

**HOSTPLUS POOLED SUPERANNUATION TRUST
ANNUAL REPORT
30 JUNE 2024**

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

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HOSTPLUS POOLED SUPERANNUATION TRUST DIRECTORS' REPORT

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

Principal activities

The principal activity of the Trust during the course of the year is to generate significant long-term capital growth for its investors. The Trust aims to achieve these objectives by trading a highly diversified portfolio of assets within an approved strategic asset allocation.

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

Review of operations

During the year, SMI investors invested via the Trust alongside the Hostplus Superannuation Fund and Maritime Superannuation Fund. On 1 September 2023, Maritime Superannuation Fund transferred its unit holdings in the Trust to the Hostplus Superannuation Fund and is no longer considered an institutional investor. The Trust distributes earnings to investors daily via daily unit pricing.

Significant changes in state of affairs

There are no significant changes in state of affairs as at the date of this report.

Events subsequent to balance date

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

Likely developments and expected results of operations

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

Environmental Regulation

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

Audit and non-audit services

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

	2024	2023
	\$	\$
Audit of Financial Statements	218,173	183,840
Other Assurance Services	70,518	76,240
Other Non-audit Services		
- Merger Due Diligence & Procedures	-	16,500
	288,691	276,580

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

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

Auditor's Independence Declaration

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

HOSTPLUS POOLED SUPERANNUATION TRUST DIRECTORS' REPORT

Remuneration report

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

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

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

The report is structured as follows:

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

(a) Key management personnel covered in this report

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

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

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

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

^(a) Alternate Director

HOSTPLUS POOLED SUPERANNUATION TRUST DIRECTORS' REPORT

Remuneration report (continued)

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

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

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

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

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

**HOSTPLUS POOLED SUPERANNUATION TRUST
DIRECTORS' REPORT**

Remuneration report (continued)

(b) Remuneration expense

The remuneration expense table shows details of the remuneration expense recognised for the directors of the Trust's trustee and other key management personnel for the current financial year measured in accordance with the requirements of the accounting standards. The amounts payable to the other executive key management personnel are incurred and settled directly by the Fund.

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

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

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

HOSTPLUS POOLED SUPERANNUATION TRUST DIRECTORS' REPORT

Remuneration report (continued)

(c) Remuneration policy and link to performance

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

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

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

(d) Elements of remuneration

(i) Fixed remuneration (FR)

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

Superannuation is included in the FR for all executives.

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

**HOSTPLUS POOLED SUPERANNUATION TRUST
DIRECTORS' REPORT**

Remuneration report (continued)

(d) Elements of remuneration (continued)

(ii) Variable remuneration (VR)

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

**HOSTPLUS POOLED SUPERANNUATION TRUST
DIRECTORS' REPORT**

Remuneration report (continued)

(d) Elements of remuneration (continued)

(ii) Variable remuneration (VR) (continued)

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

(iii) Bridging payment

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

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

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

**HOSTPLUS POOLED SUPERANNUATION TRUST
DIRECTORS' REPORT**

Remuneration report (continued)

(d) Elements of remuneration (continued)

(iv) Other – Retention payment

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

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

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

2024 Total variable remuneration

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

* Total opportunity is inclusive of 15% superannuation.

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

(f) Contractual arrangements

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

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

**HOSTPLUS POOLED SUPERANNUATION TRUST
DIRECTORS' REPORT**

Remuneration report (continued)

(g) Directors' remuneration

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

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

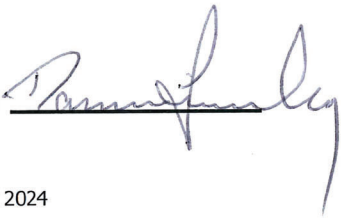
All directors enter into a service agreement with the Trustee in the form of a letter of appointment. The letter summarises the Board terms and conditions, including remuneration, relevant to the office of director.

Directors' remuneration is incurred by the Trustee which is then reimbursed by the Fund and the Trust. The amount reimbursed by the Trust in the current period was \$799,913 (excluding GST).

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

On behalf of the Directors

DIRECTOR:



DIRECTOR:



Melbourne
13 September 2024



Auditor's Independence Declaration

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

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

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

George Sagonas
Partner
PricewaterhouseCoopers

Melbourne
13 September 2024

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

		2024	2023
	Note	\$	\$
Assets			
Cash and cash equivalents	10(a)	5,713,488,203	4,968,354,889
Deposits held with brokers for margin		45,319,379	59,071,715
Unsettled investment redemptions		288,764,139	177,078,650
Other receivables	3	209,572,879	180,820,321
Tax receivable - current	9(c)	147,004,483	323,252,927
Investments			
Financial assets held at fair value through profit or loss:			
Cash and term deposits held for investing activities		705,984,582	938,944,939
Fixed interest securities		7,313,964,370	6,562,348,847
Equities		54,549,440,906	45,122,933,384
Managed funds		48,335,174,833	44,398,223,379
Derivative assets		634,189,161	307,723,650
Total Assets		<u>117,942,902,935</u>	<u>103,038,752,701</u>
Liabilities			
Accounts payable	4	118,715,659	77,039,457
Unsettled investment applications		335,624,753	355,216,416
Derivative liabilities		82,419,365	446,298,053
Deferred tax liability	9(b)	2,103,835,243	1,544,926,123
Total Liabilities		<u>2,640,595,020</u>	<u>2,423,480,049</u>
Net assets available to unitholders		<u>115,302,307,915</u>	<u>100,615,272,652</u>
Net assets attributable to unitholders - Liabilities	5	<u>115,173,916,668</u>	<u>100,503,762,441</u>
Net assets		<u>128,391,247</u>	<u>111,510,211</u>
Equity			
Reserves	6	128,391,247	111,510,211
Total Equity		<u>128,391,247</u>	<u>111,510,211</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes and comparative information has been revised to reflect the change in presentation as detailed in Note 2(h).

**HOSTPLUS POOLED SUPERANNUATION TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
Investment			
Interest		570,981,569	399,404,138
Dividends and distributions		3,023,874,845	2,794,879,559
Net changes in fair value of investments	7	6,028,898,071	6,221,406,230
Other income		61,662,585	45,707,214
Investment expenses		(424,652,865)	(289,400,180)
Total net investment income/(loss)		9,260,764,205	9,171,996,961
Other revenue			
Sundry income		10,997,091	10,626,756
Total other revenue		10,997,091	10,626,756
Total revenue from ordinary activities		9,271,761,296	9,182,623,717
Expenses from ordinary activities			
Administration and other expenses		2,794,488	2,879,954
Total expenses from ordinary activities		2,794,488	2,879,954
Operating profit/(loss) before income tax		9,268,966,808	9,179,743,763
Income tax expense/(benefit)	9(a)	687,101,668	747,541,008
Operating Profit/(loss) for the period		8,581,865,140	8,432,202,755
Finance costs attributable to unitholders			
(Increase)/decrease in net assets attributable to unitholders	5	(8,564,984,104)	(8,416,648,895)
Profit/(loss) for the period		16,881,036	15,553,860
Other comprehensive income		-	-
Total comprehensive income		16,881,036	15,553,860

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes and comparative information has been revised to reflect the change in presentation as detailed in Note 2(h).

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

		Reserves	2024
	Note	\$	Total
			\$
Total equity at the beginning of the reporting period		111,510,211	111,510,211
Profit for the reporting period		16,881,036	16,881,036
Other comprehensive income		–	–
Total comprehensive income for the reporting period		128,391,247	128,391,247
Transactions with owners in their capacity as owners			
Applications		–	–
Redemptions		–	–
		–	–
Transfer to reserves		–	–
Balance at 30 June 2024	6	128,391,247	128,391,247
		Reserves	2023
	Note	\$	Total
			\$
Total equity at the beginning of the reporting period		95,956,351	95,956,351
Profit for the reporting period		15,553,860	15,553,860
Other comprehensive income		–	–
Total comprehensive income for the reporting period		111,510,211	111,510,211
Transactions with owners in their capacity as owners			
Applications		–	–
Redemptions		–	–
		–	–
Transfer to reserves		–	–
Balance at 30 June 2023	6	111,510,211	111,510,211

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes and comparative information has been revised to reflect the change in presentation as detailed in Note 2(h).

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

	2024	2023
Note	\$	\$
Cash flows from operating activities		
Proceeds from sale of investments	46,235,805,736	53,377,273,689
Purchase of investments	(54,886,212,004)	(63,543,687,358)
Interest	568,711,133	373,930,662
Dividends and distributions	2,990,480,701	2,806,655,561
Other income	71,707,594	52,859,504
Tax instalments received/(paid)	48,055,896	(46,228,135)
Direct investment expenses	(384,101,008)	(325,924,694)
Total cash flows from operating activities	10(b) (5,355,551,952)	(7,305,120,771)
Cash flows from financing activities		
Proceeds from application by unitholders	7,785,278,538	8,176,029,787
Payments for redemptions by unitholders	(584,521,141)	(1,293,798,274)
Contributions tax transferred to the Trust	13(f) (1,094,586,447)	(780,421,454)
Total cash flows from financing activities	6,106,170,950	6,101,810,059
Net increase/(decrease) in cash and cash equivalents	750,618,998	(1,203,310,712)
Effect of exchange rate changes on the balance of foreign currencies	(5,485,684)	6,406,614
Cash and cash equivalents at the beginning of the year	4,968,354,889	6,165,258,987
Cash and cash equivalents at the end of the year	10(a) 5,713,488,203	4,968,354,889

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

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

NOTE 1. GENERAL INFORMATION

Hostplus Pooled Superannuation Trust ('the Trust') is an APRA registrable superannuation entity, initially established by a Trust Deed dated 7 February 2014. The Trust is incorporated and domiciled in Australia.

The Trust aims to generate significant long-term capital growth for its investors, in accordance with the objectives and risk management framework established by the Trust's Trustee. The Trust aims to achieve these objectives by trading a highly diversified portfolio of assets within an approved strategic asset allocation determined by the Trustee.

The Trustee of the Trust is Host-Plus Pty. Limited and it is the holder of a public offer class of Registrable Superannuation Entity License. The Trustee's registered office is 114 William Street, Melbourne, Victoria 3000.

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards Board and the Corporations Act 2001. They also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for Investments (other than Cash and Term Deposits, and Derivative Assets), Deferred Tax Liabilities and Net assets attributable to unitholders.

For the purposes of the financial statements the Trust is considered a for-profit entity.

The financial statements are presented in Australian Dollars and have been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

AASB 132 Financial Instruments: Presentation includes an exception for presenting redeemable units as financial liabilities if certain criteria are met. We have reassessed the exemption criteria and have determined that the Trust's redeemable units do not meet the criteria and as a result the units have been reclassified from equity to liabilities in the comparative year.

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

(b) Financial instruments

(i) Classification

The Trust's investments are classified upon initial recognition at fair value through profit or loss. They comprise of the Trust's derivative assets and liabilities, cash and term deposits, fixed interest securities, equities and managed funds.

(ii) Recognition/derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to a contractual agreement (trade date) and recognises changes in the fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Trust has transferred substantially all risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Trust measures a financial asset or liability at its fair value. Transaction costs are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, gains and losses arising from changes in the fair value are presented in the Statement of Comprehensive Income in the period in which they arise.

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

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Financial instruments (continued)

(iii) Measurement (continued)

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

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Trust is the current bid price and the quoted market price for financial liabilities is the current asking price.

The fair value of financial assets and liabilities that are traded in an inactive or unquoted market are determined by either:

- The redemption value, as reported by the external investment manager; or
- By using valuation techniques conducted by an external professional valuer.

For further details on how the fair values of financial instruments are determined please see Note 11(e) of the financial statements.

(c) 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 12 of the financial statements for further information.

(d) Derivatives

The Trust enters 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. Refer to Note 12 of the financial statements for further information.

(e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows 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.

Cash and term deposits held for investing activities in the Statement of Financial Position is reported separately with further details relating to market risk and fair value hierarchy contained in Note 11.

(f) Income tax

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

Investment income is 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 Trust.

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

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).

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

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(f) Income tax (continued)

Deferred tax

Deferred tax is accounted for using the 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 Trust expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(g) Other receivables and payables

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

(h) Redeemable units

The Trust issues redeemable units, which are redeemable at the unit holder's option. The consideration received or paid for units is based on the value of the Trust's net asset value per redeemable unit at the date of the transaction. In accordance with the provisions of the Trust Deed, investment positions are valued based on the last traded market price, net of transaction costs, for the purpose of determining the Trust's net asset value for unit pricing purposes. The Trust's net asset value per unit is calculated by dividing the Trust's net assets for that class of unit by the total number of outstanding units within that class.

As this is a multi-class Trust, units are classified as financial liabilities as they no longer meet the requirements of equity in accordance with AASB 132 *Financial Instruments: Presentation*. The change in classification made in the current year has resulted in the redeemable units being reclassified as a financial liability in the Statement of Financial Position, profit attributable to unitholders being reclassified as finance costs attributable to unitholders in the Statement of Comprehensive Income and removed from the Statement in Changes in Equity. These presentation changes have also been applied retrospectively.

(i) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

(j) Investment Income

Investment income is brought to account on an accruals basis. Dividends on quoted shares are deemed to accrue on the date the dividend has gone ex-distribution as at reporting date. Distributions from managed funds are deemed to accrue to the extent the price has gone ex-distribution as at reporting date. Changes in the fair value of assets are recognised in the Statement of Comprehensive Income in the periods in which they occur.

(k) Goods and Services Tax (GST)

Where applicable GST incurred by the Trust 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.

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

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(l) Significant accounting judgements, estimates and assumptions

The preparation of the Trust'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. The Trust has identified that significant estimates and judgements are involved in determining the fair value of its unlisted investments. Refer to Note 11(f) where the significant judgements, estimates and assumptions relating to investment valuations is explained.

(m) Accounting standards and interpretations

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

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

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134, & AASB Practice Statement 2]*
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112]*
- *AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules [AASB 112]*

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

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

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

NOTE 3. OTHER RECEIVABLES

	2024	2023
	\$	\$
Accrued dividends and distributions	163,441,026	130,046,882
Accrued fixed income interest	294,949	226,684
Accrued bank interest	8,250,991	13,791,584
Accrued other income	36,705,394	35,754,344
Investor subscriptions receivable	880,519	1,000,827
Total other receivables	209,572,879	180,820,321

NOTE 4. ACCOUNTS PAYABLE

	2024	2023
	\$	\$
Management fees	79,353,327	31,107,279
Custody and administration fees	3,626,415	15,014,726
Audit and tax	625,509	1,146,318
Successor fund transfers tax liabilities	34,864,616	29,413,685
Margin balances with brokers	245,792	357,449
Total accounts payable	118,715,659	77,039,457

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

NOTE 5. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 23
	Units	Units	\$	\$
Hostplus Superannuation Fund				
Opening Balance	48,219,504,736	44,840,688,708	94,357,504,915	80,013,953,371
Applications	3,735,740,153	3,882,401,254	7,563,088,027	7,285,624,296
Applications – Maritime Super SFT	3,057,287,572	–	6,058,321,053	–
Redemptions	(728,971,275)	(503,585,226)	(1,446,322,879)	(950,052,277)
Trust Transactions				
Investment revenue			9,250,258,461	8,994,572,159
Investment expenses			(419,139,838)	(275,348,389)
Income tax expense			(677,396,170)	(711,244,245)
Closing Balance	54,283,561,186	48,219,504,736	114,686,313,569	94,357,504,915
Other Investors				
Opening Balance	267,986,797	239,817,539	406,417,146	329,039,144
Applications	65,724,998	79,737,431	96,474,834	105,200,040
Redemptions	(42,336,515)	(51,568,173)	(59,055,228)	(72,327,530)
Trust Transactions				
Investment revenue			49,652,171	49,988,622
Investment expenses			(2,249,797)	(1,530,288)
Income tax expense			(3,636,027)	(3,952,842)
Closing Balance	291,375,280	267,986,797	487,603,099	406,417,146
Institutional Investors				
Opening Balance	2,192,788,052	2,310,016,908	5,739,840,380	5,605,560,776
Applications	47,888,789	367,817,365	117,414,850	769,610,107
Redemptions	(76,825,685)	(485,046,221)	(166,429,481)	(999,494,381)
Redemptions – Maritime Super SFT	(2,163,851,156)	–	(6,058,321,053)	–
Trust Transactions				
Investment revenue			376,828,005	409,029,302
Investment expenses			(3,263,230)	(12,521,502)
Income tax expense			(6,069,471)	(32,343,922)
Closing Balance	–	2,192,788,052	–	5,739,840,380
Closing Balance			115,173,916,668	100,503,762,441

The rights attached to each unit are not the same due to different fee structures. The units have the same entitlements, preferences and restrictions to the underlying investments.

On 1 September 2023, the Hostplus Superannuation Fund completed a successor fund transfer with Maritime Super. This was a non-cash transaction which saw \$6,058,321,053 of Maritime Super's units in the PST transfer to the Hostplus Superannuation Fund.

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

NOTE 6. RESERVES

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

Administration reserve - is separately maintained to manage the receipt of administration fees paid by unitholders and the payment of Trust administration and other expenses.

Operational Risk Financial Requirement ('ORFR') reserve - is separately maintained to ensure the Trust has access to adequate financial resources in the event of losses arising from an operational risk event. The Trust 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). The policy also provides that the target balance of the ORFR reserve is 10 basis points of the Trust's net assets available to unitholders (2023: 10 basis points).

The Trust held the following reserves as at 30 June 2024 and 30 June 2023:

2024

	Administration Reserve	Operational Risk Financial Requirement Reserve	Total
	\$	\$	\$
Opening Balance	11,026,967	100,483,244	111,510,211
Income	12,237,943	7,437,581	19,675,524
Expenditure	(2,794,488)	-	(2,794,488)
Transfer between reserves	(7,400,000)	7,400,000	-
Transfer to reserves	-	-	-
Closing Balance	13,070,422	115,320,825	128,391,247

2023

	Administration Reserve	Operational Risk Financial Requirement Reserve	Total
	\$	\$	\$
Opening Balance	9,449,948	86,506,403	95,956,351
Income	11,756,973	6,676,841	18,433,814
Expenditure	(2,879,954)	-	(2,879,954)
Transfer between reserves	(7,300,000)	7,300,000	-
Transfer to reserves	-	-	-
Closing Balance	11,026,967	100,483,244	111,510,211

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

NOTE 7. NET CHANGES IN FAIR VALUE OF INVESTMENTS

Net gains/(losses) recognised in relation to financial assets and financial liabilities at fair value through profit or loss:

	2024	2023
	\$	\$
Financial assets		
Net realised gain/(loss) on financial assets at fair value through profit or loss	3,951,913,952	3,427,035,489
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	4,604,624,279	6,458,925,096
Net gain/(loss) on financial assets at fair value through profit or loss	8,556,538,231	9,885,960,585
Financial liabilities		
Net realised gain/(loss) on financial liabilities at fair value through profit or loss	(2,889,983,668)	(4,523,060,039)
Net unrealised gain/(loss) on financial liabilities at fair value through profit or loss	362,343,508	858,505,684
Net gain/(loss) on financial liabilities at fair value through profit or loss	(2,527,640,160)	(3,664,554,355)
Total net gain/(loss) on financial instruments at fair value through profit or loss	6,028,898,071	6,221,406,230

NOTE 8. COLLECTIVE INVESTMENTS

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

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

Industry Super Holdings Pty Ltd and subsidiaries

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

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

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

- IFM Investors Pty Ltd ('IFM') manages a selection of infrastructure, listed equity, private equity, fixed interest and cash portfolios on behalf of Hostplus totalling \$29,269.0m as at 30 June 2024 (2023: \$24,727.0m). Total income earned on the portfolios managed by IFM was \$3,061.2m (2023: gains of \$2,802.8m). Hostplus paid IFM investment management fees of \$21.5m (2023: \$19.7m) during the financial year. All transactions were made on normal commercial terms, under normal conditions and at market rates.

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

NOTE 8. COLLECTIVE INVESTMENTS (continued)

Industry Super Holdings Pty Ltd and subsidiaries (continued)

- Industry Fund Services Ltd ('IFS') provides the Fund financial planning and debt collection services. Total fees paid to IFS for the year ended 30 June 2024 were \$3.3m (2023: \$1.7m). All transactions were made on normal commercial terms, under normal conditions and at market rates.
- IFS Insurance Solutions Pty Ltd ('IFS Insurance') provides the Fund with insurance brokerage services. Total fees and brokerage paid to IFS Insurance for the year ended 30 June 2024 were \$0.07m (2023: \$0.07m). All transactions were made on normal commercial terms, under normal conditions and at market rates.
- Industry Super Australia Pty Ltd ('ISA') provides the Fund with marketing and lobbying services. Total fees paid to ISA for the year ended 30 June 2024 were \$3.4m (2023: \$4.1m). All transactions were made on normal commercial terms, under normal conditions and at market rates.

Industry Super Property Trust

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

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

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

NOTE 9. 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.

	2024	2023
	\$	\$
(a) Income tax (benefit) / expense		
Current income tax expense	199,151,885	(10,508,856)
Adjustments in respect of current income tax of previous years	(70,959,337)	28,120,816
Deferred tax expense	558,909,120	729,929,048
	687,101,668	747,541,008

Deferred (income)/expenses included in income tax expenses comprises:

(Decrease)/increase in deferred tax liabilities	558,909,120	729,929,048
	558,909,120	729,929,048

Numerical reconciliation of income tax expense to prima facie tax payable

Profit before income tax	9,268,966,808	9,179,743,763
Tax at the applicable Australian tax rate of 15%	1,390,345,021	1,376,961,564

Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:

Imputation credits and other tax credits	53,966,018	48,780,490
Exempt pension income	(86,253,161)	(85,805,478)
Non assessable investment income	(250,747,506)	(364,212,730)
	(283,034,649)	(401,237,718)

Income tax expense	1,107,310,372	975,723,846
Imputation credits and other tax credits	(351,411,837)	(256,303,654)
Under/(Over) provision in prior year	(70,959,337)	28,120,816
Prior year adjustment deferred income tax liabilities and tax relodgement	2,162,470	-
Income tax expense	687,101,668	747,541,008

(b) Deferred tax assets and liabilities

Deferred income tax relates to the following:

Deferred income tax liabilities

Unrealised gains on investments subject to CGT	2,020,479,852	1,576,254,846
Other	83,355,391	(31,328,723)
	2,103,835,243	1,544,926,123

(c) Current tax asset and liability

The current tax asset for the Trust is \$147,004,483 (2023: \$323,252,927) and represents the amount of income tax receivable in respect of current and prior periods. There is no amount recognised as receivable from the Fund to the Trust.

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

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

NOTE 10. NOTES TO THE STATEMENT OF CASH FLOWS

	2024	2023
	\$	\$
(a) Reconciliation of cash		
The figure shown for cash in the Statement of Cash Flows consists of:		
Cash and cash equivalents	5,713,488,203	4,968,354,889
(b) Reconciliation of profit / (loss) to net cash inflow / (outflow) from operating activities		
Profit / (loss) for the year	8,581,865,140	8,432,202,755
Proceeds from sale of investments held at fair value through profit or loss	46,235,805,736	53,377,273,689
Purchase of investments held at fair value through profit or loss	(54,886,212,004)	(63,543,687,358)
(Increase) / decrease in fair value of investments	(6,028,898,071)	(6,221,406,230)
(Increase) / decrease in assets		
Net change in receivables and other assets	(36,615,631)	23,745,248
Increase / (decrease) in liabilities		
Net change in payables and other liabilities	43,345,314	(33,644,560)
Deferred tax liabilities	558,909,120	729,929,048
Income tax (receivable) / payable	176,248,444	(69,533,363)
Net cash inflows / (outflows) from operating activities	<u>(5,355,551,952)</u>	<u>(7,305,120,771)</u>

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

NOTE 11. FINANCIAL RISK MANAGEMENT

The Trust's assets predominantly consist of a range of financial instruments in various asset classes including cash, diversified fixed interest, Australian equities, international equities, property, infrastructure, private equity and alternative assets as per the strategic allocation set by the Trustee. The type of financial instruments held 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 (direct or indirect), 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. This note represents information about the Trust's exposure to each of the above risks and the Trustee's objectives, policies and processes for measuring and managing that risk.

The Trustee is responsible for setting, monitoring and revising the investment strategy of the Trust, including the allocation of investments amongst various asset classes. The Trustee is also responsible 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 Trust, including those risks arising from holding financial instruments;
- Set appropriate risk limits and controls; and
- Monitor risks and adherence to limits.

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

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

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

The Trust also utilises derivative financial instruments such as futures, options, swaps and forward foreign exchange contracts to manage market movement, currency risk and to 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 undertakes extensive due diligence to ensure fund managers have appropriate skills and expertise to manage the funds allocated prior to their appointment. The Trustee has appointed JANA Investment Advisers to provide external expert advice regarding asset allocation, the selection of investment managers and the management of the Trust's investment portfolio in accordance with the Trustee's Investment Strategy.

The Trustee's Risk and Compliance Committee oversees how management monitors compliance with the Trustee's risk management policies and procedures and reviews the adequacy of the Risk Management Framework in relation to the risks faced by the Trust, 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 to ensure risk remains within acceptable levels in accordance with the overall mandate of each investment manager.

The Hostplus investment department regularly tracks the value of the Trust's investments through monitoring of market conditions, relevant benchmarks and indices and review of regular reports provided by the custodian, investment advisers and investment managers.

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

NOTE 11. FINANCIAL RISK MANAGEMENT (continued)

(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 Trust's 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 Trust is exposed to foreign currency risk on financial instruments that are denominated in a currency other than Australian dollars, the functional currency of the Trust. Foreign exchange risk on all foreign currency denominated assets and liabilities is regularly monitored and managed against pre-determined limits and asset allocations.

The Trust holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates.

Sensitivity analysis

Following analysis of historical data over 10 years by the Trustee's investment adviser, and assuming all other variables remain constant, the Trust has adopted a volatility factor for currency risk of 7% (2023: 8%) on the assumption that the Australian dollar will weaken / strengthen against each other currency to which the Trust is exposed. This represents 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.

An increase or decrease in foreign exchange rates would have impacted Net Assets and Profit/Loss for the year by the amounts shown below.

2024

	Carrying Amount	Net Assets		Profit / Loss for the year	
	\$	\$	\$	\$	\$
		-7.00%	7.00%	-7.00%	7.00%
USD	35,204,571,157	(2,094,671,984)	2,094,671,984	(2,094,671,984)	2,094,671,984
JPY	1,200,943,072	(71,456,113)	71,456,113	(71,456,113)	71,456,113
Euro	4,988,318,314	(296,804,940)	296,804,940	(296,804,940)	296,804,940
GBP	1,787,707,209	(106,368,579)	106,368,579	(106,368,579)	106,368,579
HKD	1,211,682,779	(72,095,125)	72,095,125	(72,095,125)	72,095,125
SGD	46,075,869	(2,741,514)	2,741,514	(2,741,514)	2,741,514
Other	6,638,316,203	(394,979,814)	394,979,814	(394,979,814)	394,979,814
	51,077,614,603	(3,039,118,069)	3,039,118,069	(3,039,118,069)	3,039,118,069

2023

	Carrying Amount	Net Assets		Profit / Loss for the year	
	\$	\$	\$	\$	\$
		-8.00%	8.00%	-8.00%	8.00%
USD	28,705,100,017	(1,951,946,801)	1,951,946,801	(1,951,946,801)	1,951,946,801
JPY	997,679,618	(67,842,214)	67,842,214	(67,842,214)	67,842,214
Euro	4,213,245,016	(286,500,661)	286,500,661	(286,500,661)	286,500,661
GBP	1,431,179,252	(97,320,189)	97,320,189	(97,320,189)	97,320,189
HKD	1,266,977,994	(86,154,504)	86,154,504	(86,154,504)	86,154,504
SGD	88,718,301	(6,032,844)	6,032,844	(6,032,844)	6,032,844
Other	5,505,886,436	(374,400,277)	374,400,277	(374,400,277)	374,400,277
	42,208,786,634	(2,870,197,490)	2,870,197,490	(2,870,197,490)	2,870,197,490

**HOSTPLUS POOLED SUPERANNUATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 11. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

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 Trust's investments in fixed interest and cash instruments which are interest bearing securities are subject to interest rate risk. The interest rate risk associated with cash and cash equivalents held by the Trust is considered to be insignificant given its operating nature.

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

Sensitivity analysis

In considering what may be an appropriate volatility factor for fixed interest securities, 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 past 10 years is 73 basis points (2023: 67 bps) and 75 basis points (2023: 69 bps) respectively. The Trust's fixed interest investments are approximately 40% invested domestically and 60% offshore, such that the weighted average of these two figures is 74 basis points (2023: 68 bps). Therefore, the Trust has adopted a volatility factor for interest rate risk of 74 basis points (2023: 68 bps). In considering what may be an appropriate volatility factor for interest on cash and term deposits, the Trustee's investment adviser examined the average absolute movement in the yields of the Bloomberg AusBond Bank Bill Index. The average annual absolute movement in the yields of the Bloomberg AusBond Bank Bill Index over the past 10 years is 200 basis points (2023: 30 bps). This represents management's best estimate of a reasonably possible shift in interest rates having regard to historical data and is not guaranteed as actual results may vary from management's reasonably possible estimate.

	2024	2023
Cash and term deposits	200 bps	30 bps
Fixed interest securities	74 bps	68 bps

An increase or decrease in interest rates would have impacted Net Assets and Profit/Loss for the year by the amounts shown below. This analysis assumes that all other variables remain constant.

2024

	Carrying Amount	Net Assets		Profit / Loss for the year	
	\$	\$	\$	\$	\$
		Increase	Decrease	Increase	Decrease
Cash and term deposits	705,984,582	12,001,738	(12,001,738)	12,001,738	(12,001,738)
Fixed interest securities	7,313,964,370	(46,004,836)	46,004,836	(46,004,836)	46,004,836
	8,019,948,952	(34,003,098)	34,003,098	(34,003,098)	34,003,098

2023

	Carrying Amount	Net Assets		Profit / Loss for the year	
	\$	\$	\$	\$	\$
		Increase	Decrease	Increase	Decrease
Cash and term deposits	938,944,939	2,394,310	(2,394,310)	2,394,310	(2,394,310)
Fixed interest securities	6,562,348,847	(37,930,376)	37,930,376	(37,930,376)	37,930,376
	7,501,293,786	(35,536,066)	35,536,066	(35,536,066)	35,536,066

**HOSTPLUS POOLED SUPERANNUATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 11. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

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 Trust that are exposed to other price risk include equities and managed funds. The Trust'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 Trust 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. Other 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 30 June 2024 reporting period. This represents management's best estimate of a reasonably possible shift in market prices having regard to historical data and is not guaranteed as actual results may vary from management's reasonably possible estimate.

In considering other price risk for listed equity exposure, the investment adviser examined the average absolute annual returns of the S&P/ASX 300 Accumulation Index and the MSCI All Countries World Index ex-Australia. In terms of managed funds, the investment adviser examined the average absolute annual returns of the PST's managed funds on either a market benchmark of actual portfolio return basis as there are no 'investable' indices for managed funds investments.

	2024	2023
Equities	14.0%	14.0%
Managed funds	11.0%	11.0%

An increase or decrease in the market price of investments of the Trust at 30 June would have impacted Net Assets and Profit / Loss for the year by the amounts shown below. This analysis assumes that all other variables remain constant.

2024

	Carrying Amount	Net Assets		Profit / Loss for the year	
	\$	\$	\$	\$	\$
		Increase	Decrease	Increase	Decrease
Equities	54,549,440,906	6,491,383,468	(6,491,383,468)	6,491,383,468	(6,491,383,468)
Managed funds	48,335,174,833	4,519,338,847	(4,519,338,847)	4,519,338,847	(4,519,338,847)
	102,884,615,739	11,010,722,315	(11,010,722,315)	11,010,722,315	(11,010,722,315)

2023

	Carrying Amount	Net Assets		Profit / Loss for the year	
	\$	\$	\$	\$	\$
		Increase	Decrease	Increase	Decrease
Equities	45,122,933,384	5,369,629,073	(5,369,629,073)	5,369,629,073	(5,369,629,073)
Managed funds	44,398,223,379	4,151,233,886	(4,151,233,886)	4,151,233,886	(4,151,233,886)
	89,521,156,763	9,520,862,959	(9,520,862,959)	9,520,862,959	(9,520,862,959)

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

NOTE 11. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk represents the risk that the counterparty to a financial instrument will fail to discharge an obligation and cause the Trust to incur a financial loss. Credit risk also reflects uncertain asset values due to adverse movement 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. Other credit risk is considered to be insignificant to the Trust, as all amounts are held with investment grade banks. None of these assets are impaired nor past due.

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

As a result, Management consider the probability of default to be close to zero and as such, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Trust.

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

2024

	Carrying Amount
	\$
Derivative Assets	634,189,161
Directly held fixed interest	7,313,964,370
	<u>7,948,153,531</u>

2023

	Carrying Amount
	\$
Derivative Assets	307,723,650
Directly held fixed interest	6,562,348,847
	<u>6,870,072,497</u>

Script lending

The Trustee has entered into a securities lending arrangement with Citibank N.A. – Sydney Branch ('Citibank') under which legal title to some of the Trust's assets may be transferred to another entity. The securities are loaned by Citibank, as agent of the Trustee, to certain brokers and other financial institutions (the 'Borrowers'). The Borrowers provide cash and/or securities as collateral against loans in an amount between 102% and 110% of the fair value of the loaned securities (2023: 102% and 110%). Cash collateral provided by the Borrowers is invested in high quality government debt, term deposits, Certificates of Deposits, Reverse Repurchase Agreements, commercial paper, and corporate debt.

The total fair value of assets subject to securities lending arrangements at the end of each reporting period, and which are included in the above, amounts to \$52,253,796,054 (2023: \$41,155,603,242). The total value of securities on loan at 30 June 2024 which are recognised as an asset in the statement of financial position, amounted to \$206,870,693 (2023: \$175,252,543).

During the year ended 30 June 2024, the gross earnings on securities lending is \$4,203,761 (2023: \$6,857,007). These amounts were received and paid on behalf of Citibank and have been recognised in profit or loss.

During the year ended 30 June 2024, the Trust paid fees to Citibank in the amount of \$751,389 (2023: \$1,224,512) including GST for acting as lending agent.

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

NOTE 11. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Risks and Indemnification

The risks and benefits of ownership of the loaned assets remain with the Trust. Consistent with the accounting policy note for recognition/de-recognition of financial instruments, because the Trust continues to enjoy the risks and benefits of ownership, assets that have been loaned have not been derecognised (i.e. treated as having been sold). Citibank, as lending agent, indemnifies the Trust for replacement of any loaned securities (or, in certain circumstances, return of equivalent cash value) due to a Borrower default on a security loan. As noted in Note 11 (b), all stock lending is fully collateralised by the borrower and Citibank as the indemnifying party hold an investment grade credit rating A+ (S&P Global Ratings).

Investment Grades

The Trust invests in debt securities managed by specialist investments managers who are bound by guidelines and limitations set out in an investment management agreement. These guidelines and limitations are agreed between the Trustee and investment manager, in consultation with the Trustee's investment adviser. Below is the investment grade categorisation of the Trust's fixed interest securities:

	2024	2023
	Carrying Amount	Carrying Amount
	\$	\$
Australian debt securities		
AAA	35,553,546	–
A-1+	2,048,840,450	2,920,483,600
A-1	1,070,789,410	674,988,500
A-2	446,966,500	528,179,262
AA+	74,149,468	8,203,269
AA	25,395,196	5,078,602
AA-	880,575,802	388,194,928
A+	142,639,958	52,804,148
A	20,283,464	4,101,785
BBB	39,633,152	–
BBB-	23,206,708	30,681,028
BB	1,017,222	–
Not rated	224,105,327	77,814,483
Total	5,033,156,203	4,690,529,605
International debt securities		
A-2	13,390,634	25,463,990
AAA	102,016,936	32,570,917
AA+	15,767,749	4,938,524
AA	23,595,491	6,713,586
AA-	10,970,463	2,775,087
A+	17,150,091	2,669,150
A	25,910,264	17,183,078
A-	14,511,720	7,808,799
BBB+	18,110,761	2,582,925
BBB	90,948,084	36,807,746
BBB-	114,034,981	90,932,818
BB+	108,970,756	57,105,463
BB	122,657,183	76,076,070
BB-	539,243,673	713,035,856
B+	100,300,137	127,907,944
B	146,768,570	83,233,131
B-	85,406,117	40,797,329
CCC+	35,885,700	19,924,034
CCC	3,878,750	3,385,942
CCC-	3,032,951	–
CC	711,302	–
C	112	113
Not rated	687,545,742	519,906,740
Total	2,280,808,167	1,871,819,242

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

NOTE 11. FINANCIAL RISK MANAGEMENT (continued)

(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 salability 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 Trust'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. The investments of the Trust are monitored to comply with the asset allocation stipulated in the Trustee's Investment Strategy and also considers the Trust's expected future cash flow requirements.

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

2024

	Carrying Amount	Less than 1 month	1 to 3 months	Greater than 3 months
	\$	\$	\$	\$
Accounts payable	118,715,659	118,715,659	–	–
Unsettled investment applications	335,624,753	335,624,753	–	–
Derivative liabilities	989,707	–	989,707	–
Foreign currency forward contracts				
Inflows	(68,864,209,862)	(21,421,104,481)	(29,136,807,477)	(18,306,297,904)
Outflows	68,315,443,311	21,286,730,637	28,774,036,330	18,254,676,344
Total	(93,436,432)	319,966,568	(361,781,440)	(51,621,560)

2023

	Carrying Amount	Less than 1 month	1 to 3 months	Greater than 3 months
	\$	\$	\$	\$
Accounts payable	77,039,457	77,039,457	–	–
Unsettled investment applications	355,216,416	355,216,416	–	–
Derivative liabilities	431,325	–	431,325	–
Foreign currency forward contracts				
Inflows	(54,657,763,422)	(15,529,482,245)	(24,221,713,644)	(14,906,567,533)
Outflows	54,801,702,671	15,774,154,512	24,129,771,477	14,897,776,682
Total	576,626,447	676,928,140	(91,510,842)	(8,790,851)

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

NOTE 11. FINANCIAL RISK MANAGEMENT (continued)

(d) Structured Entities

The Trust invests in structured entities, which are pooled investment vehicles, which includes unlisted managed funds or trusts. The activities of the collective investment vehicle are directed under an investment management agreement and typically focus on a particular asset class. The Trust may control the structured entity but is not required to prepare consolidated financial statements as it applies the Investment Entity Exemption available under AASB 10.

The Trust's investments in structured entities by asset class at balance date is as follows:

Asset Class	Carrying amount 2024 \$	Carrying amount 2023 \$
Cash	–	–
Diversified fixed interest	5,875,595,307	4,346,885,285
Australian equities	3,270,474,604	4,067,176,134
International equities	11,771,137,989	10,373,395,008
Property	8,220,052,235	8,910,491,964
Infrastructure	9,598,401,842	9,311,511,709
Alternative assets	7,053,700,508	5,997,428,201
	<u>45,789,362,485</u>	<u>43,006,888,301</u>

The Trust's maximum exposure to loss from its interests in the structured entities is equal to the total fair value of its investments.

(e) Estimation of fair values

The Trust's financial assets and liabilities included in the Statement of Financial Position are carried at fair value on a recurring basis. The major methods and assumptions used in determining fair value of financial instruments have been disclosed at Note 11(f) Fair value hierarchy.

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

NOTE 11. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value hierarchy

The table below analyses financial instruments carried at 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; and
- Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety of the instrument. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If 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 particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment 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. The Trust's investments are valued in accordance with the accounting policies disclosed in Note 2. 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 Trust 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 Trust's investments categorised under level 2 and 3 are held in unlisted managed funds and are recorded at the redemption value per unit, as reported by the external investment manager. Some of the inputs used by the external investment manager in their pricing models may not be market observable and are therefore subject to a level of estimation uncertainty.

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

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

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

NOTE 11. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value hierarchy (continued)

The tables below set out the Trust's financial assets and liabilities measured at fair value according to the fair value hierarchy.

2024

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

2023

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

There were \$7,801,972 transfers from level 1 and level 2 to level 3 for the year ended 30 June 2024 (2023: \$237,892,155).

Level 3 investments

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

	2024	2023
	\$	\$
Opening Balance	34,098,466,397	29,990,869,670
Purchases	4,919,199,788	6,341,843,666
Sales	(3,247,447,805)	(3,637,555,867)
Transfers into/(out) of level 3	(1,255,224,456)	237,892,155
Gains and losses recognised in profit and loss	83,382,964	1,165,416,773
Closing Balance	34,598,376,888	34,098,466,397

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

NOTE 11. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value hierarchy (continued)

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 significant amount of these investments are held via externally managed unlisted pooled investment vehicles, and as such the Trustee engages in effective and ongoing monitoring of all external managers to ensure the valuation processes used are aligned to that of the Trust.

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. Annually, the Trustee receives confirmation from the fund managers that the valuation policies used to determine fair value are consistent with those previously reviewed by the Trustee. Any significant changes to the fund manager valuation policies are re-reviewed by the Trustee. At least annually, final valuations are adopted by the Board in determining the final unit price.

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

(i) Managed funds

As at 30 June 2024 the Trust has managed funds of \$33,781,572,071 (2023: \$32,213,349,618) categorised as level 3, which include unlisted unit trusts, partnerships and unlisted managed funds. These investments are recorded at the redemption value at balance date, as provided by the external investment manager or general partner. As these investments are not actively traded in a public market, the valuation provided by the external investment manager or general partner is considered unobservable in accordance with the definitions within the accounting standards. The range of inputs related to the unit price is not disclosed as the number of investments held would result in a wide range of unrelated inputs. Refer to Note 11(a) Other Price risk for further disclosure of the relationship of the unit price to fair value.

(ii) Equity securities

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

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

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

30 June 2024

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

30 June 2023

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

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

NOTE 11. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value hierarchy (continued)

(ii) Equity securities (continued)

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

(iii) Fixed interest securities

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

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

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

(g) Environmental, Social and Governance factors

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

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

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

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

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

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

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

NOTE 12. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the balance sheet are disclosed in the table below:

Effect of offsetting on Statement of Financial Position

2024

	Gross amounts of financial instruments	Gross amounts set off in the statement of financial position	Net amount of financial instruments presented in the statement of financial position	Amounts subject to master netting arrangements	Net Amount
	\$	\$	\$	\$	\$
Financial Assets					
Derivative assets	634,189,162	-	634,189,162	(64,151,896)	570,037,266
Financial Liabilities					
Derivative liabilities	(82,419,366)	-	(82,419,366)	64,151,896	(18,267,470)

Effect of offsetting on Statement of Financial Position

2023

	Gross amounts of financial instruments	Gross amounts set off in the statement of financial position	Net amount of financial instruments presented in the statement of financial position	Amounts subject to master netting arrangements	Net Amount
	\$	\$	\$	\$	\$
Financial Assets					
Derivative assets	307,723,650	-	307,723,650	(249,586,941)	58,136,709
Financial Liabilities					
Derivative liabilities	(446,298,054)	-	(446,298,054)	249,586,941	(196,711,113)

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

NOTE 13. RELATED PARTIES

(a) Trustee

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

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

Under the terms of the Trust Deed, the Trustee is entitled to be reimbursed out of Trust assets for all expenses and liabilities it incurs in connection with the Trust or in performing its obligations. This reimbursement is otherwise referred to as a Trustee Services Fee and the amount paid and payable by the Trust is set out in Note 13(e). Embedded in the Trustee Services Fee is the Trust's share of remuneration paid/payable to Directors for services rendered to the Board and Committees of the Board as set out in the tables below.

The Trustee is also entitled to charge a fee to hold on its own account against the risk of acting as Trustee of the Fund and the Trust. This fee is otherwise referred to as a Risk Premium Charge and the amount paid and payable by the investors of the Trust for the year is set out in Note 13(e). The Risk Premium Charge is held by the Trustee in a Risk Premium Reserve to indemnify the Trustee or Directors for non-indemnifiable liabilities.

(b) Remuneration of key management personnel

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

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

(i) Board of Directors

Short-term benefits include fees.

Post-employment benefits consist of superannuation payments.

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

(ii) Other executive key management personnel

Short-term benefits include salary, annual leave, short-term incentive payments and non-monetary benefits.

Post-employment benefits consist of superannuation payments.

Long-term benefits include long service leave, and long-term incentive payments.

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

NOTE 13. RELATED PARTIES (continued)

(c) Directors' attendance at Board and Committee meetings

Year Ended 30 June 2024

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

A Number of meetings attended

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

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

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

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

Year Ended 30 June 2023

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

A Number of meetings attended

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

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

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

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

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

NOTE 13. RELATED PARTIES (continued)

(d) Related party unit holdings

The Fund and certain KMP are unitholders in the Trust. The external investor terms and conditions for KMP are the same as those available to other external investors in the Trust.

The units held in the Trust were as follows:

2024					
Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)
The Fund	48,219,504,736	54,283,561,186	99.47	6,793,027,725	(728,971,275)
External Investors	267,986,797	291,375,280	0.53	65,724,998	(42,336,515)
Institutional Investors	2,192,788,052	–	–	47,888,789	(2,240,676,841)
	50,680,279,585	54,574,936,466	100.00	6,906,641,512	(3,011,984,631)

2023					
Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)
The Fund	44,840,688,708	48,219,504,736	95.14	3,882,401,254	(503,585,226)
External Investors	239,817,539	267,986,797	0.53	79,737,431	(51,568,173)
Institutional Investors	2,310,016,908	2,192,788,052	4.33	367,817,365	(485,046,221)
	47,390,523,155	50,680,279,585	100.00	4,329,956,050	(1,040,199,620)

(e) Trustee fees and other transactions

Under the terms of the Trust Deed, the Trustee is entitled to receive a Trustee Services Fee and collect a Risk Premium Charge (refer to Note 13(a) for more details). During the year, Trustee Services Fees paid and payable inclusive of GST by the Trust to the Trustee are as outlined in the following table.

	2024	2023
	\$	\$
Trustee Services Fee	1,043,814	1,120,485
Risk Premium Charge	17,017,152	15,278,014
	18,060,966	16,398,499

(f) Other transactions with the Fund

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

(g) Investment in Hostplus Commercial Property Pty Ltd

On 19 November 2021, Hostplus Pooled Superannuation Trust ('Trust') acquired Hostplus Commercial Property Pty Ltd ('HCPPL'). The Trust owns 100% of HCPPL which holds a commercial property (Icon Place) situated at 270 Adelaide Street Brisbane QLD 4000. The rental income earned on the portfolio was \$0.4m (2023: \$0.4m) for the financial year. All transactions were made on normal commercial terms, under normal conditions and at market rates. The fair value of the investment in HCPPL is \$4.4m (2023: \$8.7m).

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

NOTE 14. REMUNERATION OF AUDITORS

	2024	2023
	\$	\$
Remuneration paid or payable for services provided by the auditor, PricewaterhouseCoopers (including GST)		
- Audit of Financial Statements	218,173	183,840
- Assurance over regulatory compliance and returns	70,518	76,240
- Other Non-audit Services		
- Merger Due Diligence & Procedures	-	16,500
	<u>288,691</u>	<u>276,580</u>

NOTE 15. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No significant events have occurred since the end of the reporting period which would impact on the Statement of Financial Position, Statement of Comprehensive Income or Statement of Cash Flows of the Trust for the year ended 30 June 2024.

NOTE 16. CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

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

	2024	2023
	\$	\$
Fixed interest securities	568,562,893	723,215,304
Equities	170,973,059	82,480,494
Managed Funds	5,932,686,785	5,881,794,745
	<u>6,672,222,737</u>	<u>6,687,490,543</u>

There were no other contingent assets or liabilities as at 30 June 2024 and 30 June 2023.

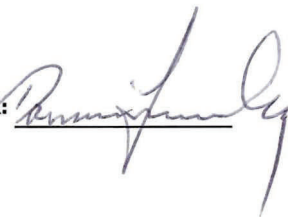
**HOSTPLUS POOLED SUPERANNUATION TRUST
TRUSTEE STATEMENT**

In the opinion of the Trustee of the Hostplus Pooled Superannuation Trust:

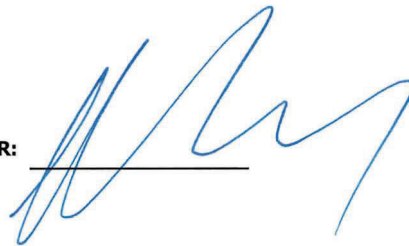
- (a) the accompanying financial statements and notes set out on pages 11 to 41 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Trust's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and
- (b) the financial statements are prepared in accordance with the requirements of the Trust Deed dated 7 February 2014 and the Superannuation Industry (Supervision) Act 1993 and Regulations; and
- (c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
- (d) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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

DIRECTOR:



DIRECTOR:



Melbourne
13 September 2024



Independent auditor's report

To Host-Plus Pty. Limited, the Trustee of Hostplus Pooled Superannuation Trust (ABN: 13 140 019 340)

Report on the audit of the financial report

Our opinion

In our opinion:

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

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

What we have audited

The financial report comprises:

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

Basis for opinion

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

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

Independence

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

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Liability limited by a scheme approved under Professional Standards Legislation.



Our audit approach

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

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

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

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

Key audit matters

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

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><i>Valuation of investments in managed funds</i> <i>Refer to note 11(f)(ii) Fair value in an inactive or unquoted market (level 2 and level 3)</i></p> <p>At 30 June 2024, the Trust's investments in managed funds by asset class comprised primarily of fixed interest, Australian and international equities, property, infrastructure and alternative assets, amongst others.</p> <p>Note 11(f)(ii) of the financial statements describes the valuation methodology used by the Trust to measure the fair value of investments in managed funds under Australian Accounting Standards. Note 11(f)(ii) states that the Trust's investments in managed funds are recorded at the redemption value per unit, as reported by the external investment manager.</p>	<p>We evaluated the operating effectiveness of certain controls supporting the Trust's valuation of level 2 and 3 investments in managed funds. This included relevant controls relating to the Trust's oversight and review of the valuation process of external investment managers of unlisted investments held within the Trust.</p> <p>We also performed the following procedures, amongst others:</p> <ul style="list-style-type: none">● obtained a valuation statement as at 30 June 2024 from a sample of external investment managers and compared the valuation quoted by the relevant external investment manager to the Trust's accounting records; and● assessed the reliability of the valuation statements provided by a sample of external investment managers by



Key audit matter

How our audit addressed the key audit matter

We considered this a key audit matter because:

- the investment in level 2 and level 3 managed funds is financially significant to the Trust's statement of financial position;
- the level of judgement involved in the determination of unobservable inputs into the fair value by the external investment manager; and
- the sensitivity of the fair value of investments in managed funds to material changes in unobservable inputs.

Investments in level 1 & 2 financial assets and liabilities (excluding level 2 Managed Funds) *Refer to note 11(f) Fair value hierarchy*

At 30 June 2024, the Trust's level 1 and 2 financial assets and liabilities primarily included investments in listed equity securities, listed managed funds, fixed interest securities and derivative assets and liabilities.

Note 11 of the financial statements describes the valuation methodology used by the Trust to measure the fair value of the level 1 and 2 financial assets and liabilities under Australian Accounting Standards.

We considered investments in level 1 and 2 financial assets and liabilities a key audit matter because of the financial significance of the balances in the Trust's statement of financial position.

reference to the audited financial statements of the managed funds, or by performing other procedures such as inspecting transactions close to balance date, when available.

We assessed the design and evaluated the operating effectiveness of relevant controls operated by the third-party service organisations that provide administration and custody services. We performed the following procedures, amongst others:

- Inspected the most recent reports provided to the Trust by the third-party service organisations setting out the relevant controls in place at that service organisation, which included an audit opinion from the service organisation's auditor over the design and operating effectiveness of those controls.
- Developed an understanding of the control objectives and associated control activities and evaluated the results of the tests undertaken and the conclusions formed by the service organisation's auditor, to the extent relevant to our audit the Trust's investments in level 1 and 2 financial assets and liabilities.

Together with assistance from PwC valuation experts we performed the following procedures, amongst others:

- For a selection of listed equity securities, obtained an external market price and compared that price to the Trust's valuation of listed equity securities.
- For a selection of fixed interest securities and derivative assets and liabilities, recalculated the valuation and compared



Key audit matter

How our audit addressed the key audit matter

that valuation to the value of the Trust's fixed interest securities and derivative assets and liabilities.

Other information

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

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

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

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

Responsibilities of the directors of the Trustee for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar6.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

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

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

Responsibilities

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

The PricewaterhouseCoopers logo is a stylized, handwritten-style script of the company name.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'George Sagonas'.

George Sagonas
Partner

Melbourne
13 September 2024