and provides banking products to the members of the Fund at the members' discretion. As at 30 June 2015, Hostplus' investment in ME Bank was valued at \$137.5m (2014: \$124.1m). Total income earned by Hostplus from this investment for the year ended 30 June 2015 was \$9.2m (2014: \$11.5m). All transactions were made on normal commercial terms, under normal conditions and at market rates. As at 30 June 2015, Hostplus had \$5.3m outstanding commitments (2014: \$Nil).

Hostplus also invests in the Super Loans Trust ('SLT'), a fixed interest vehicle managed by ME Bank. As at 30 June 2015, Hostplus' investment in the SLT was valued at \$95.4m (2014: \$125.0m). Total income earned by Hostplus from this investment for the year ended 30 June 2015 was \$7.2m (2014: \$11.1m). ME Bank received \$0.3m (2014: \$0.6m) in fees from the management of Hostplus' investment.

All transactions were made on normal commercial terms, under normal conditions and at market rates.

Term deposits held with ME Bank on behalf of Choiceplus members within the Fund as at 30 June 2015 were \$4.3m (2014: \$2.6m). Term deposit income earned on behalf of Fund members for the year ended 30 June 2015 was \$0.15m (2014: \$0.04m). The Choiceplus product also operates a cash account with ME Bank, which as at 30 June 2015 had a balance of \$12.7m (2014: \$6.8m). The cash account earned \$0.3m (2014: \$0.1m) of interest in the year ended 30 June 2015.

Hostplus also holds a term deposit with ME Bank. As at 30 June 2015, the value of the term deposit was \$166.0m (2014: \$161.3m). Total income earned by Hostplus from this investment for the year ended 30 June 2015 was \$4.7m (2014: \$5.0m). All transactions were made on normal commercial terms, under normal conditions and at market rates.

Hostplus also holds a Floating Rate Note investment managed by ME Bank. As at 30 June 2015, the value of the note was \$3.1m (2014: \$3.1m). Total income earned by Hostplus from this investment for the year ended 30 June 2015 was \$0.2m (2014: \$0.2m). All transactions were made on normal commercial terms, under normal conditions and at market rates.

**Note 11. Income tax expense.**

Income tax expense in the Statement of Comprehensive Income represents the tax on the benefits accrued as a result of operations before income tax, adjusted for permanent differences. The tax effect of temporary differences, which occur where items are allowed for income tax purposes in a period different from that in which they are recognised in the accounts, is included in the provisions for deferred tax liability or deferred tax asset, as applicable, at current taxation rates.

**(a) Income tax reported in Statement of Comprehensive Income.**

	2015	2014
	\$	\$
<b>Statement of Comprehensive Income</b>		
<b>Current income tax expense / (income)</b>		
Current income tax charge	406,337,164	196,937,267
Adjustments in respect of current income tax of previous years	(15,125,113)	(3,193,566)
<b>Deferred tax expense / (income)</b>		
Relating to the origination and reversal of temporary differences	(183,678,477)	131,904,975
<b>Income tax expense reported in Statement of Comprehensive Income</b>	<b>(207,533,574)</b>	<b>325,648,676</b>

The prima facie income tax expense on benefits accrued as a result of operations before income tax reconciles to the income tax expense in the financial statements as follows:

<b>Benefits accrued as a result of operations before income tax</b>	<b>3,765,853,282</b>	<b>3,730,781,785</b>
Income tax expense calculated at 15%	564,877,992	559,617,268
Gross up for imputation and foreign tax credits	3,124,853	9,000,917
Investment income	(199,631,780)	(77,096,827)
Exempt pension income	(2,065,851)	(4,525,184)
Under / (Over) provision of income tax in previous year	(15,125,113)	(3,193,566)
Non-taxable group life proceeds	(16,971,244)	(15,337,091)
No TFN Tax	(2,299,704)	(64,966)
Non-taxable member contributions	(26,616,588)	(20,257,575)
Non-taxable transfers in	(66,322,980)	(61,095,417)
Anti-detriment adjustments	(1,698,202)	(1,394,259)
Non-deductible surcharge expense	793	1,492
Income tax expense	<b>237,272,176</b>	<b>385,654,792</b>
Imputation credits, withholding tax	<b>(29,738,602)</b>	<b>(60,006,116)</b>
<b>Income tax expense reported in Statement of Comprehensive Income</b>	<b>207,533,574</b>	<b>325,648,676</b>

**(b) Deferred tax assets and liabilities.**

	2015	2014
	\$	\$
<b>Deferred income tax</b>		
<b>Deferred income tax at 30 June relates to the following:</b>		
<b>Deferred income tax liabilities</b>		
Unrealised gains in investments subject to CGT	-	185,372,244
	<b>-</b>	<b>185,372,244</b>
<b>Deferred income tax assets</b>		
Unrealised losses in investments subject to CGT	1,728,067	-
Insurance premiums	2,552,475	2,653,488
Employee entitlements and other accruals	424,214	357,501
	<b>4,704,756</b>	<b>3,010,989</b>

**(c) Current tax asset and liability.**

The current tax liability for the Fund of \$212,585,069 (2014: \$58,586,121) represents the amount of income tax payable in respect of current and prior periods.

The current tax liability also includes an amount payable to the Hostplus Pooled Superannuation Trust ('Trust') for a tax liability relating to assessable contributions of \$770,500,000 (2014: \$Nil) that is expected to be transferred by the Fund to the Trust prior to the lodgement of the Fund's 2015 income tax return. For further information refer to Note 2(d).

**Note 12. Notes to the statement of cashflows.**

	2015	2014
	\$	\$
<b>(a) Reconciliation of Cash</b>		
<b>The figure shown for cash in the Statement of Cash Flows consists of:</b>		
Cash at bank	12,396,693	7,588,990
<b>(b) Reconciliation of Benefits Accrued as a Result of Operations to Net Cash Inflow from Operating Activities</b>		
<b>Benefits accrued as a result of operations</b>	3,558,319,708	3,405,133,109
Non-cash investment revenue	(1,695,242,782)	(1,865,140,710)
Depreciation of operating assets	1,437,917	948,069
Plant and equipment acquisitions	(8,232,211)	(3,302,684)
Benefits paid	(968,043,756)	(807,345,960)
<b>(Increase)/decrease in assets</b>		
Other receivables	6,910,965	(8,444,343)
<b>Increase/(decrease) in liabilities</b>		
Accounts payable	(1,534,159)	(1,046,253)
Insurance premiums	(673,426)	10,736,330
Deferred tax liabilities	(187,066,011)	130,225,993
Income tax payable	153,998,948	22,422,032
<b>Net cash inflow from operating activities</b>	<b>859,875,193</b>	<b>884,185,583</b>

**Note 13. Financial risk management.**

In November 2014, the Fund restructured its investment portfolio to predominately invest its assets through the Hostplus Pooled Superannuation Trust ('Trust'), a related entity with the same Trustee as the Fund.

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

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

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

The Trustee has overall responsibility for the establishment and oversight of its Risk Management Framework. The Trustee's risk management policies are established to identify and analyse the risks faced by the Fund, including those risks arising from holding financial instruments, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities. These are also documented in the Trustee's Risk Management Framework, which is subject to regular review both by management and the Board and an annual audit of compliance.

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

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

While the Fund doesn't directly trade in derivatives, the Trust does use derivative financial instruments, such as futures, options, swaps and forward foreign exchange contracts to manage market movement, currency risk and also effect a change in the asset mix of the portfolio. The use of derivatives is subject to specified limits and gearing is not permitted.

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

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

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

The Hostplus Investment Department regularly tracks the value of the Fund's investments through monitoring of market conditions, relevant benchmarks and indices and review of regular reports provided by the custodian and investment adviser.

**(a) Market risk.**

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

To mitigate market risk, the Trustee undertakes extensive due diligence to ensure fund managers have appropriate skills and expertise to manage the allocated investment prior to their appointment. Further, the Hostplus Investment Department tracks investment valuations on a daily basis through appropriate monitoring of the market conditions and benchmark analysis.

**Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund was exposed to foreign currency risk on financial instruments that were denominated in a currency other than Australian dollars, the functional currency of the Fund. Foreign exchange risk on all denominated foreign currency denominated assets and liabilities was regularly monitored and managed against pre-determined limits and asset allocations.

With the transition of the Fund's investment assets to the Trust, an Australian dollar denominated investment, the Fund does not hold a direct foreign currency exposure as at 30 June 2015. Prior to transition the Fund held both monetary and non-monetary assets denominated in currencies other than the Australian dollar.

The table below presents the Fund's direct exposure as at 30 June 2014 and the impact of a volatility factor on 11% on benefits accrued as a result of operations and net assets available to pay benefits. This was on the assumption that the Australian dollar would weaken/strengthen against each other currency to which the Fund was exposed, following an analysis of historical data over 10 years by the Fund's investment adviser and assuming all other variables remain constant. This represented management's best estimate of a reasonably possible shift in exchange rates having regard to historical data, and is not guaranteed as actual results may vary from management's reasonably possible estimate.

2014	Carrying Amount	Benefits accrued as a result of operations		Net assets available to pay benefits	
		\$	\$	\$	\$
		-11.00%	11.00%	-11.00%	11.00%
USD	(811,317,984)	75,858,231	(75,858,231)	75,858,231	(75,858,231)
JPY	(74,903,396)	7,003,467	(7,003,467)	7,003,467	(7,003,467)
Euro	(263,502,882)	24,637,519	(24,637,519)	24,637,519	(24,637,519)
GBP	(184,521,501)	17,252,760	(17,252,760)	17,252,760	(17,252,760)
SGD	(91,056,385)	8,513,772	(8,513,772)	8,513,772	(8,513,772)
Other currencies	(100,004,746)	9,350,444	(9,350,444)	9,350,444	(9,350,444)
	<b>(1,525,306,894)</b>	<b>142,616,193</b>	<b>(142,616,193)</b>	<b>142,616,193</b>	<b>(142,616,193)</b>

**Interest rate risk**

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

Interest rate risk is mitigated by holding a diversified portfolio of instruments both in Australia and internationally, including holding a mixture of fixed and floating rate securities. All investment managers are subject to extensive due diligence prior to being appointed.

The Fund's interest rate risk is monitored on a daily basis by the responsible investment managers awarded mandates in these asset classes in accordance with the investment guidelines set for them by the Trustee.

**Sensitivity analysis**

In considering what may be an appropriate volatility factor for interest rate exposure, the Trustee's investment adviser examined the average absolute movement in the yields of 10-year Australian and US Government bonds. US Government bonds were used as a proxy

for offshore bond markets. The average annual absolute movement in the yields of 10-year Australian and US Government bonds over the 10 financial years to 30 June 2015 is 86 basis points and 74 basis points respectively. The Fund's fixed interest investments are approximately 95% invested domestically and 5% offshore, such that the weighted average of these two figures is 85 basis points. Therefore, the Fund has adopted a volatility factor for interest rate risk of 85 (2014: 70) basis points. This represents management's best estimate of a reasonably possible shift in interest rates having regard to historical data and is not guaranteed, as actual results may vary from management's reasonably possible estimate.

	2015	2014
Fixed Interest	85 bps	70 bps
Cash and Term Deposits	85 bps	70 bps

An increase or decrease in interest rates would have affected benefits accrued as a result of operations and net assets available to pay benefits by the amounts shown below. This analysis assumes that all other variables remain constant.

2015	Carrying Amount	Benefits accrued as a result of operations		Net assets available to pay benefits	
		\$ +85 bps	\$ -85 bps	\$ +85 bps	\$ -85 bps
	\$	\$	\$	\$	\$
Fixed Interest	4,319,743	(31,210)	31,210	(31,210)	31,210
Cash and Term Deposits	12,675,146	91,578	(91,578)	91,578	(91,578)
	<b>16,994,889</b>	<b>60,368</b>	<b>(60,368)</b>	<b>60,368</b>	<b>(60,368)</b>

2014	Carrying Amount	Benefits accrued as a result of operations		Net assets available to pay benefits	
		\$ +70 bps	\$ -70 bps	\$ +70 bps	\$ -70 bps
	\$	\$	\$	\$	\$
Fixed Interest	461,427,243	(2,745,492)	2,745,492	(2,745,492)	2,745,492
Cash and Term Deposits	1,100,849,553	6,550,055	(6,550,055)	6,550,055	(6,550,055)
	<b>1,562,276,796</b>	<b>3,804,563</b>	<b>(3,804,563)</b>	<b>3,804,563</b>	<b>(3,804,563)</b>

### Other price risk

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

Investments of the Fund that are exposed to other price risk include equities, a pooled superannuation trust and managed funds. The Fund's exposure to other price risk is therefore limited to the market price movement of these investments. The Trustee has determined that these investments are appropriate for the Fund and are in accordance with the Trustee's published investment strategy.

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

### Sensitivity analysis

Following analysis of the deviation in relevant indices over the past 10 years, the following movements in other price risk are considered reasonably possible for the 2015 reporting period. This represents management's best estimate of a reasonably possible shift in market prices having regard to historical data, and is not guaranteed as actual results may vary from management's reasonably possible estimate.

	2015	2014
Equities Pooled	20%	20%
Superannuation Trust and Managed Funds	13%	13%

An increase or decrease in the market price of investments of the Fund at 30 June would have affected benefits accrued as a result of operations and net assets available to pay benefits by the amounts shown below. This analysis assumes that all other variables remain constant.

2015	Carrying Amount	Benefits accrued as a result of operations		Net assets available to pay benefits	
	\$	\$	\$	\$	\$
Equities	29,108,957	4,948,523	(4,948,523)	4,948,523	(4,948,523)
Pooled Superannuation Trust and Managed Funds	18,115,802,919	2,001,796,223	(2,001,796,223)	2,001,796,223	(2,001,796,223)
	<b>18,144,911,876</b>	<b>2,006,744,746</b>	<b>(2,006,744,746)</b>	<b>2,006,744,746</b>	<b>(2,006,744,746)</b>

2014	Carrying Amount	Benefits accrued as a result of operations		Net assets available to pay benefits	
	\$	\$	\$	\$	\$
Equities	6,755,004,557	1,148,350,775	(1,148,350,775)	1,148,350,775	(1,148,350,775)
Pooled Superannuation Trust and Managed Funds	6,880,416,096	760,285,979	(760,285,979)	760,285,979	(760,285,979)
	<b>13,635,420,653</b>	<b>1,908,636,754</b>	<b>(1,908,636,754)</b>	<b>1,908,636,754</b>	<b>(1,908,636,754)</b>

**(b) Credit risk.**

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

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. None of these assets are impaired nor past due but not impaired.

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

The carrying amount of assets as at reporting date subject to credit risk is set out below:

	2015	2014
	\$	\$
Derivative Assets	-	59,494,566
Directly Held Fixed Interest	4,319,743	604,217,121
	<b>4,319,743</b>	<b>508,820,194</b>

**Scrip lending**

With the transition of the Fund’s investment assets to the Trust, there is no direct scrip lending of the Fund’s investment assets as at 30 June 2015. Scrip lending arrangements were in place until transition, under which legal title to certain assets of the Fund were transferred to another entity, notwithstanding the fact that the risks and benefits of ownership of the assets remain with the Fund.

The assets transferred to other entities under scrip lending arrangements included Australian and international equities and global bonds that are held discreetly by the Fund’s Custodian. The risks and rewards of ownership to which the Fund was exposed was currency risk, interest rate risk and other market price risk.

There were no assets subject to scrip lending at reporting date (2014: \$194,933,211).

The terms and conditions associated with the use of collateral held as security in relation to the assets lent was governed by a Securities Lending Agreement that requires the borrower to provide the lender with collateral to the value equal to or greater than the loaned securities.

**(c) Liquidity risk.**

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

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

The Fund’s financial instruments include unlisted investments that are not traded in organised public markets and may be illiquid. As a result, the Trustee may not be able to liquidate quickly some of its investments at an amount close to fair value in order to meet its liquidity requirements. As the value of these investments is monitored to comply with the asset allocation stipulated in the Trustee’s Investment Strategy, this risk is considered minimal.

The Fund’s listed securities are considered to be readily realisable as they are all listed on recognised stock exchanges around the world.

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

The contractual maturity of financial liabilities is set out below.

2015	Carrying Amount	Less than 1 month	1 to 3 months	Greater than 3 months
	\$	\$	\$	\$
Benefits payable	29,599,140	29,599,140	-	-
Vested benefits	17,738,874,416	17,738,874,416	-	-
Employee entitlements	2,828,093	2,828,093	-	-
Accounts payable	26,059,018	26,059,018	-	-
Current tax liabilities	212,585,069	-	40,828,376	171,756,693
	<b>18,009,945,736</b>	<b>17,797,360,667</b>	<b>40,828,376</b>	<b>171,756,693</b>

2014	Carrying Amount	Less than 1 month	1 to 3 months	Greater than 3 months
	\$	\$	\$	\$
Benefits payable	26,992,950	26,992,950	-	-
Vested benefits	15,193,158,251	15,193,158,251	-	-
Employee entitlements	2,383,338	2,383,338	-	-
Accounts payable	34,881,780	34,881,780	-	-
Derivative liabilities	36,211,479	-	18,218,471	17,993,008
Foreign currency forward contracts				
Inflows	(2,139,470,510)	(2,398,517)	(2,137,071,993)	-
Outflows	2,133,598,765	2,405,506	2,131,193,259	-
Current tax liabilities	58,586,121	-	58,586,121	-
	<b>15,346,342,174</b>	<b>15,257,423,308</b>	<b>70,925,858</b>	<b>17,993,008</b>

Vested benefits have been included in the 'Less than 1 month' column below as this is the amount that members could call upon as at 30 June; however, the Fund considers it is highly unlikely that all members will request to rollover their superannuation fund account at the same time.

**(d) Estimation of fair values.**

The Fund’s financial assets and liabilities included in the Statement of Financial Position are carried at net market value on a recurring basis, which Directors believe approximates fair value. The major methods and assumptions used in determining net market value of financial instruments have been disclosed at Note 2, Summary of significant accounting policies.

**(e) Fair value hierarchy.**

The table at right analyses financial instruments carried at net market value which approximates fair value by using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

**(i) Fair value in an active market (level 1).**

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period less estimated future selling costs. The Fund’s investments are valued in accordance with the accounting policies disclosed at Note 2, Summary of significant accounting policies. For the majority of its investments, the Trustee relies on information provided by independent pricing services for the valuation of its investments.

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

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

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

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

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

The following table sets out the Fund’s financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2015.

2015	Level 1	Level 2	Level 3
	\$	\$	\$
<b>Financial Assets</b>			
Financial Assets designated at fair value through profit or loss:			
Cash and term deposits	12,675,146	-	-
Fixed interest securities	4,319,743	-	-
Equities	29,108,957	-	-
Pooled superannuation trust and managed funds	-	18,109,202,919	6,600,000
Derivative assets	-	-	-
<b>Financial Liabilities</b>			
Financial Liabilities held for trading:			
Derivative liabilities	-	-	-
	<b>46,103,846</b>	<b>18,109,202,919</b>	<b>6,600,000</b>
<b>2014</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	\$	\$	\$
<b>Financial Assets</b>			
Financial Assets designated at fair value through profit or loss:			
Cash and term deposits	1,371,977,941	-	-
Fixed interest securities	8,409,461	10,069,244	585,738,416
Equities	5,977,138,227	684,853,657	93,012,673
Pooled superannuation trust and managed funds	1,622,457,273	656,671,956	4,601,286,867
Derivative assets	47,165,961	-	-
<b>Financial Liabilities</b>			
Financial Liabilities held for trading:			
Derivative liabilities	(41,014,761)	-	-
	<b>8,986,134,101</b>	<b>1,351,594,857</b>	<b>5,280,037,956</b>

There were no transfers between levels for the year ended 30 June 2015.

**Level 3 investments.**

The investments held by the Fund include unlisted financial instruments that are not traded in an active market. Hence, their fair values are based on prices advised by the external investment manager, as well as valuations determined by appropriately skilled independent third parties. The following table presents the movement in level 3 instruments for the year ended 30 June 2015.

	2015	2014
	\$	\$
<b>Opening Balance</b>	<b>5,280,037,956</b>	<b>4,508,430,552</b>
Purchases	476,724,296	588,643,362
Sales	(5,935,595,010)	(233,366,108)
Transfers into / (out) of level 3	-	-
Gains and losses recognised in profit or loss	185,432,758	416,330,150
<b>Closing Balance</b>	<b>6,600,000</b>	<b>5,280,037,956</b>

**Valuation inputs and relationships to fair value – level 3 investments.**

Details of the inputs and assumptions used in the current valuation of investments are described below. Detailed information has been provided where available. A majority of these investments are held via externally managed unlisted pooled investment vehicles, and as such the Trustee is not privy to the detailed inputs and assumptions used to value the underlying investment assets.

The Trustee has an established control framework with respect to the measurement of fair values. The Trustee engages appropriately skilled independent third parties to perform a valuation, where required. With respect to investments held externally by investment managers, the Trustee reviews the appropriateness of the investment manager’s valuation policies during the due diligence phase, prior to initial investment. At least annually in July, final valuations are adopted by the Board in determining the final annual crediting rate.

Further details on valuation inputs of the Fund’s level 3 investments can be explained under the following categories.

**(i) Managed funds**

As at 30 June 2015 the Fund has an exposure to an unlisted managed fund of \$6,600,000 (2014: \$4,601,286,867), which has been categorised as a level 3 investment. The investment has been recorded at the declared redemption value at balance date.

**(ii) Equity securities**

As at 30 June 2015 the Fund has no equity securities (2014: \$93,012,673) categorised as level 3. Equity securities are subject to an annual valuation by a professional and independent third party that uses valuation techniques appropriate to the company. The valuation techniques include discounted cash flow valuation methodologies and earning and trading multiples

of broadly comparable companies. Where discounted cash flow techniques are used, estimated future cash flows are based on management’s best estimates and discounted using an appropriate cost of equity to arrive at a net present value.

**(iii) Fixed interest securities**

As at 30 June 2015 the Fund has no fixed interest securities (2014: \$585,738,416) categorised as level 3. Fixed interest securities include Government, Government-related, corporate and securitised bonds, loans and other fixed interest instruments.

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

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

**Note 14. Offsetting financial assets and financial liabilities.**

The Fund’s exposure to offsetting is limited to any exposure to direct derivative assets and liabilities. With the transition of the Fund’s investments to the Trust, there was no exposure as at 30 June 2015.

The gross and net positions of financial assets and liabilities that have been offset in the Statement of Financial Position in the prior year are disclosed in the table below:

**Effects of offsetting on the Statement of Financial Position.**

2014	Gross amounts of financial assets	Gross amounts set off in the Statement of Financial Position	Net amount of financial assets presented in the Statement of Financial Position
	\$	\$	\$
<b>Financial Assets</b>			
Derivative assets	2,188,283,328	(2,128,788,762)	59,494,566
<b>Financial Liabilities</b>			
Derivative liabilities	(2,169,803,523)	2,128,788,762	(41,014,761)

## Note 15. Related parties.

### (a) Trustee.

Host-Plus Pty. Limited is the Trustee for both the Hostplus Superannuation Fund ('Fund') and the Hostplus Pooled Superannuation Trust ('Trust'), collectively known as 'Hostplus'. The Trust is the Fund's primary investment vehicle. The shareholders of the Trustee are United Voice and Australian Hotels Association ('AHA').

### (b) Board of Directors and remuneration.

Directors and alternate Directors of the Trustee during the financial year were as follows:

Independent	Member nominated by United Voice	Employer nominated by AHA
D Elmslie (Chair)	B Daley (Deputy Chair)(e)	M Robertson (Deputy Chair)
P Collins	R Buckler	D Gibson
A Grayson	R Stark	M Vaile
	D McElrea (a)	N Randall (c)
	T Lyons (b) (f)	

Remuneration paid/payable to Directors by Hostplus for services to the Board and Committees of the Board is set out in the following tables:

Name	Date commenced	Date change in position	Salary	Non-monetary benefits (d)	Superannuation	Termination benefits	Total
			\$	\$	\$	\$	\$
<b>Year ended 30 June 2015</b>							
D Elmslie	9/02/2007	-	135,826	8,445	20,374	-	164,645
P Collins	1/07/2006	-	109,950	-	16,492	-	126,442
A Grayson	24/10/2013	-	94,950	-	14,242	-	109,192
B Daley	5/06/1990	30/07/2015 (e)	99,675	-	14,951	-	114,626
R Buckler	28/05/2003	-	109,400	-	16,410	-	125,810
R Stark	27/07/2014	-	56,267	-	8,440	-	64,707
D McElrea (a)	27/03/2015	-	26,748	-	4,013	-	30,761
T Lyons (b)	15/05/2015	17/08/2015 (f)	14,067	-	2,110	-	16,177
M Robertson	6/06/2003	-	99,675	-	14,951	-	114,626
D Gibson	1/07/2012	-	99,400	-	14,910	-	114,310
M Vaile	1/07/2012	-	84,400	-	12,660	-	97,060
N Randall (c)	1/07/2013	-	43,000	-	-	-	43,000
			<b>973,358</b>	<b>8,445</b>	<b>139,553</b>	<b>-</b>	<b>1,121,356</b>

(a) Alternate Director for Directors Buckler, Daley (up until 30/07/2015) and Stark (from 20/08/2015)

(b) Alternate Director for Director Stark (up until 20/08/2015)

(c) Alternate Director for AHA nominated Directors

(d) Parking benefits

(e) Resigned as a Director

(f) Appointed as Director

Directors appointed by United Voice do not personally receive Directors Fees from Hostplus. An equivalent amount is paid to United Voice to compensate for the time spent by the Director in fulfilling their responsibilities as a Hostplus Trustee Director.

Name	Date commenced	Date change in position	Salary	Non-monetary benefits (d)	Super-annuation	Termination benefits	Total
			\$	\$	\$	\$	\$
<b>Year ended 30 June 2014</b>							
D Elmslie	9/02/2007	-	135,826	6,284	20,374	-	162,484
P Collins	1/07/2006	-	109,950	-	16,493	-	126,443
A Grayson	24/10/2013	-	71,213	-	10,682	-	81,895
R Buckler	28/05/2003	-	109,404	-	16,411	-	125,815
B Daley	5/06/1990	-	94,404	-	14,161	-	108,565
T Burton	19/10/2009	29/11/2013 (e)	35,165	-	5,275	-	40,440
R Stark	1/07/2012	27/02/2014 (f)	36,980	-	5,547	-	42,527
M Vaile	1/07/2012	-	84,400	-	12,660	-	97,060
D Gibson	1/07/2012	-	99,400	-	14,910	-	114,310
M Robertson	6/06/2003	-	99,675	-	14,951	-	114,626
N Randall	17/11/2008	1/07/2013 (g)	16,500	-	-	-	16,500
			<b>892,917</b>	<b>6,284</b>	<b>131,464</b>	<b>-</b>	<b>1,030,665</b>

(e) Resigned as a Director

(f) Change of position from Alternate Director to Director

(g) Change of position from Director to Alternate Director

**(c) Group Executive management and remuneration.**

Key management personnel of Hostplus as at 30 June 2015 included the following Group Executives:

Name of Executive	Role
D Elia	Chief Executive Officer
S Sicilia	Chief Investment Officer
U Mecchi	Group Executive – Strategy, Marketing and Growth
T Kenny	Group Executive – Finance, Risk & Operations
P Watson	Group Executive – Product and Advice
N Strickland	Group Executive – People, Performance and Culture
M Abramovich	General Counsel & Group Executive – Compliance

Remuneration of Group Executive management paid / payable by Hostplus is set out in the following tables:

Name	Date commenced	Date change in position	Salary	Short-term incentives	Non-monetary benefits (d)	Super-annuation	Termination benefits	Total
			\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2015</b>								
D Elia	15/03/1999		554,257	182,208	8,445	30,000	-	774,910
S Sicilia	31/03/2008		420,106	147,677	8,445	25,000	-	601,228
U Mecchi	28/11/2011	19/09/2014 (h)	296,182	47,614	8,445	30,000	-	382,241
T Kenny	7/11/2013	19/09/2014 (h)	286,781	18,768	8,445	30,000	-	343,994
P Watson	21/03/2011	19/09/2014 (h)	262,451	44,145	8,445	30,000	-	345,041
N Strickland	17/02/2014	19/09/2014 (h)	157,692	4,176	8,445	24,280	-	194,593
A Wong	12/01/2004	19/09/2014 (h)	50,300	26,014	1,874	8,077	-	86,265
M Abramovich	15/12/2014		177,692	-	4,581	16,154	-	198,427
			<b>2,205,461</b>	<b>470,602</b>	<b>57,125</b>	<b>193,511</b>	<b>-</b>	<b>2,926,699</b>

(h) On 19 September 2014 the Executive team was reorganised to enable a realignment of portfolios, roles and responsibilities. The reorganisation also included the renaming of Executive positions from Executive Manager to Group Executive.

Name	Date commenced	Date change in position	Salary	Short-term incentives	Non-monetary benefits (d)	Super-annuation	Termination benefits	Total
			\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2014</b>								
D Elia	15/03/1999		536,850	177,063	6,284	25,000	-	745,197
S Sicilia	31/03/2008		403,050	136,316	6,284	25,000	-	570,650
U Mecchi	28/11/2011		288,664	47,344	6,284	25,000	-	367,292
S Rowbottom	21/05/2007	23/09/2013 (i)	56,225	13,960	1,571	4,102	225,612	301,470
T Kenny	16/01/2012	7/11/2013 (j)	151,269	-	4,189	16,346	-	171,804
P Watson	21/03/2011		256,226	23,789	6,284	25,000	-	311,299
B Smethurst	15/01/2007	23/12/2013 (k)	74,080	7,164	-	12,737	11,512	105,493
N Strickland	1/03/2010	17/02/2014 (l)	37,743	-	2,618	6,639	-	47,000
A Wong	12/01/2004		218,234	12,507	6,284	25,000	-	262,025
			<b>2,022,341</b>	<b>418,143</b>	<b>39,798</b>	<b>164,824</b>	<b>237,124</b>	<b>2,882,230</b>

(i) S Rowbottom (Chief Operating Officer) resigned

(j) T Kenny (Executive Manager, Finance and Operations) appointed

(k) B Smethurst (Executive Manager, Human Resources) resigned

(l) N Strickland (Executive Manager, People and Culture) appointed

**(d) Directors’ attendance at Board and Committee meetings.**

Director / Alternate Director	Full Board Meeting of Directors		Meeting of Committees						Hostplus Investment Trust		Hostplus Property Pty Ltd	
			Audit, Risk & Compliance		Claims Review		Remuneration					
	A	B	A	B	A	B	A	B	A	B	A	B
<b>Year ended 30 June 2015</b>												
Directors												
D Elmslie	7	7	-	-	-	-	3	3	3	3	3	3
R Buckler	7	7	-	-	18	21	3	3	3	3	3	3
P Collins	7	7	3	3	-	-	-	-	3	3	3	3
B Daley	7	7	3	3	-	-	-	-	3	3	2	3
D Gibson	7	7	-	-	-	-	2	3	2	3	2	3
A Grayson	7	7	-	-	-	-	-	-	2	3	3	3
R Stark	4	7	-	-	-	-	-	-	2	3	2	3
M Robertson	5	7	2	3	-	-	-	-	1	3	1	3
M Vaile	5	7	-	-	-	-	-	-	3	3	1	3
Alternate Directors												
D McElrea	2	-	-	-	-	-	-	-	-	-	-	-
T Lyons	1	-	-	-	-	-	-	-	-	-	-	-
N Randall	3	-	1	-	-	-	-	-	-	-	-	-
Observers												
D Elmslie	-	-	1(*)	-	-	-	-	-	-	-	-	-
N Randall	2(#)	-	-	-	-	-	-	-	2(#)	-	2(#)	-
R Buckler	-	-	1(*)	-	-	-	-	-	-	-	-	-
D Gibson	-	-	1(*)	-	-	-	-	-	-	-	-	-
M Robertson	-	-	-	-	-	-	1	-	-	-	-	-
T Lyons	-	-	1(*)	-	-	-	-	-	1(#)	-	-	-
D McElrea	1(#)	-	-	-	-	-	-	-	1(#)	-	1(#)	-

A Number of meetings attended including where an alternate may have attended on behalf of the appointed Director

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

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

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

Where a Non-Committee member has attended a Committee attendance has been noted

Director / Alternate Director	Full Board Meeting of Directors		Meeting of Committees						Hostplus Investment Trust		Hostplus Property Pty Ltd	
			Audit, Risk & Compliance		Claims Review		Remuneration					
	A	B	A	B	A	B	A	B	A	B	A	B
<b>Year ended 30 June 2014</b>												
Directors												
D Elmslie	8	8	3(*)	-	-	-	3	3	3	3	1	1
R Buckler	7	8	-	-	9	15	3	3	3	3	1	1
P Collins	8	8	3	3	-	-	-	-	2	3	1	1
B Daley	7 (^)	8	3	3	-	-	-	-	3	3	1	1
D Gibson	8	8	1(*)	-	-	-	2	2	2	3	1	1
M Robertson	8	8	3	3	-	-	1	1	3	3	1	1
M Vaile	8	8	-	-	-	-	-	-	2	3	1	1
T Burton	3	3	-	-	-	-	-	-	2	2	-	-
A Grayson	5	6	-	-	-	-	-	-	1	1	1	1
R Stark	2	3	-	-	-	-	-	-	1	1	1	1
Alternate Directors												
R Stark	1	-	-	-	-	-	-	-	-	-	-	-
N Randall	-	-	-	-	-	-	-	-	-	-	-	-
Observers												
D Elmslie	-	-	3(*)	-	-	-	-	-	-	-	-	-
R Stark	2(#)	-	-	-	-	-	-	-	1(#)	-	-	-
N Randall	4(#)	-	-	-	-	-	-	-	1(#)	-	-	-
A Grayson	1(#)	-	-	-	-	-	-	-	1(#)	-	-	-

A Number of meetings attended including where an alternate may have attended on behalf of the appointed Director

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

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

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

(^) Director Daley did not participate in the April 2014 meeting due to a conflict

Where a Non-Committee member has attended a Committee attendance has been noted

**(e) Transactions with Directors and Management Personnel.**

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

Trustee Directors	Executive members	
R Buckler	D Elia	P Watson
N Randall	U Mecchi	N Strickland
M Robertson	T Kenny	M Abramovich
M Vaile	S Sicilia	A Wong

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

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

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

The agreements with the AHA include the National body of the AHA and the following State-based affiliates: Australian Capital Territory, New South Wales, Northern Territory, South Australia, Tasmania and Victoria. The agreement with the United Voice is with the national body of the United Voice, which incorporates the following State-based affiliates: Australian Capital Territory, New South Wales, Northern Territory, South Australia, Tasmania, Victoria and Western Australia. During the year, the Trustee paid the Australian Hotels Association \$551,000 (2014: \$550,091) and United Voice \$330,000 (2014: \$342,000), excluding GST.

**16. Remuneration of auditors.**

	2015	2014
	\$	\$
Remuneration paid or payable for services provided by the auditor, PricewaterhouseCoopers:		
- Audit of Financial Statements	112,200	146,309
- Other Assurance Services	53,183	71,696
- Other Services	64,878	43,555
	<b>230,261</b>	<b>261,560</b>

**Note 17. Matters subsequent to the end of the financial year.**

No significant events have occurred since the end of the reporting period which would affect on the Statement of Financial Position, Statement of Comprehensive Income or Statement of Cash Flows of the Fund for the year ended on that date.

**Note 18. Investment commitments.**

Commitments for the acquisition of investments contracted for at the reporting date but not recognised as liabilities payable:

	2015	2014
	\$	\$
Fixed interest securities	-	87,180,007
Equities	-	101,398,690
Pooled superannuation trust and managed funds	-	1,151,667,341
	<b>-</b>	<b>1,340,246,038</b>

In November 2014, the Fund restructured its investment portfolio to predominately invest its assets through the Hostplus Pooled Superannuation Trust. Accordingly, the Fund has no outstanding investment commitments as at 30 June 2015.

**Note 19. Segment information.**

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

**HOSTPLUS SUPERANNUATION FUND  
TRUSTEE STATEMENT**

In the opinion of the trustee:

- (a). the financial statements and notes set out on pages 2 to 30 are drawn up so as to present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of Hostplus Superannuation Fund as at 30 June 2015 and the benefits accrued as a result of its operations and its cash flows for the year then ended;
- (b). the financial statements are prepared in accordance with the requirements of the Trust Deed dated 1 October 1987 and the Superannuation Industry (Supervision) Act 1993 and Regulations; and
- (c). the Fund has complied with the requirements of the Trust Deed, and with the applicable provisions of the Superannuation Industry (Supervision) Act 1993, and Regulations and the Corporations Act 2001 and Regulations and Guidelines during the year ended 30 June 2015; and
- (d). Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This statement is made in accordance with a resolution of the directors of the trustee company, Host-Plus Pty. Limited.

**DIRECTOR:**



**DIRECTOR:**



Sydney  
18 September 2015



## ***Independent Auditor's report on financial statements***

### ***Hostplus Superannuation Fund (ABN: 68 657 495 890) Report by the RSE Auditor to the trustee***

#### ***Financial statements***

I have audited the financial statements of Hostplus Superannuation Fund for the year ended 30 June 2015, comprising the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, summary of significant accounting policies and other explanatory notes.

#### ***Trustee's responsibility for the financial statements***

The superannuation entity's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards<sup>2</sup> and the requirements of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's responsibility***

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted an independent audit of the financial statements in order to express an opinion on them to the trustee of Hostplus Superannuation Fund.

My audit has been conducted in accordance with Australian Auditing Standards<sup>3</sup>. These Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the trustee's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trustee's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

<sup>1</sup> RSE Auditor as defined in Section 10 of the SIS Act.

<sup>2</sup> The Australian Accounting Standards issued by the Australian Accounting Standards Board.

<sup>3</sup> The Australian Auditing Standards issued by the Auditing and Assurance Standards Board.

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
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***Auditor's Opinion***

In my opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards the financial position of Hostplus Superannuation Fund as at 30 June 2015 and the results of its operations and its cash flows for the year ended 30 June 2015.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'G. Sagonas', is written over a horizontal line.

George Sagonas  
Partner

Melbourne  
22 September 2015

**Keeping  
you super  
informed.**



